IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 JUNE 2013

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

The following statements of profit or loss and other comprehensive income for the 2nd quarter and financial period ended 30 June 2013 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 onward, as well as recognition of the sale of medical suites at Mount Elizabeth Novena Specialist Centre in April 2012, details of which are set out in explanatory notes to the statement of profit or loss and other comprehensive income on Page 3 of this Interim Financial Report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

		2nd quarter ended			Financial period ended		
	Note	**30 Jun 2013 RM'000**	**30 Jun 2012 RM'000 (Restated^)**	**Variance %**	**30 Jun 2013 RM'000**	**30 Jun 2012 RM'000 (Restated^)**	**Variance %**
Revenue		1,680,002	2,688,645	-38%	3,304,600	3,950,816	-16%
Other operating income	1	52,801	188,385	-72%	87,445	214,260	-59%
Inventories and consumables		(254,164)	(279,842)	9%	(523,868)	(505,736)	-4%
Purchases and contracted services		(195,785)	(90,565)	-116%	(366,804)	(242,693)	-51%
Development cost of properties sold		-	(971,220)	100%	-	(971,220)	100%
Staff costs		(636,092)	(581,960)	-9%	(1,264,994)	(1,039,991)	-22%
Depreciation and impairment losses of property, plant and equipment	2	(132,312)	(103,599)	-28%	(267,018)	(184,812)	-44%
Amortisation and impairment losses of intangible assets		(17,369)	(17,381)	0%	(34,965)	(31,493)	-11%
Operating lease expenses		(43,402)	(37,265)	-16%	(86,602)	(62,908)	-38%
Other operating expenses	1	(168,671)	(216,169)	22%	(321,612)	(340,695)	6%
Finance income	3	14,676	(20,518)	172%	32,904	39,875	-17%
Finance costs	3, 4	(90,931)	(60,482)	-50%	(140,449)	(112,860)	-24%
Share of (losses)/profits of associates (net of tax)	5	(3,133)	180	NM	(3,062)	515	NM
Share of profits of joint ventures (net of tax)		2,521	4,303	-41%	6,154	7,702	-20%
Profit before tax		**208,141**	**502,512**	**-59%**	**421,729**	**720,760**	**-41%**
Income tax expense	6	(28,108)	(86,159)	67%	(74,404)	(130,506)	43%
Profit for the period		**180,033**	**416,353**	**-57%**	**347,325**	**590,254**	**-41%**
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations		(15,032)	270,092	-106%	(81,674)	281,387	-129%
Net change in fair value of available-for-sale financial assets	7	94,382	(89,833)	NM	140,114	(13,539)	NM
Effective portion of changes in fair value of cash flow hedge		1,186	(538)	NM	2,125	(916)	NM
		80,536	179,721	-55%	60,565	266,932	-77%
Total comprehensive income for the period		**260,569**	**596,074**	**-56%**	**407,890**	**857,186**	**-52%**
Profit attributable to:							
Owners of the Company		156,757	398,897	-61%	284,030	521,668	-46%
Non-controlling interests		23,276	17,456	33%	63,295	68,586	-8%
Profit for the period		**180,033**	**416,353**	**-57%**	**347,325**	**590,254**	**-41%**
Total comprehensive income attributable to:							
Owners of the Company		193,328	527,335	-63%	295,608	716,919	-59%
Non-controlling interests		67,241	68,739	-2%	112,282	140,267	-20%
Total comprehensive income for the period		**260,569**	**596,074**	**-56%**	**407,890**	**857,186**	**-52%**
Earnings per share (sen)							
Basic	8	1.93	6.44	-70%	3.51	8.54	-59%
Diluted	8	1.92	6.40	-70%	3.49	8.51	-59%

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

^: With the implementation of MFRS10 Consolidated Financial Statements with effect from 1 January 2013, Parkway Life REIT and Khubchandani Hospitals Private Limited (which was accounted for as an associate and a subsidiary in the previous year) is now respectively being consolidated as a subsidiary and equity accounted as a joint venture. The comparative figures for FY2012 have been restated accordingly. Refer to Section A1 and A8 for details.

IHH HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

SUPPLEMENTARY INFORMATION

		2nd quarter ended			Financial period ended		
		30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated^)	Variance %	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated^)	Variance %
Profit attributable to owners of the Company		**156,757**	**398,897**	**-61%**	**284,030**	**521,668**	**-46%**
Add back/(less): Exceptional items ("EI")							
Professional and consultancy fees:							
- Acquisitions[i]		368	(3,713)		582	2,551	
- Listing expenses		-	54,801		-	54,801	
Change in fair value of contingent consideration payable[ii]		(4,042)	(14,861)		(4,042)	(4,089)	
Valuation gain on investment properties[iii]		-	(132,600)		-	(132,600)	
Write back of IT project expenses		-	(4,180)		-	(4,180)	
Write off of property, plant and equipment		139	6		160	139	
(Gain)/loss on disposal of property, plant and equipment		(1,284)	823		(1,457)	1,069	
Gain on disposal of assets held for sale		(67)	(280)		(67)	(280)	
Gain on disposal of a subsidiary[iv]		-	(1,064)		-	(1,064)	
Exchange loss/(gain) on borrowings	3	58,607	20,719		68,764	(21,047)	
		53,721	(80,349)		63,940	(104,700)	
Less: Non-controlling interest share of EI		(21,819)	(7,237)		(25,860)	8,787	
Profit attributable to owners of the Company, excluding EI[v]		**188,659**	**311,311**	**-39%**	**322,110**	**425,755**	**-24%**
Earnings per share, excluding EI[v] (sen)							
Basic	8	2.32	5.02	-54%	3.98	6.97	-43%
Diluted	8	2.31	4.99	-54%	3.96	6.95	-43%

NM: Not meaningful

i: YTD 2013 professional fees relates to the acquisition of non-controlling interests of subsidiaries within Acibadem Holdings
YTD 2012 professional fees relates to the acquisition of Acibadem Holdings
ii: Fair valuation of contingent consideration payable relating to acquisition of Bodrum Tedavi and Acibadem Holdings, for YTD 2013 and YTD 2012 respectively
iii: Fair valuation of investment properties held for rental to third parties at Mount Elizabeth Novena Hospital and Specialist Centre
iv: Gain on disposal of P.T. Pantai Bethany Care International, a 65% owned subsidiary of the Group
v: Exceptional items, net of non-controlling interests' share

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2012 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

Generally, the decrease in the revenue and profit for the 2nd quarter and financial period ended 30 June 2013 ("Q2 2013" and "YTD 2013") was due to the recognition of profit from sale of medical suits at Mount Elizabeth Novena Specialist Centre upon its completion in Q2 last year. The 2012 financial results was boosted by the recognition of the sale of medical suites which contributed RM1,209.6 million to the Group's revenue, increased earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA") by RM238.3 million and increased profits after tax by RM193.6 million.

This effect was partially offset by the full 6 months consolidation of Acibadem Holdings in YTD 2013 as compared to approximately 5 months consolidation for the financial period ended 30 June 2012 ("YTD 2012") when the Group acquired Acibadem Holdings on 24 January 2012.

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. Q2 2013 and YTD 2013 depreciation includes the incremental depreciation of land and building of the Group's newly opened hospitals, namely, Mount Elizabeth Novena Hospital, Acibadem Bodrum Hospital and Acibadem Ankara Hospital. The Group commenced depreciation of these hospitals upon completion of construction.

3. Acibadem Holdings recognises exchange gain or loss arising on the translation of its loans, which are not denominated in Turkish Lira ("TL"), as finance income or finance cost respectively on the statement of profit or loss and other comprehensive income. Acibadem Holdings recognised an exchange loss of RM20.7 million in Q2 2012 and an exchange gain of RM21.0 million in YTD 2012 on translation of such loans. However, it recognised exchange losses amounting to RM58.6 million and RM68.8 million in Q2 2013 and YTD 2013 respectively.

4. Finance costs decreased mainly as a result of the repayment of the Parkway and Acibadem acquisition loans in August 2012 by utilising the proceeds from the initial public offering ("IPO") of the Company. The Group also repaid some of its loans from the proceeds from the sale of Novena medical suites last year.

