IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

FULL-YEAR FINANCIAL REPORT
31 DECEMBER 2012

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

The following statements of comprehensive income for the 4th quarter and financial year ended 31 December 2012 are not comparable to the corresponding period last year due to the consolidation of Acıbadem Sağlık Yatırımları Holdings A.Ş. ("Acibadem Holdings") from 24 January 2012 onwards as well as the recognition from sale of medical suites at Mount Elizabeth Novena Specialist Centre upon its completion on 23 April 2012, details of which are set out in explanatory notes to the statement of comprehensive income on Page 3 of this Interim Financial Report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		4th quarter ended			Financial year ended		
	Note	**31 Dec 2012 RM'000**	**31 Dec 2011 RM'000**	**Variance %**	**31 Dec 2012 RM'000**	**31 Dec 2011 RM'000**	**Variance %**
Revenue		1,519,260	847,996	79%	6,981,942	3,328,849	110%
Other operating income	1	95,614	11,082	NM	328,065	160,578	104%
Inventories and consumables		(240,919)	(168,797)	-43%	(1,128,119)	(680,242)	-66%
Purchases and contracted services		(153,011)	(96,352)	-59%	(545,211)	(398,590)	-37%
Development cost of properties sold	2	26,673	-	NM	(944,547)	-	NM
Staff costs		(561,377)	(274,865)	-104%	(2,207,699)	(1,073,066)	-106%
Depreciation and impairment losses of property, plant and equipment		(120,432)	(45,761)	-163%	(413,717)	(165,751)	-150%
Amortisation and impairment losses of intangible assets	3	(18,203)	(8,417)	-116%	(68,752)	(54,989)	-25%
Operating lease expenses		(77,950)	(49,316)	-58%	(286,857)	(186,605)	-54%
Other operating expenses	1	(266,200)	(175,540)	-52%	(696,754)	(463,412)	-50%
Finance income	4	5,120	4,831	6%	72,752	28,907	152%
Finance costs	5	(41,111)	(16,008)	-157%	(200,632)	(106,420)	-89%
Share of profits of associates (net of tax)		53,301	46,292	15%	92,683	79,937	16%
Share of profits of joint ventures (net of tax)		1,997	3,011	-34%	14,201	13,909	2%
Profit before tax		**222,762**	**78,156**	**185%**	**997,355**	**483,105**	**106%**
Income tax expense		(33,677)	(24,950)	-35%	(179,307)	(95,428)	-88%
Profit for the period/year		**189,085**	**53,206**	**NM**	**818,048**	**387,677**	**111%**
Other comprehensive income, net of tax							
Items that will not be reclassified subsequently to profit or loss							
Share of other comprehensive income of associates		297	281	6%	(68)	(108)	37%
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations		11,741	(65,267)	118%	133,947	88,909	51%
Net change in fair value of available-for-sale financial assets	6	35,043	20,569	70%	155,218	22,641	NM
		46,784	(44,698)	NM	289,165	111,550	159%
Total comprehensive income for the period/year		**236,166**	**8,789**	**NM**	**1,107,145**	**499,119**	**122%**
Profit attributable to:							
Owners of the Company		195,856	52,047	NM	798,888	373,463	114%
Non-controlling interests		(6,771)	1,159	NM	19,160	14,214	35%
Profit for the period/year		**189,085**	**53,206**	**NM**	**818,048**	**387,677**	**111%**
Total comprehensive income attributable to:							
Owners of the Company		245,205	9,897	NM	1,070,701	494,994	116%
Non-controlling interests		(9,039)	(1,108)	NM	36,444	4,125	NM
Total comprehensive income for the period/year		**236,166**	**8,789**	**NM**	**1,107,145**	**499,119**	**122%**
Earnings per share (sen)							
Basic	7	2.43	0.95	156%	11.45	8.22	39%
Diluted	7	2.41	0.95	154%	11.38	8.21	39%

NM: Not meaningful

*: "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 Acıbadem Sağlık Yatırımları Holdings A.Ş.Group

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the 2011 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

SUPPLEMENTARY INFORMATION

		4th quarter ended			Financial year ended		
		31 Dec 2012 RM'000	31 Dec 2011 RM'000	Variance %	31 Dec 2012 RM'000	31 Dec 2011 RM'000	Variance %
Profit attributable to owners of the Company		**195,856**	**52,047**	**NM**	**798,888**	**373,463**	**114%**
Add back/(less): Exceptional items ("EI")							
Professional and consultancy fees:							
- Acquisitions[i]		664	34,471		5,758	35,051	
- Listing expenses		(4,364)	-		50,227	-	
- Internal restructuring[ii]		4,015	292		5,319	9,128	
Fair value loss on contingent consideration payable[iii]		14,065	-		26,284	-	
Valuation gain on investment properties[iv]		(31,638)	-		(164,238)	-	
Impairment loss on financial assets[v]		-	37		-	2,372	
Write back of impairment loss on financial assets[vi]		(41,664)	-		(41,664)	-	
Write back of IT project expenses		-	-		(4,180)	-	
Write off of property, plant and equipment		1,054	19,258		1,217	19,445	
Loss on disposal of property, plant and equipment		16,127	167		17,497	264	
Gain on disposal of assets held for sale		-	-		(280)	-	
Gain on disposal of a subsidiary [vii]		-	-		(1,064)	-	
		(41,741)	54,225		(105,124)	66,260	
Less: Non-controlling interest's share of EI		(7,507)	-		(7,178)	-	
Profit attributable to owners of the Company, excluding EI[viii]		**146,608**	**106,272**	**38%**	**686,586**	**439,723**	**56%**
Earnings per share, excluding EI[viii] (sen)							
Basic	7	1.82	1.93	-6%	9.84	9.67	2%
Diluted	7	1.81	1.93	-6%	9.78	9.67	1%

NM: Not meaningful

i: Professional fees relating to the acquisition of Acibadem Holdings and a voluntary tender offer as described in Section A12b.
ii: Professional fees relating to the restructuring and streamling of the Group's structure and operations
iii: Fair valuation of contingent consideration payable in relation to acquisition of Acibadem Holdings
iv: Fair valuation of investment properties held for rental to third parties at Mount Elizabeth Novena Hospital and Specialist Centre
v: Impairment of deposit placed to operate a clinic in China
vi: Write back of impairment previously recognised, upon recovery of the deposit placed to increase the Group's ownership in certain subsidiaries in China
vii: Gain on disposal of P.T. Pantai Bethany Care International, a 65% owned subsidiary of the Group
viii: Exceptional items, net of non-controlling interests' share

EXPLANATORY NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

Generally, the increase in revenue and expenses for the 4th quarter and financial year ended 31 December 2012 ("Q4 2012" and "FY2012") was due to the consolidation of Acibadem Holdings from 24 January 2012 onwards. In addition, FY2012 revenue also comprises the recognition of revenue from the sale of medical suites at Mount Elizabeth Novena Specialist Centre upon its completion on 23 April 2012.

Refer to Section A4 for details of the effects of recognition of profit from sale of medical suites and 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 above.

2. On the receipt of the quantity surveyor's report, which indicated savings in the project construction costs of Mount Elizabeth Novena Hospital and Medical Centre, the Group reversed over-accruals of RM 26.7 million in relation to development cost of properties sold. Refer to Section A4 for details.

3. In Q4 2012, amortisation increased 116% compared to Q4 2011 as the Group recognised the amortisation of intangible assets upon the acquisition of Acibadem Holdings in January 2012. However, amortisation expense increased only 25% in FY2012 due to 3 months amortisation of concession rights relating to the Group's operations in Malaysia in Q1 of FY2011. The concession rights were disposed in March 2011.

4. Acibadem Holdings recognises exchange gain arising from the translation of its loans which are not denominated in Turkish Lira ("TL") as finance income on the statement of comprehensive income. For YTD 2012, Acibadem Holdings recognised an exchange gain of RM40.3 million on translation of such loans. In Q4 2012, an exchange loss of approximately RM1.0 million was recognised on these loans.

5. Excluding the increase in finance cost arising from the acquisition and consolidation of Acibadem Holdings, the Group's FY2012 finance cost was reduced upon the repayment of the Parkway acquisition loans in August 2012 by utilising the proceeds from the initial public offering ("IPO") of the Company. In addition, Parkway Pantai repaid some of its loans by utilising the proceeds from the sale of medical suites.

6. Fair value change of available-for-sale financial assets arose from the mark-to-market of the Group's investment in Apollo Hospital Enterprise Limited.

7. The Group's EPS in FY2012 is computed based on an enlarged share capital base in comparison to FY2011. Please refer to Section A6 and B13.

