



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2013

The following statements of profit or loss and other comprehensive income for the financial period ended 30 September 2013 are not comparable to the corresponding period last year due to the consolidation of Acibadem 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 SEPTEMBER 2013

	Note	3rd quarter ended			Financial period ended		
		30 Sept 2013	30 Sept 2012	Variance	30 Sept 2013	30 Sept 2012	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
			(Restated [^])		(Restated [^])		
Revenue		1,671,718	1,483,937	13%	4,976,318	5,434,753	-8%
Other operating income	1	36,261	37,780	-4%	123,706	252,040	-51%
Inventories and consumables		(248,107)	(281,856)	12%	(771,975)	(787,592)	2%
Purchased and contracted services	2	(224,920)	(137,477)	-64%	(591,724)	(380,170)	-56%
Development cost of properties sold		-	-	-	-	(971,220)	100%
Staff costs		(624,788)	(586,793)	-6%	(1,889,782)	(1,626,784)	-16%
Depreciation and impairment losses of property, plant and equipment	3	(130,850)	(129,212)	-1%	(397,868)	(314,024)	-27%
Amortisation and impairment losses of intangible assets		(17,356)	(17,443)	0%	(52,321)	(48,936)	-7%
Operating lease expenses		(46,003)	(40,700)	-13%	(132,605)	(103,608)	-28%
Other operating expenses	1	(166,017)	(177,754)	7%	(487,629)	(518,449)	6%
Finance income	4	18,355	27,608	-34%	51,259	67,483	-24%
Finance costs	4, 5	(103,395)	(62,680)	-65%	(243,844)	(175,540)	-39%
Share of profits/(losses) of associates (net of tax)	6	411	24	NM	(2,651)	539	NM
Share of profits of joint ventures (net of tax)		4,329	4,111	5%	10,483	11,813	-11%
Profit before tax		169,638	119,545	42%	591,367	840,305	-30%
Income tax expense	7	(42,096)	(28,064)	-50%	(116,500)	(158,570)	27%
Profit for the period		127,542	91,481	39%	474,867	681,735	-30%
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations		176,973	(139,668)	NM	95,299	141,719	-33%
Net change in fair value of available-for-sale financial assets	8	(118,663)	133,714	-189%	21,451	120,175	-82%
Effective portion of changes in fair value of cash flow hedge		(1,389)	(102)	NM	736	(1,018)	172%
		56,921	(6,056)	NM	117,486	260,876	-55%
Other comprehensive income, net of tax							
Items that will not be reclassified subsequently to profit or loss							
Revaluation of property, plant and equipment upon reclassification to investment properties		205	-	-	205	-	-
Total comprehensive income for the period		184,668	85,425	116%	592,558	942,611	-37%
Profit attributable to:							
Owners of the Company		117,029	72,622	61%	401,059	594,290	-33%
Non-controlling interests		10,513	18,859	-44%	73,808	87,445	-16%
Profit for the period		127,542	91,481	39%	474,867	681,735	-30%
Total comprehensive income attributable to:							
Owners of the Company		305,918	94,785	NM	601,526	811,704	-26%
Non-controlling interests		(121,250)	(9,360)	NM	(8,968)	130,907	-107%
Total comprehensive income for the period		184,668	85,425	116%	592,558	942,611	-37%
Earnings per share (sen)							
Basic	9	1.44	0.95	52%	4.95	8.99	-45%
Diluted	9	1.43	0.95	51%	4.92	8.94	-45%

NM: Not meaningful

*: "Acibadem Holdings" as referred to throughout this financial report includes the wholly-owned Integrated Healthcare Turkey Yatırımları Limited Group, which owns 60% effective interest in Acibadem 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 were accounted for as an associate and a subsidiary respectively in the previous year) are 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

SUPPLEMENTARY INFORMATION

	3rd quarter ended			Financial period ended			
	30 Sept 2013 RM'000	30 Sept 2012 RM'000 (Restated [^])	Variance %	30 Sept 2013 RM'000	30 Sept 2012 RM'000 (Restated [^])	Variance %	
Profit attributable to owners of the Company	117,029	72,622	61%	401,059	594,290	-33%	
Add back/(less): Exceptional items ("EI")							
Professional and consultancy fees:							
- Acquisitions	2,771	2,543		3,353	5,094		
- Listing expenses	-	(210)		-	54,591		
- Internal restructuring	-	1,304		-	1,304		
Change in fair value of contingent consideration payable ⁱ	39	16,308		(4,003)	12,219		
Valuation gain on investment properties ⁱⁱ	-	-		-	(132,600)		
Write back of IT project expenses	-	-		-	(4,180)		
Write off of property, plant and equipment	30	24		190	163		
(Gain)/loss on disposal of property, plant and equipment	(1,757)	301		(3,214)	1,370		
Gain on disposal of assets held for sale	-	-		(67)	(280)		
Gain on disposal of subsidiaries ⁱⁱⁱ	(4,376)	-		(4,376)	(1,064)		
Exchange loss/(gain) on borrowings ^{iv}	4	67,032		135,796	(41,346)		
	63,739	(29)		127,679	(104,729)		
Add/(less): Tax effects on EI	(27,159)	8,269		(27,159)	8,269		
Add/(less): Non-controlling interests' share of EI	(15,273)	3,946		(41,133)	12,733		
	21,307	12,186		59,387	(83,727)		
Profit attributable to owners of the Company, excluding EI^v	138,336	84,808	63%	460,446	510,563	-10%	
Earnings per share, excluding EI^v (sen)							
Basic	9	1.70	1.11	53%	5.68	7.72	-26%
Diluted	9	1.69	1.11	52%	5.65	7.68	-26%

NM: Not meaningful

Note:

- i: Fair valuation of contingent consideration payable relates to the acquisition of Bodrum Tedavi and Acibadem Holdings, for YTD 2013 and YTD 2012 respectively
- ii: Fair valuation gain on investment properties held for rental to third parties at Mount Elizabeth Novena Hospital and Specialist Centre
- iii: YTD 2013 relates to gain on disposal of GCRC Pte Ltd, a 51%-owned subsidiary of the Group
YTD 2012 relates to gain on disposal of P.T. Pantai Bethany Care International, a 65%-owned subsidiary of the Group
- iv: Relates to exchange differences arising from foreign-currency denominated borrowings taken by Acibadem Holdings
- v: Exceptional items, net of tax and non-controlling interests

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 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, decrease in the revenue and profit for financial period ended 30 September 2013 (“YTD 2013”) were due to recognition of profit from sale of medical suites at Mount Elizabeth Novena Specialist Centre upon its completion in Q2 last year. The 2012 financial results were 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 profit after tax by RM193.6 million.