   Acibadem Holdings repaid approximately US$250.0 million of the US-denominated borrowings in its subsidiary, Almond Holdings A.S., and various other short term loans when its shareholders recapitalised Acibadem Holdings. Integrated Healthcare Turkey Yatirimlari Limited, a wholly-owned Labuan subsidiary of the Group, borrowed approximately SGD222.0 million from a bank to fund the Group's 60% share of the recapitalisation, which resulted in lower overall borrowing costs for the Group.

   The savings in finance costs was partly offset by the above-mentioned exchange loss on the non-Turkish Lira denominated loans and a write off of RM8.2 million front-end fees resulting from the refinancing of a term loan in Parkway Pantai Group in Q1 2013.

5. 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.

6. The Group recognised tax expense amounting to RM44.7 million in Q2 2012 and YTD 2012 relating to its recognition of profits from sale of medical suites. In addition, lower tax expense was recognised in 2013 when the Group recognised a write back in June 2013 of approximately RM22.0 million as a result of the successful recovery of tax paid in a prior year.

7. 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.

8. The Group's EPS in Q2 2013 and YTD 2013 was computed based on an enlarged share capital base in comparison to last year. Please refer to Section B12.

IHH HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	30 Jun 2013 RM'000	31 Dec 2012 RM'000 (Restated^)
Assets			
Property, plant and equipment	1	9,070,117	8,460,191
Investment properties		1,726,020	1,826,923
Goodwill on consolidation		8,799,512	8,851,013
Intangible assets		2,750,182	2,837,717
Interests in associates		2,093	6,116
Interests in joint ventures		160,969	153,373
Other financial assets	2	840,274	682,748
Other receivables		45,052	31,420
Derivative assets		13,264	5,587
Deferred tax assets		66,602	61,160
Total non-current assets		**23,474,085**	**22,916,248**
Inventories		140,628	136,928
Trade and other receivables	3	1,076,948	892,464
Tax recoverable	4	73,425	39,060
Other financial assets		31,316	58,296
Derivative assets		336	264
Cash and bank balances		1,970,926	1,622,645
		3,293,579	2,749,657
Assets classified as held for sale		-	166
Total current assets		**3,293,579**	**2,749,823**
Total assets		**26,767,664**	**25,666,071**
Equity			
Share capital	5	8,131,689	8,055,445
Share premium	5	7,988,000	7,890,224
Other reserves		121,511	122,928
Retained earnings		1,341,045	1,065,377
Total equity attributable to owners of the Company		**17,582,245**	**17,133,974**
Non-controlling interests		2,103,651	2,050,501
Total equity		**19,685,896**	**19,184,475**
Liabilities			
Loans and borrowings	6	3,954,102	3,501,330
Employee benefits		20,547	21,205
Trade and other payables	7	342,963	76,372
Derivative liabilities		2,963	4,710
Deferred tax liabilities		974,133	965,394
Total non-current liabilities		**5,294,708**	**4,569,011**
Loans and borrowings	6	195,612	334,715
Trade and other payables	7	1,397,449	1,355,027
Derivative liabilities		7,467	11,951
Employee benefits		25,790	35,941
Tax payable		160,742	174,951
Total current liabilities		**1,787,060**	**1,912,585**
Total liabilities		**7,081,768**	**6,481,596**
Total equity and liabilities		**26,767,664**	**25,666,071**
Net assets per share attributable to owners of the Company[1] (RM)		2.16	2.13

[1]: Based on 8,131.7 and 8,055.4 million shares in issued as at 30 June 2013 and 31 December 2012 respectively

^: With the implementation of MFRS10 Consolidated Financial Statements with effect from 1 January 2013, Parkway Life REIT and Khubchandani Hospitals Private Limited (which was accounted for as an associate and a subsidiary in the previous year) is now respectively being consolidated as a subsidiary and equity accounted as a joint venture. The comparative figures for FY2012 have been restated accordingly. Refer to Sections A1 and A8 for details.

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the 2012 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENTS OF FINANCIAL POSITION

1. In Q2 2013, the Group paid approximately RM700.0 million for a piece of land in Wong Chuk Hang, Hong Kong, upon the successful bid by a 60%-owned subsidiary, GHK Hospital Limited ("GHK"), for the acquisition of the site to construct, develop and operate a 500-bed private hospital.

2. The increase in the other financial assets was due mainly to the fair value gain of RM140.1 million of the Group's investment in Apollo Hospital Enterprise Limited.

3. Trade and other receivables increased in line with higher revenues in 2013.

4. Tax recoverable as at 30 June 2013 included approximately RM35.0 million tax refund relating to a prior year's tax. The Group received the cash refunded by the tax authority in July 2013.

5. Additional shares were issued during the period upon the exercise of vested share options under the Group's Long Term Incentive Plan ("LTIP") and Employee Participation Plan ("EPP"). Please refer to Section A6 and Statements of Changes in Equity for details.

6. In 2013, the Group increased its borrowings by approximately RM420.0 million to fund its 60% share of GHK's payment for the above-mentioned land in Hong Kong.

7. Non-current other payables as at 30 June 2013 included approximately RM280.0 million owing by GHK to the non-controlling interest for their 40% share of shareholder's loans advanced for payment for the above-mentioned land in Hong Kong.

   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 June 2013. These payables will be recognised as revenue in the income statement as service is rendered.

   As at 31 December 2012, the 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. This consideration payable was settled by the Group in January 2013 and this partially offsets the increase in trade other payables as at 30 June 2013.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	<---------- 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**	**Hedging reserves RM'000**	**Capital and legal 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 as previously reported	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
Effect of adopting MFRS 10	-	-	-	-	-	-	(2,964)	(55,895)	(58,859)	1,051,104	992,245
Reclassification	-	-	-	-	-	(73,579)	-	73,579	-	-	-
At 1 January 2012, as restated	5,500,000	3,885,803	16,554	22,641	15,931	(59,570)	32,657	317,858	9,731,874	1,297,722	11,029,596
Foreign currency translation differences from foreign operations, as restated	-	-	-	-	-	-	209,118	-	209,118	72,269	281,387
Net change in fair value of available-for-sale financial assets	-	-	-	(13,539)	-	-	-	-	(13,539)	-	(13,539)
Effective portion of changes in fair value of cash flow hedge, as restated	-	-	-	-	(328)	-	-	-	(328)	(588)	(916)
Total other comprehensive income for the period, as restated	-	-	-	(13,539)	(328)	-	209,118	-	195,251	71,681	266,932
Profit for the period, as restated	-	-	-	-	-	-	-	521,668	521,668	68,586	590,254
Total comprehensive income for the period, as restated	**-**	**-**	**-**	**(13,539)**	**(328)**	**-**	**209,118**	**521,668**	**716,919**	**140,267**	**857,186**
Contributions by and distributions to owners of the company											
Share-based payment	-	-	11,239	-	-	-	-	-	11,239	-	11,239
Additional capital contribution into a subsidiary	-	-	-	-	-	14,949	-	-	14,949	(14,949)	-
	-	-	11,239	-	-	14,949	-	-	26,188	(14,949)	11,239
Acquisition of subsidiaries	695,442	792,804*	-	-	-	-	-	-	1,488,246	366,548	1,854,794
Disposal of a subsidiary	-	-	-	-	-	-	15	-	15	(396)	(381)
Acquisition of non-controlling interests, as restated	-	-	-	-	-	(124,065)	-	-	(124,065)	(107,652)	(231,717)
Dilution of interest in a subsidiary	-	-	-	-	-	56	-	-	56	152,317	152,373
Transfer per statutory requirements	-	-	-	-	-	736	-	(736)	-	-	-
Issue of shares to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	91,591	91,591
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(51,622)	(51,622)
Total transactions with owners of the Company	**695,442**	**792,804**	**11,239**	**-**	**-**	**(108,324)**	**15**	**(736)**	**1,390,440**	**435,837**	**1,826,277**
At 30 June 2012, as restated	**6,195,442**	**4,678,607**	**27,793**	**9,102**	**15,603**	**(167,894)**	**241,790**	**838,790**	**11,839,233**	**1,873,826**	**13,713,059**