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Assets			
Property, plant and equipment	1	6,725,159	4,726,753
Investment properties	1	435,673	-
Goodwill on consolidation	2	8,723,050	6,415,976
Intangible assets	2	3,009,742	1,618,598
Interest in associates		919,929	862,273
Interest in joint ventures		37,403	28,009
Other financial assets		728,383	529,881
Other receivables		29,277	-
Deferred tax assets		61,160	24,279
Total non-current assets		**20,669,776**	**14,205,769**
Assets classified as held for sale		166	1,463
Development properties	1	-	1,121,195
Inventories		136,928	78,784
Trade and other receivables	3	879,981	518,496
Tax recoverable		39,060	20,422
Other financial assets		12,661	27,066
Cash and bank balances		1,554,273	1,310,803
Total current assets		**2,623,069**	**3,078,229**
Total assets		**23,292,845**	**17,283,998**
Equity			
Share capital	4	8,055,445	5,500,000
Share premium	4	7,890,224	3,885,803
Other reserves		396,788	104,756
Retained earnings		902,557	300,174
Total equity attributable to owners of the Company		**17,245,014**	**9,790,733**
Non-controlling interests		975,487	246,618
Total equity		**18,220,501**	**10,037,351**
Liabilities			
Loans and borrowings	5	2,329,553	4,991,264
Employee benefits		21,205	15,544
Trade and other payables		41,971	8,580
Derivative liabilities		1,481	-
Deferred tax liabilities		834,363	446,127
Total non-current liabilities		**3,228,573**	**5,461,515**
Loans and borrowings	5	298,992	47,084
Trade and other payables	6	1,324,510	1,576,158
Derivative liabilities		11,854	1,252
Employee benefits		35,941	41,935
Tax payable		172,474	118,703
Total current liabilities		**1,843,771**	**1,785,132**
Total liabilities		**5,072,344**	**7,246,647**
Total equity and liabilities		**23,292,845**	**17,283,998**
Net assets per share attributable to owners of the Company[1] (RM)		2.14	1.78

[1]: Based on 8,055.4 million and 5,500.0 million shares in issued as at 31 December 2012 and 31 December 2011 respectively

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the 2011 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENTS OF FINANCIAL POSITION

Generally, the increases in the balances on the statement of financial position as at 31 December 2012 were due to the consolidation of Acibadem Holdings from 24 January 2012.

1. Upon receipt of temporary occupancy permit ("TOP") for the Mount Elizabeth Novena Specialist Centre on 23 April 2012, the capitalised cost of medical suites which was previously classified as development properties and sold was expensed off to the statement of comprehensive income.

   The capitalised cost of the medical suites units that are designated as Centres of Excellences for use by Mount Elizabeth Novena Hospital was reclassified from development properties to property, plant and equipment.

   The capitalised cost of the remaining medical suites units that are held for rental to doctors was reclassified from development properties to investment properties and carried at fair value.

   Refer to Section A4 for details.

2. The increase in goodwill and intangible assets arose mainly from the Group's acquisition of Acibadem Holdings on 24 January 2012 and other subsidiaries acquired during 2012. The Group performed a purchase price allocation exercise to identify the fair value of the tangible and intangible assets acquired, and the remaining purchase price that was not allocated to assets acquired was recognised as goodwill on consolidation.

3. As at 31 December 2012, accrued income of RM123.8 million relating to the remaining 10% of the total contracted amount from the sale of medical suites was included in trade and other receivables.

4. The consideration for the acquisition of Acibadem Holdings on 24 January 2012 was satisfied by cash and issue of the Company's shares.

   Pursuant to its IPO, the Company issued new shares and hence increased its share capital and share premium. Please refer to Section A6 for details.

5. The overall decrease in loans and borrowings as at 31 December 2012 compared to 31 December 2011 arose from the full settlement of bank loans amounting to RM4,649.0 million that was taken up to finance the acquisition of Parkway Holdings and Acibadem Holdings. The proceeds from the Company's IPO was utilised to repay these acquisition loans. In addition, the Group utilised the proceeds from the sale of the Novena medical suites to partially repay approximately RM300.0 million of bank loans that was taken up to finance the construction of the Mount Elizabeth Novena Hospital and Specialist Centre. The decrease was partially offset by the consolidation of Acibadem Holdings.

   In December 2012, Acibadem Holdings Group repaid approximately US$250.0 million of its US-dollar denominated borrowings in its subsidiary, Almond Holdings A.S., and various other short term loans when IHH and the remaining 40% shareholders of Acibadem Holdings recapitalised Acibadem Holdings. Integrated Healthcare Turkey Yatirimlari Limited, a wholly-owned subsidiary of the IHH, borrowed US$180.0 million from the banks to fund the Group's 60% share of the recapitalisation of Acibadem Holdings.

6. As at 31 December 2011, progress billings of RM621.1 million in respect of amounts billed for work performed on the medical suites that were sold was included as part of trade and other payables. These progress billings were recognised as revenue upon receipt of TOP. This reduction in trade and other payables was offset by the consolidation of Acibadem Holdings' trade and other payables, as well as the fair value of the contingent consideration payable for the acquisition of Acibadem Holdings amounting to RM66.7 million.

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	<---------- Attributable to owners of the Company ---------->											
	<---------- Non-distributable ---------->								Distributable			
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Fair value reserve RM'000	Equity contribution from owner RM'000	Hedging reserves RM'000	Capital Reserves RM'000	Foreign currency fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2011	2,782,410	-	-	-	124,911	16,039	11,466	(63,377)	290	2,871,739	259,545	3,131,284
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	98,998	-	98,998	(10,089)	88,909
Net change in fair value of available-for-sale financial assets	-	-	-	22,641	-	-	-	-	-	22,641	-	22,641
Share of other comprehensive income of associates	-	-	-	-	-	(108)	-	-	-	(108)	-	(108)
Profit for the year	-	-	-	-	-	-	-	-	373,463	373,463	14,214	387,677
Total comprehensive income for the year	**-**	**-**	**-**	**22,641**	**-**	**(108)**	**-**	**98,998**	**373,463**	**494,994**	**4,125**	**499,119**
Issue of ordinary shares	2,717,590	3,885,803	-	-	-	-	-	-	-	6,603,393	-	6,603,393
Share-based payment	-	-	16,554	-	-	-	-	-	-	16,554	-	16,554
Distribution of subsidiary to holding company	-	-	-	-	-	-	-	-	(198,490)	(198,490)	(7,241)	(205,731)
Distribution to shareholders	-	-	-	-	(124,911)	-	-	-	124,911	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,016)	(3,016)
Additional capital contribution into a subsidiary	-	-	-	-	-	-	(146)	-	-	(146)	146	-
Acquisition of non-controlling interest	-	-	-	-	-	-	2,689	-	-	2,689	(6,941)	(4,252)
Total transactions with owners of the Company	**2,717,590**	**3,885,803**	**16,554**	**-**	**(124,911)**	**-**	**2,543**	**-**	**(73,579)**	**6,424,000**	**(17,052)**	**6,406,948**
At 31 December 2011	**5,500,000**	**3,885,803**	**16,554**	**22,641**	**-**	**15,931**	**14,009**	**35,621**	**300,174**	**9,790,733**	**246,618**	**10,037,351**