This effect was partially offset by the full 9 months consolidation of Acibadem Holdings in YTD 2013 as compared to approximately 8 months consolidation for the financial period ended 30 September 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. During the year Acibadem Proje Yonetimi A.S., a wholly-owned subsidiary of Acibadem Holdings, whose principal activities relate to the management of construction of healthcare facilities, outsourced several of its hospital and medical university construction projects to external contractors as it undertakes more projects. Such external contractor costs contributed to the increase in the Group’s purchased and contracted services expense.
3. Q3 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.
4. Acibadem Holdings recognises exchange gain or loss arising from the translation of its non-Turkish Lira (“TL”) denominated loans as finance income or finance cost. Exchange gains of RM20.3 million and RM41.3 million were recognised on translation of such loans in Q3 2012 and YTD 2012 respectively. However, exchange losses amounting to RM67.0 million and RM135.8 million were recognised in Q3 2013 and YTD 2013 respectively.
5. Finance costs, excluding the exchange losses on translation of non-TL denominated loans, decreased mainly as a result of 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 using proceeds from the sale of Novena medical suites last year.

Acibadem Holdings repaid approximately US\$250.0 million of its US dollar-denominated borrowings and various other short term loans upon recapitalisation by its shareholders. 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 offset by the above-mentioned exchange loss on the non-TL 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.

6. 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.
7. The Group recognised tax expense amounting to RM44.7 million in YTD 2012 relating to its recognition of profits from the sale of Novena medical suites. In addition, tax expense was lower in YTD 2013 as the Group recognised a credit of approximately RM22.0 million in June 2013 as a result of successful recovery of tax paid in a prior year.
8. 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.
9. The Group’s EPS for Q3 2013 and YTD 2013 were computed based on an enlarged share capital base in comparison to last year. Please refer to Section B12.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

	Note	30 Sept 2013 RM'000	31 Dec 2012 RM'000 (Restated [^])
Assets			
Property, plant and equipment	1	9,211,377	8,460,191
Investment properties		1,990,636	1,826,923
Goodwill on consolidation		8,922,691	8,851,013
Intangible assets		2,698,972	2,837,717
Interests in associates		3,391	6,116
Interests in joint ventures		165,681	153,373
Other financial assets	2	724,911	682,748
Other receivables		83,836	31,420
Derivative assets		12,898	5,587
Deferred tax assets		66,357	61,160
Total non-current assets		23,880,750	22,916,248
Inventories		149,356	136,928
Trade and other receivables	3	1,052,525	892,464
Tax recoverable		47,831	39,060
Other financial assets		28,563	58,296
Derivative assets		-	264
Cash and bank balances		2,361,058	1,622,645
		3,639,333	2,749,657
Assets classified as held for sale		-	166
Total current assets		3,639,333	2,749,823
Total assets		27,520,083	25,666,071
Equity			
Share capital	4	8,134,974	8,055,445
Share premium	4	7,992,299	7,890,224
Other reserves		282,437	122,927
Retained earnings		1,458,155	1,065,378
Total equity attributable to owners of the Company		17,867,865	17,133,974
Non-controlling interests		1,929,982	2,050,501
Total equity		19,797,847	19,184,475
Liabilities			
Loans and borrowings	5	4,522,858	3,501,330
Employee benefits		20,605	21,205
Trade and other payables	6	352,777	76,372
Derivative liabilities		4,471	4,710
Deferred tax liabilities		959,338	965,394
Total non-current liabilities		5,860,049	4,569,011
Loans and borrowings	5	280,773	334,715
Trade and other payables	6	1,403,957	1,355,027
Derivative liabilities		2,276	11,951
Employee benefits		29,557	35,941
Tax payable		145,624	174,951
Total current liabilities		1,862,187	1,912,585
Total liabilities		7,722,236	6,481,596
Total equity and liabilities		27,520,083	25,666,071
Net assets per share attributable to owners of the Company ¹ (RM)		2.20	2.13

¹: Based on 8,135.0 million and 8,055.4 million shares in issue as at 30 September 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 were accounted for as an associate and a subsidiary respectively in the previous year) are 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 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 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 RM21.5 million on revaluation of the Group’s investment in Apollo Hospital Enterprise Limited.
3. Trade and other receivables increased in line with higher revenues in 2013.
4. Additional shares were issued during the period upon the exercise of vested share options under the Group’s Long Term Incentive Plan (“LTIP”) and Equity Participation Plan (“EPP”). Please refer to Section A6 and Statements of Changes in Equity for details.
5. 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. In addition, Parkway Life REIT, a 35.8%-owned subsidiary, borrowed approximately RM230.4 million to fund its acquisition of 5 Japanese nursing homes properties in September 2013.

As at 30 September 2013, Acibadem Holdings drew down approximately RM354.4 million in accordance with its drawdown schedule with the bank. The cash is set aside for future working capital and expansion requirements.

6. Non-current other payables as at 30 September 2013 included approximately RM291.1 million from GHK’s non-controlling interest for their 40% share of the payment for the above-mentioned land in Hong Kong and for GHK’s working capital.

IMU Health and Shenton Insurance Pte Ltd recognised accrued revenue arising from upfront billings which increased the Group’s trade and other payables as at 30 September 2013. These payables will be recognised as revenue 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. This consideration payable was settled in January 2013 and this partially offsets the increase in trade other payables as at 30 September 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	97,604	-	97,604	44,115	141,719
Net change in fair value of available-for-sale financial assets	-	-	-	120,175	-	-	-	-	120,175	-	120,175
Effective portion of changes in fair value of cash flow hedge, as restated	-	-	-	-	(365)	-	-	-	(365)	(653)	(1,018)
Total other comprehensive income for the period, as restated	-	-	-	120,175	(365)	-	97,604	-	217,414	43,462	260,876
Profit for the period, as restated	-	-	-	-	-	-	-	594,290	594,290	87,445	681,735
Total comprehensive income for the period, as restated	-	-	-	120,175	(365)	-	97,604	594,290	811,704	130,907	942,611
<i>Contributions by and distributions to owners of the Company</i>											
Issue of ordinary shares pursuant to the Company's IPO	1,800,000	3,240,000	-	-	-	-	-	-	5,040,000	-	5,040,000
Listing expenses	-	(132,327)	-	-	-	-	-	-	(132,327)	-	(132,327)
Share options exercised	3,800	2,778	(6,578)	-	-	-	-	-	-	-	-
Share-based payment	-	-	17,395	-	-	-	-	-	17,395	-	17,395
Additional capital contribution into a subsidiary	-	-	-	-	-	14,949	-	-	14,949	(14,949)	-
Acquisition of subsidiaries	1,803,800	3,110,451	10,817	-	-	14,949	-	-	4,940,017	(14,949)	4,925,068
Disposal of a subsidiary	695,442	792,804 [†]	-	-	-	-	-	-	1,488,246	366,548	1,854,794
Acquisition of non-controlling interests, as restated	-	-	-	-	-	-	15	-	15	(396)	(381)
Dilution of interest in a subsidiary	56,203	101,166	-	-	-	(177,097)	-	-	(19,728)	(260,463)	(280,191)
Effects of internal restructure	-	-	-	-	-	56	-	-	56	152,317	152,373
Transfer per statutory requirements	-	-	-	-	-	(3,645)	-	-	(3,645)	(2,151)	(5,796)
Issue of shares to non-controlling interests of subsidiaries	-	-	-	-	-	791	-	(791)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	104,055	104,055
	-	-	-	-	-	-	-	-	-	(76,511)	(76,511)
Total transactions with owners of the Company	2,555,445	4,004,421	10,817	-	-	(164,946)	15	(791)	6,404,961	268,450	6,673,411
At 30 September 2012, as restated	8,055,445	7,890,224	27,371	142,816	15,566	(224,516)	130,276	911,357	16,948,539	1,697,079	18,645,618