* included in this amount is fair value adjustment of RM250,545,000 set off against RM1,043,349,000 gross share premium arising from shares issued to acquire a subsidiary.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	<---- Attributable to owners of the Company							---->			
	<---- Non-distributable						---->	Distributable			
	Share capital	Share premium	Share option reserve	Fair value reserve	Hedging reserves	Capital and legal reserves	Foreign currency fluctuation 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
At 1 January 2013, as previously reported	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
Effect of adopting MFRS 10	-	-	-	-	-	-	(8,737)	(102,303)	(111,040)	1,075,014	963,974
Reclassification	-	-	-	-	-	(265,123)	-	265,123	-	-	-
At 1 January 2013, as restated	8,055,445	7,890,224	32,810	177,859	15,863	(247,166)	143,562	1,065,377	17,133,974	2,050,501	19,184,475
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	(129,297)	-	(129,297)	47,623	(81,674)
Net change in fair value of available-for-sale financial assets	-	-	-	140,114	-	-	-	-	140,114	-	140,114
Effective portion of changes in fair value of cash flow hedge	-	-	-	-	761	-	-	-	761	1,364	2,125
Total other comprehensive income for the period	-	-	-	140,114	761	-	(129,297)	-	11,578	48,987	60,565
Profit for the period	-	-	-	-	-	-	-	284,030	284,030	63,295	347,325
Total comprehensive income for the period	**-**	**-**	**-**	**140,114**	**761**	**-**	**(129,297)**	**284,030**	**295,608**	**112,282**	**407,890**
Contributions by and distributions to owners of the company											
Share-based payment	-	-	10,002	-	-	-	-	-	10,002	-	10,002
Share options exercised	69,000	82,800	-	-	-	-	-	-	151,800	-	151,800
	69,000	82,800	10,002	-	-	-	-	-	161,802	-	161,802
Transfer to share capital and share premium on share options exercised	7,244	14,976	(22,220)	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	(8,998)	-	-	(8,998)	(9,241)	(18,239)
Dilution of interest in subsidiaries	-	-	-	-	-	(146)	5	-	(141)	851	710
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(50,742)	(50,742)
Transfer per statutory requirements	-	-	-	-	-	8,362	-	(8,362)	-	-	-
Total transactions with owners of the Company	**76,244**	**97,776**	**(12,218)**	**-**	**-**	**(782)**	**5**	**(8,362)**	**152,663**	**(59,132)**	**93,531**
At 30 June 2013	**8,131,689**	**7,988,000**	**20,592**	**317,973**	**16,624**	**(247,948)**	**14,270**	**1,341,045**	**17,582,245**	**2,103,651**	**19,685,896**

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2012 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Financial period ended	
	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated^)
Cash flows from operating activities		
Profit before tax	421,729	720,760
Adjustments for:		
Finance income	(32,904)	(39,875)
Finance costs	140,449	112,860
Amortisation and impairment losses of intangible assets	34,965	31,493
Depreciation and impairment losses of property, plant and equipment	267,018	184,812
Write off of property, plant and equipment	160	139
(Gain)/loss on disposal of property, plant and equipment	(1,457)	1,069
Gain on disposal of a subsidiary	-	(1,064)
Gain on disposal of assets held for sale	(67)	(280)
Impairment loss made/(written back) on:		
- Trade and other receivables	20,148	22,392
- Amounts due from associates and joint ventures	(1,225)	-
Change in fair value of contingent consideration payable	(4,042)	(4,089)
Valuation gain on investment properties	-	(132,600)
Share of losses/(profits) of associates (net of tax)	3,062	(515)
Share of profits of joint ventures (net of tax)	(6,154)	(7,702)
Equity-settled share-based payment transactions	10,002	11,239
Net unrealised foreign exchange gain	(21,046)	(22,542)
Operating profit before changes in working capital	**830,638**	**876,097**
Changes in working capital		
Trade and other receivables	(213,905)	(38,804)
Inventories	(3,481)	(1,479)
Development properties	-	910,955
Trade and other payables	34,733	(555,078)
Cash flows from operations	**647,985**	**1,191,691**
Income tax paid	(105,912)	(89,553)
Net cash generated from operating activities	**542,073**	**1,102,138**
Cash flows from investing activities		
Interest received	21,193	15,367
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(810,549)
Capital injection into joint ventures	(10,754)	-
Development and purchase of intangible assets	(4,976)	(3,134)
Purchase of property, plant and equipment	(927,178)	(556,647)
Purchase of investment properties	(941)	(129,668)
Proceeds from disposal of property, plant and equipment	7,965	1,331
Proceeds from disposal of intangible assets	519	-
Proceeds from disposal of a subsidiary	-	458
Proceeds from disposal of assets held for sale	233	1,578
Net repayment from/(advances to) associates	1,215	(299)
Net advances to joint ventures	(255)	(2,814)
Dividends received from associates	891	-
Dividends received from joint ventures	1,032	1,119
Refund of deposits paid to non-controlling shareholders of subsidiaries	43,032	-
Net cash used in investing activities	**(868,024)**	**(1,483,258)**

^: With the implementation of MFRS10 Consolidated Financial Statements with effect from 1 January 2013, Parkway Life REIT and Khubchandani Hospitals Private Limited (which was accounted for as an associate and a subsidiary in the previous year) is now respectively being consolidated as a subsidiary and equity accounted as a joint venture. The comparative figures for FY2012 have been restated accordingly. Refer to Section A1 and A8 for details.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Financial period ended	
	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated^)
Cash flows from financing activities		
Interest paid	(75,814)	(124,506)
Issue of shares by subsidiaries to non-controlling interest	-	91,591
Proceeds from exercise of share options	151,800	-
Loan from non-controlling interest of a subsidiary	280,167	-
Repayment to substantial shareholders and their related companies	-	(24,781)
Repayment of loans and borrowings	(1,264,098)	(823,251)
Buy-back of floating rate notes	(35,271)	(87,569)
Proceeds from loans and borrowings	1,682,899	1,620,076
Dividends paid to non-controlling shareholders	(50,742)	(51,622)
Acquisition of non-controlling interests	(18,239)	(231,717)
Proceeds from dilution of interest in subsidiaries	710	152,373
Change in pledged deposits	57,275	(53,932)
Net cash from financing activities	**728,687**	**466,662**
Net increase in cash and cash equivalents	**402,736**	**85,542**
Effect of exchange rate fluctuations on cash and cash equivalents held	3,794	45,110
Cash and cash equivalents at beginning of period	1,558,367	1,291,014
Cash and cash equivalents at end of the period	**1,964,897**	**1,421,666**

Cash and cash equivalents

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

	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated^)
Cash and bank balances	678,330	613,893
Deposits placed with licensed banks	1,292,596	911,325
	1,970,926	1,525,218
Less: Deposits pledged	(6,029)	(103,552)
Cash and cash equivalents at end of the period	**1,964,897**	**1,421,666**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2012 Audited Financial Statements and the accompanying explanatory notes attached to this financial report

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

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 2012 ("2012 Audited Financial Statements").

The 2012 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards ("MFRS").

b) Significant accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the 2012 Audited Financial Statements, except for the adoption of the new, revised and amendments to MFRS as issued by the Malaysian Accounting Standards Board.

Other than the adoption of MFRS10: Consolidated Financial Statements, the initial application of the new, revised and amendments to MFRS is not expected to have any material impact to the current and prior period financial statements upon their first adoption.