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	<---- Attributable to owners of the Company ---->											
	<---- Non-distributable ---->								Distributable			
	Share capital RM'000	**Share premium RM'000**	**Share option reserve RM'000**	**Fair value reserve RM'000**	**Equity contribution from owner RM'000**	**Hedging reserves RM'000**	**Capital Reserves RM'000**	**Foreign currency fluctuation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2012	5,500,000	3,885,803	16,554	22,641	-	15,931	14,009	35,621	300,174	9,790,733	246,618	10,037,351
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	116,663	-	116,663	17,284	133,947
Net change in fair value of available-for-sale financial assets	-	-	-	155,218	-	-	-	-	-	155,218	-	155,218
Share of other comprehensive income of associates	-	-	-	-	-	(68)	-	-	-	(68)	-	(68)
Profit for the year	-	-	-	-	-	-	-	-	798,888	798,888	19,160	818,048
Total comprehensive income for the year	**-**	**-**	**-**	**155,218**	**-**	**(68)**	**-**	**116,663**	**798,888**	**1,070,701**	**36,444**	**1,107,145**
Issue of ordinary shares	2,551,645	4,133,970	-	-	-	-	-	-	-	6,685,615	-	6,685,615
Share issue expenses	-	(132,327)	-	-	-	-	-	-	-	(132,327)	-	(132,327)
Share option exercised	3,800	2,778	(6,578)	-	-	-	-	-	-	-	-	-
Cancellation of share options	-	-	(30)	-	-	-	-	-	30	-	-	-
Share-based payment	-	-	22,864	-	-	-	-	-	-	22,864	-	22,864
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	366,548	366,548
Additional capital contribution into a subsidiary	-	-	-	-	-	-	(144)	-	-	(144)	144	-
Acquisition of non-controlling interests	-	-	-	-	-	-	(12,274)	-	(191,545)	(203,819)	(300,897)	(504,716)
Disposal of subsidiaries	-	-	-	-	-	-	-	15	-	15	(396)	(381)
Partial disposal and dilution of interest in a subsidiary to non-controlling shareholder	-	-	-	-	-	-	15,109	-	-	15,109	94,249	109,358
Issue of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	40	-	-	40	540,427	540,467
Incorporation of non-wholly owned subsidiaries	-	-	-	-	-	-	-	-	-	-	35	35
Transfer per statutory requirements	-	-	-	-	-	-	805	-	(805)	-	-	-
Internal restructure			-	-	-	-	412	-	(4,185)	(3,773)	(2,080)	(5,853)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,605)	(5,605)
Total transactions with owners of the Company	**2,555,445**	**4,004,421**	**16,256**	**-**	**-**	**-**	**3,948**	**15**	**(196,505)**	**6,383,580**	**692,425**	**7,076,005**
At 31 December 2012	**8,055,445**	**7,890,224**	**32,810**	**177,859**	**-**	**15,863**	**17,957**	**152,299**	**902,557**	**17,245,014**	**975,487**	**18,220,501**

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2011 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Financial year ended	
	31 Dec 2012	**31 Dec 2011**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	997,355	483,105
Adjustment for:		
Dividend income	(3,363)	(2,883)
Finance income	(72,752)	(28,907)
Finance costs	200,632	106,420
Amortisation and impairment losses of intangibles	68,752	54,989
Depreciation and impairment losses of property, plant and equipment	413,717	165,751
Write off of property, plant and equipment	1,217	19,445
Loss on disposal of property, plant and equipment	17,497	264
Gain on disposal of a subsidiary	(1,064)	-
Gain on disposal of assets held for sale	(280)	-
Impairment loss on:		
- Trade and other receivables	22,801	17,066
- Debts due from associates and joint ventures	550	2,959
- Financial assets	-	2,372
Write back of impairment loss on financial assets	(41,664)	-
Fair value loss on the contingent consideration payable	26,284	-
Valuation gain on investment properties	(164,238)	-
Write back of IT project expenses	(4,180)	-
Share of profits of associates (net of tax)	(92,683)	(79,937)
Share of profits of joint ventures (net of tax)	(14,201)	(13,909)
Equity-settled share-based payment transactions	22,864	15,074
Net unrealised foreign exchange gain	(25,524)	(42,169)
Operating profit before changes in working capital	**1,351,720**	**699,640**
Changes in working capital		
Trade and other receivables	(16,249)	(92,661)
Inventories	(11,700)	(3,150)
Development properties	896,344	(181,359)
Trade and other payables	(908,716)	574,593
Cash flows from operations	**1,311,399**	**997,063**
Income tax paid	(145,720)	(109,952)
Net cash generated from operating activities	**1,165,679**	**887,111**
Cash flows from investing activities		
Interest received	32,465	15,497
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(835,860)	-
Disposal of a subsidiary, net of cash and cash equivalents disposed	458	(136,797)
Development and purchase of intangble assets	(19,137)	(1,516)
Purchase of property, plant and equipment	(968,481)	(714,506)
Proceeds from disposal of property, plant and equipment	4,694	3,512
Proceeds from disposal of assets held for sale	1,578	8,006
Proceeds from disposal of intangibles	29	-
Net repayment from associates	1,396	4,944
Net advances to joint ventures	(758)	(17,093)
Dividend received from associates	49,186	50,776

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	Financial year ended	
	31 Dec 2012	**31 Dec 2011**
	RM'000	**RM'000**
Dividend received from joint ventures	2,343	1,853
Dividend received from available-for-sale financial assets	3,363	2,883
Acquisition of additional interest in a joint venture	-	(139)
Net purchase of other financial assets	(644)	-
Purchase of quoted financial assets	-	(503,139)
Net cash used in investing activities	**(1,729,368)**	**(1,285,719)**
Cash flows from financing activities		
Interest paid	(191,991)	(170,099)
Proceeds from issue of ordinary shares	5,040,000	1,978,000
Share issue expenses	(132,327)	-
Acceptance fee for share options granted	-	370
(Repayment to)/advances from holding company and related companies	(24,536)	485,284
Repayment of loans and borrowings	(6,239,798)	(1,907,629)
Proceeds from loans and borrowings	2,029,090	78,275
Dividend paid to non-controlling shareholders	(5,605)	(3,016)
Acquisition of non-controlling interests	(347,347)	(4,252)
Proceeds from partial disposal and dilution of interest in subsidiary to non-controlling shareholder	109,358	-
Issue of shares by subsidiaries to non-controlling shareholder	528,038	-
Additional payment for a prior year acquisition of non-controlling interest	-	(15,361)
Change in pledged deposits	(4,667)	(17,927)
Net cash from financing activities	**760,215**	**423,645**
Net increase in cash and cash equivalents	**196,526**	**25,037**
Effect of exchange rate fluctuations on cash and cash equivalents held	41,887	68,339
Cash and cash equivalents at beginning of year	1,251,485	1,158,109
Cash and cash equivalents at end of the year	**1,489,898**	**1,251,485**

Cash and cash equivalents

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

	Financial year ended	
	31 Dec 2012	**31 Dec 2011**
	RM'000	**RM'000**
Cash and bank balances	460,642	415,404
Deposits placed with licensed banks	1,093,631	895,399
	1,554,273	1,310,803
Less: Bank overdrafts	(974)	(584)
Deposits pledged	(63,401)	(58,734)
Cash and cash equivalents at end of the year	**1,489,898**	**1,251,485**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2011 Audited Financial Statements and the accompanying explanatory notes attached to this financial report

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

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 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 2011 ("2011 Audited Financial Statements").

The 2011 Audited Financial Statements which were prepared under Financial Reporting Standards ("FRS"), are available upon request from the Company's registered office at:

Suite 17-01, Level 17, The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200, Kuala Lumpur

b) Significant accounting policies

The 2011 Audited Financial Statements of the Group were prepared in accordance with FRS. Since the previous annual audited financial statement as at 31 December 2011 were issued, the Group has adopted Malaysian Financial Reporting Standards ('MFRS') framework issued by the Malaysian Accounting Standard Board ('MASB') with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to converge Malaysia's existing Financial Reporting Standards framework with the International Financial Reporting Standards ('IFRS') framework issued by the International Accounting Standards Board.

These condensed consolidated financial report are part of the period covered by the Group's first MFRS framework annual financial statements. The Group applied MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards, in the transition from FRSs framework to MFRS framework on 1 January 2012. The adoption of MFRSs did not result in any material financial impact to the Group in preparing its opening MFRS statement of financial position.

The Group early adopted the amendments to MFRS 101: Presentation of Financial statements, which is originally effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS101 did not have any impact on the financial statements other than the presentation format of the statement of comprehensive income.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2012, and have not been applied in preparing these condensed consolidated financial report, other than the amendments to MFRS101 which the Group had early adopted.

Besides MFRS10: Consolidated Financial Statements, none of these are expected to have a significant effect on the financial statements of the Group for the financial year ending 31 December 2013. The Group is currently assessing the implications of the adoption of MFRS10 on the accounting for the Group's 35.8% interest in ParkwayLife REIT ("PLife REIT"), which may result in the consolidation of PLife REIT.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2011 was not subjected to any qualification.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

A3 SEASONALITY OF OPERATIONS

Inpatient and outpatient revenue and volume are 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

On 23 April 2012, Mount Elizabeth Novena Hospital and Specialist Centre received its temporary occupation permits ("TOP"). As a result:

- The total contracted amount for the sale of medical suites located in Mount Elizabeth Novena Specialist Centre had been recognised in the Group's statement of comprehensive income upon receiving TOP whereby the risk of ownership of the medical suites was transferred to the purchasers. Total revenue from the 216 medical suites units sold amounting to approximately RM1,209.6 million, equivalent of S$493.8 million, was recognised in the current financial year.

- The capitalised cost of construction and development relating to the medical suites that have been sold, of approximately RM971.3 million, equivalent of S$396.5 million, had been expensed in the statement of comprehensive income upon receiving TOP in April 2012. In Q4 2012, savings in construction costs, resulting in over-accruals amounting to RM26.7 million for the development cost of medical suites sold, was reversed from the statement of comprehensive income. As such, total development cost of the medical suites sold recognised in FY2012 amounted to RM944.6 million.

