

**Quarterly rpt on consolidated results for the financial period ended 30/9/2014**

IHH HEALTHCARE BERHAD

Financial Year End 31/12/2014  
 Quarter 3  
 Quarterly report for the financial period ended 30/09/2014  
 The figures have not been audited  
**Attachments**

[IHH - Q3 2014 quarterly results \(25.11.2014\) final.pdf](#)

267 KB

[IHH - Q3 2014 Financial Results Press Release \(25.11.2014\) For Immediate Release.pdf](#)

187 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)****SUMMARY OF KEY FINANCIAL INFORMATION**

30/09/2014

|                                                                                            | INDIVIDUAL PERIOD            |                                            | CUMULATIVE PERIOD                  |                                              |
|--------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------|------------------------------------|----------------------------------------------|
|                                                                                            | CURRENT YEAR<br>QUARTER      | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER | CURRENT YEAR TO DATE               | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD |
|                                                                                            | 30/09/2014<br>\$\$'000       | 30/09/2013<br>\$\$'000                     | 30/09/2014<br>\$\$'000             | 30/09/2013<br>\$\$'000                       |
| <b>1 Revenue</b>                                                                           | 1,783,943                    | 1,671,718                                  | 5,406,608                          | 4,976,318                                    |
| <b>2 Profit/(loss) before tax</b>                                                          | 205,806                      | 169,638                                    | 792,177                            | 591,367                                      |
| <b>3 Profit/(loss) for the period</b>                                                      | 158,770                      | 127,542                                    | 608,142                            | 474,867                                      |
| <b>4 Profit/(loss) attributable to ordinary equity holders of the parent</b>               | 146,907                      | 117,029                                    | 515,063                            | 401,059                                      |
| <b>5 Basic earnings/(loss) per share (Subunit)</b>                                         | 1.80                         | 1.44                                       | 6.31                               | 4.95                                         |
| <b>6 Proposed/Declared dividend per share (Subunit)</b>                                    | 0.00                         | 0.00                                       | 0.00                               | 0.00                                         |
| <b>7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b> | AS AT END OF CURRENT QUARTER |                                            | AS AT PRECEDING FINANCIAL YEAR END |                                              |
|                                                                                            |                              | 2.2700                                     |                                    | 2.2200                                       |

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
 Example for the subunit as follows:

| Country        | Base Unit | Subunit |
|----------------|-----------|---------|
| Malaysia       | Ringgit   | Sen     |
| United States  | Dollar    | Cent    |
| United Kingdom | Pound     | Pence   |

**Announcement Info**

Company Name IHH HEALTHCARE BERHAD  
 Stock Name IHH  
 Date Announced 25 Nov 2014  
 Category Financial Results  
 Reference No IH-141112-66212



**IHH Healthcare Berhad**

**IHH HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**  
**30 SEPTEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                                             | Note | 3rd quarter ended |                |             | Financial period ended |                |            |
|---------------------------------------------------------------------------------------------|------|-------------------|----------------|-------------|------------------------|----------------|------------|
|                                                                                             |      | 30 Sept 2014      | 30 Sept 2013   | Variance    | 30 Sept 2014           | 30 Sept 2013   | Variance   |
|                                                                                             |      | RM'000            | RM'000         | %           | RM'000                 | RM'000         | %          |
| Revenue                                                                                     |      | 1,783,943         | 1,671,718      | 7%          | 5,406,608              | 4,976,318      | 9%         |
| Other operating income                                                                      | 1    | 40,912            | 36,261         | 13%         | 128,235                | 123,706        | 4%         |
| Inventories and consumables                                                                 |      | (299,073)         | (277,385)      | -8%         | (898,517)              | (838,473)      | -7%        |
| Purchased and contracted services                                                           |      | (166,153)         | (195,642)      | 15%         | (491,619)              | (525,226)      | 6%         |
| Staff costs                                                                                 | 2    | (709,581)         | (624,788)      | -14%        | (2,097,773)            | (1,889,782)    | -11%       |
| Depreciation and impairment losses of property, plant and equipment                         |      | (137,101)         | (130,850)      | -5%         | (413,969)              | (397,868)      | -4%        |
| Amortisation and impairment losses of intangible assets                                     |      | (16,526)          | (17,356)       | 5%          | (49,838)               | (52,321)       | 5%         |
| Operating lease expenses                                                                    |      | (50,506)          | (46,003)       | -10%        | (147,617)              | (132,605)      | -11%       |
| Other operating expenses                                                                    | 1    | (171,758)         | (166,017)      | -3%         | (544,505)              | (487,629)      | -12%       |
| Finance income                                                                              | 3    | 9,137             | 18,355         | -50%        | 43,060                 | 51,259         | -16%       |
| Finance costs                                                                               | 3    | (82,649)          | (103,395)      | 20%         | (153,541)              | (243,844)      | 37%        |
| Share of profits/(losses) of associates (net of tax)                                        | 4    | 1,037             | 411            | 152%        | 1,316                  | (2,651)        | 150%       |
| Share of profits of joint ventures (net of tax)                                             |      | 4,124             | 4,329          | -5%         | 10,337                 | 10,483         | -1%        |
| <b>Profit before tax</b>                                                                    |      | <b>205,806</b>    | <b>169,638</b> | <b>21%</b>  | <b>792,177</b>         | <b>591,367</b> | <b>34%</b> |
| Income tax expense                                                                          |      | (47,036)          | (42,096)       | -12%        | (184,035)              | (116,500)      | -58%       |
| <b>Profit for the period</b>                                                                |      | <b>158,770</b>    | <b>127,542</b> | <b>24%</b>  | <b>608,142</b>         | <b>474,867</b> | <b>28%</b> |
| <b>Other comprehensive income, net of tax</b>                                               |      |                   |                |             |                        |                |            |
| <b>Items that may be reclassified subsequently to profit or loss</b>                        |      |                   |                |             |                        |                |            |
| Foreign currency translation differences from foreign operations                            | 5    | (223,802)         | 173,300        | NM          | (272,569)              | (11,950)       | NM         |
| Hedge of net investments in foreign operations                                              | 5    | 63,881            | 3,673          | NM          | 40,217                 | 107,249        | -63%       |
| Net change in fair value of available-for-sale financial assets                             | 6    | 92,843            | (118,663)      | 178%        | 154,140                | 21,451         | NM         |
| Cash flow hedge                                                                             |      | 1,670             | (1,389)        | NM          | (1,675)                | 736            | NM         |
|                                                                                             |      | (65,408)          | 56,921         | NM          | (79,887)               | 117,486        | -168%      |
| <b>Other comprehensive income, net of tax</b>                                               |      |                   |                |             |                        |                |            |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                   |      |                   |                |             |                        |                |            |
| Remeasurement of defined benefit liability                                                  |      | 5                 | -              | -           | (708)                  | -              | -          |
| Revaluation of property, plant and equipment upon reclassification to investment properties | 7    | -                 | 205            | -100%       | 35,823                 | 205            | NM         |
|                                                                                             |      | 5                 | 205            |             | 35,115                 | 205            |            |
| <b>Total comprehensive income for the period</b>                                            |      | <b>93,367</b>     | <b>184,668</b> | <b>-49%</b> | <b>563,370</b>         | <b>592,558</b> | <b>-5%</b> |
| <b>Profit attributable to:</b>                                                              |      |                   |                |             |                        |                |            |
| Owners of the Company                                                                       |      | 146,907           | 117,029        | 26%         | 515,063                | 401,059        | 28%        |
| Non-controlling interests                                                                   |      | 11,863            | 10,513         | 13%         | 93,079                 | 73,808         | 26%        |
| <b>Profit for the period</b>                                                                |      | <b>158,770</b>    | <b>127,542</b> | <b>24%</b>  | <b>608,142</b>         | <b>474,867</b> | <b>28%</b> |
| <b>Total comprehensive income attributable to:</b>                                          |      |                   |                |             |                        |                |            |
| Owners of the Company                                                                       |      | 129,948           | 305,918        | -58%        | 541,947                | 601,526        | -10%       |
| Non-controlling interests                                                                   |      | (36,581)          | (121,250)      | 70%         | 21,423                 | (8,968)        | NM         |
| <b>Total comprehensive income for the period</b>                                            |      | <b>93,367</b>     | <b>184,668</b> | <b>-49%</b> | <b>563,370</b>         | <b>592,558</b> | <b>-5%</b> |
| <b>Earnings per share (sen)</b>                                                             |      |                   |                |             |                        |                |            |
| Basic                                                                                       | 8    | 1.80              | 1.44           | 25%         | 6.31                   | 4.95           | 28%        |
| Diluted                                                                                     | 8    | 1.79              | 1.43           | 25%         | 6.29                   | 4.92           | 28%        |

Note: "Acibadem Holdings" as referred to throughout this financial report includes the wholly-owned Integrated Healthcare Turkey Yatirimlari Limited Group, which owns 60% effective interest in Acibadem Sağlık Yatırımları Holding A.Ş. Group

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**SUPPLEMENTARY INFORMATION**

|                                                                          | 3rd quarter ended      |                        |               | Financial period ended |                        |               |     |
|--------------------------------------------------------------------------|------------------------|------------------------|---------------|------------------------|------------------------|---------------|-----|
|                                                                          | 30 Sept 2014<br>RM'000 | 30 Sept 2013<br>RM'000 | Variance<br>% | 30 Sept 2014<br>RM'000 | 30 Sept 2013<br>RM'000 | Variance<br>% |     |
| Profit attributable to owners of the Company                             | 146,907                | 117,029                | 26%           | 515,063                | 401,059                | 28%           |     |
| Add back/(less): Exceptional items ("EI")                                |                        |                        |               |                        |                        |               |     |
| Professional and consultancy fees for acquisitions                       | 343                    | 2,771                  |               | 1,141                  | 3,353                  |               |     |
| Change in fair value of contingent consideration payable <sup>i</sup>    | -                      | 39                     |               | -                      | (4,003)                |               |     |
| Property, plant and equipment written off                                | 208                    | 30                     |               | 403                    | 190                    |               |     |
| Loss/(gain) on disposal of property, plant and equipment                 | 101                    | (1,757)                |               | (2,233)                | (3,214)                |               |     |
| Gain on disposal of assets held for sale                                 | -                      | -                      |               | -                      | (67)                   |               |     |
| Gain on disposal of subsidiaries                                         | -                      | (4,376)                |               | -                      | (4,376)                |               |     |
| Exchange loss on net borrowings <sup>ii</sup>                            | 3                      | 61,025                 |               | 53,732                 | 135,796                |               |     |
| Tax refund relating to a prior year <sup>iii</sup>                       | -                      | -                      |               | -                      | (22,000)               |               |     |
|                                                                          | 61,677                 | 63,739                 |               | 53,043                 | 105,679                |               |     |
| Less: Tax effects on EI                                                  | (12,205)               | (13,406)               |               | (10,746)               | (27,159)               |               |     |
| Less: Non-controlling interests' share of EI                             | (19,514)               | (20,774)               |               | (16,566)               | (41,133)               |               |     |
|                                                                          | 29,958                 | 29,559                 |               | 25,731                 | 37,387                 |               |     |
| Profit attributable to owners of the Company, excluding EI <sup>iv</sup> | 176,865                | 146,588                | 21%           | 540,794                | 438,446                | 23%           |     |
| Earnings per share, excluding EI <sup>iv</sup> (sen)                     |                        |                        |               |                        |                        |               |     |
| Basic                                                                    | 8                      | 2.16                   | 1.80          | 20%                    | 6.63                   | 5.41          | 23% |
| Diluted                                                                  | 8                      | 2.16                   | 1.79          | 21%                    | 6.61                   | 5.38          | 23% |

NM: Not meaningful

Note:

- Fair valuation of contingent consideration payable relate to the acquisition of Bodrum Tedavi
- Relates to exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings
- The Group recognised a tax credit of RM22.0 million during 2013 as a result of successful recovery of tax paid in a prior year
- Exceptional items, net of tax and non-controlling interests

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2013 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

## EXPLANATORY NOTES TO THE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Refer to Section B1 for performance review of the Group's major operating segments.