MFRS 10 introduces a new single control model to determine which investees should be consolidated. MFRS 10 supersedes MFRS 127: Consolidated and Separate Financial Statements and IC Interpretation 112: Consolidation – Special Purpose Entities. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

Except in respect of Parkway Life Real Estate Investment Trust ("PLife REIT") and Khubchandani Hospitals Private Limited ("Khubchandani"), the Group reviewed all investees that may be impacted by this and concluded that there are no changes to the existing consolidation treatment. The effects of the adoption of MFRS 10 on the accounting for the Group's 35.8% interest in PLife REIT and 50% interest in Khubchandani are detailed below. PLife REIT is classified as a separate reportable segment as shown in Section A8.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

(i) Condensed consolidated statements of financial position as at 31 December 2012:

	Previously reported RM'000	Reclass to conform with current period disclosure RM'000	Effect of adoption of MFRS 10 RM'000	Restated RM'000
Assets				
Property, plant and equipment	6,725,159	-	1,735,032	8,460,191
Investment properties	435,673	-	1,391,250	1,826,923
Goodwill on consolidation	8,723,050	-	127,963	8,851,013
Intangible assets	3,009,742	-	(172,025)	2,837,717
Interests in associates	919,929	-	(913,813)	6,116
Interests in joint ventures	37,403	-	115,970	153,373
Other financial assets	682,748	-	-	682,748
Other receivables	29,277	-	2,143	31,420
Derivative assets	-	-	5,587	5,587
Deferred tax assets	61,160	-	-	61,160
Total non-current assets	**20,624,141**	**-**	**2,292,107**	**22,916,248**
Inventories	136,928	-	-	136,928
Trade and other receivables	879,981	-	12,483	892,464
Tax recoverable	39,060	-	-	39,060
Other financial assets	58,296	-	-	58,296
Derivative assets	-	-	264	264
Cash and bank balances	1,554,273	-	68,372	1,622,645
	2,668,538	-	81,119	2,749,657
Assets classified as held for sale	166	-	-	166
Total current assets	**2,668,704**	**-**	**81,119**	**2,749,823**
Total assets	**23,292,845**	**-**	**2,373,226**	**25,666,071**
Equity				
Share capital	8,055,445	-	-	8,055,445
Share premium	7,890,224	-	-	7,890,224
Other reserves	396,788	(265,123)	(8,737)	122,928
Retained earnings	902,557	265,123	(102,303)	1,065,377
Total equity attributable to owners of the Company	**17,245,014**	**-**	**(111,040)**	**17,133,974**
Non-controlling interests	975,487	-	1,075,014	2,050,501
Total equity	**18,220,501**	**-**	**963,974**	**19,184,475**
Liabilities				
Loans and borrowings	2,329,553	-	1,171,777	3,501,330
Employee benefits	21,205	-	-	21,205
Trade and other payables	41,971	-	34,401	76,372
Derivative liabilities	1,481	-	3,229	4,710
Deferred tax liabilities	834,363	-	131,031	965,394
Total non-current liabilities	**3,228,573**	**-**	**1,340,438**	**4,569,011**
Loans and borrowings	298,992	-	35,723	334,715
Trade and other payables	1,324,510	-	30,517	1,355,027
Derivative liabilities	11,854	-	97	11,951
Employee benefits	35,941	-	-	35,941
Tax payable	172,474	-	2,477	174,951
Total current liabilities	**1,843,771**	**-**	**68,814**	**1,912,585**
Total liabilities	**5,072,344**	**-**	**1,409,252**	**6,481,596**
Total equity and liabilities	**23,292,845**	**-**	**2,373,226**	**25,666,071**

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

(ii) Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 June 2012:

	Previously reported RM'000	Reclass to conform with current period disclosure RM'000	Effect of adoption of MFRS 10 RM'000	Restated RM'000
Revenue	3,973,682	(55,763)	32,897	3,950,816
Other operating income	200,186	14,074	-	214,260
Inventories and consumables	(574,726)	68,990	-	(505,736)
Purchases and contracted services	(249,339)	6,646	-	(242,693)
Development cost of properties sold	(971,220)		-	(971,220)
Staff costs	(1,046,834)	6,184	659	(1,039,991)
Depreciation and impairment losses of property, plant and equipment	(171,066)	-	(13,746)	(184,812)
Amortisation and impairment losses of intangible assets	(32,569)	-	1,076	(31,493)
Operating lease expenses	(132,092)	-	69,184	(62,908)
Other operating expenses	(288,681)	(40,131)	(11,883)	(340,695)
Finance income	39,485	-	390	39,875
Finance costs	(102,393)	-	(10,467)	(112,860)
Share of profits of associates (net of tax)	25,947	-	(25,432)	515
Share of profits of joint ventures (net of tax)	7,722	-	(20)	7,702
Profit before tax	**678,102**	**-**	**42,658**	**720,760**
Income tax expense	(122,306)	-	(8,200)	(130,506)
Profit for the period	**555,796**	**-**	**34,458**	**590,254**
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	(328)	-	328	-
Foreign currency translation differences from foreign operations	259,161	-	22,226	281,387
Net change in fair value of available-for-sale financial assets	(13,539)	-	-	(13,539)
Effective portion of changes in fair value of cash flow hedge	-	-	(916)	(916)
	245,294	-	21,638	266,932
Total comprehensive income for the period	**801,090**	**-**	**56,096**	**857,186**
Profit attributable to:				
Owners of the Company	527,378	-	(5,710)	521,668
Non-controlling interests	28,418	-	40,168	68,586
Profit for the period	**555,796**	**-**	**34,458**	**590,254**
Total comprehensive income attributable to:				
Owners of the Company	727,725	-	(10,806)	716,919
Non-controlling interests	73,365	-	66,902	140,267
Total comprehensive income for the period	**801,090**	**-**	**56,096**	**857,186**

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2012 was not subjected to any qualification.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

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 June 2013.

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 2012 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

Between 1 January to 30 June 2013, the Company issued:

i) 68,999,998 new ordinary shares of RM1.00 each pursuant to the exercise of vested EPP options; and

ii) 7,244,327 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIPs units.

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 June 2013.

As at 30 June 2013, the issued and paid-up share capital of the Company amounted to RM8,131,689,493 comprising 8,131,689,493 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

There were no dividends paid for the financial period ended 30 June 2013.

A8 SEGMENT REPORTING

Other than the addition of the PLife REIT as a reportable segment due to the consolidation of PLife REIT upon adoption of MFRS10 as mentioned in Section A1, there had been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2012 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 EBITDA.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

A8 SEGMENT REPORTING

Financial period ended 30 June 2013

	Parkway Pantai RM'000	Acibadem Holdings RM'000	IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses							
Revenue from external customers	1,876,331	1,289,305	100,867	38,097	-	-	3,304,600
Inter-segment revenue	38,642	-	1,476	74,642	23,981	(138,741)	-
Total segment revenue	1,914,973	1,289,305	102,343	112,739	23,981	(138,741)	3,304,600
EBITDA	483,221	242,818	41,637	91,973	6,688	(52,523)	813,814
Depreciation and impairment losses of property, plant and equipment	(135,085)	(111,315)	(6,289)	(14,267)	(62)	-	(267,018)
Amortisation and impairment loss of intangibles	(16,102)	(18,731)	(132)	-	-	-	(34,965)
Net foreign exchange gain/(loss)	8,519	272	57	1,431	(752)	-	9,527
Finance income	4,540	12,491	1,235	5,882	8,756	-	32,904
Finance costs	(21,436)	(109,632)	(191)	(9,185)	(5)	-	(140,449)
Share of losses of associates (net of tax)	(3,062)	-	-	-	-	-	(3,062)
Share of profits of joint ventures (net of tax)	6,154	-	-	-	-	-	6,154
Others	598	4,114	112	-	-	-	4,824
Profit before tax	327,347	20,017	36,429	75,834	14,625	(52,523)	421,729
Income tax expense	(53,050)	(5,753)	(9,862)	(4,742)	(997)	-	(74,404)
Profit for period	274,297	14,264	26,567	71,092	13,628	(52,523)	347,325
Assets and liabilities							
Cash and bank balances	819,393	141,204	94,637	81,401	834,291	-	1,970,926
Other assets	14,924,469	5,381,777	403,061	3,244,382	853,801	(10,752)	24,796,738
Segment assets as at 30 June 2013	15,743,862	5,522,981	497,698	3,325,783	1,688,092	(10,752)	26,767,664
Loans and borrowings	1,460,911	1,566,562	1,782	1,120,459	-	-	4,149,714
Other liabilities	1,593,718	974,899	103,009	243,963	27,217	(10,752)	2,932,054
Segment liabilities as at 30 June 2013	3,054,629	2,541,461	104,791	1,364,422	27,217	(10,752)	7,081,768