  The recognition of profits from sale of medical suites boosted the Group's FY2012 EBITDA and PATMI by RM265.0 million and RM216.2 million respectively. The Group's Q4 2012 EBITDA and PATMI was boosted by RM26.7 million and RM22.6 million respectively as a result of the above-mentioned savings in construction costs relating to the medical suites sold.

- 90% of the total contracted amount had been billed for the medical suites sold up till the date of receipt of TOP. The remaining 10% was recorded as trade and other receivables.

- The capitalised cost of construction and development relating to the medical suites and retail units held for rental to third parties was recorded as investment properties in the statement of financial position upon receiving TOP. In accordance with the Group's accounting policy, the Group fair valued its investment properties and recognised a fair value gain of RM31.6 million and RM164.2 million for Q4 2012 and FY2012 respectively, in the statement of comprehensive income in FY2012.

- The capitalised cost of construction and development relating to the medical suites that were designated as Centres of Excellences for use by Mount Elizabeth Novena Hospital was reclassified as property, plant and equipment upon receiving TOP and depreciated over its useful life.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 31 December 2012 other than as mentioned above and in Section A12 and Section B6 of this interim financial report.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

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 year.

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 2011 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

a) On 24 January 2012, the Company issued 695,442,295 new ordinary shares of RM1.00 each as settlement of portion of the purchase consideration for the 60% equity interest acquisition of Acibadem Holdings.

b) On 23 July 2012, the Company issued:

   i) 1,800,000,000 new ordinary shares of RM1.00 each pursuant to its IPO on 25 July 2012;

   ii) 3,765,196 new ordinary shares of RM1.00 each pursuant to the surrender of Long Term Incentive Plan ("LTIP") units granted and vested prior to the Company's listing on 25 July 2012; and

   iii) 56,203,299 new ordinary shares of RM1.00 each in consideration of the transfer of 152,500,000 ordinary shares of RM1.00 each in Integrated Healthcare Hastaneler Turkey Sdn. Bhd. ("IHHTSB") to the Company pursuant to the shareholders agreement between the Company, Integrated Healthcare Turkey Yatirimlari Limited, IHHTSB and Symphony Healthcare Holdings Limited dated 8 February 2012.

c) On 17 September 2012, the Company issued 34,378 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIP units.

Except as disclosed above, there has been no other issuance of shares, share buy-backs, and repayments of debt and equity securities by the Company during the 4th quarter and financial year ended 31 December 2012.

As at 31 December 2012, the issued and paid-up share capital of the Company amounted to RM 8,055,445,168 comprising 8,055,445,168 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

There were no dividends paid by the Company for the financial year ended 31 December 2012.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

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 2011 Audited Financial Statements.

Management monitors the operating results of each of its business units for the purpose of making decisions on resources allocation and performance assessment. Performance is measured based on segment earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA").

Financial year ended 31 Dec 2012

	Parkway Pantai RM'000	Acibadem Holdings RM'000	IMU Health RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses						
Revenue from external customers	4,745,296	2,058,530	174,753	3,363	-	6,981,942
Inter-segment revenue	-	-	-	6,024	(6,024)	-
Total segment revenue	4,745,296	2,058,530	174,753	9,387	(6,024)	6,981,942
EBITDA						1,376,323
Depreciation and impairment losses of property, plant and equipment						(413,717)
Amortisation and impairment losses of intangibles						(68,752)
Net foreign exchange (loss)/gain						19,373
Finance income						72,752
Finance costs						(200,632)
Share of profits of associates (net of tax)						92,683
Share of profits of joint ventures (net of tax)						14,201
Professional and consultancy fees:						
- Acquisitions						(5,758)
- Listing expenses						(50,227)
- Internal restructuring						(5,319)
Fair value loss on contingent consideration payable						(26,284)
Valuation gain on investment properties						164,238
Write back of impairment loss on financial assets						41,664
Write back of IT project expenses						4,180
Write off of property, plant and equipment						(1,217)
(Loss)/gain on disposal of property, plant and equipment						(17,497)
Gain on disposal of assets held for sale						280
Gain on disposal of subsidiary						1,064
Profit/(loss) before tax	978,055	(35,239)	52,763	7,800	(6,024)	997,355
Income tax expense						(179,307)
Profit/(loss) for year	818,534	(40,613)	40,120	6,031	(6,024)	818,048

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

A8 SEGMENT REPORTING

Financial Year ended 31 Dec 2011

	Parkway Pantai RM'000	Acibadem Holdings RM'000	IMU Health RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses						
Revenue from external customers	3,167,155	-	158,811	2,883	-	3,328,849
Inter-segment revenue	-	-	-	16,141	(16,141)	-
Total segment revenue	3,167,155	-	158,811	19,024	(16,141)	3,328,849
EBITDA						658,224
Depreciation and impairment losses of property, plant and equipment						(165,751)
Amortisation and impairment losses of intangibles						(54,989)
Net foreign exchange gain						95,548
Finance income						28,907
Finance costs						(106,420)
Share of profits of associates (net of tax)						79,937
Share of profits of joint ventures (net of tax)						13,909
Professional and consultancy fees:						
- Acquisitions						(35,051)
- Internal restructuring						(9,128)
Impairment loss on financial assets						(2,372)
Write off of property, plant and equipment						(19,445)
(Loss)/gain on disposal of property, plant and equipment						(264)
Profit/(loss) before tax	454,043	-	50,302	(5,099)	(16,141)	483,105
Income tax expense						(95,428)
Profit/(loss) for year	373,740	-	35,515	(5,437)	(16,141)	387,677

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 year ended 31 Dec 2012 RM'000	Financial year ended 31 Dec 2011 RM'000
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	72,361	60,878
- Purchase and consumption of services	(66,495)	(31,462)
- Purchase of quoted available-for-sale financial assets	-	(488,860)
Transactions with associates		
- Rental expenses	(142,903)	(133,146)
- Management and acquisition fees earned	21,801	19,042
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	205,937	-
- Purchase and consumption of services	(59,826)	(137)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

A11 SUBSEQUENT EVENTS

a) Acquisition of 65% equity interest in Jinemed Saglik Hizmetleri A.S. ("Jinemed")

Reference is made to the Company's Prospectus dated 2 July 2012 wherein it was disclosed that Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH"), an indirect subsidiary of the Company, has signed a share purchase agreement to acquire a 65% equity interest in Jinemed, which operates Jinemed Hospital and Jinemed Medical Centre in Istanbul Turkey ("Proposed Acquisition").

On 10 January 2013, the Proposed Acquisition was terminated in view of non-fulfillment of certain conditions precedent as stipulated in the share purchase agreement dated 1 February 2012 executed between ASH and the shareholders of Jinemed.

There will not be any material effect on the earnings or net assets of the IHH Group for the financial year ended 31 December 2012 following the termination of the Proposed Acquisition.

b) Acquisition of 50% equity interest in Acibadem Labmed Saglik Hizmetleri A.S. ("Acibadem Labmed")

On 15 January 2013, ASH acquired the remaining 50.00% equity interest in Acibadem Labmed for a total consideration of EUR3,250,000. The said acquisition increased ASH's shareholdings in Acibadem Labmed from its present 50.00% to 100.00%.

c) Issue of new shares of the Company

Between 5 – 15 February 2013, the Company issued 3,057,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested options under the Equity Participation Plan.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

In addition to the changes in the composition of the Group for 1st quarter ended 31 March 2012 as disclosed in the Company's Prospectus dated 2 July 2012, changes in the composition of the Group up to 31 December 2012 were as follows:

a) On 3 April 2012, Pantai Group Resources Sdn. Bhd. had entered into Share Sale Agreement with IMU Health Sdn. Bhd. to dispose the entire equity interest comprising 400,000 ordinary shares of RM1.00 each in Pantai Education Sdn. Bhd., pursuant to the internal restructuring of the Group, for a total cash consideration of RM8,216,000.00 ("PESB Transfer").

The PESB Transfer was completed on 22 October 2012.

b) On 9 April 2012, Almond Holdings A.S. ("Almond"), an indirect subsidiary of the Group, completed the mandatory tender offer ("MTO") for the balance 8% of the shares of ASH. Upon the completion of the MTO, Almond increased its equity interest in ASH from 92.0% to 97.3%.

On 16 August 2012, Almond completed the voluntary tender offer ("VTO") for the balance 2.7% of the shares of ASH,. Upon the completion of the VTO, Almond increased its equity interest in ASH from 97.3% to 98.4%.