* 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.

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

	<----- Attributable to owners of the Company ----->											
	<----- Non-distributable ----->							Distributable				
	Share capital	Share premium	Share option reserve	Fair value reserve	Revaluation reserves	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	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	-	-	-	-	-	-	(265,124)	-	265,124	-	-	-
At 1 January 2013, as restated	8,055,445	7,890,224	32,810	177,859	-	15,863	(247,167)	143,562	1,065,378	17,133,974	2,050,501	19,184,475
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	178,548	-	178,548	(83,249)	95,299
Net change in fair value of available-for-sale financial assets	-	-	-	21,451	-	-	-	-	-	21,451	-	21,451
Revaluation of property, plant and equipment upon reclassification to investment properties	-	-	-	-	205	-	-	-	-	205	-	205
Effective portion of changes in fair value of cash flow hedge	-	-	-	-	-	263	-	-	-	263	473	736
Total other comprehensive income for the period	-	-	-	21,451	205	263	-	178,548	-	200,467	(82,776)	117,691
Profit for the period	-	-	-	-	-	-	-	-	401,059	401,059	73,808	474,867
Total comprehensive income for the period	-	-	-	21,451	205	263	-	178,548	401,059	601,526	(8,968)	592,558
<i>Contributions by and distributions to owners of the Company</i>												
Share-based payment	-	-	16,471	-	-	-	-	-	-	16,471	-	16,471
Share options exercised	72,250	86,700	-	-	-	-	-	-	-	158,950	-	158,950
	72,250	86,700	16,471	-	-	-	-	-	-	175,421	-	175,421
Transfer to share capital and share premium on share options exercised	7,279	15,375	(22,654)	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	(42,973)	-	-	(42,973)	(22,354)	(65,327)
Disposal of subsidiaries	-	-	-	-	-	-	170	(111)	-	59	(8,094)	(8,035)
Dilution of interest in subsidiaries	-	-	-	-	-	-	(148)	6	-	(142)	845	703
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(81,948)	(81,948)
Transfer per statutory requirements	-	-	-	-	-	-	8,282	-	(8,282)	-	-	-
Total transactions with owners of the Company	79,529	102,075	(6,183)	-	-	-	(34,669)	(105)	(8,282)	132,365	(111,551)	20,814
At 30 September 2013	8,134,974	7,992,299	26,627	199,310	205	16,126	(281,836)	322,005	1,458,155	17,867,865	1,929,982	19,797,847

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.

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

	Financial period ended	
	30 Sept 2013	30 Sept 2012
	RM'000	RM'000
		(Restated [^])
Cash flows from operating activities		
Profit before tax	591,367	840,305
Adjustments for:		
Dividend income	(4,169)	(3,363)
Finance income	(51,259)	(67,483)
Finance costs	243,844	175,540
Amortisation and impairment losses of intangible assets	52,321	48,936
Depreciation and impairment losses of property, plant and equipment	397,868	314,024
Write off of property, plant and equipment	190	163
(Gain)/loss on disposal of property, plant and equipment	(3,214)	1,370
Gain on disposal of subsidiaries	(4,376)	(1,064)
Gain on disposal of assets held for sale	(67)	(280)
Impairment loss made/(written back) on:		
- Trade and other receivables	26,490	22,973
- Amounts due from associates and joint ventures	(1,239)	548
- Investment in joint ventures	2,524	-
Write back of impairment loss on financial assets	(2,524)	-
Change in fair value of contingent consideration payable	(4,003)	12,219
Valuation gain on investment properties	-	(132,600)
Share of losses/(profits) of associates (net of tax)	2,651	(539)
Share of profits of joint ventures (net of tax)	(10,483)	(11,813)
Equity-settled share-based payment transactions	16,471	17,395
Net unrealised foreign exchange gain	(17,247)	(16,295)
Operating profit before changes in working capital	1,235,145	1,200,036
Changes in working capital		
Trade and other receivables	(228,707)	(111,940)
Inventories	(9,281)	(5,429)
Development properties	-	910,955
Trade and other payables	(17,446)	(705,414)
Cash flows from operations	979,711	1,288,208
Net income tax paid	(139,317)	(127,840)
Net cash generated from operating activities	840,394	1,160,368
Cash flows from investing activities		
Interest received	34,275	24,434
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(824,527)
Disposal of subsidiaries, net of cash and cash equivalents disposed	2,058	458
Capital injection into joint ventures	(10,875)	-
Development and purchase of intangible assets	(10,700)	(4,189)
Purchase of property, plant and equipment	(1,116,600)	(776,412)
Purchase of investment properties	(214,229)	(124,052)
Proceeds from disposal of property, plant and equipment	8,686	1,778
Proceeds from disposal of assets held for sale	233	1,577
Proceeds from disposal of intangible assets	-	210
Net repayment from/(advances to) associates	1,169	(308)
Net repayment from/(advances to) joint ventures	310	(2,280)
Dividends received from associates	1,159	550
Dividends received from joint ventures	1,539	1,675
Dividend received from available for sale instruments	4,169	3,363
Net purchase of other financial assets	-	(454)
Refund of deposits paid to non-controlling shareholders of subsidiaries	43,032	-
Net cash used in investing activities	(1,255,774)	(1,698,177)