1. Other operating income and other operating expenses include exceptional items as detailed on Page 2.
2. Staff costs increased as a result of salary and wage increase driven by the higher demand for trained healthcare professionals. The Group also increased its headcount to staff Acibadem Atakent Hospital and Pantai Hospital Manjung, which commenced operations in January 2014 and May 2014 respectively.
3. Acibadem recognises exchange gain or loss arising from the translation of its non-Turkish Lira ("TL") denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively.

In Q3 2014, exchange losses of RM53.7 million and RM7.3 million were recognized on translation of such non-TL balances in the finance costs and finance income respectively as compared to RM67.0 million in finance cost in Q3 2013. Exchange losses of RM53.7 million was recognized in the finance costs in YTD 2014 compared with RM135.8 million in YTD 2013.

Parkway HK Holdings Limited recognised an exchange gain of RM4.4 million in the finance income for its non-Hong Kong Dollars ("HKD") denominated borrowings in Q3 2014 and YTD 2014.

Refer to section B14 for details.

4. In 2013, the Group recognised a loss on its share of results of Kyami Pty Ltd, a 30% indirectly-owned associate of the Group. Kyami Pty Ltd's losses arose from tax paid on dividend income received from its subsidiaries.
5. Parkway Life Real Estate Investment Trust ("PLife REIT"), an indirect 35.8% owned subsidiary of the Group, hedges its interest in the net assets of its Japanese operations and the effective portion of the hedge is recognised as a hedge of net investments in the statement of other comprehensive income. The Group's foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore and Turkish operations.
6. Fair value change of available-for-sale financial assets arose from the mark-to-market of the Group's 10.9% investment in Apollo Hospitals Enterprise Limited.
7. In Q2 2014, the Group re-designated the use of a few medical suites units at Mount Elizabeth Novena Specialist Centre from held for own use to held for rental and had accordingly reclassified them from property, plant and equipment to investment properties. The difference in the carrying value of these medical suites units immediately prior to the transfer and its fair value was recognised directly in equity as a revaluation of property, plant and equipment.
8. The Group's EPS was computed based on an enlarged share capital base in comparison to last year. Refer to Section B12 for details.

### Note:

Key average exchange rates used to translate the YTD results of overseas subsidiaries into RM:

|                            | 30 Sept 2014 | 30 Sept 2013 |
|----------------------------|--------------|--------------|
| 1 Singapore Dollar ("SGD") | 2.5793       | 2.5029       |
| 1 Turkish Lira ("TL")      | 1.5004       | 1.6738       |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2014**

|                                                                              | Note | 30 Sept 2014<br>RM'000 | 31 Dec 2013<br>RM'000 |
|------------------------------------------------------------------------------|------|------------------------|-----------------------|
| <b>Assets</b>                                                                |      |                        |                       |
| Property, plant and equipment                                                |      | 9,399,319              | 9,365,720             |
| Investment properties                                                        | 1    | 2,028,582              | 1,922,721             |
| Goodwill on consolidation                                                    |      | 8,744,848              | 8,881,234             |
| Intangible assets                                                            |      | 2,522,189              | 2,628,126             |
| Interests in associates                                                      |      | 5,563                  | 4,497                 |
| Interests in joint ventures                                                  |      | 174,589                | 170,069               |
| Other financial assets                                                       | 2    | 900,500                | 758,037               |
| Other receivables                                                            |      | 50,236                 | 36,312                |
| Derivative assets                                                            |      | 17,296                 | 15,949                |
| Deferred tax assets                                                          |      | 65,030                 | 77,567                |
| <b>Total non-current assets</b>                                              |      | <b>23,908,152</b>      | <b>23,860,232</b>     |
| Inventories                                                                  |      | 167,487                | 152,991               |
| Trade and other receivables                                                  | 3    | 1,075,263              | 1,002,152             |
| Tax recoverable                                                              |      | 48,014                 | 62,368                |
| Other financial assets                                                       |      | 28,398                 | 38,476                |
| Derivative assets                                                            |      | 1,335                  | 233                   |
| Cash and cash equivalents                                                    |      | 2,159,719              | 2,144,827             |
| <b>Total current assets</b>                                                  |      | <b>3,480,216</b>       | <b>3,401,047</b>      |
| <b>Total assets</b>                                                          |      | <b>27,388,368</b>      | <b>27,261,279</b>     |
| <b>Equity</b>                                                                |      |                        |                       |
| Share capital                                                                |      | 8,178,570              | 8,134,974             |
| Share premium                                                                |      | 8,059,027              | 7,992,299             |
| Other reserves                                                               |      | 284,331                | 265,729               |
| Retained earnings                                                            |      | 2,028,164              | 1,682,143             |
| <b>Total equity attributable to owners of the Company</b>                    |      | <b>18,550,092</b>      | <b>18,075,145</b>     |
| Non-controlling interests                                                    |      | 1,743,310              | 1,847,802             |
| <b>Total equity</b>                                                          |      | <b>20,293,402</b>      | <b>19,922,947</b>     |
| <b>Liabilities</b>                                                           |      |                        |                       |
| Loans and borrowings                                                         | 4    | 3,650,811              | 4,170,246             |
| Employee benefits                                                            |      | 29,488                 | 23,144                |
| Trade and other payables                                                     |      | 377,420                | 363,119               |
| Derivative liabilities                                                       |      | 5,864                  | 3,566                 |
| Deferred tax liabilities                                                     |      | 919,093                | 935,103               |
| <b>Total non-current liabilities</b>                                         |      | <b>4,982,676</b>       | <b>5,495,178</b>      |
| Loans and borrowings                                                         | 4    | 450,439                | 291,035               |
| Trade and other payables                                                     | 5    | 1,427,241              | 1,331,175             |
| Derivative liabilities                                                       |      | 899                    | 3,121                 |
| Employee benefits                                                            |      | 37,246                 | 38,928                |
| Tax payable                                                                  |      | 196,465                | 178,895               |
| <b>Total current liabilities</b>                                             |      | <b>2,112,290</b>       | <b>1,843,154</b>      |
| <b>Total liabilities</b>                                                     |      | <b>7,094,966</b>       | <b>7,338,332</b>      |
| <b>Total equity and liabilities</b>                                          |      | <b>27,388,368</b>      | <b>27,261,279</b>     |
| Net assets per share attributable to owners of the Company <sup>1</sup> (RM) |      | 2.27                   | 2.22                  |

<sup>1</sup>: Based on 8,178.6 million and 8,135.0 million shares in issue as at 30 September 2014 and 31 December 2013 respectively

## EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

1. The increase in investment properties was mainly due to PLife REIT's acquisition of three Japanese properties during the period, for a consideration equivalent to almost RM100.0 million.

In addition, the Group re-designated the use of a few medical suites units at Mount Elizabeth Novena Specialist Centre from held for own use to held for rental and had accordingly reclassified them from property, plant and equipment to investment properties.

2. The increase in the non-current other financial assets was mostly due to the fair valuation gain of RM154.1 million for the Group's available for sale financial instruments in Apollo Hospitals Enterprise Limited.
3. Trade and other receivables increased in line with higher revenues during the period.
4. During the period, borrowings decreased as Parkway Pantai Limited repaid approximately RM321.6 million of borrowings, which was partly offset by PLife REIT's and Acibadem's draw down of their loan facilities to finance the above-mentioned acquisition of investment properties, capital expenditure and working capital.
5. IMU Health and Shenton Insurance Pte. Ltd. recognised accrued revenue arising from upfront billings which increased the Group's trade and other payables as at 30 September 2014. These payables will be recognised as revenue in the income statement as service is rendered.

Construction and renovation projects within the Group resulted in approximately RM17.8 million higher capital expenditure payable as at 30 September 2014.

### Note:

Key closing exchange rates used to translate the financial position of overseas subsidiaries into RM:

|                            | 30 Sept 2014 | 31 Dec 2013 |
|----------------------------|--------------|-------------|
| 1 Singapore Dollar ("SGD") | 2.5602       | 2.5780      |
| 1 Turkish Lira ("TL")      | 1.4496       | 1.5277      |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                                             | <----- Attributable to owners of the Company -----> |                            |                                      |                                    |                                  |                            |                                           | <----- Non-distributable -----> Distributable           |                                |                   |                                            |                           |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------|--------------------------------------|------------------------------------|----------------------------------|----------------------------|-------------------------------------------|---------------------------------------------------------|--------------------------------|-------------------|--------------------------------------------|---------------------------|
|                                                                                             | Share<br>capital<br>RM'000                          | Share<br>premium<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Fair<br>value<br>reserve<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Hedge<br>reserve<br>RM'000 | Capital<br>and legal<br>reserve<br>RM'000 | Foreign<br>currency<br>translation<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000   | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>At 1 January 2014</b>                                                                    | 8,134,974                                           | 7,992,299                  | 33,295                               | 216,082                            | 205                              | 16,150                     | (293,386)                                 | 293,383                                                 | 1,682,143                      | 18,075,145        | 1,847,802                                  | 19,922,947                |
| Foreign currency translation differences from foreign operations                            | -                                                   | -                          | -                                    | -                                  | -                                | -                          | -                                         | (176,429)                                               | -                              | (176,429)         | (96,140)                                   | (272,569)                 |
| Hedge of net investments in foreign operations                                              | -                                                   | -                          | -                                    | -                                  | -                                | -                          | -                                         | 14,377                                                  | -                              | 14,377            | 25,840                                     | 40,217                    |
| Net change in fair value of available-for-sale financial assets                             | -                                                   | -                          | -                                    | 154,140                            | -                                | -                          | -                                         | -                                                       | -                              | 154,140           | -                                          | 154,140                   |
| Cash flow hedge                                                                             | -                                                   | -                          | -                                    | -                                  | -                                | (602)                      | -                                         | -                                                       | -                              | (602)             | (1,073)                                    | (1,675)                   |
| Remeasurement of defined benefit liability                                                  | -                                                   | -                          | -                                    | -                                  | -                                | -                          | -                                         | -                                                       | (425)                          | (425)             | (283)                                      | (708)                     |
| Revaluation of property, plant and equipment upon reclassification to investment properties | -                                                   | -                          | -                                    | -                                  | 35,823                           | -                          | -                                         | -                                                       | -                              | 35,823            | -                                          | 35,823                    |
| Total other comprehensive income for the period                                             | -                                                   | -                          | -                                    | 154,140                            | 35,823                           | (602)                      | -                                         | (162,052)                                               | (425)                          | 26,884            | (71,656)                                   | (44,772)                  |
| Profit for the period                                                                       | -                                                   | -                          | -                                    | -                                  | -                                | -                          | -                                         | -                                                       | 515,063                        | 515,063           | 93,079                                     | 608,142                   |
| <b>Total comprehensive income for the period</b>                                            | -                                                   | -                          | -                                    | 154,140                            | 35,823                           | (602)                      | -                                         | (162,052)                                               | 514,638                        | 541,947           | 21,423                                     | 563,370                   |
| <i>Contributions by and distributions to owners of the Company</i>                          |                                                     |                            |                                      |                                    |                                  |                            |                                           |                                                         |                                |                   |                                            |                           |
| - Share options exercised                                                                   | 34,000                                              | 48,574                     | -                                    | -                                  | -                                | -                          | -                                         | -                                                       | -                              | 82,574            | -                                          | 82,574                    |
| - Share-based payment                                                                       | -                                                   | -                          | 20,505                               | -                                  | -                                | -                          | -                                         | -                                                       | -                              | 20,505            | -                                          | 20,505                    |
| - Cancellation of share options                                                             | -                                                   | 13                         | (13)                                 | -                                  | -                                | -                          | -                                         | -                                                       | -                              | -                 | -                                          | -                         |
| - Dividends to owners of the Company                                                        | -                                                   | -                          | -                                    | -                                  | -                                | -                          | -                                         | -                                                       | (163,500)                      | (163,500)         | -                                          | (163,500)                 |
| Transfer to share capital and share premium on share options exercised                      | 34,000                                              | 48,587                     | 20,492                               | -                                  | -                                | -                          | -                                         | -                                                       | (163,500)                      | (60,421)          | -                                          | (60,421)                  |
| Changes in ownership interest in subsidiaries                                               | 9,596                                               | 18,141                     | (27,737)                             | -                                  | -                                | -                          | -                                         | -                                                       | -                              | -                 | -                                          | -                         |
| Transfer per statutory requirements                                                         | -                                                   | -                          | -                                    | -                                  | -                                | 1                          | (6,770)                                   | 190                                                     | -                              | (6,579)           | (24,210)                                   | (30,789)                  |
| Dividends paid to non-controlling interests                                                 | -                                                   | -                          | -                                    | -                                  | -                                | -                          | 5,117                                     | -                                                       | (5,117)                        | -                 | -                                          | -                         |
|                                                                                             | -                                                   | -                          | -                                    | -                                  | -                                | -                          | -                                         | -                                                       | -                              | -                 | (101,705)                                  | (101,705)                 |
| <b>Total transactions with owners of the Company</b>                                        | <b>43,596</b>                                       | <b>66,728</b>              | <b>(7,245)</b>                       | <b>-</b>                           | <b>-</b>                         | <b>1</b>                   | <b>(1,653)</b>                            | <b>190</b>                                              | <b>(168,617)</b>               | <b>(67,000)</b>   | <b>(125,915)</b>                           | <b>(192,915)</b>          |
| <b>At 30 September 2014</b>                                                                 | <b>8,178,570</b>                                    | <b>8,059,027</b>           | <b>26,050</b>                        | <b>370,222</b>                     | <b>36,028</b>                    | <b>15,549</b>              | <b>(295,039)</b>                          | <b>131,521</b>                                          | <b>2,028,164</b>               | <b>18,550,092</b> | <b>1,743,310</b>                           | <b>20,293,402</b>         |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                                             | <----- Attributable to owners of the Company -----> |               |                      |                    |                     |               |                           | <----- Non-distributable ----->      |                   |            |                           |              | Distributable |        |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------|----------------------|--------------------|---------------------|---------------|---------------------------|--------------------------------------|-------------------|------------|---------------------------|--------------|---------------|--------|
|                                                                                             | Share capital                                       | Share premium | Share option reserve | Fair value reserve | Revaluation reserve | Hedge reserve | Capital and legal reserve | Foreign currency translation reserve | Retained earnings | Total      | Non-controlling interests | Total equity |               |        |
|                                                                                             | RM'000                                              | RM'000        | RM'000               | RM'000             | RM'000              | RM'000        | RM'000                    | RM'000                               | RM'000            | RM'000     | RM'000                    | RM'000       | RM'000        | RM'000 |
| <b>At 1 January 2013</b>                                                                    | 8,055,445                                           | 7,890,224     | 32,810               | 177,859            | -                   | 15,867        | (246,610)                 | 143,075                              | 1,062,330         | 17,131,000 | 2,044,763                 | 19,175,763   |               |        |
| Foreign currency translation differences from foreign operations                            | -                                                   | -             | -                    | -                  | -                   | -             | -                         | 140,171                              | -                 | 140,171    | (152,121)                 | (11,950)     |               |        |
| Hedge of net investments in foreign operations                                              | -                                                   | -             | -                    | -                  | -                   | -             | -                         | 38,377                               | -                 | 38,377     | 68,872                    | 107,249      |               |        |
| Net change in fair value of available-for-sale financial assets                             | -                                                   | -             | -                    | 21,451             | -                   | -             | -                         | -                                    | -                 | 21,451     | -                         | 21,451       |               |        |
| Cash flow hedge                                                                             | -                                                   | -             | -                    | -                  | -                   | 263           | -                         | -                                    | -                 | 263        | 473                       | 736          |               |        |
| Revaluation of property, plant and equipment upon reclassification to investment properties | -                                                   | -             | -                    | -                  | 205                 | -             | -                         | -                                    | -                 | 205        | -                         | 205          |               |        |
| Total other comprehensive income for the period                                             | -                                                   | -             | -                    | 21,451             | 205                 | 263           | -                         | 178,548                              | -                 | 200,467    | (82,776)                  | 117,691      |               |        |
| Profit for the period                                                                       | -                                                   | -             | -                    | -                  | -                   | -             | -                         | -                                    | 401,059           | 401,059    | 73,808                    | 474,867      |               |        |
| <b>Total comprehensive income for the period</b>                                            | -                                                   | -             | -                    | 21,451             | 205                 | 263           | -                         | 178,548                              | 401,059           | 601,526    | (8,968)                   | 592,558      |               |        |
| <i>Contributions by and distributions to owners of the Company</i>                          |                                                     |               |                      |                    |                     |               |                           |                                      |                   |            |                           |              |               |        |
| - Share options exercised                                                                   | 72,250                                              | 86,700        | -                    | -                  | -                   | -             | -                         | -                                    | -                 | 158,950    | -                         | 158,950      |               |        |
| - Share-based payment                                                                       | -                                                   | -             | 16,471               | -                  | -                   | -             | -                         | -                                    | -                 | 16,471     | -                         | 16,471       |               |        |
|                                                                                             | 72,250                                              | 86,700        | 16,471               | -                  | -                   | -             | -                         | -                                    | -                 | 175,421    | -                         | 175,421      |               |        |
| Transfer to share capital and share premium on share options exercised                      | 7,279                                               | 15,375        | (22,654)             | -                  | -                   | -             | -                         | -                                    | -                 | -          | -                         | -            |               |        |
| Disposal of a subsidiary                                                                    | -                                                   | -             | -                    | -                  | -                   | -             | 170                       | (111)                                | -                 | 59         | (8,094)                   | (8,035)      |               |        |
| Changes in ownership interest in subsidiaries                                               | -                                                   | -             | -                    | -                  | -                   | -             | (43,121)                  | 6                                    | -                 | (43,115)   | (21,509)                  | (64,624)     |               |        |
| Transfer per statutory requirements                                                         | -                                                   | -             | -                    | -                  | -                   | -             | 8,282                     | -                                    | (8,282)           | -          | -                         | -            |               |        |
| Dividends paid to non-controlling interests                                                 | -                                                   | -             | -                    | -                  | -                   | -             | -                         | -                                    | -                 | -          | (81,948)                  | (81,948)     |               |        |
| <b>Total transactions with owners of the Company</b>                                        | 79,529                                              | 102,075       | (6,183)              | -                  | -                   | -             | (34,669)                  | (105)                                | (8,282)           | 132,365    | (111,551)                 | 20,814       |               |        |
| <b>At 30 September 2013</b>                                                                 | 8,134,974                                           | 7,992,299     | 26,627               | 199,310            | 205                 | 16,130        | (281,279)                 | 321,518                              | 1,455,107         | 17,864,891 | 1,924,244                 | 19,789,135   |               |        |

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2013 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                         | <b>Financial period ended</b> |                     |
|-------------------------------------------------------------------------|-------------------------------|---------------------|
|                                                                         | <b>30 Sept 2014</b>           | <b>30 Sept 2013</b> |
|                                                                         | <b>RM'000</b>                 | <b>RM'000</b>       |
| <b>Cash flows from operating activities</b>                             |                               |                     |
| Profit before tax                                                       | 792,177                       | 591,367             |
| Adjustments for:                                                        |                               |                     |
| Dividend income                                                         | (4,654)                       | (4,169)             |
| Finance income                                                          | (43,060)                      | (51,259)            |
| Finance costs                                                           | 153,541                       | 243,844             |
| Depreciation and impairment losses of property, plant and equipment     | 413,969                       | 397,868             |
| Amortisation and impairment losses of intangible assets                 | 49,838                        | 52,321              |
| Write-off:                                                              |                               |                     |
| - Property, plant and equipment                                         | 403                           | 190                 |
| - Inventories                                                           | 464                           | 299                 |
| - Trade and other receivables                                           | 3,250                         | -                   |
| Gain on disposal of property, plant and equipment                       | (2,233)                       | (3,214)             |
| Gain on disposal of subsidiaries                                        | -                             | (4,376)             |
| Gain on disposal of assets held for sale                                | -                             | (67)                |
| Impairment loss made/(written back):                                    |                               |                     |
| - Trade and other receivables                                           | 15,955                        | 26,490              |
| - Amounts due from associates                                           | (1,021)                       | (1,239)             |
| - Investment in joint ventures                                          | -                             | 2,545               |
| - Other financial assets                                                | -                             | (2,545)             |
| Change in fair value of contingent consideration payable                | -                             | (4,003)             |
| Share of (profits)/losses of associates (net of tax)                    | (1,316)                       | 2,651               |
| Share of profits of joint ventures (net of tax)                         | (10,337)                      | (10,483)            |
| Equity-settled share-based payment                                      | 20,505                        | 16,471              |
| Net unrealised foreign exchange differences                             | (55,222)                      | (17,247)            |
| <b>Operating profit before changes in working capital</b>               | <b>1,332,259</b>              | <b>1,235,444</b>    |
| Changes in working capital                                              |                               |                     |
| Trade and other receivables                                             | (74,347)                      | (228,707)           |
| Inventories                                                             | (13,787)                      | (9,580)             |
| Trade and other payables                                                | 50,245                        | (17,446)            |
| <b>Cash flows from operations</b>                                       | <b>1,294,370</b>              | <b>979,711</b>      |
| Net income tax paid                                                     | (135,501)                     | (139,317)           |
| <b>Net cash generated from operating activities</b>                     | <b>1,158,869</b>              | <b>840,394</b>      |
| <b>Cash flows from investing activities</b>                             |                               |                     |
| Interest received                                                       | 33,979                        | 34,275              |
| Capital injection into joint ventures                                   | -                             | (10,875)            |
| Disposal of subsidiary, net of cash and cash equivalents acquired       | -                             | 2,058               |
| Development and purchase of intangible assets                           | (7,759)                       | (10,700)            |
| Purchase of property, plant and equipment                               | (590,549)                     | (1,116,600)         |
| Purchase of investment properties                                       | (106,254)                     | (214,229)           |
| Proceeds from disposal of property, plant and equipment                 | 28,505                        | 8,686               |
| Proceeds from disposal of assets held for sale                          | -                             | 233                 |
| Proceeds from disposal of intangible assets                             | 1,018                         | -                   |
| Net repayment from associates                                           | 943                           | 1,169               |
| Net repayment from joint ventures                                       | 6,843                         | 310                 |
| Dividends received from available for sale instruments                  | 4,654                         | 4,169               |
| Dividends received from associates                                      | -                             | 1,159               |
| Dividends received from joint ventures                                  | 1,682                         | 1,539               |
| Refund of deposits paid to non-controlling shareholders of subsidiaries | 25,591                        | 43,032              |
| <b>Net cash used in investing activities</b>                            | <b>(601,347)</b>              | <b>(1,255,774)</b>  |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                        | <b>Financial period ended</b> |                     |
|------------------------------------------------------------------------|-------------------------------|---------------------|
|                                                                        | <b>30 Sept 2014</b>           | <b>30 Sept 2013</b> |
|                                                                        | <b>RM'000</b>                 | <b>RM'000</b>       |
| <b>Cash flows from financing activities</b>                            |                               |                     |
| Interest paid                                                          | (89,471)                      | (92,096)            |
| Proceeds from exercise of share options                                | 82,574                        | 158,950             |
| Loan from non-controlling interests of a subsidiary                    | 23,708                        | 291,146             |
| Repayment of loans and borrowings                                      | (1,095,437)                   | (1,358,780)         |
| Buy-back of floating rate notes                                        | -                             | (35,271)            |
| Proceeds from loans and borrowings                                     | 828,676                       | 2,328,337           |
| Dividends paid to non-controlling shareholders                         | (101,705)                     | (81,948)            |
| Dividends paid to owners of Company                                    | (163,500)                     | -                   |
| Acquisition of non-controlling interests                               | (31,867)                      | (65,327)            |
| Proceeds from dilution of interest in subsidiaries                     | -                             | 703                 |
| Change in pledged deposits                                             | 1,293                         | 58,756              |
| <b>Net cash (used in)/from financing activities</b>                    | <b>(545,729)</b>              | <b>1,204,470</b>    |
| <b>Net increase in cash and cash equivalents</b>                       | <b>11,793</b>                 | <b>789,090</b>      |
| Effect of exchange rate fluctuations on cash and cash equivalents held | 4,392                         | 8,256               |
| Cash and cash equivalents at beginning of the period                   | 2,135,609                     | 1,552,854           |
| <b>Cash and cash equivalents at end of the period</b>                  | <b>2,151,794</b>              | <b>2,350,200</b>    |