Subsequently, the Istanbul Stock Exchange ("**ISE**") has approved the delisting of ASH and ASH shares have ceased to be traded on the ISE after the second session of 4 October 2012. Following this, the delisting process was 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 of 31 December 2012, Almond's equity interest in ASH is 98.65%, following the tender of shares.

c) On 27 April 2012, Pantai Diagnostics Indonesia Sdn. Bhd, a subsidiary of the Group executed a Conditional Sale and Purchase Agreement to dispose off its existing 65% equity interest in PT Pantai Bethany Care International ("PTPBCI") to Aswin Tanuseputra, a party affiliated to the other 35% shareholder of PTPBCI, for a consideration of USD200,000. The disposal was completed on 20 June 2012.

d) On 14 May 2012, Acıbadem Sağlık Yatırımları Holdings A.Ş., through its subsidiaries acquired 99.99% equity interest of Acıbadem Ortadoğu Saglik Yatırımları A.S. (formerly known as Acıbadem Diş Sağlığı Hizmetleri A.Ş,) for a total consideration of TL535,000. Acıbadem Ortadoğu Saglik Yatırımları A.S's principal activity is the provision of design, construction and management of hospitals and medical centres.

e) Between 1 June 2012 to 23 July 2012, the Group increased its equity interest in IHHTSB from 93.65% to 100.00%.

f) On 25 June 2012, the Group incorporated a 60% owned new subsidiary, GHK Hospital Limited ("GHK"). The initial paid up capital of GHK is HKD10. GHK's intended principal activity is provision of healthcare services.

g) On 20 July 2012, Acıbadem Poliklinikleri A.Ş. ("Acibadem Poliklinikleri"), an indirect subsidiary of the Group, incorporated a 60% owned subsidiary, Bodrum Tedavi Hizmetleri A.S. ("Bodrum Tedavi") in Turkey with a total issued and paid up capital of TL50,000. Bodrum Tedavi's intended principal activities is the provision of medical, surgical and hospital services. The Group's effective interest in Bodrum Tedavi is 35.4%.

h) On 7 August 2012, Bodrum Tedavi acquired equity interest in the following subsidiaries in Turkey:

Name of subsidiary acquired	Total issued and paid-up capital	Equity interest	Purchase consideration	Principal activity
Medlife Clinic Ambulance ve Özel Sağlık Hizmetleri İthalat ve İhracat A.Ş.	TL525,000	99.99%	TL8,269,667	Provision of outpatient services
Bodrum Medikal Özel Sağlık Hizmetleri Turizm Gıda İnş. Paz. İth. İhr. San ve Ticaret A.Ş.	TL1,050,000	99.99%	TL6,831,670	Provision of outpatient services
Özel Turgutreis Poliklinik Hizmetleri Ticaret A.Ş.	TL50,000	99.99%	TL99,576	Provision of outpatient services
Sesu Özel Sağlık Hizmetleri Tıbbi Malzemeler Ticaret Sanayi ve Ticaret A.Ş.	TL172,000	99.71%	TL2,716,793	Provision of outpatient services

i) On 27 August 2012, Shanghai Shu Kang Hospital Investment Management Co., Ltd ("Shanghai Shu Kang") had entered into the following transactions:

- Shanghai Property Right Exchange Contract with Shanghai International Trust Co., Ltd ("SIT") to acquire the remaining 70% equity interest in Shanghai Rui Pu Clinic Co., Ltd. ("Shanghai Rui Pu") for a total cash consideration of RMB37,768,640;

- Shanghai Property Right Exchange Contract with SIT to acquire 98% equity interest in Shanghai Rui Xiang Clinic Co., Ltd. ("Shanghai Rui Xiang") for a total cash consideration of RMB27,772,265; and

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

- Shanghai Property Right Exchange Contract with Shanghai International Group Assets Management Co., Ltd to acquire the remaining 2% equity interest in Shanghai Rui Xiang Clinic Co., Ltd. ("Shanghai Rui Xiang" for a total cash consideration of RMB566,781.

On 11 September 2012, Shanghai Industrial and Commercial Bureau ("SICB") issued a revised business licence to Shanghai Rui Pu for the shareholder alteration of Shanghai Rui Pu. The validity period of the licence is from 11 September 2012 to 26 July 2025.

On 12 September 2012, SICB issued a revised business licence to Shanghai Rui Xiang for the shareholder alteration of Shanghai Rui Xiang. The validity period of the licence is from 12 September 2012 to 15 August 2020.

Upon completion, Shanghai Rui Pu and Shanghai Rui Xiang became wholly-owned subsidiaries of Shanghai Shu Kang.

j) On 25 September 2012, Shanghai Shu Kang received the business licence from SICB for the establishment of a 100% owned special purpose vehicle named Shanghai Mai Kang Hospital Investment Management Co., Ltd ("Shanghai Mai Kang") in the People's Republic of China with an initial registered capital of RMB41,318,900. The intended principal activity of Shanghai Mai Kang is investment holding. The validity period of the licence is from 24 September 2012 to 23 September 2020.

k) On 16 October 2012, Acıbadem Sağlık Yatırımları Holdings A.Ş. acquired the remaining 0.01% equity interest in Almond for a total consideration of TL4. The said acquisition increased Acıbadem Sağlık Yatırımları Holdings A.Ş.'s shareholdings in Almond from its present 99.99% to 100.00%.

l) On 5 November 2012, ASH acquired the following subsidiary in Turkey:-

Name of subsidiary acquired	Total issued and paid-up capital	Equity interest	Purchase consideration	Principal activity
Turuncu Grup Sağlık Hizmetleri Danışmanlık İnşaat Ticaret A.Ş.	TL100,000	100%	TL5,000,000	Provision of healthcare services

m) On 6 November 2012, Shanghai Shu Kang received the approval from SICB for the transfer of Shanghai Rui Pu and Shanghai Rui Xiang to Shanghai Mai Kang. Thereafter, Shanghai Rui Pu and Shanghai Rui Xiang became wholly-owned subsidiaries of Shanghai Mai Kang.

n) On 29 November 2012, Shanghai Shu Kang received the approval from Chengdu High Tech Zone Administration Bureau of Industry and Commerce for the transfer of 100% equity interest in Chengdu Rui Rong Clinic Co. Ltd to Shanghai Mai Kang for a total consideration of RM810,000.

o) On 1 December 2012, Acibadem Poliklinikleri acquired 100.00% equity interest in Tolga Saglik Hizmetleri A.S. ("Tolga Saglik") for a total consideration of USD 1,500,000. Tolga Saglik's principal activity is the provision of healthcare services.

p) On 1 December 2012, Konur Saglik Hitmetleri A.S. ("Konur Saglik") acquired 10.00% equity interest in Gemtip Ozel Saglik Hizmetleri Sanayi ve Ticaret Ltd. Sti. ("Gemtip Ozel") for a total consideration of TL30,000. The said acquisition increased Konur Sağlık's shareholdings in Gemtıp Özel from its present 58.00% to 68.00%.

q) On 14 December 2012, ASH acquired 100.00% equity interest in BLAB Laboratuvar Hizmetleri A.S. ("BLAB Laboratuvar") for a total consideration of TL50,000. BLAB Laboratuvar's principal activity is the provision of laboratory services.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

r) On 17 December 2012, Shanghai Mai Kang acquired equity interests in the following entities in the People's Republic of China:

Name of Entity	Purchase consideration	Equity interest	The Group's effective equity interest in the Entity
Shanghai Rui Xin Healthcare Co. Ltd	RMB41,780,000	30%	100% #
Shanghai Xin Rui Healthcare Co. Ltd.	RMB38,500,000	15%	85% #
Shanghai Rui Hong Clinic Co. Ltd	RMB6,760,000	15%	85% #

The balance of the equity interests are held through Medical Resources International Pte Ltd, an indirect wholly-owned subsidiary of the Company.

s) On 20 December 2012, Acibadem Poliklinikleri acquired 5.00% equity interest in Konur Saglik for a total consideration of USD150,000. The said acquisition increased Acibadem Poliklinikleri's shareholdings in Konur Saglik from its present 94.95% to 99.95%.

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.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Reference is made to the Company's Prospectus dated 2 July 2012 and the 2011 audited financial statements, wherein it was disclosed that Tan Sri Dato' Dr. Awang Bin Had Salleh and Konsortium Bersatu Perkhidmatan Kesihatan Sdn Bhd (collectively the "Plaintiffs") had on 15 April 2008 filed a suit in the High Court of Malaya at Kuala Lumpur (Suit No.: D11-22-510-2008) against Pantai Support Services Sdn Bhd ("PSS") and Pantai Holdings Berhad ("Pantai"). The hearing of the closing oral submission was initially set on 7 December 2012, but was subsequently postponed to 28 February 2013.