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

Financial period ended 30 June 2012

	Parkway Pantai	Acibadem Holdings	IMU Health	PLife REIT	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and expenses							
Revenue from external customers	2,890,932	931,350	84,548	43,986	-	-	3,950,816
Inter-segment revenue	37,751	-	-	69,124	6,024	(112,899)	-
Total segment revenue	2,928,683	931,350	84,548	113,110	6,024	(112,899)	3,950,816
EBITDA	643,658	178,374	33,698	90,502	(2,082)	(32,686)	911,464
Depreciation and impairment loss of property, plant and equipment	(81,636)	(83,523)	(5,855)	(13,798)	-	-	(184,812)
Amortisation and impairment loss of intangibles	(15,612)	(15,812)	(69)	-	-	-	(31,493)
Net foreign exchange gain/(loss)	283	(4,179)	(110)	(875)	11,597	-	6,716
Finance income	5,246	31,301	813	2,221	294	-	39,875
Finance costs	(37,120)	(65,078)	(208)	(10,449)	(5)	-	(112,860)
Share of profits of associates (net of tax)	515	-	-	-	-	-	515
Share of profits of joint ventures (net of tax)	7,702	-	-	-	-	-	7,702
Others	136,567	2,836	7	-	(55,757)	-	83,653
Profit before tax	659,603	43,919	28,276	67,601	(45,953)	(32,686)	720,760
Income tax expense	(104,134)	(10,177)	(7,555)	(8,625)	(15)	-	(130,506)
Profit for period	555,469	33,742	20,721	58,976	(45,968)	(32,686)	590,254
Assets and liabilities							
Cash and bank balances	732,966	120,093	57,206	104,871	510,082	-	1,525,218
Other assets	13,972,804	5,517,117	405,621	3,465,194	545,371	(23,526)	23,882,581
Segment assets as at 30 June 2012	14,705,770	5,637,210	462,827	3,570,065	1,055,453	(23,526)	25,407,799
Loans and borrowings	4,839,606	2,676,662	1,675	1,334,009	-	-	8,851,952
Other liabilities	1,467,197	974,217	90,100	273,912	60,888	(23,526)	2,842,788
Segment liabilities as at 30 June 2012	6,306,803	3,650,879	91,775	1,607,921	60,888	(23,526)	11,694,740

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

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 Jun 2013	**30 Jun 2012**
	RM'000	**RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	3,068	39,377
- Purchase and consumption of services	(111)	(16,413)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	150,520	97,146
- Purchase and consumption of services	(33,334)	(30,781)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 15 January 2013, Acibadem Saglik Hizmetleri Ve Ticaret A.S. (“ASH”) acquired the remaining 50.00% equity interest in Acibadem Labmed Saglik Hizmetleri A.S. (“Acibadem Labmed”) for a total consideration of EUR3,250,000. The said acquisition increased ASH’s shareholdings in Acibadem Labmed from 50.00% to 100.00%.

(b) On 28 February 2013, Parkway HK Holdings Limited (“Parkway HK”) disposed 5.00% equity interest in Parkway Healthcare (Hong Kong) Limited (“Parkway Healthcare”) to its minority shareholder pursuant to the terms stipulated in the shareholder agreement, for a total consideration of HKD1.00. Consequential thereto, Parkway HK’s shareholding in Parkway Healthcare was diluted from 95.00% to 90.00%.

(c) On 5 March 2013, ASH disposed 30.00% equity interest in BLAB Laboratuvar Hizmetleri A.S. (“BLAB Laboratuvar”) for a total consideration of TL420,000. Consequential thereto, ASH’s shareholdings in BLAB Laboratuvar has diluted from 100.00% to 70.00%.

(d) On 6 March 2013, Mount Elizabeth Ophthalmic Investments Pte Ltd was officially and legally dissolved pursuant to Section 308(5) of the Singapore Companies Act, Cap. 50.

(e) On 7 March 2013, Acibadem Saglik Yatirimlari Holding A.S. (“ASYH”) merged with its direct wholly-owned subsidiary, Almond Holding A.S. (“Almond”) (“Internal Reorganisation 1”). All assets and liabilities of Almond were transferred to ASYH and Almond was subsequently dissolved. Internal Reorganisation 1 was undertaken in order to streamline the Acibadem group structure and management.

(f) On 1 April 2013, 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 RM2,990,183. The said acquisition increased PGRSB’s shareholdings in TTHSB from 70.00% to 85.00%.

(g) On 19 April 2013, Gleneagles (Malaysia) Sdn. Bhd. (“GMSB”) acquired 0.01% equity interest in Pulau Pinang Clinic Sdn Bhd (“PPCSB”) for a total consideration of RM21,549. The said acquisition increased GMSB’s shareholdings in PPCSB from 70.00% to 70.01%.

(h) On 23 April 2013, Specialist Ordination in Occupational Medicine Sistina Skopje (“Specialist Ordination”) has been dissolved. The dissolution of Specialist Ordination is part of the Group’s streamlining exercise.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

(i) On 26 April 2013, Acıbadem Poliklinikleri A.Ş. ("Acıbadem Poliklinikleri") merged with its direct wholly-owned subsidiary, Tolga Saglik Hizmetleri A.S. ("Tolga Saglik") ("Internal Reorganisation 2"). All assets and liabilities of Tolga Sağlık were transferred to Acıbadem Poliklinikleri and Tolga Sağlık was subsequently dissolved. Internal Reorganisation 2 was undertaken in order to streamline the Acibadem group structure and management.

(j) On 29 May 2013, Parkway (Shanghai) Hospital Management Ltd received the business licence from Jiang Su Province Suzhou Industrial Park Administration of Industry and Commerce Bureau for the establishment of a foreign wholly-owned enterprise reinvestment clinic named Suzhou Industrial Park Yuan Hui Co., Ltd ("Yuan Hui Clinic") in the People's Republic of China with a registered capital of RMB3,000,000. The principal activity of Yuan Hui Clinic is provision of medical and healthcare outpatient services. The validity period of the licence is from 29 May 2013 to 28 May 2033.

(k) On 28 June 2013, Integrated Healthcare Holdings (Cayman Islands) Limited was struck off from the Register of Companies of Cayman Islands.

(l) 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 June 2013, ASYH's equity interest in ASH is 98.68%, 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) Between 1 July 2013 to 20 August 2013, the Company issued 3,250,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested EPP options.

(b) On 2 July 2013, the Company granted 3,609,000 LTIP units to the Executive Directors of the Company upon obtaining the approval from the shareholders at the Company's annual general meeting on 25 June 2013.

(c) On 22 July 2013, GMSB acquired another 0.04% equity interest in PPCSB pursuant to the Sale of Shares Agreement dated 22 July 2013, for a total consideration of RM71,849. The said acquisition increased GMSB's shareholdings in PPCSB from 70.01% to 70.05%.

(d) On 23 July 2013, Parkway Holdings Limited ("PHL") entered into an agreement with Mitsui & Co., Ltd and EPS Corporation ("EPS") to dispose its entire shareholding in Gleneagles CRC Pte. Ltd. ("GCRC"), comprising of 510,000 ordinary shares, representing 51% of the issued and paid-up share capital of GCRC, to EPS (the "Disposal") for S$ 5.1 million ("Price Consideration"). The Disposal was completed on 30 July 2013, with the Price Consideration subject to adjustment in accordance with the terms in the SPA.

(e) On 13 August 2013 Shanghai Mai Kang Hospital Investment Management Co., Ltd ("Shanghai Mai Kang") acquired 60% equity interest in Hui Xing Hospital Investment Management Co. Ltd ("Hui Xing") for a purchase consideration of RMB12 million pursuant to the exercise of call option. Hui Xing will be a 60% joint venture of Shanghai Mai Kang and its principal activity is investment in healthcare industry.