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

	Financial period ended	
	30 Sept 2013	30 Sept 2012
	RM'000	RM'000
		(Restated[^])
Cash flows from financing activities		
Interest paid	(92,096)	(161,076)
Proceeds from issue of shares	-	5,040,000
Share issue expenses	-	(132,327)
Issue of shares by subsidiaries to non-controlling interests	-	134,606
Proceeds from exercise of share options	158,950	-
Loan from non-controlling interests of a subsidiary	291,146	-
Repayment to substantial shareholders and their related companies	-	(24,536)
Repayment of loans and borrowings	(1,358,780)	(5,720,640)
Buy-back of floating rate notes	(35,271)	(87,569)
Proceeds from loans and borrowings	2,328,337	2,046,163
Dividends paid to non-controlling shareholders	(81,948)	(76,511)
Acquisition of non-controlling interests	(65,327)	(280,191)
Proceeds from dilution of interest in subsidiaries	703	109,358
Change in pledged deposits	53,243	5,968
	1,198,957	853,245
Net cash from financing activities		
	783,577	315,436
Net increase in cash and cash equivalents		
Effect of exchange rate fluctuations on cash and cash equivalents held	8,256	43,051
Cash and cash equivalents at beginning of period	1,558,367	1,291,014
Cash and cash equivalents at end of the period	2,350,200	1,649,501
Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprises of:		
	30 Sept 2013	30 Sept 2012
	RM'000	RM'000
		(Restated[^])
Cash and bank balances	786,008	611,636
Deposits placed with licensed banks	1,575,050	1,085,047
	2,361,058	1,696,683
Less:		
- Bank overdrafts	(797)	(3,530)
- Deposits pledged	(10,061)	(43,652)
Cash and cash equivalents at end of the period	2,350,200	1,649,501

[^]: With the implementation of MFRS10 Consolidated Financial Statements with effect from 1 January 2013, Parkway Life REIT and Khubchandani Hospitals Private Limited (which were accounted for as an associate and a subsidiary respectively in the previous year) are 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.

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 SEPTEMBER 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 SEPTEMBER 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	(265,124)	(8,737)	122,927
Retained earnings	902,557	265,124	(102,303)	1,065,378
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 SEPTEMBER 2013**

(ii) Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 September 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	5,462,682	(78,939)	51,010	5,434,753
Other operating income	232,451	19,589	-	252,040
Inventories and consumables	(887,200)	99,608	-	(787,592)
Purchased and contracted services	(392,200)	12,030	-	(380,170)
Development cost of properties sold	(971,220)	-	-	(971,220)
Staff costs	(1,646,322)	18,479	1,059	(1,626,784)
Depreciation and impairment losses of property, plant and equipment	(293,285)	-	(20,739)	(314,024)
Amortisation and impairment losses of intangible assets	(50,549)	-	1,613	(48,936)
Operating lease expenses	(208,907)	(172)	105,471	(103,608)
Other operating expenses	(430,554)	(70,595)	(17,300)	(518,449)
Finance income	67,632	-	(149)	67,483
Finance costs	(159,521)	-	(16,019)	(175,540)
Share of profits of associates (net of tax)	39,382	-	(38,843)	539
Share of profits of joint ventures (net of tax)	12,204	-	(391)	11,813
Profit before tax	774,593	-	65,712	840,305
Income tax expense	(145,630)	-	(12,940)	(158,570)
Profit for the period	628,963	-	52,772	681,735
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	(365)	-	365	-
Foreign currency translation differences from foreign operations	122,206	-	19,513	141,719
Net change in fair value of available-for- sale financial assets	120,175	-	-	120,175
Effective portion of changes in fair value of cash flow hedge	-	-	(1,018)	(1,018)
	242,016	-	18,860	260,876
Total comprehensive income for the period	870,979	-	71,632	942,611
Profit attributable to:				
Owners of the Company	603,032	-	(8,742)	594,290
Non-controlling interests	25,931	-	61,514	87,445
Profit for the period	628,963	-	52,772	681,735
Total comprehensive income attributable to:				
Owners of the Company	825,496	-	(13,792)	811,704
Non-controlling interests	45,483	-	85,424	130,907
Total comprehensive income for the period	870,979	-	71,632	942,611

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 SEPTEMBER 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 September 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

- (a) Between 1 January to 30 September 2013, the Company issued:
 - i) 72,249,998 new ordinary shares of RM1.00 each pursuant to the exercise of vested EPP options; and
 - ii) 7,278,705 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIPs units.
- (b) On 2 July 2013, the Company granted 3,609,000 LTIP units to the executive directors of the Company, pursuant to the shareholders' approval obtained at the Company's 3rd AGM held on 25 June 2013.
- (c) On 29 April 2013 and 4 September 2013, the Company granted a total of 4,627,610 LTIP units to eligible employees of the Group. Out of the total 4,627,610 units granted, 154,000 units were granted under a cash option pursuant to the terms and conditions of the LTIP Bye Laws.

Except as disclosed above, there were no other issuance of shares, share buy-backs, and repayments of debt and equity securities by the Company during the financial period ended 30 September 2013.

As at 30 September 2013, the issued and paid-up share capital of the Company amounted to RM8,134,973,871 comprising 8,134,973,871 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

There were no dividends paid for the financial period ended 30 September 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 were 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 business unit for the purpose of making decisions on resources allocation and performance assessment. Performance is measured based on segment EBITDA.