Other than as mentioned in prior period's Interim Financial Reports, there were no material changes in the contingent liabilities or contingent assets as at 19 February 2013 from that disclosed in the 2011 Audited Financial Statements.

A14 CAPITAL COMMITMENTS

	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Capital commitments not provided for in the interim financial report:		
Property, plant and equipment		
- Amounts authorised and contracted for	1,059,474	523,971
- Amounts authorised but not contracted for	330,881	542,443
	1,390,355	1,066,414

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

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

	4th quarter ended			Financial year ended		
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	Variance %	31 Dec 2012 RM'000	31 Dec 2011 RM'000	Variance %
REVENUE						
Parkway Pantai	917,651	808,133	14%	4,745,296	3,167,155	50%
Acibadem Holdings	555,774	-	N.M	2,058,530	-	N.M
IMU Health	45,835	39,826	15%	174,753	158,811	10%
Others^	-	37	-100%	3,363	2,883	17%
Total	**1,519,260**	**847,996**	**79%**	**6,981,942**	**3,328,849**	**110%**
EBITDA						
Parkway Pantai	214,837	148,807	44%	997,986	619,357	61%
Acibadem Holdings	79,830	-	N.M	330,435	-	N.M
IMU Health	14,678	11,778	25%	63,847	61,464	4%
Others^	(6,288)	(8,028)	22%	(15,945)	(22,597)	29%
Total	**303,057**	**152,557**	**99%**	**1,376,323**	**658,224**	**109%**

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

Q4 2012 vs Q4 2011

The Group achieved double-digit revenue and EBITDA growth for the 4th quarter ended 31 December 2012 ("Q4 2012"). Both revenue and EBITDA increased 79% and 99% respectively as compared to the corresponding prior year quarter with the consolidation of Acibadem Holdings. Improved performance in the Group's existing operations also contributed to the significant revenue and EBITDA growth. In Q4 2012, savings in construction costs resulting in over-accruals amounting to RM26.7 million for the medical suites sold was reversed from the Group's statement of comprehensive income. Excluding the non-recurring effects of the above-mentioned reversal of over-accruals of construction costs as a result of savings in construction costs, the Group's EBITDA grew 81% from RM152.6 million in the Q4 2011 to RM276.4 million in the current quarter.

The Group's Q4 2012 profit after tax and minority interest ("PATMI") was boosted by exceptional gains such as a RM31.6 million valuation gain recognised for the Group's investment properties as well as a RM41.7 million write back of impairment loss previously recognised on a financial asset, upon the recovery of this balance. Refer to the Supplementary Information to the Statement of Comprehensive Income for details of exceptional items. As a result, the Group's PATMI improved significantly from RM52.0 million in Q4 2011 to RM195.9 million in Q4 2012. Excluding exceptional items, the Group's PATMI increased 38% to RM146.6 million in Q4 2012.

Parkway Pantai

Parkway Pantai's revenue grew 14% to RM917.7 million in Q4 2012 whilst its EBITDA grew 44% to RM214.8 million for Q4 2012. Excluding the above-mentioned reversal of over-accruals of construction costs as a result of savings in construction costs, Parkway Pantai's EBITDA grew 26% from RM148.8 million in Q4 2011 to RM188.1 million in Q4 2012.

Parkway Pantai's newly constructed Mount Elizabeth Novena Hospital in Singapore commenced its operations on 28 June 2012 and contributed RM32.4 million of revenue in Q4 2012. The opening of Mount Elizabeth Novena Hospital, together with the continued demand for quality healthcare in the region, led to a 10% increase in inpatient admissions at the Singapore hospitals from 13,037 inpatient admissions in Q4 2011 to 14,271 inpatient admissions in Q4 2012. Inpatient admissions at Parkway Pantai's hospitals in Malaysia grew 3% to 41,268 inpatient admission in Q4 2012. 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. Revenue intensities increased to approximately RM18,938 and RM4,646 in

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

Singapore and Malaysia respectively, from RM18,736 and RM4,131 in Q4 2011.

Whilst revenue gradually ramped up in its initial months of operation, Mount Elizabeth Novena Hospital had to incur start-up costs of staffing and operating the hospital. Mount Elizabeth Novena Hospital recognised an EBITDA loss of RM16.4 million in Q4 2012 as compared to lower pre-operating expenses of RM13.8 million in Q4 2011. Excluding the effects of such start up and pre-operating loss, as well as the above-mentioned reversal of over-accruals of construction costs in relation to the sale of medical suites, Parkway Pantai's EBITDA improved 26% to RM204.5 million for Q4 2012 and EBITDA margins improved to 23% from 20% in Q4 2011.

IMU Health

IMU Health registered 15% revenue growth in Q4 2012 over the corresponding quarter last year due to fee increase as well as increased student enrolment in majority of its existing and new academic programs.

IMU Health's EBITDA increased 25% to RM 14.7 million in Q4 2012, mainly driven by the increase in revenue. EBITDA margins also improved by 2% to 32% in Q4 2012.

The transfer of Pantai Education Sdn Bhd ("PESB") from Parkway Pantai to IMU Health was completed on 22 October 2012. IMU Health's Q4 2012 performance included approximately 2 month's contribution from PESB.

Others

Others segment's incurred 22% higher EBITDA loss in Q4 2011 as compared to Q4 2012 due to accruals for employees' bonuses made only in Q4 2011.

FY2012 vs FY2011

The Group's revenue and EBITDA more than doubled for the financial year ended 31 December 2012 ("FY2012") as compared to last year upon the consolidation of Acibadem Holdings from 24 January 2012 onwards as well as the recognition of profits from the sale of the 216 medical suites units at the Mount Elizabeth Novena Specialist Centre. The improved performance in the Group's existing operations also contributed to the robust revenue and EBITDA growth. Excluding the non-recurring effects of the sale of the medical suites, the Group's revenue grew 73% from RM3,328.8 million in FY2011 to RM5,772.4 million in FY2012, and EBITDA increased 69% from RM658.2 million in FY2011 to RM1,111.3 million in FY2012.

The Group's FY2012 profit after tax and minority interest ("PATMI") was boosted by exceptional gains such as a RM164.2 million valuation gain recognised for the Group's investment properties as well as a RM41.7 million write back of impairment loss previously recognised on a financial asset, upon the recovery of this balance. It is partially offset by higher professional and consultancy fees, a RM26.3 million fair value loss on contingent consideration payable for the Group's acquisition of Acibadem Holdings as well as loss on disposal of property, plant and equipment. Refer to the Supplementary Information to the Statement of Comprehensive Income for details of exceptional items. As a result, the Group's PATMI improved 114% from RM373.5 million in FY2011 to RM798.9 million in FY2012.

Excluding exceptional items, the Group's PATMI grew 56% to RM686.6 million in FY2012 on the back of strong EBITDA growth as well as savings in finance costs upon repayment of the Parkway acquisition loan using the proceeds from the IPO of the Company. However, these savings was offset by higher depreciation expense and finance costs recognised in the statement of comprehensive income upon the TOP of Mount Elizabeth Novena Hospital and Specialist Centre on 23 April 2012.

Parkway Pantai

Parkway Pantai achieved full-year revenue of RM4,745.3 million and EBITDA of RM998.0 million. The strong performance was attributed to robust performance for Parkway Pantai's existing operations as well as profit recognition from sale of medical suites upon receipt of TOP in April 2012.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

Excluding the effects of the sale of medical suites, Parkway Pantai's FY2012 revenue grew 12% to RM3,535.7 million whilst its FY2012 EBITDA grew 18% to RM733.0 million. EBITDA margins improved marginally to 21%.

The newly constructed Mount Elizabeth Novena Hospital contributed RM51.7 million of revenue in FY2012. It's opening, together with the continued demand for quality healthcare services in the region resulted in strong inpatient admissions growth at the Parkway Pantai hospitals. Inpatient admissions increased by 8% at the Singapore hospitals from 51,036 inpatient admissions in FY2011 to 55,251 inpatient admissions in FY2012. Parkway Pantai's hospitals in Malaysia recorded 4% increase in their inpatient admissions from 153,284 in FY2011 to 158,990 in FY2012. In addition, revenue intensities at the Parkway Pantai hospitals increased to approximately RM19,444 and RM4,583 per inpatient admission in Singapore and Malaysia respectively, from RM18,478 and RM4,141 in YTD 2011. The higher revenue intensities were the result of more complex cases undertaken by the hospitals, as well as price increases to compensate for cost inflation.