***Cash and cash equivalents***

Cash and cash equivalents included in the statements of cash flows comprises of:

|                                                       | <b>30 Sept 2014</b> | <b>30 Sept 2013</b> |
|-------------------------------------------------------|---------------------|---------------------|
|                                                       | <b>RM'000</b>       | <b>RM'000</b>       |
| Cash and bank balances                                | 679,351             | 786,008             |
| Fixed deposits placed with licensed banks             | 1,480,368           | 1,575,050           |
|                                                       | 2,159,719           | 2,361,058           |
| Less:                                                 |                     |                     |
| - Bank overdrafts                                     | -                   | (797)               |
| - Deposits pledged                                    | (4,604)             | (5,115)             |
| - Cash collateral received                            | (3,321)             | (4,946)             |
| <b>Cash and cash equivalents at end of the period</b> | <b>2,151,794</b>    | <b>2,350,200</b>    |

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2013 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**A       NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**A1       BASIS OF PREPARATION**

**a)   Basis of accounting**

These condensed consolidated financial report are unaudited and prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134: Interim Financial Reporting in Malaysia and IAS 34: Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("2013 Audited Financial Statements").

The 2013 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards ("MFRS").

**b)   Significant accounting policies**

The accounting policies and presentation adopted for this unaudited condensed consolidated interim financial report are consistent with those adopted for the 2013 Audited Financial Statements, except for the adoption of the new, revised and amendments to MFRS effective as of 1 January 2014 as issued by the Malaysian Accounting Standards Board, which does not have any impact on the financial statements of the Group.

**A2       AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audited financial statements for the financial year ended 31 December 2013 were not subjected to any qualification.

**A3       SEASONALITY OF OPERATIONS**

Inpatient and outpatient revenue and volume are generally lower during festive periods and summer months in each of the relevant countries in which the Group operates and other holiday periods. Conversely, patient volumes and thus inpatient and outpatient revenue are highest during the winter months. As the Group is continuously expanding, the effects of seasonality may not be obvious from the Group's financial statements.

**A4       SIGNIFICANT UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2014.

**A5       CHANGE IN ACCOUNTING ESTIMATES**

There were no changes in the estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial period.

In preparing the unaudited condensed consolidated interim financial report, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimating uncertainty were consistent with those applied to 2013 Audited Financial Statements.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**A6 DEBT AND EQUITY SECURITIES**

- (a) Between 1 January to 30 September 2014, the Company issued:
- i) 34,000,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested EPP options; and
  - ii) 9,596,018 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIPs units.
- (b) On 29 April 2014, the Company granted a total of 5,424,000 LTIP units to eligible employees of the Group. Out of the total 5,424,000 units granted, 110,000 units were granted under a cash option pursuant to the terms and conditions of the LTIP Bye Laws.
- (c) On 2 July 2014, the Company granted 2,451,000 LTIP units to the executive directors of the Company, pursuant to the shareholders' approval obtained at the Company's 4<sup>th</sup> AGM held on 20 June 2014.

Except as disclosed above, there were no other issuance of shares, share buy-backs, and repayments of debt and equity securities by the Company during the financial period ended 30 September 2014.

As at 30 September 2014, the issued and paid-up share capital of the Company amounted to RM8,178,569,889 comprising 8,178,569,889 ordinary shares of RM1.00 each.

**A7 DIVIDENDS PAID**

|                                                                                        | <b>Per<br/>ordinary<br/>share</b> | <b>Total<br/>amount</b> |                        |
|----------------------------------------------------------------------------------------|-----------------------------------|-------------------------|------------------------|
|                                                                                        | <b>Sen</b>                        | <b>RM'000</b>           | <b>Date of payment</b> |
| First and final single tier cash dividend for<br>financial year ended 31 December 2013 | 2.0                               | 163,500                 | 16-Jul-14              |

**A8 SEGMENT REPORTING**

There had been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2013 Audited Financial Statements.

Management monitors the operating results of each business unit for the purpose of making decisions on resources allocation and performance assessment. Performance is measured based on segment EBITDA.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**A8 SEGMENT REPORTING**

Financial period ended 30 September 2014

|                                                                        | <b>Parkway<br/>Pantai<br/>RM'000</b> | <b>Acibadem<br/>Holdings<br/>RM'000</b> | <b>IMU<br/>Health<br/>RM'000</b> | <b>PLife<br/>REIT<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|--------------------------|--------------------------------|-------------------------|
| <b><u>Revenue and expenses</u></b>                                     |                                      |                                         |                                  |                                  |                          |                                |                         |
| Revenue from external customers                                        | 3,236,133                            | 1,932,395                               | 161,996                          | 71,430                           | 4,654                    | -                              | 5,406,608               |
| Inter-segment revenue                                                  | 65,687                               | -                                       | 2,242                            | 122,500                          | 34,135                   | (224,564)                      | -                       |
| Total segment revenue                                                  | <u>3,301,820</u>                     | <u>1,932,395</u>                        | <u>164,238</u>                   | <u>193,930</u>                   | <u>38,789</u>            | <u>(224,564)</u>               | <u>5,406,608</u>        |
| EBITDA                                                                 | 872,538                              | 327,775                                 | 64,540                           | 157,458                          | 10,924                   | (81,752)                       | 1,351,483               |
| Depreciation and impairment losses of<br>property, plant and equipment | (210,735)                            | (170,844)                               | (9,119)                          | (22,973)                         | (298)                    | -                              | (413,969)               |
| Amortisation and impairment losses<br>of intangibles                   | (24,359)                             | (25,215)                                | (264)                            | -                                | -                        | -                              | (49,838)                |
| Net foreign exchange (loss)/gain                                       | (1,125)                              | 362                                     | 1                                | 4,267                            | (865)                    | -                              | 2,640                   |
| Finance income                                                         | 13,654                               | 8,538                                   | 3,658                            | 15                               | 17,195                   | -                              | 43,060                  |
| Finance costs                                                          | (13,675)                             | (121,616)                               | (122)                            | (18,114)                         | (14)                     | -                              | (153,541)               |
| Share of profits of associates (net of tax)                            | 1,316                                | -                                       | -                                | -                                | -                        | -                              | 1,316                   |
| Share of profits of joint ventures (net of tax)                        | 10,337                               | -                                       | -                                | -                                | -                        | -                              | 10,337                  |
| Others                                                                 | (846)                                | 1,570                                   | (24)                             | -                                | (11)                     | -                              | 689                     |
| Profit/(losses) before tax                                             | <u>647,105</u>                       | <u>20,570</u>                           | <u>58,670</u>                    | <u>120,653</u>                   | <u>26,931</u>            | <u>(81,752)</u>                | <u>792,177</u>          |
| Income tax expense                                                     | (147,412)                            | (7,652)                                 | (16,101)                         | (9,098)                          | (3,776)                  | 4                              | (184,035)               |
| Profit/(losses) for the period                                         | <u>499,693</u>                       | <u>12,918</u>                           | <u>42,569</u>                    | <u>111,555</u>                   | <u>23,155</u>            | <u>(81,748)</u>                | <u>608,142</u>          |
| <b><u>Assets and liabilities</u></b>                                   |                                      |                                         |                                  |                                  |                          |                                |                         |
| Cash and cash equivalents                                              | 855,653                              | 248,614                                 | 171,550                          | 88,373                           | 795,529                  | -                              | 2,159,719               |
| Other assets                                                           | 15,221,546                           | 5,217,889                               | 405,467                          | 3,489,766                        | 915,646                  | (21,665)                       | 25,228,649              |
| Segment assets as at 30 September 2014                                 | <u>16,077,199</u>                    | <u>5,466,503</u>                        | <u>577,017</u>                   | <u>3,578,139</u>                 | <u>1,711,175</u>         | <u>(21,665)</u>                | <u>27,388,368</u>       |
| Loans and borrowings                                                   | 607,634                              | 2,114,206                               | 976                              | 1,378,434                        | -                        | -                              | 4,101,250               |
| Other liabilities                                                      | 1,740,683                            | 848,462                                 | 147,240                          | 266,288                          | 12,708                   | (21,665)                       | 2,993,716               |
| Segment liabilities as at 30 September 2014                            | <u>2,348,317</u>                     | <u>2,962,668</u>                        | <u>148,216</u>                   | <u>1,644,722</u>                 | <u>12,708</u>            | <u>(21,665)</u>                | <u>7,094,966</u>        |

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

Financial period ended 30 September 2013

|                                                                        | <b>Parkway<br/>Pantai<br/>RM'000</b> | <b>Acibadem<br/>Holdings<br/>RM'000</b> | <b>IMU<br/>Health<br/>RM'000</b> | <b>PLife<br/>REIT<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|--------------------------|--------------------------------|-------------------------|
| <b><u>Revenue and expenses</u></b>                                     |                                      |                                         |                                  |                                  |                          |                                |                         |
| Revenue from external customers                                        | 2,863,583                            | 1,901,325                               | 148,886                          | 58,355                           | 4,169                    | -                              | 4,976,318               |
| Inter-segment revenue                                                  | 58,588                               | -                                       | 2,088                            | 113,351                          | 699,788                  | (873,815)                      | -                       |
| Total segment revenue                                                  | 2,922,171                            | 1,901,325                               | 150,974                          | 171,706                          | 703,957                  | (873,815)                      | 4,976,318               |
| EBITDA                                                                 | 739,545                              | 333,974                                 | 59,687                           | 140,252                          | 677,161                  | (742,887)                      | 1,207,732               |
| Depreciation and impairment losses of<br>property, plant and equipment | (200,477)                            | (165,672)                               | (9,491)                          | (22,111)                         | (117)                    | -                              | (397,868)               |
| Amortisation and impairment losses<br>of intangibles                   | (24,252)                             | (27,847)                                | (222)                            | -                                | -                        | -                              | (52,321)                |
| Net foreign exchange gain                                              | 1,851                                | 630                                     | 1,099                            | 1,634                            | 5,246                    | -                              | 10,460                  |
| Finance income                                                         | 7,194                                | 23,543                                  | 1,675                            | 4,805                            | 14,042                   | -                              | 51,259                  |
| Finance costs                                                          | (28,647)                             | (200,726)                               | (292)                            | (14,171)                         | (8)                      | -                              | (243,844)               |
| Share of losses of associates (net of tax)                             | (2,651)                              | -                                       | -                                | -                                | -                        | -                              | (2,651)                 |
| Share of profits of joint ventures (net of tax)                        | 10,483                               | -                                       | -                                | -                                | -                        | -                              | 10,483                  |
| Others                                                                 | 4,593                                | 5,803                                   | 112                              | -                                | (2,391)                  | -                              | 8,117                   |
| Profit/(loss) before tax                                               | 507,639                              | (30,295)                                | 52,568                           | 110,409                          | 693,933                  | (742,887)                      | 591,367                 |
| Income tax (expense)/credit                                            | (95,841)                             | 4,531                                   | (14,333)                         | (7,544)                          | (3,313)                  | -                              | (116,500)               |
| Net profit/(loss) for period                                           | 411,798                              | (25,764)                                | 38,235                           | 102,865                          | 690,620                  | (742,887)                      | 474,867                 |
| <b><u>Assets and liabilities</u></b>                                   |                                      |                                         |                                  |                                  |                          |                                |                         |
| Cash and cash equivalents                                              | 867,524                              | 416,433                                 | 136,445                          | 100,922                          | 839,734                  | -                              | 2,361,058               |
| Other assets                                                           | 15,165,391                           | 5,336,136                               | 413,159                          | 3,496,256                        | 742,880                  | (12,527)                       | 25,141,295              |
| Segment assets as at 30 September 2013                                 | 16,032,915                           | 5,752,569                               | 549,604                          | 3,597,178                        | 1,582,614                | (12,527)                       | 27,502,353              |
| Loans and borrowings                                                   | 1,377,743                            | 2,047,227                               | 1,608                            | 1,377,053                        | -                        | -                              | 4,803,631               |
| Other liabilities                                                      | 1,629,134                            | 870,281                                 | 143,422                          | 255,494                          | 23,783                   | (12,527)                       | 2,909,587               |
| Segment liabilities as at 30 September 2013                            | 3,006,877                            | 2,917,508                               | 145,030                          | 1,632,547                        | 23,783                   | (12,527)                       | 7,713,218               |

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**A9 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The Group does not adopt a revaluation policy on its property, plant and equipment.