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

A8 SEGMENT REPORTING

Financial period ended 30 September 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
<i>Revenue and expenses</i>							
Revenue from external customers	2,863,583	1,901,325	148,886	58,355	4,169	-	4,976,318
Inter-segment revenue	58,588	-	2,088	113,351	1,380,000	(1,554,027)	-
Total segment revenue	<u>2,922,171</u>	<u>1,901,325</u>	<u>150,974</u>	<u>171,706</u>	<u>1,384,169</u>	<u>(1,554,027)</u>	<u>4,976,318</u>
EBITDA	739,544	333,974	59,687	140,252	1,357,374	(1,423,099)	1,207,732
Depreciation and impairment losses of property, plant and equipment	(200,477)	(165,672)	(9,491)	(22,111)	(117)	-	(397,868)
Amortisation and impairment losses of intangibles	(24,252)	(27,847)	(222)	-	-	-	(52,321)
Net foreign exchange gain	1,851	630	1,099	1,634	5,246	-	10,460
Finance income	7,194	23,543	1,675	4,805	14,042	-	51,259
Finance costs	(28,647)	(200,726)	(292)	(14,171)	(8)	-	(243,844)
Share of losses of associates (net of tax)	(2,651)	-	-	-	-	-	(2,651)
Share of profits of joint ventures (net of tax)	10,483	-	-	-	-	-	10,483
Others	4,593	5,803	112	-	(2,391)	-	8,117
Profit/(losses) before tax	<u>507,638</u>	<u>(30,295)</u>	<u>52,568</u>	<u>110,409</u>	<u>1,374,146</u>	<u>(1,423,099)</u>	<u>591,367</u>
Income tax (expense)/credit	(95,841)	4,531	(14,333)	(7,544)	(3,313)	-	(116,500)
Profit/(losses) for the period	<u>411,797</u>	<u>(25,764)</u>	<u>38,235</u>	<u>102,865</u>	<u>1,370,833</u>	<u>(1,423,099)</u>	<u>474,867</u>
<i>Assets and liabilities</i>							
Cash and bank balances	867,524	416,433	136,445	100,922	839,734	-	2,361,058
Other assets	15,165,391	5,336,136	413,159	3,513,986	742,880	(12,527)	25,159,025
Segment assets as at 30 September 2013	<u>16,032,915</u>	<u>5,752,569</u>	<u>549,604</u>	<u>3,614,908</u>	<u>1,582,614</u>	<u>(12,527)</u>	<u>27,520,083</u>
Loans and borrowings	1,377,743	2,047,227	1,608	1,377,053	-	-	4,803,631
Other liabilities	1,629,134	870,281	143,422	264,512	23,783	(12,527)	2,918,605
Segment liabilities as at 30 September 2013	<u>3,006,877</u>	<u>2,917,508</u>	<u>145,030</u>	<u>1,641,565</u>	<u>23,783</u>	<u>(12,527)</u>	<u>7,722,236</u>

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

Financial period ended 30 September 2012

	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
<i>Revenue and expenses</i>							
Revenue from external customers	3,746,975	1,487,957	128,918	67,540	3,363	-	5,434,753
Inter-segment revenue	56,626	-	-	105,383	6,024	(168,033)	-
Total segment revenue	<u>3,803,601</u>	<u>1,487,957</u>	<u>128,918</u>	<u>172,923</u>	<u>9,387</u>	<u>(168,033)</u>	<u>5,434,753</u>
EBITDA	825,494	250,605	49,169	138,977	(3,633)	(46,121)	1,214,491
Depreciation and impairment losses of property, plant and equipment	(147,172)	(136,800)	(9,225)	(20,826)	(1)	-	(314,024)
Amortisation and impairment losses of intangibles	(23,422)	(25,408)	(106)	-	-	-	(48,936)
Net foreign exchange (loss)/gain	(1,644)	(1,623)	(160)	(986)	25,509	-	21,096
Finance income	7,433	51,840	1,211	2,150	4,849	-	67,483
Finance costs	(50,671)	(108,594)	(264)	(16,003)	(8)	-	(175,540)
Share of profits of associates (net of tax)	539	-	-	-	-	-	539
Share of profits of joint ventures (net of tax)	11,813	-	-	-	-	-	11,813
Others	136,339	(15,681)	7	-	(57,282)	-	63,383
Profit/(losses) before tax	<u>758,709</u>	<u>14,339</u>	<u>40,632</u>	<u>103,312</u>	<u>(30,566)</u>	<u>(46,121)</u>	<u>840,305</u>
Income tax expense	(123,982)	(9,124)	(10,832)	(13,428)	(1,204)	-	(158,570)
Profit/(losses) for the period	<u>634,727</u>	<u>5,215</u>	<u>29,800</u>	<u>89,884</u>	<u>(31,770)</u>	<u>(46,121)</u>	<u>681,735</u>
<i>Assets and liabilities</i>							
Cash and bank balances	714,969	111,207	79,790	103,109	687,608	-	1,696,683
Other assets	14,046,123	5,482,375	425,753	3,460,222	664,047	(24,182)	24,054,338
Segment assets as at 30 September 2012	<u>14,761,092</u>	<u>5,593,582</u>	<u>505,543</u>	<u>3,563,331</u>	<u>1,351,655</u>	<u>(24,182)</u>	<u>25,751,021</u>
Loans and borrowings	1,177,651	1,807,654	1,538	1,334,279	-	-	4,321,122
Other liabilities	1,368,817	1,009,579	123,873	272,619	33,575	(24,182)	2,784,281
Segment liabilities as at 30 September 2012	<u>2,546,468</u>	<u>2,817,233</u>	<u>125,411</u>	<u>1,606,898</u>	<u>33,575</u>	<u>(24,182)</u>	<u>7,105,403</u>

**A NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 Sept 2013	30 Sept 2012
	RM'000	RM'000
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	2,963	40,550
- Purchase and consumption of services	(419)	(55,475)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	249,605	133,365
- Purchase and consumption of services	(41,972)	(41,972)

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 and 22 July 2013, Gleneagles (Malaysia) Sdn. Bhd. (“GMSB”) acquired a total of 0.05% equity interest in Pulau Pinang Clinic Sdn Bhd (“PPCSB”) for a total consideration of RM93,398. The said acquisition increased GMSB’s shareholdings in PPCSB from 70.00% to 70.05%.

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

- (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.
- (i) On 26 April 2013, Acıbadem Poliklinikleri A.Ş. (“Acıbadem Poliklinikleri”) merged with its direct wholly-owned subsidiary, Tolga Sağlık Hizmetleri A.S. (“Tolga Sağlık”) (“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 Acıbadem 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) On 23 July 2013, Parkway Holdings Limited (“PHL”) entered into a Share Purchase Agreement (“SPA”) 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 “GCRC Disposal”) for S\$5.1 million (“Price Consideration”). The GCRC Disposal comprises of GCRC and its 4 wholly owned subsidiaries namely, Gleneagles CRC (China) Pte. Ltd., Gleneagles CRC (Thailand) Company Limited, Gleneagles Clinical Research International Pte. Ltd. and Gleneagles CRC (Australia) Pty. Ltd., and was completed on 30 July 2013, with the Price Consideration subject to adjustment in accordance with the terms in the SPA.
- (m) On 13 August 2013 Shanghai Mai Kang Hospital Investment Management Co., Ltd (“Shanghai Mai Kang”) acquired 60% equity interest in Shanghai Hui Xing Hospital Investment Management Co. Ltd (“Shanghai Hui Xing”) for a purchase consideration of RMB12 million pursuant to the exercise of call option. Shanghai Hui Xing will be a 60% joint venture of Shanghai Mai Kang and its principal activity is investment in healthcare industry.
- (n) 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.
- (o) On 30 September 2013, Pantai Hospitals Sdn. Bhd. (“PHSB”) acquired 17.81% equity interest in Paloh Medical Centre Sdn. Bhd. (“Paloh”) pursuant to the Sale of Shares Agreement dated 26 September 2013, for a total consideration of RM48,000,000.00. The said acquisition increased PHSB’s shareholdings in Paloh from 77.79% to 95.60%.
- (p) ASH shares have ceased to be traded on the Istanbul Stock Exchange (“ISE”) after the second session of 4 October 2012. Following this, the delisting process has been successfully completed. Any shareholders that were unable to redeem their shares during MTO and VTO have the right to sell their shares for a three-year period from 26 July 2012, being the date ISE granted its approval of ASH’s delisting. As at 30 September 2013, ASYH’s equity interest in ASH is 98.69%, 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.