(f) On 15 August 2013, Parkway Healthtech Investments Pte Ltd, Goldlink Investments Pte Ltd and Drayson Investments Pte Ltd were struck off from the Register of Companies of Singapore.

(g) As of 20 August 2013, ASYH's equity interest in ASH is 98.69%, following the tender of shares.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

On 15 April 2008, a suit was filed in the High Court of Malaya at Kuala Lumpur (Suit No.: D11-22-510-2008) ("Suit") against Pantai Support Services Sdn Bhd and Pantai Holdings Berhad (collectively the "Defendants") by Tan Sri Dato' Dr. Awang Bin Had Salleh and Konsortium Bersatu Perkhidmatan Kesihatan Sdn Bhd (collectively the "Plaintiffs"). On 12 April 2013, the Plaintiffs withdrew the Suit against the Defendants with no order as to costs and without the liberty to file afresh. Consequently, the Court struck off the Suit with no order as to costs and no liberty to file afresh.

A14 CAPITAL COMMITMENTS

	30 Jun 2013 RM'000	31 Dec 2012 RM'000 (Restated)
Capital commitments not provided for in the interim financial report:		
Property, plant and equipment and investment properties		
- Amounts authorised and contracted for	305,630	245,773
- Amounts authorised but not contracted for	841,983	972,023
	1,147,613	1,217,796

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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

	2nd quarter ended			Financial period ended		
	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated)	Variance %	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated)	Variance %
REVENUE[1]						
Parkway Pantai	958,588	2,072,275	-54%	1,876,331	2,890,932	-35%
Acibadem Holdings	652,157	551,333	18%	1,289,305	931,350	38%
IMU Health	51,200	42,044	22%	100,867	84,548	19%
PLife REIT	55,258	57,938	-5%	112,739	113,110	0%
	1,717,203	**2,723,590**	**-37%**	**3,379,242**	**4,019,940**	**-16%**
PLife REIT inter-segment revenue	(37,201)	(34,945)	-6%	(74,642)	(69,124)	-8%
Total	**1,680,002**	**2,688,645**	**-38%**	**3,304,600**	**3,950,816**	**-16%**
EBITDA[2]						
Parkway Pantai[3]	244,493	428,358	-43%	454,679	616,996	-26%
Acibadem Holdings	118,302	97,038	22%	242,818	178,374	36%
IMU Health	20,275	16,263	25%	41,637	33,698	24%
PLife REIT[4]	45,293	46,156	-2%	91,973	90,502	2%
Others^	(8,788)	(234)	NM	(17,293)	(8,106)	-113%
Total	**419,575**	**587,581**	**-29%**	**813,814**	**911,464**	**-11%**

[1]: 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
[2]: Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group
[3]: Includes rental expense incurred for lease of hospitals from the PLife REIT
[4]: 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

Q2 2013 vs Q2 2012

Q2 2012 financial performance was boosted by the recognition of the sale of medical suites, which contributed RM1,209.6 million to the Group's revenue, increased EBITDA by RM238.3 million and increased profits after tax by RM193.6 million.

Excluding the recognition of the sale of medical suites in Q2 2012, the Group achieved double-digit revenue and EBITDA growth of 14% and 20% respectively for Q2 2013 over same period last year. The increase in Q2 2013 revenue was attributed to organic growth of existing operations and ramping up of new hospitals. Mount Elizabeth Novena Hospital and Acibadem Ankara Hospital turned EBITDA positive for Q2 2013 whilst the EBITDA losses for Acibadem Bodrum Hospital was significantly reduced compared to Q2 2012.

The Group's Q2 2013 PATMI, excluding exceptional items and the recognition of the sale of medical suites in Q2 2012, increased 60% to RM188.7 million as a result of the strong EBITDA growth as well as savings in finance cost from the repayment of Parkway and Acibadem acquisition loans from the utilisation of IPO proceeds. This offsets the incremental depreciation and finance cost of the 3 new hospitals in Singapore and Turkey that was recognised in the income statement upon the completion of construction. Moreover, the Group recognised a one-off RM22.0 million tax credit in Q2 2013 relating to a prior year's tax.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

Parkway Pantai

Excluding the contributions from the recognition of sale of medical suits in Q2 2012, Parkway Pantai's revenue grew 11% to RM958.6 million in Q2 2013 whilst its EBITDA grew 29% to RM244.5 million in Q2 2013.

Parkway Pantai's newly constructed Mount Elizabeth Novena Hospital in Singapore had been ramping up its revenues steadily and streamlining its management and cost structures since the commencement of its operations on 28 June 2012. The increased capacity arising from the opening of Mount Elizabeth Novena Hospital, helped to meet the continued demand for quality healthcare locally and within the region. This led to an overall 7% increase in inpatient admissions at the Singapore hospitals from 13,768 inpatient admissions in Q2 2012 to 14,788 inpatient admissions in Q2 2013. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals grew 6% from 40,051 inpatient admissions in Q2 2012 to 42,441 inpatient admissions in Q2 2013. 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. Q2 2013 revenue per inpatient admission increased 5% to approximately RM20,829 in Singapore and increased 4% to RM4,465 in Malaysia.

Despite increasing cost pressures, EBITDA of Parkway Pantai's existing operations grew on the back of higher revenues and mitigated by continuous cost control measures undertaken to improve cost efficiencies. Parkway Pantai's EBITDA growth was also driven by the significant improvements in Mount Elizabeth Novena Hospital's EBITDA as the hospital ramps up its revenue and streamlines its operating costs. Mount Elizabeth Novena Hospital achieved positive EBITDA for Q2 2013.

Acibadem Holdings

Acibadem Holdings' revenue grew 18% from RM551.3 million in Q2 2012 to RM652.2 million in Q2 2013. Acibadem Holdings' performance improved with a 9% increase in inpatient admissions from 27,951 inpatient admissions in Q2 2012 to 30,540 inpatient admissions in Q2 2013, contributed by Acibadem Holdings' existing operations as well as the newly opened Acibadem Bodrum Hospital and Acibadem Ankara Hospital. Average revenue per inpatient admission at Acibadem Holdings' hospitals increased moderately by 2% from RM9,810 in Q2 2012 to RM9,981 in Q2 2013.

Acibadem Holdings' EBITDA increased 22% from RM97.0 million in Q2 2012 as a result of higher revenue in Q2 2013 and improved EBITDA from its 2 new hospitals. Acibadem Ankara Hospital turned EBITDA positive for Q2 2013 whilst Acibadem Bodrum Hospital reduced its EBITDA losses.

IMU Health

IMU Health registered 22% revenue growth in Q2 2013 over the corresponding quarter last year due to higher fee income from IMU Health's medical and nursing programmes. Pantai Education Sdn. Bhd., which was transferred from Parkway Pantai to IMU Health in October 2012, also contributed to the revenue growth in Q2 2013.

IMU Health's EBITDA grew in line with revenue.

PLife REIT

PLife REIT's external revenue declined 21% in Q2 2013 as compared to Q2 2012 due to the translation effects of the weakening Japanese Yen on PLife REIT's revenue earned from its Japanese properties.

The weakening of Japanese Yen also reduced PLife REIT's EBITDA by 2% in Q2 2013 as compared to Q2 2012. This reduction was mitigated by the increase in inter-segment rental income earned from Parkway Pantai for the lease of Mount Elizabeth Orchard Hospital, Gleneagles Hospital and Parkway East Hospital in Singapore.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

Others

Others comprise mainly the IHH Group corporate office as well as other investment holding entities. In Q2 2012, there was a reclassification from other operating expenses to exceptional items of certain IPO-related expenses amounting to RM3.8million. In addition, expenses increased in Q2 2013 mainly due to higher headcounts at the corporate office.

<u>YTD 2013 vs YTD 2012</u>

Excluding the recognition of the sale of medical suites last year, the Group achieved 21% increase for both revenue and EBITDA on a YTD basis. The strong performance was driven by organic growth of existing operations, ramping up of new hospitals as well as the full 6 months consolidation of Acibadem Holdings performance in YTD 2013 as compared to only 5 months consolidation in YTD 2012 when the Group acquired Acibadem Holdings on 24 January 2012.