**A10 SIGNIFICANT RELATED PARTY TRANSACTIONS**

Related parties transactions have been entered into in the normal course of business under negotiated terms. Other than the remuneration paid to the Key Management Personnel, the significant related party transactions of the Group are as follows:

|                                                                               | Financial period ended |              |
|-------------------------------------------------------------------------------|------------------------|--------------|
|                                                                               | 30 Sept 2014           | 30 Sept 2013 |
|                                                                               | RM'000                 | RM'000       |
| <b>Transactions with substantial shareholders and their related companies</b> |                        |              |
| - Sales and provision of services                                             | 160,000                | 2,963        |
| - Purchase and consumption of services                                        | (37,110)               | (419)        |
| <b>Transactions with Key Management Personnel and their related companies</b> |                        |              |
| - Sales and provision of services                                             | 29,711                 | 249,605      |
| - Purchase and consumption of services                                        | (30,554)               | (41,972)     |

**A11 CHANGES IN THE COMPOSITION OF THE GROUP**

- (a) On 7 January 2014, East Shore Medical Holdings Pte Ltd, Mount Elizabeth Healthcare Holdings Limited and Parkway Novena Holdings Pte Ltd were struck off from the Register of Companies of Singapore as part of the Group's streamlining exercise.
- (b) On 30 January 2014, Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH") acquired 82.22% equity interest in Acibadem Mobil Saglik Hizmetleri A.S. ("Acibadem Mobil"), an indirect subsidiary of ASH, from Acibadem Poliklinikleri A.S., a direct subsidiary of ASH, for a total consideration of TL3,700,000. Consequential thereto, Acibadem Mobil became a direct wholly-owned subsidiary of ASH.
- (c) On 13 March 2014, Parkway Life Japan2 Pte. Ltd. ("TK Investor") entered into two *Tokumei Kumiai* agreements (or silent partnership agreements, collectively, the "TK Agreements") with Godo Kaisha Tenshi 1 and Godo Kaisha Tenshi 2 (collectively, the "TK Operators"). Pursuant to the TK Agreements, the TK Investor has injected funds into the respective TK Operators in relation to the acquisition of two nursing homes and one extended-stay lodging facility for the elderly located in Japan by the TK Operators at a total purchase price of approximately ¥3,000,000,000 (approximately RM95,820,000). Due to the nature of the arrangements under the TK Agreements, the TK Operators are under established terms that impose strict limitations on decision-making powers of the TK Operators' management, resulting in the Group receiving the majority of the benefits relating to the TK Operators' operations and net assets, being exposed to the majority of the risks incident to the TK Operators' activities and retaining the majority of the residual or ownership risks related to the TK Operators and their assets. Consequently, the TK Operators are regarded as subsidiaries of the Group pursuant to MFRS 10: Consolidated Financial Statements.
- (d) On 17 March 2014, Swiss Zone Sdn Bhd ("Swiss Zone"), an indirect wholly-owned subsidiary of IHH, was dissolved pursuant to members' voluntary winding up. The dissolution of Swiss Zone is part of the Group's streamlining exercise.
- (e) On 18 March 2014, IMU Healthcare Sdn Bhd ("IMU Healthcare"), an indirect wholly-owned subsidiary of IHH, formed a 60%-owned company, IMU Dialysis Sdn Bhd, pursuant to the Joint Venture Agreement dated 4 March 2014 entered into between IMU Healthcare and Advance Renal Care (Asia) Pte Ltd ("ARCA"). The remaining 40% equity stake in IMU Dialysis Sdn Bhd is owned by ARCA. IMU Dialysis Sdn Bhd has an

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initial paid-up capital of RM5.00 and its principal activities are establishing, operating and managing dialysis centre(s) for the provision of haemodialysis and its related services.

- (f) On 26 March 2014, Pantai Group Resources Sdn. Bhd. ("PGRSB") acquired another 15.00% equity interest in Twin Towers Healthcare Sdn. Bhd. ("TTHSB") pursuant to the Share Sale Agreement dated 31 January 2012, for a total consideration of RM3,777,000. The said acquisition increased PGRSB's shareholdings in TTHSB from 85.00% to 100.00%.
- (g) On 31 March 2014, Parkway Pantai Limited ("PPL") subscribed for 19,500,000 ordinary shares of SGD4.90 each in Parkway Group Healthcare Pte Ltd ("PGH"), for a total consideration of SGD95,550,000 (equivalent to RM248,229,000) ("Internal Reorganisation"). Prior to the Internal Reorganisation, PGH was a direct wholly-owned subsidiary of Parkway Holdings Limited ("PHL") which in turn is a direct wholly-owned subsidiary of PPL. Upon completion of the Internal Reorganisation, PGH has become a 70% direct owned subsidiary of PPL while the remaining 30% is held by PHL.
- (h) On 1 April 2014, Pantai Premier Pathology Sdn Bhd, an indirect wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of Orifolio Options Sdn Bhd from Mount Elizabeth Health Care Services Sdn Bhd, an indirect wholly-owned subsidiary of the Company, for a total cash consideration of RM2.00.
- (i) On 9 April 2014, Acibadem Labmed Sağlık Hizmetleri A.Ş. formed a wholly-owned subsidiary, Histogenetics Acibadem Laboratuvar Hizmetleri A.Ş. ("Histogenetics"), in Turkey. Histogenetics has an initial paid-up capital of TL50,000 and its principal activity is provision of laboratory services.
- (j) On 9 April 2014, Parkway Trust Management Limited ("PTM") transferred 146,000 PLife REIT units that it owned to its eligible employees in accordance to PTM's Long Term Incentive Plan. Consequential thereto, IHH Group's effective interest in PLife REIT was diluted from 35.78% to 35.76%.
- (k) On 22 April 2014, Parkway (Shanghai) Hospital Management Ltd. received the business license from Suzhou New District (Hu Qiu) Administration of Industry and Commerce for the establishment of a foreign wholly-owned enterprise reinvestment clinic named Suzhou Xin Hui Clinic Co., Ltd. ("Xin Hui Clinic") in the People's Republic of China with a registered capital of RMB3,000,000. The principal activity of Xin Hui Clinic is provision of medical and healthcare outpatient services. The validity period of the licence is from 22 April 2014 to 21 April 2034.
- (l) On 29 May 2014, Shanghai Mai Kang Hospital Investment Management Co., Ltd ("Shanghai Mai Kang") acquired the remaining 15% equity interest in Shanghai Rui Hong Clinic Co. Ltd ("Shanghai Rui Hong") for a purchase consideration of RMB4,050,000 (equivalent to RM2,085,000). Upon completion of the acquisition, Shanghai Rui Hong became an indirect wholly-owned subsidiary of the Company with 70% equity interest held through Medical Resources International Pte Ltd and the remaining 30% held through Shanghai Mai Kang.
- (m) On 30 May 2014, Shanghai Mai Kang acquired the remaining 15% equity interest in Shanghai Xin Rui Healthcare Co. Ltd ("Shanghai Xin Rui") for a purchase consideration of RMB41,210,000 (equivalent to RM21,215,000). Upon completion of the acquisition, Shanghai Xin Rui became an indirect wholly-owned subsidiary of the Company with 70% equity interest held through Medical Resources International Pte Ltd and the remaining 30% held through Shanghai Mai Kang.
- (n) On 21 July 2014, PPL acquired 100% equity interest in Pantai Holdings Berhad ("PHB") from Pantai Irama Ventures Sdn Bhd ("PIVSB") ("Internal Reorganisation 2"). Prior to the Internal Reorganisation 2, PHB was a direct wholly-owned subsidiary of PIVSB which in turn is a direct wholly-owned subsidiary of PPL.

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- (o) On 30 September 2014, Acibadem Poliklinikleri merged with its direct wholly-owned subsidiary, Konur Saglik Hizmetleri A.S. ("Konur Saglik"). All assets and liabilities of Konur Saglik were transferred to Acibadem Poliklinikleri and Konur Saglik was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the Acibadem group structure and management.
- (p) ASH shares have ceased to be traded on the Istanbul Stock Exchange ("ISE") after the second session of 4 October 2012. Following this, the delisting process has been successfully completed. Any shareholders that were unable to redeem their shares during MTO and VTO have the right to sell their shares for a three-year period from 26 July 2012, being the date ISE granted its approval of ASH's delisting. As at 30 September 2014, ASYH's equity interest in ASH is 99.37%, following the tender of shares.

The above changes in the composition of the Group are not expected to have material effect on the earnings and net assets of the Group.

**A12 SUBSEQUENT EVENTS**

- (a) On 13 October 2014, PGH incorporated a foreign wholly-owned subsidiary named Parkway China Holding Co. Pte. Ltd. ("Parkway China") in Singapore. Parkway China has a paid-up capital of RMB6,165,000 (equivalent to RM3,282,246) and its intended principal activity is investment holding.
- (b) On 30 October 2014, Parkway China acquired 100% equity interest in M&P Investments Pte Ltd ("M&P"), an indirect wholly-owned subsidiary of the Company, from PHL, for a total consideration of SGD2.00 (equivalent to RM5.15). Consequential thereto, M&P became a direct wholly-owned subsidiary of Parkway China.
- (c) On 31 October 2014, Parkway China subscribed for 99% equity interest in MRI, at the subscription price of RMB10 (equivalent to RM5.37). Upon completion of the subscription, MRI has become a 99% direct owned subsidiary of Parkway China while the remaining 1% is held by PGH.

**A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no material changes in the contingent liabilities or contingent assets as at 18 November 2014 from that disclosed in the 2013 Audited Financial Statements.