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

A12 SUBSEQUENT EVENTS

- (a) On 12 November 2013, Parkway Pantai Limited (“PPL”) acquired 100% equity interest in Pantai Diagnostics Indonesia Sdn. Bhd. from Pantai Holdings Berhad, an indirect wholly owned subsidiary of PPL for a total consideration of RM2.00.
- (b) As of 19 November 2013, ASYH’s equity interest in ASH is 98.70%, following the tender of shares.

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 Sept 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	288,248	245,773
- Amounts authorised but not contracted for	1,389,240	972,023
	1,677,488	1,217,796

A15 FAIR VALUE HIEARACHY

Fair value hierarchy

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>As at 30 September 2013</u>				
Assets				
Investment properties	-	1,990,636	-	1,990,636
Quoted available-for-sale investment	724,127	-	-	724,127
Derivative assets	-	12,898	-	12,898
Liabilities				
Derivative liabilities	-	6,747	-	6,747
<u>As at 31 December 2012</u>				
Assets				
Investment properties	-	1,826,923	-	1,826,923
Quoted available-for-sale investment	666,579	-	-	666,579
Derivative assets	-	5,851	-	5,851
Liabilities				
Contingent consideration payable	-	82,463	-	82,463
Derivative liabilities	-	16,661	-	16,661

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

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

	3rd quarter ended			Financial period ended		
	30 Sept 2013 RM'000	30 Sept 2012 RM'000 (Restated)	Variance %	30 Sept 2013 RM'000	30 Sept 2012 RM'000 (Restated)	Variance %
REVENUE¹						
Parkway Pantai	987,252	856,043	15%	2,863,583	3,746,975	-24%
Acibadem Holdings	612,020	556,607	10%	1,901,325	1,487,957	28%
IMU Health	48,019	44,370	8%	148,886	128,918	15%
PLife REIT	58,967	59,813	-1%	171,706	172,923	-1%
Others [^]	4,169	3,363	24%	4,169	3,363	24%
	1,710,427	1,520,196	13%	5,089,669	5,540,136	-8%
PLife REIT inter-segment revenue	(38,709)	(36,259)	-7%	(113,351)	(105,383)	-8%
Total	1,671,718	1,483,937	13%	4,976,318	5,434,753	-8%
EBITDA²						
Parkway Pantai ³	241,766	168,401	44%	696,445	785,397	-11%
Acibadem Holdings	91,156	72,231	26%	333,974	250,605	33%
IMU Health	18,050	15,471	17%	59,687	49,169	21%
PLife REIT ⁴	48,279	48,475	0%	140,252	138,977	1%
Others [^]	(5,333)	(1,551)	NM	(22,626)	(9,657)	-134%
Total	393,918	303,027	30%	1,207,732	1,214,491	-1%

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 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

Q3 2013 vs Q3 2012

The Group achieved double-digit revenue and EBITDA growth of 13% and 30% respectively for Q3 2013 over the same period last year. Excluding the consolidation of PLife REIT, the Group's revenue and EBITDA grew 13% and 36% respectively for Q3 2013 over the same period last year. The increase in Q3 2013 revenue was attributed to organic growth of existing operations and ramping up of new hospitals. Mount Elizabeth Novena Hospital and Acibadem Bodrum Hospital commenced operations in June 2012 and incurred significant start-up losses in Q3 2012 as compared to a positive EBITDA contribution by these 2 hospitals for Q3 2013. Acibadem Ankara Hospital, which commenced operations in November 2012, also contributed positively to the Group's EBITDA for Q3 2013.

The Group's Q3 2013 PATMI, excluding exceptional items, increased 63% to RM138.3 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.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

Parkway Pantai

Parkway Pantai's revenue grew 15% to RM987.3 million in Q3 2013 whilst its EBITDA grew 44% to RM241.8 million in Q3 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. Parkway Pantai's Singapore hospitals saw an equally strong increase in both local and foreign patients, leading to an overall 7.1% increase in inpatient admissions from 13,951 inpatient admissions in Q3 2012 to 14,936 inpatient admissions in Q3 2013. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals grew 8.9% from 38,083 inpatient admissions in Q3 2012 to 41,477 inpatient admissions in Q3 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. Q3 2013 revenue per inpatient admission increased 6.3% to approximately RM21,519 in Singapore and increased 7.9% to RM4,609 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 Q3 2013 as compared to significant start-up losses incurred in Q3 2012.

Acibadem Holdings

Acibadem Holdings' revenue grew 10% from RM556.6 million in Q3 2012 to RM612.0 million in Q3 2013. Acibadem Holdings' performance improved with a 5.9% increase in inpatient admissions from 26,736 inpatient admissions in Q3 2012 to 28,307 inpatient admissions in Q3 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 3.7% from RM9,436 in Q3 2012 to RM9,789 in Q3 2013.

Acibadem Holdings' EBITDA increased 26% from RM72.2 million in Q3 2012 as a result of higher revenue in Q3 2013 and improved EBITDA from its 2 new hospitals. Acibadem Ankara Hospital and Acibadem Bodrum Hospital contributed positive EBITDA for Q3 2013.

IMU Health

IMU Health registered 8% revenue growth in Q3 2013 over the corresponding quarter last year due to higher fee income from IMU Health's medical and nursing programmes. IMC Education Sdn. Bhd. (formerly known as Pantai Education Sdn. Bhd.), which was transferred from Parkway Pantai to IMU Health in October 2012, also contributed to the revenue growth in Q3 2013.

IMU Health's EBITDA grew in line with revenue.

PLife REIT

PLife REIT's external revenue declined 14% in Q3 2013 as compared to Q3 2012 mostly due to the translation effects of the weakening Japanese Yen on PLife REIT's revenue earned from its Japanese properties that was partially offset by rental income contribution from its 2 Japanese nursing home properties acquired in July 2013.

The translation effect of the weakening Japanese Yen 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, which resulted in PLife REIT's EBITDA contribution to be flat against Q3 2012.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

Others

Others comprise mainly the IHH Group corporate office as well as other investment holding entities. The Group received 24% more dividend income from its investment in Apollo Hospitals Enterprise Limited in Q3 2013 compared to Q3 2012. However, EBITDA decreased in Q3 2013 due to increased headcounts at the corporate office.