The Group's YTD 2013 PATMI excluding exceptional items and the recognition of sale of medical suites increased 39% to RM322.1 million.

Parkway Pantai

Excluding the recognition of the sale of medical suites last year, Parkway Pantai's revenue grew 12% to RM1,876.3 million in YTD 2013 whilst its EBITDA grew 20% to RM454.7 million. EBITDA margins improved from 23% in YTD 2012 to 24% in YTD 2013.

The strong growth was driven by higher inpatient admissions at both Singapore and Malaysia Hospitals. The continued growth in demand for quality healthcare services in the region resulted in an increase of 8% and 4% inpatients for Singapore and Malaysia Hospitals respectively. Price increases and the handling of more complex cases increased revenue intensity by 4% to RM20,808 per inpatient admission and 7% to RM4,444 per inpatient admission for the Singapore and Malaysia Hospitals respectively.

The increase in EBITDA was in line with the higher revenue in YTD 2013 and was boosted by the improved EBITDA of the new Mount Elizabeth Novena Hospital. Mount Elizabeth Novena hospital's pre-operating EBITDA loss of RM43.8 million in YTD 2012 was significantly reduced to a RM0.4 million loss for YTD 2013.

Acibadem Holdings

The Group consolidated full 6 months results of Acibadem Holdings in YTD 2013 as compared to 5 months last year. As such, Acibadem Holdings' revenue grew 38% to RM1,289.3 million whilst its EBITDA grew 36% to RM242.8 million in YTD 2013 over YTD 2012.

On a like-for-like basis, assuming the Group consolidated 6 full months results of Acibadem Holdings in YTD 2012, Acibadem Holdings' revenue grew 14% from RM1,131.5 million in YTD 2012. Acibadem Holdings' performance improved with a 7% growth in inpatient admissions from 57,440 inpatient admissions in YTD 2012 to 61,480 inpatient admissions in YTD 2013. The increase in patient volumes was contributed by Acibadem Holdings' existing operations as well as its newly opened Acibadem Bodrum Hospital and Acibadem Ankara Hospital. Average revenue per inpatient admission at Acibadem Holdings' hospitals increased 1% from RM9,593 in YTD 2012 to RM9,657 in YTD 2013.

On a like-for-like basis, assuming the Group consolidated 6 full months results of Acibadem Holdings in YTD 2012, Acibadem Holdings' EBITDA increased 4% from RM232.7 million in YTD 2012. Acibadem Holdings' strong revenue growth was eroded by higher personnel costs and rental expense incurred at several of its hospitals. In addition, EBITDA was eroded by the initial start-up costs at its 2 new hospitals. The 2 new hospitals incurred EBITDA losses of RM10.5 million in YTD 2013 as compared to RM3.5 in YTD 2012.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

IMU Health

IMU Health registered 19% revenue growth in YTD 2013 over the corresponding period last year due to higher fee income from IMU Health's medical and nursing programmes. Pantai Education Sdn. Bhd., which was transferred from Parkway Pantai to IMU Health in October 2012, also contributed to the revenue growth in YTD 2013.

IMU Health's EBITDA grew in line with revenue.

PLife REIT

PLife REIT's external revenue declined 13% in YTD 2013 as compared to YTD 2012 due to the translation effects of the weakening Japanese Yen on PLife REIT's revenue earned from its Japanese properties.

On a YTD basis, the increase in inter-segment rental income earned from Parkway Pantai for the lease of Mount Elizabeth Orchard Hospital, Gleneagles Hospital and Parkway East Hospital in Singapore offsets the effects of the weakening Japanese Yen, resulting in an over 2% increase in PLife REIT's EBITDA over the prior year corresponding period.

Others

The increase in expenses from the Others segment arose mainly from higher staff costs as headcount increased.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	2nd quarter ended 30 Jun 2013 RM'000	1st quarter ended 31 Mar 2013 RM'000	Variance %
REVENUE[1]			
Parkway Pantai	958,588	917,743	4%
Acibadem Holdings	652,157	637,148	2%
IMU Health	51,200	49,667	3%
PLife REIT	55,258	57,481	-4%
	1,717,203	**1,662,039**	**3%**
PLife REIT inter-segment revenue	(37,201)	(37,441)	**1%**
Total	**1,680,002**	**1,624,598**	**3%**
EBITDA[2]			
Parkway Pantai[3]	244,493	210,186	16%
Acibadem Holdings	118,302	124,516	-5%
IMU Health	20,275	21,362	-5%
PLife REIT[4]	45,293	46,680	-3%
Others^	(8,788)	(8,505)	-3%
Total	**419,575**	**394,239**	**6%**

[1]: 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
[2]: Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group
[3]: Includes rental expense incurred for lease of hospitals from the PLife REIT
[4]: 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

Q2 2013 vs Q1 2013

The Group's revenue and EBITDA continued its quarter-on-quarter increasing trend. Revenue and EBITDA grew 3% and 6% respectively on a quarter-on-quarter basis.

The Group's PATMI increased 41% in Q2 2013 as compared to the previous quarter. It was boosted by a one-off RM22.0 million tax credit recognised in Q2 2013 relating to a prior year's tax.

Parkway Pantai

Parkway Pantai's revenue grew across its key markets as a result of higher patient volumes. Inpatient admissions in Singapore and Malaysia increased 3% and 5% respectively whilst average revenue per inpatient admission grew 0.2% and 0.5% respectively.

Parkway Pantai achieved double-digit EBITDA growth across all its key markets.

Acibadem Holdings

Acibadem Holdings' revenue grew at a moderate 2% quarter-on-quarter as Turkey approaches the summer months where patient admissions, and hence revenues, are seasonally low.

Acibadem Holdings' quarter-on-quarter EBITDA decreased 5% as a result of increasing costs of sales and operating expenses.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

IMU Health

IMU Health registered 3% revenue growth in Q2 2013 as compared to Q1 2013. However, EBITDA decreased 5% due to timing of expenses incurred for teaching and student recruitment promotional activities which took place the second quarter.

PLife REIT

PLife REIT's external revenue and EBITDA declined 10% and 3% respectively quarter-on-quarter due to the translation effects of the weakening Japanese Yen on PLife REIT's revenue earned on its Japanese properties.

B3 CURRENT YEAR PROSPECTS

Parkway Pantai

With the new capacity provided by Mount Elizabeth Novena Hospital, Parkway Pantai's Singapore operations will be able to meet the growth in inpatient volumes and the Group is generally optimistic that the hospital would continue to contribute to the Group's EBITDA improvement for the rest of the year.

While a stronger Singapore Dollar will translate profits from the Singapore operations into higher Ringgit earnings for the Group, it will also become more costly for medical travellers from around the region to seek medical treatment in Singapore. As a result, foreign patient volumes may be impacted in the short term when some of these medical travellers postpone seeking non-essential treatment in Singapore.

Construction and expansion of the Parkway Pantai's hospitals in Malaysia are expected to progress on schedule.

Acibadem Holdings

Acibadem Holdings' patient volume is expected to grow year-on-year with the contribution from the newly opened hospitals – Acibadem Ankara Hospital and Acibadem Bodrum Hospital, which is expected to contribute to the Group's EBITDA with higher utilisation as these new operations ramps up. Moreover, Acibadem Bodrum Hospital is expected to experience an increase in patient volumes during the summer months in Turkey when domestic and foreign medical travellers seek treatment in the Bodrum. Acibadem Halkali Hospital, with a planned capacity of 270 beds, is expected to be operational by the end of this year and would contribute to the Group's revenues. Acibadem Holdings' ongoing hospital projects are progressing on schedule.

Overall IHH Group Prospects

The Group expects its revenue to grow with the completion of the various expansion and construction projects in the pipeline. However, as the Group continues to make investments in new operations, in the short term, the Group would incur start-up costs, depreciation and finance costs associated with these new operations that may erode the Group's overall profitability. In addition, the Group continues to face a shortage of trained healthcare professionals in its home markets of Singapore, Malaysia and Turkey, which may increase hiring and staff costs of the Group. Rental and other operating costs are also under inflationary pressures. Such sustained cost pressures may reduce the Group's EBITDA and margins.