**A14 CAPITAL COMMITMENTS**

|                                                                                   | 30 Sept 2014<br>RM'000 | 31 Dec 2013<br>RM'000 |
|-----------------------------------------------------------------------------------|------------------------|-----------------------|
| Capital expenditure commitments not provided for in the interim financial report: |                        |                       |
| Property, plant and equipment and investment properties                           |                        |                       |
| - Authorised and contracted for                                                   | 474,439                | 425,493               |
| - Authorised but not contracted for                                               | 2,478,433              | 1,157,038             |
|                                                                                   | <u>2,952,872</u>       | <u>1,582,531</u>      |

**A NOTES TO THE INTERIM FINANCIAL REPORT  
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**A15 FAIR VALUE HIEARACHY**

***Fair value hierarchy***

The table below analyses investment properties and financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

|                                      | <b>Level 1<br/>RM'000</b> | <b>Level 2<br/>RM'000</b> | <b>Level 3<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| <b><u>As at 30 Sept 2014</u></b>     |                           |                           |                           |                         |
| <b>Assets</b>                        |                           |                           |                           |                         |
| Investment properties                | -                         | -                         | 2,028,582                 | 2,028,582               |
| Quoted available-for-sale investment | 899,653                   | -                         | -                         | 899,653                 |
| Derivative assets                    | -                         | 18,631                    | -                         | 18,631                  |
| <b>Liabilities</b>                   |                           |                           |                           |                         |
| Derivative liabilities               | -                         | (6,763)                   | -                         | (6,763)                 |
| <b><u>As at 31 December 2013</u></b> |                           |                           |                           |                         |
| <b>Assets</b>                        |                           |                           |                           |                         |
| Investment properties                | -                         | -                         | 1,922,721                 | 1,922,721               |
| Quoted available-for-sale investment | 743,887                   | -                         | -                         | 743,887                 |
| Derivative assets                    | -                         | 16,182                    | -                         | 16,182                  |
| <b>Liabilities</b>                   |                           |                           |                           |                         |
| Derivative liabilities               | -                         | (6,687)                   | -                         | (6,687)                 |

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

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

|                                   | 3rd quarter ended |                  |           | Financial period ended |                  |            |
|-----------------------------------|-------------------|------------------|-----------|------------------------|------------------|------------|
|                                   | 30 Sept 2014      | 30 Sept 2013     | Variance  | 30 Sept 2014           | 30 Sept 2013     | Variance   |
|                                   | RM'000            | RM'000           | %         | RM'000                 | RM'000           | %          |
| <b><u>REVENUE</u><sup>1</sup></b> |                   |                  |           |                        |                  |            |
| Parkway Pantai                    | 1,084,762         | 987,252          | 10%       | 3,236,133              | 2,863,583        | 13%        |
| Acibadem Holdings                 | 616,621           | 612,020          | 1%        | 1,932,395              | 1,901,325        | 2%         |
| IMU Health                        | 54,057            | 48,019           | 13%       | 161,996                | 148,886          | 9%         |
| Others^                           | 4,654             | 4,169            | 12%       | 4,654                  | 4,169            | 12%        |
|                                   | <b>1,760,094</b>  | <b>1,651,460</b> | <b>7%</b> | <b>5,335,178</b>       | <b>4,917,963</b> | <b>8%</b>  |
| PLife REIT total revenue          | 64,595            | 58,967           | 10%       | 193,930                | 171,706          | 13%        |
| PLife REIT inter-segment revenue  | (40,746)          | (38,709)         | -5%       | (122,500)              | (113,351)        | -8%        |
| <b>Total</b>                      | <b>1,783,943</b>  | <b>1,671,718</b> | <b>7%</b> | <b>5,406,608</b>       | <b>4,976,318</b> | <b>9%</b>  |
| <b><u>EBITDA</u><sup>2</sup></b>  |                   |                  |           |                        |                  |            |
| Parkway Pantai <sup>3</sup>       | 269,291           | 241,766          | 11%       | 824,921                | 696,445          | 18%        |
| Acibadem Holdings                 | 89,171            | 91,156           | -2%       | 327,775                | 333,974          | -2%        |
| IMU Health                        | 19,577            | 18,050           | 8%        | 64,540                 | 59,687           | 8%         |
| Others^                           | (3,509)           | (5,333)          | 34%       | (23,211)               | (22,626)         | -3%        |
|                                   | <b>374,530</b>    | <b>345,639</b>   | <b>8%</b> | <b>1,194,025</b>       | <b>1,067,480</b> | <b>12%</b> |
| PLife REIT <sup>4</sup>           | 52,432            | 48,279           | 9%        | 157,458                | 140,252          | 12%        |
| <b>Total</b>                      | <b>426,962</b>    | <b>393,918</b>   | <b>8%</b> | <b>1,351,483</b>       | <b>1,207,732</b> | <b>12%</b> |

<sup>1</sup>: Relates to external revenue only

It excludes PLife REIT's rental income earned from Parkway Pantai

Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT

<sup>2</sup>: Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group

<sup>3</sup>: Includes rental expense incurred for lease of hospitals from PLife REIT

<sup>4</sup>: Includes rental income earned from lease of hospitals to Parkway Pantai

^: Others comprise mainly IHH Group's corporate office as well as other investment holding entities

**Q3 2014 vs Q3 2013**

The Group achieved revenue and EBITDA growth of 7% and 8% respectively in Q3 2014 over the same period last year. The increase in Q3 2014 revenue was attributed to year-on-year growth in patient volume and revenue intensity of existing operations and the commencement of operations of Acibadem Atakent Hospital and Pantai Hospital Manjung in January 2014 and May 2014 respectively.

As a result of the EBITDA growth and the 14% reduction in the net finance costs, the Group's Q3 2014 PATMI increased 26% to RM146.9 million. PATMI excluding exceptional items increased 21% to RM176.9 million over the same period last year.

**Parkway Pantai**

Parkway Pantai's revenue grew 10% to RM1,084.8 million in Q3 2014 whilst its EBITDA grew 11% to RM269.3 million in Q3 2014. Parkway Pantai's strong performance was the result of the continuous ramp up of its Mount Elizabeth Novena Hospital in Singapore as well as from its other hospitals and healthcare businesses. Mount Elizabeth Novena Hospital's revenue increased by 72% in Q3 2014 to RM95.6 million as compared to Q3 2013, and it achieved approximately RM24.9 million EBITDA in Q3 2014 as compared to RM11.9 million EBITDA in Q3 2013.

Parkway Pantai's Singapore hospitals saw an overall 12.1% increase in inpatient admissions to 16,741 inpatient admissions in Q3 2014. The increase was attributed mainly to local patients as well as foreign patients from non-traditional markets such as the Middle East and Myanmar. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals grew 10.2% to 45,719 inpatient admissions in Q3 2014. The healthy revenue growth at Parkway Pantai was also driven by higher revenue intensities that resulted from more complex cases undertaken by the hospitals and price increases to compensate for cost inflation. Q3 2014 revenue per inpatient admission

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increased 2.5% to RM21,979 in Singapore and increased 7.8% to RM4,968 in Malaysia compared to Q3 2013.

Despite the increase in nurses' salaries and benefits in Q3 2014, EBITDA of Parkway Pantai's operations grew on the back of higher revenues and operating leverage from the higher patient volumes. EBITDA growth was also driven by the significant improvement in Mount Elizabeth Novena Hospital's EBITDA as the hospital ramps up its revenue and optimises its resources with the increasing patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM1.3 million start-up EBITDA loss incurred by Pantai Hospital Manjung in Q3 2014 and RM1.7 million higher pre-operating EBITDA expenses of GHK Hospital Limited ("GHK").

***Acibadem Holdings***

Acibadem Holdings' revenue grew by 1% to RM616.6 million while its EBITDA reduced by 2% to RM89.2 million in Q3 2014. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' Q3 2014 revenues increased by 12% whilst its Q3 2014 EBITDA increased by 8% over last year despite the RM0.3 million start-up EBITDA losses incurred by the newly opened Acibadem Atakent Hospital.

Revenue growth against last year was driven by strong performance at its existing hospitals, the continuous ramp up of Acibadem Bodrum Hospital and Acibadem Ankara Hospital as well as revenue contribution from the newly opened Acibadem Atakent Hospital. Acibadem Holdings' inpatient admissions grew 10.5% to 31,279 in Q3 2014, which resulted in greater operating leverage. Acibadem Holdings' average inpatient revenue per inpatient admission also increased by 1.7% to RM9,034 in Q3 2014 as a result of case mix where more complex cases were undertaken. Acibadem Holdings' revenue increased despite the decrease in revenue upon the completion of the Acibadem University construction project in early 2014. Revenue from construction projects decreased by approximately RM52.5 million to RM7.9 mil in Q3 2014.

***IMU Health***

IMU Health's revenue grew 13% to RM54.1 million in Q3 2014 whilst its EBITDA increased by 8% to RM19.6 million in Q3 2014.

IMU Health's revenue and EBITDA growth was driven by higher student intake and increase in course fees for IMU Health's medical programmes.

***PLife REIT***

PLife REIT's external revenue grew 18% to RM23.8 million in Q3 2014 whilst its EBITDA grew 9% to RM52.4 million in Q3 2014.

PLife REIT's external revenue grew on the back of rental income contribution from the Japanese properties acquired in the first quarter of 2014.

The growth in the revenue resulted in EBITDA growth.

***Others***

Others comprise mainly the IHH Group corporate office as well as other investment holding entities. The Group received 12% more dividend income from its investment in Apollo Hospitals Enterprise Limited in Q3 2014 compared to Q3 2013.

EBITDA losses reduced by 34% to RM3.5 million in Q3 2014 due to a catch up recharge of corporate expenses amounting to RM1.4 mil from IHH corporate office to PPL Group in September 2014.

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**YTD 2014 vs YTD 2013**

The Group achieved revenue and EBITDA growth of 9% and 12% respectively in YTD 2014 over the same period last year. The increase in YTD 2014 revenue was attributed to year-on-year growth in patient volume and revenue intensity of existing operations and opening of Acibadem Atakent Hospital and Pantai Hospital Manjung in January 2014 and May 2014 respectively.

As a result of its EBITDA growth, and the 43% reduction in net finance costs, the Group's YTD 2014 PATMI increased 28% to RM515.1 million. PATMI excluding exceptional items increased 23% to RM540.8 million over the same period last year.

***Parkway Pantai***

Parkway Pantai's revenue grew 13% to RM3,236.1 million in YTD 2014 whilst its EBITDA grew 18% to RM824.9 million in YTD 2014. Parkway Pantai's strong performance was the result of the continuous ramp up of its Mount Elizabeth Novena Hospital in Singapore as well as from its other hospitals and healthcare businesses. Mount Elizabeth Novena Hospital's revenue increased by 87% in YTD 2014 to RM254.9 million as compared to YTD 2013, and it achieved an EBITDA of RM61.4 million in YTD 2014 as compared to RM11.5 million EBITDA gain in YTD 2013.

Parkway Pantai's Singapore hospitals saw an overall 10.0% increase in inpatient admissions to 48,459 inpatient admissions in YTD 2014. The increase was attributed mainly to local patients as well as foreign patients from non-traditional markets such as the Middle East and Myanmar. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals grew 10.9% to 137,812 inpatient admissions in YTD 2014. The healthy revenue growth at Parkway Pantai was also driven by higher revenue intensities that resulted from more complex cases undertaken by the hospitals and price increases to compensate for cost inflation. YTD 2014 revenue per inpatient admission increased 3.5% to RM22,036 in Singapore and increased 8.3% to RM4,876 in Malaysia.

Despite increasing cost pressures, EBITDA of Parkway Pantai's operations grew on the back of higher revenues and operating leverage from the higher patient volumes. The EBITDA growth was also driven by the significant improvements in Mount Elizabeth Novena Hospital's EBITDA as the hospital ramps up its revenue and optimizes its resources with the increasing patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM4.1 million start-up EBITDA losses and RM3.7 million pre-operating EBITDA losses incurred by Pantai Hospital Manjung and GHK in YTD 2014 respectively.