YTD 2013 vs YTD 2012

Excluding the recognition of sale of medical suites last year, the Group achieved 18% and 24% increase for revenue and EBITDA respectively on a YTD basis. Excluding the recognition of the sale of medical suites last year and the contribution from PLife REIT, the Group's revenue and EBITDA grew 18% and 28% respectively for YTD 2013 over the same period last year. The strong performance was driven by organic growth of existing operations, ramping up of new hospitals as well as the full 9 months consolidation of Acibadem Holdings performance in YTD 2013 as compared to only 8 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 45% to RM460.4 million.

Parkway Pantai

Excluding the recognition of the sale of medical suites last year, Parkway Pantai's revenue grew 13% to RM2,863.6 million in YTD 2013 whilst its EBITDA grew 27% to RM696.4 million. EBITDA margins improved from 22% 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 7.5% and 5.6% inpatient admissions for Singapore and Malaysia Hospitals respectively. Price increases and the handling of more complex cases increased revenue intensity by 5.0% to RM21,371 per inpatient admission and 7.1% to RM4,499 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 incurred a YTD EBITDA loss of RM64.0 million when it was in its pre-operating and start-up phase last year, as compared to its positive YTD EBITDA contribution of RM10.9 million this year.

Acibadem Holdings

The Group consolidated full 9 months results of Acibadem Holdings in YTD 2013 as compared to 8 months last year. As such, Acibadem Holdings' revenue grew 28% to RM1,901.3 million whilst its EBITDA grew 33% to RM334.0 million in YTD 2013 over YTD 2012.

On a like-for-like basis, assuming the Group consolidated 9 full months results of Acibadem Holdings in YTD 2012, Acibadem Holdings' revenue grew 13% from RM1,688.1 million in YTD 2012. Acibadem Holdings' performance improved with a 6.7% growth in inpatient admissions from 84,176 inpatient admissions in YTD 2012 to 89,787 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 1.6% from RM9,351 in YTD 2012 to RM9,505 in YTD 2013.

On a like-for-like basis, assuming the Group consolidated 9 full months results of Acibadem Holdings in YTD 2012, Acibadem Holdings' EBITDA increased 10% from RM304.9 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 to the initial start-up costs at Acibadem Bodrum Hospital and Acibadem Ankara Hospital,

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

Acibadem Holdings also incurred pre-operating expenses for Acibadem Halkali Hospital which is expected to commence operations later this year.

IMU Health

IMU Health registered 15% revenue growth in YTD 2013 over the corresponding period last year due to higher fee income from IMU Health's medical and nursing programmes. IMC 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 14% in YTD 2013 due to the translation effects of the weakening Japanese Yen on PLife REIT's revenue earned from its Japanese properties that was partially offset by rental income earned from its 2 Japanese nursing home properties acquired in July 2013.

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 is partially offset by the effects of the weakening Japanese Yen, resulting in 1% 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 THIRD QUARTER ENDED 30 SEPTEMBER 2013

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	3rd quarter ended 30 Sept 2013 RM'000	2nd quarter ended 30 Jun 2013 RM'000	Variance %
<u>REVENUE</u>¹			
Parkway Pantai	987,252	958,588	3%
Acibadem Holdings	612,020	652,157	-6%
IMU Health	48,019	51,200	-6%
PLife REIT	58,967	55,258	7%
Others [^]	4,169	-	-
	1,710,427	1,717,203	0%
PLife REIT inter-segment revenue	(38,709)	(37,201)	-4%
Total	1,671,718	1,680,002	0%
<u>EBITDA</u>²			
Parkway Pantai ³	241,766	244,493	-1%
Acibadem Holdings	91,156	118,302	-23%
IMU Health	18,050	20,275	-11%
PLife REIT ⁴	48,279	45,293	7%
Others [^]	(5,333)	(8,788)	39%
Total	393,918	419,575	-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 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

Q3 2013 vs Q2 2013

Despite being a seasonally slow quarter due to the summer months in Turkey and holiday periods in Singapore and Malaysia, the Group's Q3 2013 revenue remained relatively flat as compared to Q2 2013. EBITDA, however, decreased 6% due to escalating cost pressures. Excluding the contribution from PLife REIT, the Group's revenue and EBITDA decreased 1% and 8% respectively quarter-on-quarter.

The Group's PATMI excluding exceptional items fell 27% quarter-on-quarter as Q2 2013's PATMI was boosted by a one-off RM22.0 million tax credit relating to a prior year's tax.

Parkway Pantai

Parkway Pantai's revenue grew 3% quarter-on-quarter, mainly driven by higher revenue intensities in its key markets. However, Parkway Pantai's EBITDA decreased 1% with increasing operating costs.

Acibadem Holdings

Acibadem Holdings' revenue reduced by 6% quarter-on-quarter due to the summer season in Turkey where patient admissions, and hence revenues, are seasonally low.

Acibadem Holdings' quarter-on-quarter EBITDA decreased 23% due to lower revenues as well as increasing costs.

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

IMU Health

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

PLife REIT

PLife REIT's external revenue and EBITDA increased 12% and 7% respectively quarter-on-quarter mainly due to rental income earned from its 2 Japanese nursing home properties acquired in July 2013.

B3 CURRENT YEAR PROSPECTS

Parkway Pantai

Parkway Pantai expects continued growth in patient volumes for the rest of the year with the capacity provided by its new Mount Elizabeth Novena Hospital. Mount Elizabeth Novena Hospital achieved YTD EBITDA breakeven this quarter and Parkway Pantai is generally optimistic that the hospital would continue to contribute positively to the Group's EBITDA margins for the rest of the year.

The planning and construction of Parkway Pantai's new hospitals in Malaysia and Hong Kong are progressing on schedule.

Acibadem Holdings

Acibadem Holdings' patient volume is expected to grow for the rest of the year with the contribution from Acibadem Ankara Hospital as well as with the impending opening of the 270-bed Acibadem Halkali Hospital by end of this year. Acibadem Holdings' ongoing hospital projects are progressing on schedule.

Overall IHH Group Prospects

With the increased demand for trained healthcare professionals in the Group's home markets of Singapore, Malaysia and Turkey, the Group expects to incur higher salaries and wages to attract and retain staff. 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 THIRD QUARTER ENDED 30 SEPTEMBER 2013

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	3rd quarter ended		Financial period ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Current tax expense	49,630	33,782	105,608	163,593
Deferred tax expense	(7,534)	(5,718)	10,892	(5,023)
	42,096	28,064	116,500	158,570

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 25.5% for Q3 2013 and 20.0% for YTD 2013. Q3 2013 effective tax rate is 0.5% above the Malaysian statutory tax rate mainly due to higher non-tax deductible expenses recognised during the quarter. YTD 2013 effective tax rate is 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, which reduced the Group's YTD 2013 effective tax rate.