Parkway Pantai incurred various pre-operating costs to prepare its newly constructed 333 bed Mount Elizabeth Novena Hospital in Singapore for commencement of operations on 28 June 2012. Such costs include the hiring and training of medical and administrative staff, marketing and promotion expenses, utilities etc. Mount Elizabeth Novena Hospital's pre-operating and startup losses amounted to RM84.2 million in FY2012 while the pre-operating expense in FY2011 was RM30.4 million. Excluding the effects of such pre-operating and startup costs as well as the above-mentioned sale of medical suites, Parkway Pantai's EBITDA improved 26% to RM817.2 million for FY2012. On that basis, EBITDA margins increased 2% to 23% for the FY2012. The improvement in EBITDA margins was in tandem with higher revenue intensities and the result of continuous cost containment efforts.

IMU Health

IMU Health registered 10% revenue growth in FY2012 over the prior year due to fee increase as well as increased student enrolment in majority of its existing and new academic programs.

IMU Health's EBITDA margins fell by 2% to 37% in FY2012 as a result of increasing expenses such as staff costs. IMU Health increased its headcount in line with the increased student enrolment to maintain the ideal staff-to-student ratio. Moreover, IMU Health recognised a one-off claw back of lease rental of RM2.5 million in YTD 2012 for the lease period of 1999 till 2011 upon being notified by the Federal Lands Commissioner on 31 July 2012 that the lease of the land will be executed. Besides recognising the one-off claw back of lease rental expense, IMU Health also recognised the lease rental expense this year, whereas there was none recognised last year.

The transfer of Pantai Education Sdn Bhd ("PESB") from Parkway Pantai to IMU Health was completed on 22 October 2012. IMU Health's FY2012 performance included approximately 2 month's contribution from PESB.

Others

In FY2011, the Company incurred professional and consultancy fees amounting to approximately RM6.0 million in conjunction with the capital injection by MBK Healthcare Partners Pte Ltd, a wholly-owned subsidiary of Mitsui & Co. ("Mitsui"), whereas there were no such expenses incurred in FY2012. Mitsui became Khazanah's strategic partner in the Company through its capital injection on 16 May 2011 whereby Mitsui became a 30% shareholder of the Company.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2012 RM'000	3rd quarter ended 30 Sep 2012 RM'000	Variance %
REVENUE			
Parkway Pantai	917,651	883,109	4%
Acibadem Holdings	555,774	558,158	0%
IMU Health	45,835	44,370	3%
Others	-	3,363	-100%
Total	**1,519,260**	**1,489,000**	**2%**
EBITDA			
Parkway Pantai	214,837	167,189	28%
Acibadem Holdings	79,830	72,229	11%
IMU Health	14,678	15,666	-6%
Others	(6,288)	(1,551)	NM
Total	**303,057**	**253,533**	**20%**

Q4 2012 vs Q3 2012

The Group delivered a 2% quarter-on-quarter revenue growth in Q4 2012, which translated to its increase in EBITDA. Moreover, Q4 2012 EBITDA was boosted by savings in construction costs which resulted in the reversal of over-accruals of construction costs amounting to RM26.7 million in relation to development cost of the Novena medical suites sold. Excluding this, the Group's EBITDA grew 9% from RM253.5 million in the previous quarter to RM276.4 million in the current quarter.

The Group's Q4 2012 PATMI was boosted by exceptional gains such as a RM31.6 million valuation gain recognised for the Group's investment properties as well as a RM41.7 million write back of impairment loss previously recognised on financial asset. As a result, the Group's PATMI improved significantly from RM75.7 million in Q3 2012 to RM 195.9 million in Q4 2012. Excluding exceptional items, the Group's PATMI increased 53% to RM146.6 million in Q4 2012.

Parkway Pantai

Generally, quarter-on-quarter revenue and EBITDA increased across Parkway Pantai's key markets. Q4 2012 patient volumes in Singapore and Malaysia rebounded from the lows experienced in Q3 2012 as patients who had postponed their elective medical procedures last quarter during Ramadan and the Hungry Ghost Festival returned to Parkway Pantai's hospitals in the current quarter to have their medical procedures performed.

The ramping up of Mount Elizabeth Novena Hospital's patient volumes resulted in a 70% quarter-on-quarter increase in their revenue, which helped to offset the overheads of the new operations. As a result, Mount Elizabeth Novena Hospitals' EBITDA loss was reduced 31% from RM23.9 million in Q3 2012 to RM16.4 million in Q4 2012.

Acibadem Holdings

Acibadem Holdings' revenue was flat quarter-on-quarter mainly due to the effects of translation from TL to RM. In its functional currency, Acibadem Holdings' revenue grew 2% from TL325.0 million in Q3 2012 to TL330.0 million in Q4 2012 as a result of revenue contribution from Acibadem Ankara Hospital which opened in November 2012. With the winter months approaching and the opening of Acibadem Ankara Hospital, Acibadem Holdings' inpatient volumes increased 4% quarter-on-quarter from 25,172 admissions in Q3 2012 to 26,277 admissions in Q4 2012. However, this was partially offset by lower revenue intensities at Acibadem Holdings' hospitals in this quarter. Average revenue per inpatient admission decreased 1.5% from RM10,300 in Q3 2012 to

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

RM10,146 in Q4 2012 as a result of a lower mix of medical travelers. Besides higher inpatient volumes, the number of outpatient and day surgery cases at the Acibadem Holding's hospitals increased in Q4 2012 as compared to Q3 2012.

Acibadem Holding's EBITDA grew 11% to RM79.8 million in Q4 2012 as compared to Q3 2012.

IMU Health

IMU Health registered 3% revenue growth in Q4 2012 as compared to Q3 2012. However, its EBITDA decreased 6% quarter-on-quarter due to expenses incurred for student recruitment promotional activities which took place in the current quarter.

Others

In Q3 2012, the Group earned dividend income from its investment in Apollo Hospital Enterprise Limited whereas no dividend was declared by Apollo Hospitals Enterprise Limited in the current quarter.

B3 NEXT FINANCIAL YEAR PROSPECTS

Parkway Pantai

Parkway Pantai's newly opened Mount Elizabeth Novena Hospital had been ramping up its patient volumes gradually since its opening in late June 2012 and the trend is expected to continue for the year ahead. Patient volumes at Parkway Pantai's Singapore Hospitals are expected to grow with the continued demand for quality healthcare services and with the demographics of an ageing population in Singapore. The Group's other ongoing expansion and construction projects in Malaysia have been progressing on schedule.

Parkway Pantai continues to seek various avenues to grow its revenues whilst containing its costs. However, it is mindful that the shortage of trained healthcare professionals in Singapore and Malaysia may increase hiring and staff costs of the Group.

Parkway Pantai will have significant interest cost savings in FY2013 as compared to FY2012 with the repayment of the S$1.5 billion Parkway acquisition loan in August 2012 using the proceeds from IHH's public offering.

Acibadem Holdings

Acibadem Holdings' patient volumes and revenues are generally expected to increase for the year ahead from the contribution of its newly opened hospitals, Acibadem Ankara Hospital and Acibadem Bodrum Hospital.

In December 2012, Acibadem Holdings Group repaid approximately US$250.0 million of its US-dollar denominated borrowings in its subsidiary, Almond Holdings A.S., and various other short term loans when IHH and the remaining 40% shareholders of Acibadem Holdings recapitalised Acibadem Holdings. Integrated Healthcare Turkey Yatirimlari Limited, a wholly-owned subsidiary of the IHH, borrowed US$180.0 million from the banks to fund the Group's 60% share of the recapitalisation of Acibadem Holdings. This is expected to reduce the Group's exposure to currency fluctuations as well as reduce the overall borrowing costs in the coming year.

Overall IHH Group Prospects

The Group expects its revenue to grow with the completion of the various expansion and construction projects in the pipelines. However, the pre-operating and start-up costs associated with these new operations may erode the overall Group EBITDA and margins. The Group continues to leverage on its experience with new operations to minimise such pre-operating and start-up costs as well as to escalate the ramp up of the new operations.

Barring the effects of seasonality and unforeseen circumstances, the Group is cautiously optimistic that it would achieve satisfactory performance for the year ahead.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	4th quarter ended		Financial year ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Current tax expense	28,090	22,562	184,848	96,045
Deferred tax expense	5,587	2,388	(5,541)	(617)
	33,677	24,950	179,307	95,428

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 20.1% for both Q4 2012 and FY2012. It was lower than the Malaysian statutory tax rate mainly due to the effects of lower tax rates in certain countries that the Group operates. In addition, most of the income in the exceptional items included in the Group's profit before tax are non-taxable. This is partially offset by the non-tax deductibility of the depreciation of Mount Elizabeth Novena Hospital's land and building.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B6 STATUS OF CORPORATE PROPOSALS

a) Status of corporate proposals announced but not completed as at 19 February 2013:

i) Acquisition of 65% equity interest in Jinemed Saglik Hizmetleri ve Ticaret A.S. ("Jinemed")

Refer to Section A11 for details.

b) Utilisation of IPO proceeds

As at 19 February 2013, the gross proceeds of RM5,040,000,000 from the Public Issue were utilised in the following manner:

	Proposed Utilisation Amount RM'000	Actual Utilisation Amount RM'000	Deviation RM'000	Remarks
Repayment of bank borrowings	4,663,000	4,649,018	13,982	Note 1, 3
Working capital and general corporate purpose[2]	189,000	208,460	(19,460)	Note 3
Estimated listing expenses	188,000	182,522	5,478	Note 3
	5,040,000	5,040,000	-	

Note

1: Actual utilisation was less than the proposed amount due to the lower outstanding principal at the date of repayments.