***Acibadem Holdings***

Acibadem Holdings' revenue grew by 2% to RM1,932.4 million in YTD 2014 whilst its EBITDA decreased 2% to RM327.8 million. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' YTD 2014 revenues increased by 13%. Acibadem Holdings' revenue growth was slightly eroded when Acibadem Proje Yonetimi A.S., a subsidiary of Acibadem Holdings, completed a construction project for Acibadem University in early 2014. On constant currency terms, Acibadem Holdings' YTD 2014 EBITDA grew 9% as compared to last year despite the RM13.0 million start-up EBITDA losses incurred by the newly opened Acibadem Atakent Hospital.

Revenue growth against last year was driven by strong performance at its existing hospitals, the continuous ramp up of Acibadem Bodrum Hospital and Acibadem Ankara Hospital as well as revenue contribution from the newly opened Acibadem Atakent Hospital. Acibadem Holdings' inpatient admissions grew 8.1% to 97,037 in YTD 2014, which resulted in greater operating leverage. Acibadem Holdings' average inpatient revenue per inpatient admission grew 2.6% to RM8,849 in YTD 2014 as a result of more foreign patients seeking medical treatment at Acibadem Holdings' hospitals this year.

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***IMU Health***

IMU Health's revenue grew 9% to RM162.0 million in YTD 2014 whilst its EBITDA increased by 8% to RM64.5 million in YTD 2014.

IMU Health's revenue growth was driven by higher student intake and increase in course fees for IMU Health's medical programmes.

***PLife REIT***

PLife REIT's external revenue grew 22% to RM71.4 million in YTD 2014 whilst its EBITDA grew 12% to RM157.5 million in YTD 2014.

PLife REIT's external revenue grew on the back of rental income contribution from the Japanese properties acquired in the second half of 2013 and first quarter of 2014.

The growth in the revenue resulted in EBITDA growth.

***Others***

Higher expenses were incurred at the corporate office due to increased headcounts and operating costs.

**B2 MATERIAL CHANGE IN QUARTERLY RESULTS**

|                                   | 3rd quarter ended<br>30 Sept 2014<br>RM'000 | 2nd quarter ended<br>30 Jun 2014<br>RM'000 | Variance<br>% |
|-----------------------------------|---------------------------------------------|--------------------------------------------|---------------|
| <b><u>REVENUE</u><sup>1</sup></b> |                                             |                                            |               |
| Parkway Pantai                    | 1,084,762                                   | 1,107,119                                  | -2%           |
| Acibadem Holdings                 | 616,621                                     | 675,612                                    | -9%           |
| IMU Health                        | 54,057                                      | 57,648                                     | -6%           |
| Others <sup>^</sup>               | 4,654                                       | -                                          | -             |
|                                   | <b>1,760,094</b>                            | <b>1,840,379</b>                           | <b>-4%</b>    |
| PLife REIT total revenue          | 64,595                                      | 65,454                                     | -1%           |
| PLife REIT inter-segment revenue  | (40,746)                                    | (40,780)                                   | 0%            |
| <b>Total</b>                      | <b>1,783,943</b>                            | <b>1,865,053</b>                           | <b>-4%</b>    |
| <b><u>EBITDA</u><sup>2</sup></b>  |                                             |                                            |               |
| Parkway Pantai <sup>3</sup>       | 269,291                                     | 296,702                                    | -9%           |
| Acibadem Holdings                 | 89,171                                      | 123,617                                    | -28%          |
| IMU Health                        | 19,577                                      | 23,793                                     | -18%          |
| Others <sup>^</sup>               | (3,509)                                     | (9,257)                                    | 62%           |
|                                   | <b>374,530</b>                              | <b>434,855</b>                             | <b>-14%</b>   |
| PLife REIT <sup>4</sup>           | 52,432                                      | 53,174                                     | -1%           |
| <b>Total</b>                      | <b>426,962</b>                              | <b>488,029</b>                             | <b>-13%</b>   |

<sup>1</sup>: Relates to external revenue only

It excludes PLife REIT's rental income earned from Parkway Pantai

Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT

<sup>2</sup>: Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group

<sup>3</sup>: Includes rental expense incurred for lease of hospitals from PLife REIT

<sup>4</sup>: Includes rental income earned from lease of hospitals to Parkway Pantai

<sup>^</sup>: Others comprise mainly IHH Group's corporate office as well as other investment holding entities

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**Q3 2014 vs Q2 2014**

The Group's Q3 2014 revenue reduced by 4% quarter-on-quarter as Q3 2014 is a seasonally slow quarter due to the summer months in Turkey and seasonality in Singapore and Malaysia. The lower revenue and higher salaries and benefits in Q3 2014, resulted in 13% decrease in Q3 2014 EBITDA quarter-on-quarter.

Q3 2014 PATMI excluding exceptional items decreased by 8% quarter-on-quarter due to the lower EBITDA offset partially by the 7% reduction in the net finance costs excluding the exchange gain and losses on non-TL borrowings.

***Parkway Pantai***

Parkway Pantai's 2% quarter-on-quarter revenue reduction was due to lower inpatient admissions in Malaysia and partially offset by higher revenue per inpatient admissions in Singapore and Malaysia. The Singapore operations' quarter-on-quarter inpatient admissions increased 1.5% and its revenue per inpatient admission increased by 2.8%. The Malaysian operations' quarter-on-quarter inpatient admissions reduced by 3.7%, but revenue per inpatient admission grew 1.4% due to more complex cases undertaken in this quarter.

Parkway Pantai's quarter-on-quarter EBITDA reduced by 9% due to lower revenue from Malaysia and higher nurses' salaries and benefits in Q3 2014 compared to Q2 2014.

***Acibadem Holdings***

Acibadem Holdings' revenue reduced by 9% whilst EBITDA reduced by 28% quarter-on-quarter. Excluding the effects of the depreciation of the TL on translation of the Acibadem Holdings' results, Acibadem Holdings' Q3 2014 revenue and EBITDA reduced by 6% and 25% quarter-on-quarter respectively.

Due to the summer months in Turkey, Q3 2014 inpatient admissions reduced 5.2%, which was partially offset by the 4.8% increase in the revenue per inpatient admissions in Q3 2014 as compared to Q2 2014. Revenue intensity increased due to case mix where more complex cases were undertaken in Q3 2014.

Acibadem Holding's lower EBITDA was a result of the lower revenue in Q3 2014. The reduction in EBITDA was partially offset by the improved performance of Acibadem Bodrum Hospital, Acibadem Ankara Hospital, and Acibadem Atakent Hospital. The ramp up of patient volumes at Acibadem Atakent Hospital reduced its start-up EBITDA losses from RM2.8 million in Q2 2014 to RM0.3 million in Q3 2014.

***IMU Health***

IMU Health's registered 6% declined in its quarter-on-quarter revenue as Q3 usually coincided with the semester breaks for some of its major medical courses. As a result EBITDA decreased.

***PLife REIT***

PLife REIT's external revenue and EBITDA declined by 3% and 1% quarter-on-quarter respectively, mostly due to the depreciation of the Japanese Yen, which resulted in smaller RM revenue recognised in Q3 2014.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**B3 CURRENT YEAR PROSPECTS**

***Parkway Pantai***

Parkway Pantai expects continued revenue, EBITDA and earnings growth for the rest of the year due to the growing demand for private healthcare services across its home markets and the region. Mount Elizabeth Novena Hospital will continue to contribute to Parkway Pantai's growth with the progressive opening of additional wards and beds during the year to meet increased growing patient demand. The newly opened Pantai Hospital Manjung will also contribute to the Group's revenues. Ongoing hospital projects in Malaysia and Hong Kong are progressing well. However, one of its greenfield projects is facing delays.

***Acibadem Holdings***

Acibadem Holdings' patient volumes, and hence revenues in TL, is expected to grow due to continued demand and increased affordability of private healthcare. The ramp up of the newly opened Acibadem Atakent Hospital will continue to contribute to Acibadem Holdings' growth for the rest of the year. Ongoing hospital projects are progressing well.

***Overall IHH Group Prospects***

The Group expects higher staff costs and other inflationary pressures to affect the Group for the rest of the year. While such sustained cost pressures may reduce the Group's EBITDA and margins, the Group expects to mitigate these effects through price adjustments and through its operating leverage as volumes continue to grow and margins of new hospitals improve with the ramp up of inpatient admissions.

Given the Group's geographical footprints across Asia as well as the Central and Eastern Europe, Middle East and North Africa ("CEEMENA") and South Asia regions, the Group is susceptible to currency volatility in the countries that it operates. Movements in the Singapore Dollar, TL, US Dollar, Japanese Yen, Chinese Renminbi, Indian Rupee, etc. would result in translation differences in the Group's balance sheet and income statement. In addition, significant currency volatility against the Ringgit Malaysia may affect the comparability of the Group's financial performance across periods.

The Group continues to actively monitor its currency risks and will take proactive steps where possible to minimise such risks by borrowing in the functional currency of the borrowing entity or by borrowing in the same currency as its foreign investment (i.e. hedge of net investments). Acibadem Holdings, which holds non-TL denominated loans, will monitor its liquidity position to hedge its cash flows by conserving hard currency receipts from its medical travellers to service these debts and interest payments.

The Group is confident that its strong balance sheet and operating cash flows would enable it to support its expansion plans. Barring unforeseen circumstances, the Group expects that it would continue to achieve earnings growth for the year ahead.

**B4 PROFIT FORECAST/GUARANTEE**

Not applicable as no profit forecast/guarantee was issued.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**B5 TAXATION**

|                      | <b>3rd quarter ended</b> |                    | <b>Financial period ended</b> |                    |
|----------------------|--------------------------|--------------------|-------------------------------|--------------------|
|                      | <b>30 Sep 2014</b>       | <b>30 Sep 2013</b> | <b>30 Sep 2014</b>            | <b>30 Sep 2013</b> |
|                      | <b>RM'000</b>            | <b>RM'000</b>      | <b>RM'000</b>                 | <b>RM'000</b>      |
| Current tax expense  | 51,048                   | 49,630             | 172,655                       | 105,608            |
| Deferred tax expense | (4,012)                  | (7,534)            | 11,380                        | 10,892             |
|                      | <u>47,036</u>            | <u>42,096</u>      | <u>184,035</u>                | <u>116,500</u>     |

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 23.4% for Q3 2014 and 23.6% for YTD 2014. It is lower than the Malaysian statutory tax rate mainly due to the effects of lower tax rate in certain countries that the Group operates.

**B6 STATUS OF CORPORATE PROPOSALS**

On 12 September 2014, Medi-Rad Associates Ltd ("Medi-Rad"), an indirect wholly-owned subsidiary of IHH, entered into a Sale and Purchase Agreement ("SPA") with Fortis Healthcare Singapore Pte. Limited to acquire 100% equity interest in Radlink-Asia Pte Ltd ("Radlink") comprising of 29,382,081 ordinary shares at a purchase consideration of SGD137,000,000 (equivalent to RM346,527,800) ("Proposed Acquisition"). The purchase consideration is subject to transactional adjustments which will only be determined upon completion of the Proposed Acquisition.

Under the terms of the SPA, the completion of the Proposed Acquisition is subject to satisfaction of certain conditions precedent, which includes the Competition Commission of Singapore making a favourable decision in respect of the Proposed Acquisition.

Upon completion of the Proposed Acquisition, Radlink, its subsidiaries and associate company will be consolidated as subsidiaries and associate of IHH. Radlink has an issued and paid-up capital of SGD18,307,904.36. Radlink is an investment holding company and its principal activity (through its subsidiaries) is the provision of healthcare services including the provision of outpatient diagnostic and molecular imaging services in Singapore.