B6 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at 19 November 2013.

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

B7 LOANS AND BORROWINGS

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

	30 Sept 2013 RM'000	31 Dec 2012 RM'000 (Restated)
Non-current		
Secured		
Bank borrowings	1,469,529	550,110
Financial lease liabilities	174,989	191,269
Unsecured		
Bank borrowings	2,878,340	2,759,951
	4,522,858	3,501,330
Current		
Secured		
Bank borrowings	150,604	239,596
Financial lease liabilities	59,136	57,599
Bank overdrafts	797	975
Unsecured		
Bank borrowings	70,236	822
Floating rate notes	-	35,723
	280,773	334,715
Total	4,803,631	3,836,045

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

	30 Sept 2013 RM'000	31 Dec 2012 RM'000 (Restated)
Singapore Dollar	2,067,781	1,764,701
Ringgit Malaysia	87,263	81,224
US Dollar	1,180,019	604,759
Macedonian Denar	6,520	29,099
Swiss Franc	79,112	82,126
Euro	142,119	117,009
Turkish Lira	68,053	111,596
Japanese Yen	1,166,325	1,030,973
Others*	6,439	14,558
	4,803,631	3,836,045

* Others include Hong Kong Dollar and Brunei Dollar

Key exchange rates as at 30 September 2013:

1 SGD	= RM2.56871
1 TL	= RM1.59741
1 USD	= RM3.22219

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

B8 FINANCIAL DERIVATIVE INSTRUMENTS

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

	Notional amount as at 30 Sept 2013 RM'000	Fair value amount as at 30 Sept 2013 RM'000 (Restated)
Derivative assets		
Foreign exchange forward contracts		
- Between 1 - 3 years	11,528	2,191
- More than 3 years	64,065	10,707
	<u>75,593</u>	<u>12,898</u>
Derivative liabilities		
Foreign exchange forward contracts		
- More than 3 years	15,506	(160)
Interest rate swaps		
- Within 1 year	408,811	(2,276)
- Between 1 - 3 years	642,137	(2,596)
- More than 3 years	599,394	(1,715)
	<u>1,650,342</u>	<u>(6,587)</u>
	<u>1,665,848</u>	<u>(6,747)</u>

Foreign exchange forward contracts

Foreign exchange forward contracts are entered by the Group to hedge against exchange rate exposures on some balances denominated in currencies other than the functional currency of the entity that recognised the foreign currency 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 THIRD QUARTER ENDED 30 SEPTEMBER 2013

B10 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 19 November 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 September 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.

	3rd quarter ended		Financial period ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Basic and diluted earnings per share is based on:				
Net profit attributable to ordinary shareholders	117,029	72,622	401,059	594,290
Net profit attributable to ordinary shareholders (excluding EI)	138,336	84,808	460,446	510,563
i Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	8,134,233	7,610,643	8,106,554	6,612,243
	Sen	Sen	Sen	Sen
Basic EPS	1.44	0.95	4.95	8.99
Basic EPS (excluding EI)	1.70	1.11	5.68	7.72
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.				
	3rd quarter ended	3rd quarter ended	Financial period ended	Financial period ended
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,134,233	7,610,643	8,106,554	6,612,243
Weighted number of unissued ordinary shares from units under LTIP	10,698	10,208	10,064	7,701
Weighted number of unissued ordinary shares from share options under EPP	21,888	35,932	28,047	28,133
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,166,819	7,656,783	8,144,665	6,648,077
	Sen	Sen	Sen	Sen
Diluted EPS	1.43	0.95	4.92	8.94
Diluted EPS (excluding EI)	1.69	1.11	5.65	7.68

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Sept 2013 RM'000	As at 31 Dec 2012 RM'000 (Restated)
Total retained earnings of the Company and its subsidiaries		
- Realised	1,622,369	1,009,387
- Unrealised	125,809	277,467
	<u>1,748,178</u>	<u>1,286,854</u>
Total share of retained earnings from associates		
- Realised	(3,803)	(120)
- Unrealised	(24)	(24)
	<u>(3,827)</u>	<u>(144)</u>
Total share of retained earnings from joint ventures		
- Realised	28,987	20,043
- Unrealised	-	-
	<u>28,987</u>	<u>20,043</u>
Less consolidation adjustments	(315,183)	(241,375)
Total Group retained earnings	<u><u>1,458,155</u></u>	<u><u>1,065,378</u></u>

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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.

	3rd quarter ended		Financial period ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Other operating income	19,706	40,910	101,586	112,956
Net foreign exchange gain	933	14,380	10,460	21,096
Impairment loss (made)/written back on:				
- Trade and other receivables	(6,342)	(581)	(26,490)	(22,973)
- Amounts due from associates and joint ventures	14	(548)	1,239	(548)
- Investment in joint venture	(2,524)	-	(2,524)	-
- Financial assets	2,524	-	2,524	-
Write off:				
- Inventories	-	-	(299)	-
- Trade and other receivables	-	(34)	-	(343)
- Property, plant and equipment	(30)	(24)	(190)	(163)
Gain/(loss) on disposal of property, plant and equipment	1,757	(301)	3,214	(1,370)
Gain on disposal of subsidiaries	4,376	-	4,376	1,064
Gain on disposal of assets held for sale	-	-	67	280
Professional and consultancy fees:				
- Acquisitions	(2,771)	(2,543)	(3,353)	(5,094)
- Listing expenses	-	210	-	(54,591)
- Internal restructuring	-	(1,304)	-	(1,304)
Changes in fair value of contingent consideration payable	(39)	(16,308)	4,003	(12,219)
Valuation gain on investment properties	-	-	-	132,600
Write back of IT project expenses	-	-	-	4,180
Finance costs				
Interest expense on loans and borrowing	(33,114)	(48,446)	(90,471)	(147,759)
Fair value loss of financial instruments	-	(5,205)	-	(8,149)
Exchange loss on borrowings	(67,032)	-	(135,796)	-
Other finance costs	(3,249)	(9,029)	(17,577)	(19,632)
	(103,395)	(62,680)	(243,844)	(175,540)
Finance income				
Interest income				
- Banks and financial institutions	13,615	7,349	35,004	22,597
- Others	97	44	295	163
Exchange gain on borrowings	-	20,299	-	41,346
Fair value gain/(loss) of financial instruments	4,643	(84)	15,960	3,377
	18,355	27,608	51,259	67,483