2: Amount set aside for working capital and general corporate purpose differs from amount set out in the IPO prospectus of RM279.0 million. The difference of RM90.0 million arose from the difference in the actual IPO price of RM2.80 per share and indicative retail price of RM2.85, times the 1.8 billion shares issued pursuant to the IPO.

This amount was mainly utilised to settle the consideration payable relating to the acquisition of Acibadem Holdings (Refer to Section B9 for details) and to recapitalise Acibadem Holdings prior to the new loan facility being available.

3: The balance not utilised for repayment of bank loans and listing expenses was used for working capital and general corporate purpose.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B7 LOANS AND BORROWINGS

a) Breakdown of the Group's loans and borrowings as at 31 December 2012:

	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Non-current		
Secured		
Bank borrowings	550,110	3,674,505
Financial lease liabilities	191,269	26,268
Unsecured		
Bank borrowings	1,588,174	1,290,491
	2,329,553	4,991,264
Current		
Secured		
Bank borrowings	239,598	32,961
Financial lease liabilities	57,599	13,539
Bank overdrafts	974	584
Unsecured		
Bank borrowings	821	-
	298,992	47,084
Total	2,628,545	5,038,348

b) Breakdown of the Group's loans and borrowings as at 31 December 2012 by the source currency of loans, in RM equivalent:

	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Singapore Dollar	1,588,174	4,941,799
Ringgit Malaysia	81,224	76,179
US Dollar	604,759	-
Macedonian Denar	29,099	-
Swiss Franc	82,126	-
Euro	117,009	-
Turkish Lira	111,596	-
Others *	14,558	20,370
	2,628,545	5,038,348

* Others include India Rupee, Hong Kong Dollar and Brunei Dollar

Key exchange rates as at 31 December 2012:
1 SGD = RM2.5069
1 TL = RM1.7188
1 USD = RM3.057

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivatives financial instruments as at 31 December 2012:

	Notional Amount as at 31 Dec 2012 RM'000	Fair value amount as at 31 Dec 2012 RM'000
Foreign exchange forward contracts		
- within 1 year	110,302	(7,448)
Interest rate swaps		
- within 1 year	206,668	(4,406)
- 1 year to 3 years	5,662	(1,481)

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 balance. The fair value of foreign exchange forward contract is determined based on prevailing market rate. All changes in fair value of the foreign exchange forward contracts during the period were recognised in the statement of comprehensive income.

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 broker quotes. All changes in fair value of the interest rate swaps during the period were recognised in the statement of comprehensive income.

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 B15 for the fair value gain/loss recognised in the statement of comprehensive income during the period.

B9 CONSIDERATION PAYABLE

As at 31 December 2012, consideration payable of RM66.7 million in relation to the acquisition of Acibadem Holdings was recognised as other payables in the Group's statement of financial position. Pursuant to the sale and purchase agreement, the purchase consideration of Acibadem Holding is subject to further adjustments if the TL has appreciated in value against the US Dollar ("USD") on 31 December 2012, as compared to the exchange rate used in the sales and purchase agreement, subject to a cap of TL1.65/USD1. The Group shall pay the differential sum.

This consideration payable was measured at fair value on initial recognition, and marked-to-market thereafter. All changes in fair value of the consideration payable during the year were recognised in the statement of comprehensive income.

As at 31 December 2012, the actual consideration payable was determined with reference to the prevailing exchange rate on 31 December 2012 and the agreed formula for the computation of the additional consideration payable. As the USD weakens against TL as at 31 December 2012 as compared to the agreed exchange rate stated in the sales and purchase agreement, the Group recognised a fair value loss for the financial year ended 31 December 2012. Refer to Section B15 for the fair value loss recognised in the statement of comprehensive income during the year.

The Group settled the consideration payable in January 2013.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B10 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

Other than derivatives and the consideration payable as mentioned in Section B9, the Group does not remeasure its financial liabilities at reporting date.

B11 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 19 February 2013, 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.

B12 DIVIDENDS

No dividends were declared or paid by the Group in the current quarter or year to date 31 December 2012.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B13 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.

	4th quarter ended		Financial year ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Basic and diluted earnings per share is based on:				
Net profit attributable to ordinary shareholders	195,856	52,047	798,888	373,463
Net profit attributable to ordinary shareholders (excluding EI)	146,608	106,272	686,586	439,723

i **Basic EPS**

	'000	'000	'000	'000
Weighted average number of shares	8,055,445	5,500,000	6,975,015	4,545,603
	Sen	**Sen**	**Sen**	**Sen**
Basic EPS	2.43	0.95	11.45	8.22
Basic EPS (excluding EI)	1.82	1.93	9.84	9.67

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.

	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,055,445	5,500,000	6,975,015	4,545,603
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	13,372	6,442	12,647	3,233
Weighted number of unissued ordinary shares from share options under Employee Participation Plan	43,292	559	34,839	-
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,112,109	5,507,001	7,022,501	4,548,836
	Sen	**Sen**	**Sen**	**Sen**
Diluted EPS	2.41	0.95	11.38	8.21
Diluted EPS (excluding EI)	1.81	1.93	9.78	9.67

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B14 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.

	As at 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	530,183	180,973
- Unrealised	265,287	48,309
	795,470	229,282
Total share of retained earnings from associates		
- Realised	57,158	37,174
- Unrealised	58,710	35,197
	115,868	72,371
Total share of retained earnings from joint ventures		
- Realised	36,842	24,984
- Unrealised	3,650	3,650
	40,492	28,634
Less Consolidation adjustments	(49,273)	(30,113)
Total Group retained earnings	902,557	300,174

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012

B15 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

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

	4th quarter ended		Financial year ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Dividend income	-	-	3,363	2,883
Other operating income	23,340	11,082	116,707	160,578
Depreciation and impairment losses of property, plant and equipment	(120,432)	(45,761)	(413,717)	(165,751)
Amortisation and impairment losses of intangible assets	(18,203)	(8,417)	(68,752)	(54,989)
Net foreign exchange (loss)/gain	(2,708)	(4,124)	19,373	95,548
Professional and consultancy fees:				
- Acquisitions	(664)	(34,471)	(5,758)	(35,051)
- Listing expenses	4,364	-	(50,227)	-
- Internal restructuring	(4,015)	(292)	(5,319)	(9,128)
Fair value loss on contingent consideration payable	(14,065)	-	(26,284)	-
Valuation gain on investment properties	31,638	-	164,238	-
Write back of/(provision of) impairment loss on:				
- Trade and other receivables	172	(8,865)	(22,801)	(17,066)
- Amount due from associates	-	(2,959)	-	(2,959)
- Amount due from joint ventures	(2)	-	(550)	-
- Financial assets	-	(37)	-	(2,372)
Write back of impairment loss on financial assets	41,664	-	41,664	-
Write back of IT project expenses	-	-	4,180	-
Write (off)/back				
- Inventories	200	(565)	200	(720)
- Trade and other receivables	343	1,436	-	1,736
- Property, plant and equipment	(1,054)	(19,258)	(1,217)	(19,445)
Loss on disposal of property, plant and equipment	(16,127)	(167)	(17,497)	(264)
Gain on disposal of assets held for sale	-	-	280	-
Gain on disposal of subsidiary	-	-	1,064	-
Finance costs				
Interest expense on loans and borrowing	(27,724)	(15,411)	(161,262)	(83,893)
Fair value loss of financial instruments	(2,830)	-	(10,979)	-
Other finance costs	(10,557)	(597)	(28,391)	(22,527)
	(41,111)	(16,008)	(200,632)	(106,420)
Finance income				
Interest Income				
- Banks and financial institutions	6,089	3,938	30,960	15,986
- Others	44	186	207	306
Exchange (loss)/gain on borrowings	(1,013)	-	40,333	-
Fair value gain of financial instruments	-	707	1,252	12,615
	5,120	4,831	72,752	28,907