Except as disclosed above, there were no other corporate proposals announced but not completed as at 18 November 2014.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**B7 LOANS AND BORROWINGS**

(a) Breakdown of the Group's loans and borrowings:

|                             | 30 Sept 2014<br>RM'000  | 31 Dec 2013<br>RM'000   |
|-----------------------------|-------------------------|-------------------------|
| <b>Non-current</b>          |                         |                         |
| Secured                     |                         |                         |
| Bank borrowings             | 1,100,905               | 1,134,517               |
| Financial lease liabilities | 116,486                 | 160,809                 |
| Unsecured                   |                         |                         |
| Bank borrowings             | 2,433,420               | 2,874,920               |
|                             | <u>3,650,811</u>        | <u>4,170,246</u>        |
| <b>Current</b>              |                         |                         |
| Secured                     |                         |                         |
| Bank borrowings             | 150,895                 | 158,480                 |
| Financial lease liabilities | 52,507                  | 59,152                  |
| Unsecured                   |                         |                         |
| Bank borrowings             | 247,037                 | 73,403                  |
|                             | <u>450,439</u>          | <u>291,035</u>          |
| <b>Total</b>                | <u><u>4,101,250</u></u> | <u><u>4,461,281</u></u> |

(b) Breakdown of the Group's loans and borrowings by the source currency of loans, in RM equivalent:

|                  | 30 Sep 2014<br>RM'000 | 31 Dec 2013<br>RM'000 |
|------------------|-----------------------|-----------------------|
| Singapore Dollar | 1,493,822             | 1,810,262             |
| Ringgit Malaysia | 81,373                | 85,425                |
| US Dollar        | 1,055,848             | 1,159,080             |
| Macedonian Denar | 5,888                 | 8,943                 |
| Swiss Franc      | 60,715                | 73,384                |
| Euro             | 208,341               | 168,949               |
| Turkish Lira     | 215,715               | 73,363                |
| Japanese Yen     | 943,119               | 1,076,189             |
| Others*          | 36,429                | 5,686                 |
|                  | <u>4,101,250</u>      | <u>4,461,281</u>      |

\* Others include Hong Kong Dollar and Brunei Dollar

Key exchange rates as at 30 September 2014:

|       |            |
|-------|------------|
| 1 SGD | = RM2.5602 |
| 1 TL  | = RM1.4496 |
| 1 USD | = RM3.2430 |

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**B8 FINANCIAL DERIVATIVE INSTRUMENTS**

The Group's outstanding net derivative financial instruments as at 30 September 2014:

|                                    | Notional amount<br>as at<br>30 Sept 2014<br>RM'000 | Fair value amount<br>as at<br>30 Sept 2014<br>RM'000 |
|------------------------------------|----------------------------------------------------|------------------------------------------------------|
| <b>Derivative assets</b>           |                                                    |                                                      |
| Foreign exchange forward contracts |                                                    |                                                      |
| - Within 1 year                    | 4,974                                              | 1,335                                                |
| - Between 1 - 3 years              | 40,768                                             | 10,232                                               |
| - More than 3 years                | 231,992                                            | 7,064                                                |
|                                    | <u>277,734</u>                                     | <u>18,631</u>                                        |
| <b>Derivative liabilities</b>      |                                                    |                                                      |
| Interest rate swaps                |                                                    |                                                      |
| - Within 1 year                    | 768,912                                            | (899)                                                |
| - Between 1 - 3 years              | 137,199                                            | (797)                                                |
| - More than 3 years                | 707,172                                            | (5,067)                                              |
|                                    | <u>1,613,283</u>                                   | <u>(6,763)</u>                                       |

***Foreign exchange forward contracts***

Foreign exchange forward contracts are entered by the Group to hedge against exchange rate exposures on some balances denominated in currencies other than the functional currency of the entity that recognised the foreign currency balances. The fair value of foreign exchange forward contract is determined based on prevailing market rate.

***Interest rate swaps***

Interest rate swaps are entered by the Group to hedge against interest rate fluctuations on some floating rate borrowings. The fair value of interest rate swaps is determined based on bank quotes.

There are no changes to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Refer to Section B14 for the fair value gain/loss recognised in the statement of profit or loss during the period.

**B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

Other than derivatives mentioned in Section B8 the Group does not remeasure its financial liabilities at reporting date.

**B10 CHANGES IN MATERIAL LITIGATIONS**

There is no litigation or arbitration as at 18 November 2014, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or threatening or of any fact likely to give rise to any proceedings.

**B11 DIVIDENDS**

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

No dividends were declared by the Company in the financial period ended 30 September 2014.

For details of the dividends paid during the period, refer to section A7.

**B12 EARNINGS PER SHARE ("EPS")**

Basic earnings per share were calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

|                                                                 | <b>3rd quarter ended</b> |                     | <b>Financial period ended</b> |                     |
|-----------------------------------------------------------------|--------------------------|---------------------|-------------------------------|---------------------|
|                                                                 | <b>30 Sept 2014</b>      | <b>30 Sept 2013</b> | <b>30 Sept 2014</b>           | <b>30 Sept 2013</b> |
|                                                                 | <b>RM'000</b>            | <b>RM'000</b>       | <b>RM'000</b>                 | <b>RM'000</b>       |
| Basic and diluted earnings per share is based on:               |                          |                     |                               |                     |
| Net profit attributable to ordinary shareholders                | 146,907                  | 117,029             | 515,063                       | 401,059             |
| Net profit attributable to ordinary shareholders (excluding EI) | 176,865                  | 146,588             | 540,794                       | 438,446             |
| <b>i Basic EPS</b>                                              |                          |                     |                               |                     |
|                                                                 | <b>'000</b>              | <b>'000</b>         | <b>'000</b>                   | <b>'000</b>         |
| Weighted average number of shares                               | 8,178,101                | 8,134,233           | 8,159,798                     | 8,106,554           |
|                                                                 | <b>Sen</b>               | <b>Sen</b>          | <b>Sen</b>                    | <b>Sen</b>          |
| Basic EPS                                                       | 1.80                     | 1.44                | 6.31                          | 4.95                |
| Basic EPS (excluding EI)                                        | 2.16                     | 1.80                | 6.63                          | 5.41                |

**ii. Diluted earnings per share**

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

|                                                                                            | <b>3rd quarter ended</b> |                     | <b>Financial period ended</b> |                     |
|--------------------------------------------------------------------------------------------|--------------------------|---------------------|-------------------------------|---------------------|
|                                                                                            | <b>30 Sept 2014</b>      | <b>30 Sept 2013</b> | <b>30 Sept 2014</b>           | <b>30 Sept 2013</b> |
|                                                                                            | <b>'000</b>              | <b>'000</b>         | <b>'000</b>                   | <b>'000</b>         |
| Weighted average number of ordinary shares used in calculation of basic earnings per share | 8,178,101                | 8,134,233           | 8,159,798                     | 8,106,554           |
| Weighted number of unissued ordinary shares from units under LTIP                          | 6,325                    | 10,698              | 7,280                         | 10,064              |
| Weighted number of unissued ordinary shares from share options under EPP                   | 5,533                    | 21,888              | 15,031                        | 28,047              |
| Weighted average number of dilutive ordinary shares for computation of diluted EPS         | 8,189,959                | 8,166,819           | 8,182,109                     | 8,144,665           |
|                                                                                            | <b>Sen</b>               | <b>Sen</b>          | <b>Sen</b>                    | <b>Sen</b>          |
| Diluted EPS                                                                                | 1.79                     | 1.43                | 6.29                          | 4.92                |
| Diluted EPS (excluding EI)                                                                 | 2.16                     | 1.79                | 6.61                          | 5.38                |

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**B13 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

The following analysis of realised and unrealised retained earnings is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

|                                                             | <b>As at<br/>30 Sept 2014<br/>RM'000</b> | <b>As at<br/>31 Dec 2013<br/>RM'000</b> |
|-------------------------------------------------------------|------------------------------------------|-----------------------------------------|
| Total retained earnings of the Company and its subsidiaries |                                          |                                         |
| - Realised                                                  | 2,260,808                                | 1,811,234                               |
| - Unrealised                                                | 162,948                                  | 183,393                                 |
|                                                             | <u>2,423,756</u>                         | <u>1,994,627</u>                        |
| Total share of retained earnings from associates            |                                          |                                         |
| - Realised                                                  | (1,764)                                  | (3,079)                                 |
| - Unrealised                                                | (24)                                     | (24)                                    |
|                                                             | <u>(1,788)</u>                           | <u>(3,103)</u>                          |
| Total share of retained earnings from joint ventures        |                                          |                                         |
| - Realised                                                  | 41,573                                   | 32,918                                  |
| - Unrealised                                                | -                                        | -                                       |
|                                                             | <u>41,573</u>                            | <u>32,918</u>                           |
| Less consolidation adjustments                              | (435,377)                                | (342,299)                               |
| Total Group retained earnings                               | <u><u>2,028,164</u></u>                  | <u><u>1,682,143</u></u>                 |

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**B14 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Pursuant to the amendment to paragraph 9.22 of Bursa Malaysia listing requirements which is effective from 3rd January 2012, the following amounts have been (debited)/credited in arriving at the Total Comprehensive Income for the period:

|                                                           | <b>3rd quarter ended</b> |                     | <b>Financial period ended</b> |                     |
|-----------------------------------------------------------|--------------------------|---------------------|-------------------------------|---------------------|
|                                                           | <b>30 Sept 2014</b>      | <b>30 Sept 2013</b> | <b>30 Sept 2014</b>           | <b>30 Sept 2013</b> |
|                                                           | <b>RM'000</b>            | <b>RM'000</b>       | <b>RM'000</b>                 | <b>RM'000</b>       |
| Other operating income                                    | 38,573                   | 19,706              | 114,203                       | 101,586             |
| Net foreign exchange gain                                 | 1,474                    | 933                 | 2,640                         | 10,460              |
| Impairment loss (made)/written back:                      |                          |                     |                               |                     |
| - Trade and other receivables                             | (2,228)                  | (6,342)             | (15,955)                      | (26,490)            |
| - Amounts due from associates                             | (6)                      | 14                  | 1,021                         | 1,239               |
| Write (off)/ back                                         |                          |                     |                               |                     |
| - Property, plant and equipment                           | (208)                    | (30)                | (403)                         | (190)               |
| - Inventories                                             | (184)                    | (299)               | (464)                         | (299)               |
| - Trade and other receivables                             | (1,545)                  | -                   | (3,250)                       | -                   |
| - Investment in joint ventures                            | -                        | (2,524)             | -                             | (2,524)             |
| - Other financial assets                                  | -                        | 2,524               | -                             | 2,524               |
| (Loss)/gain on disposal of property, plant and equipment  | (101)                    | 1,757               | 2,233                         | 3,214               |
| Gain on disposal of subsidiary                            | -                        | 4,376               | -                             | 4,376               |
| Professional and consultancy fees for acquisition         | (343)                    | (2,771)             | (1,141)                       | (3,353)             |
| Changes in fair value of contingent consideration payable | -                        | (39)                | -                             | 4,003               |
| Gain on disposal of assets held for sale                  | -                        | -                   | -                             | 67                  |
| Finance costs                                             |                          |                     |                               |                     |
| Interest expense on loans and borrowing                   | (28,456)                 | (33,114)            | (89,527)                      | (90,471)            |
| Fair value gain of financial instruments                  | 2,240                    | -                   | (1,806)                       | -                   |
| Exchange loss on net borrowings                           | (53,732)                 | (67,032)            | (53,732)                      | (135,796)           |
| Other finance costs                                       | (2,701)                  | (3,249)             | (8,476)                       | (17,577)            |
|                                                           | (82,649)                 | (103,395)           | (153,541)                     | (243,844)           |
| Finance income                                            |                          |                     |                               |                     |
| Interest income                                           |                          |                     |                               |                     |
| - Banks and financial institutions                        | 11,877                   | 13,615              | 36,009                        | 35,004              |
| - Others                                                  | 154                      | 97                  | 436                           | 295                 |
| Exchange (loss)/gain on net borrowings                    | (2,878)                  | -                   | 4,415                         | -                   |
| Fair value gain of financial instruments                  | (16)                     | 4,643               | 2,200                         | 15,960              |
|                                                           | 9,137                    | 18,355              | 43,060                        | 51,259              |