Whilst the Group actively expands its geographical footprints across Asia as well as the Central and Eastern Europe, Middle East and North Africa ("CEEMENA") regions, the Group is mindful that it is susceptible to currency volatility in the countries that it operates. Movements in the Singapore Dollar, Turkish Lira, US Dollar, Japanese Yen, Chinese Renminbi, Indian Rupees, 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.

Barring unforeseen circumstances, the Group is cautiously optimistic that it would achieve satisfactory performance for the year.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	2nd quarter ended		Financial period ended	
	30 Jun 2013 RM'000	**30 Jun 2012 RM'000 (Restated)**	**30 Jun 2013 RM'000**	**30 Jun 2012 RM'000 (Restated)**
Current tax expense	11,494	84,183	55,978	129,811
Deferred tax expense	16,614	1,976	18,426	695
	28,108	86,159	74,404	130,506

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 13.5% for Q2 2013 and 17.8% for YTD 2013. 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, the Group recognised a credit of approximately RM22.0 million relating to a prior year's tax in Q2 2013.

B6 STATUS OF CORPORATE PROPOSALS

Status of corporate proposals announced but not completed as at 20 August 2013:

i) GHK acquisition of land

Upon winning the bid for the acquisition of a site in Wong Chuk Hang, Hong Kong, to construct, develop and operate a private hospital, GHK paid HKD1.688 billion for the land as at 30 June 2013, which is approximately 34% of the estimated HKD5.0 billion capital investment for the project.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B7 LOANS AND BORROWINGS

a) Breakdown of the Group's loans and borrowings as at 30 June 2013:

	30 Jun 2013 RM'000	31 Dec 2012 RM'000 (Restated)
Non-current		
Secured		
Bank borrowings	723,303	550,110
Financial lease liabilities	178,412	191,269
Unsecured		
Bank borrowings	3,052,387	2,759,951
	3,954,102	3,501,330
Current		
Secured		
Bank borrowings	133,374	239,596
Financial lease liabilities	57,682	57,599
Bank overdrafts	-	975
Unsecured		
Bank borrowings	4,556	822
Floating rate notes	-	35,723
	195,612	334,715
Total	4,149,714	3,836,045

b) Breakdown of the Group's loans and borrowings as at 30 June 2013 by the source currency of loans, in RM equivalent:

	30 Jun 2013 RM'000	31 Dec 2012 RM'000 (Restated)
Singapore Dollar	2,128,701	1,764,701
Ringgit Malaysia	79,060	81,224
US Dollar	803,481	604,759
Macedonian Denar	7,650	29,099
Swiss Franc	74,817	82,126
Euro	106,304	117,009
Turkish Lira	15,958	111,596
Japanese Yen	923,685	1,030,973
Others*	10,058	14,558
	4,149,714	3,836,045

** Others include Hong Kong Dollar and Brunei Dollar*

Key exchange rates as at 30 June 2013:

1 SGD	= RM2.51004
1 TL	= RM1.64568
1 USD	= RM3.19829

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 30 June 2013:

	Notional amount as at 30 Jun 2013 RM'000	Fair value amount as at 30 Jun 2013 RM'000 (Restated)
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	2,712	336
- Between 1 - 3 years	12,861	2,483
- More than 3 years	62,166	10,781
	77,739	13,600
Derivative liabilities		
Foreign exchange forward contracts		
- Within 1 year	57,017	(3,235)
Interest rate swaps		
- Within 1 year	199,559	(4,232)
- Between 1 - 3 years	846,908	(2,963)
	1,046,467	(7,195)
	1,103,484	(10,430)

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 profit or loss and other 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 bank quotes. All changes in fair value of the interest rate swaps during the period were recognised in the statement of profit or loss and other 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 B14 for the fair value gain/loss recognised in the statement of profit or loss and other comprehensive income 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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B10 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 20 August 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.

B11 DIVIDENDS

No dividends were declared or paid by the Group in the financial period ended 30 June 2013.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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.

	2nd quarter ended		Financial period ended	
	30 Jun 2013 RM'000	**30 Jun 2012 RM'000 (Restated)**	**30 Jun 2013 RM'000**	**30 Jun 2012 RM'000**
Basic and diluted earnings per share is based on:				
Net profit attributable to ordinary shareholders	156,757	398,897	284,030	521,668
Net profit attributable to ordinary shareholders (excluding EI)	188,659	311,311	322,110	425,755
i **Basic EPS**				
	'000	**'000**	**'000**	**'000**
Weighted average number of shares	8,123,094	6,195,442	8,092,485	6,107,557
	Sen	**Sen**	**Sen**	**Sen**
Basic EPS	1.93	6.44	3.51	8.54
Basic EPS (excluding EI)	2.32	5.02	3.98	6.97

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.

	2nd quarter ended		Financial period ended	
	30 Jun 2013 '000	**30 Jun 2012 '000**	**30 Jun 2013 '000**	**30 Jun 2012 '000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,123,094	6,195,442	8,092,485	6,107,557
Weighted number of unissued ordinary shares from units under LTIP	9,175	12,117	10,413	5,667
Weighted number of unissued ordinary shares from share options under EPP	23,542	25,502	30,256	16,216
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,155,811	6,233,061	8,133,154	6,129,440
	Sen	**Sen**	**Sen**	**Sen**
Diluted EPS	1.92	6.40	3.49	8.51
Diluted EPS (excluding EI)	2.31	4.99	3.96	6.95

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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.

	As at 30 Jun 2013 RM'000	**As at 31 Dec 2012 RM'000 (Restated)**
Total retained earnings of the Company and its subsidiaries		
- Realised	1,345,876	1,010,898
- Unrealised	278,771	275,955
	1,624,647	1,286,853
Total share of retained earnings from associates		
- Realised	(4,073)	(120)
- Unrealised	(24)	(24)
	(4,097)	(144)
Total share of retained earnings from joint ventures		
- Realised	25,165	20,043
- Unrealised	-	-
	25,165	20,043
Less consolidation adjustments	(304,670)	(241,375)
Total Group retained earnings	1,341,045	1,065,377

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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.

	2nd quarter ended		Financial period ended	
	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated)	30 Jun 2013 RM'000	30 Jun 2012 RM'000 (Restated)
Other operating income	47,409	46,171	81,880	72,046
Net foreign exchange gain	10,228	11,360	9,527	6,716
Impairment loss (made)/written back on:				
- Trade and other receivables	(7,630)	(9,491)	(20,148)	(22,392)
- Amounts due from associates and joint ventures	(11)	-	(1,225)	-
Write (off)/back of:				
- Inventories	-	-	103	-
- Trade and other receivables	-	(584)	-	(309)
- Property, plant and equipment	(139)	(6)	(160)	(139)
Gain/(loss) on disposal of property, plant and equipment	1,284	(823)	1,457	(1,069)
Gain on disposal of a subsidiary	-	1,064	-	1,064
Gain on disposal of assets held for sale	67	280	67	280
Professional and consultancy fees:				
- Acquisitions	(368)	3,713	(582)	(2,551)
- Listing expenses	-	(54,801)	-	(54,801)
Changes in fair value of contingent consideration payable	4,042	14,861	4,042	4,089
Valuation gain on investment properties	-	132,600	-	132,600
Write back of IT project expenses	-	4,180	-	4,180
Finance costs				
Interest expense on loans and borrowing	(29,032)	(58,663)	(57,357)	(99,313)
Fair value gain/(loss) of financial instruments	-	588	-	(2,944)
Exchange loss on borrowings	(58,607)	-	(68,764)	-
Other finance costs	(3,292)	(2,407)	(14,328)	(10,603)
	(90,931)	(60,482)	(140,449)	(112,860)
Finance income				
Interest income				
- Banks and financial institutions	13,217	6,560	21,389	15,248
- Others	110	21	198	119
Exchange (loss)/gain on borrowings	-	(20,719)	-	21,047
Fair value gain/(loss) of financial instruments	1,349	(6,380)	11,317	3,461
	14,676	(20,518)	32,904	39,875