IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 MARCH 2015

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

		1st quarter ended		
	Note	**31 Mar 2015**	**31 Mar 2014**	**Variance**
		RM'000	**RM'000**	**%**
Revenue		2,002,971	1,757,612	14%
Other operating income		60,576	46,132	31%
Inventories and consumables		(331,924)	(285,991)	-16%
Purchased and contracted services		(179,412)	(158,294)	-13%
Staff costs	1	(805,832)	(681,584)	-18%
Depreciation and impairment losses of property, plant and equipment		(142,380)	(139,121)	-2%
Amortisation and impairment losses of intangible assets		(17,032)	(16,485)	-3%
Operating lease expenses		(51,933)	(47,755)	-9%
Other operating expenses	2	(180,016)	(186,518)	3%
Finance income	3	30,960	15,458	100%
Finance costs	3	(155,508)	(64,017)	-143%
Share of profits of associates (net of tax)		370	142	161%
Share of profits of joint ventures (net of tax)		2,097	3,468	-40%
Profit before tax		**232,937**	**243,047**	**-4%**
Income tax expense		(52,280)	(54,144)	3%
Profit for the period		**180,657**	**188,903**	**-4%**
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences from foreign operations	4	56,615	88,472	-36%
Hedge of net investments in foreign operations	4	(120,375)	(16,008)	NM
Net change in fair value of available-for-sale financial instruments	5	224,774	(1,094)	NM
Cash flow hedge		2,727	(1,521)	NM
		163,741	69,849	134%
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability		-	(703)	100%
		-	(703)	
Total comprehensive income for the period		**344,398**	**258,049**	**33%**
Profit attributable to:				
Owners of the Company		171,482	159,052	8%
Non-controlling interests		9,175	29,851	-69%
Profit for the period		**180,657**	**188,903**	**-4%**
Total comprehensive income attributable to:				
Owners of the Company		392,730	251,330	56%
Non-controlling interests		(48,332)	6,719	NM
Total comprehensive income for the period		**344,398**	**258,049**	**33%**
Earnings per share (sen)				
Basic	6	2.10	1.96	7%
Diluted	6	2.09	1.95	7%

NM: Not meaningful

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

SUPPLEMENTARY INFORMATION

		1st quarter ended		
		31 Mar 2015	**31 Mar 2014**	**Variance**
		RM'000	**RM'000**	**%**
Profit attributable to owners of the Company		**171,482**	**159,052**	**8%**
Add back/(less): Exceptional items ("EI")				
Professional and consultancy fees for acquisitions		681	185	
Exchange loss on net borrowings[i]	3	116,424	28,603	
		117,105	28,788	
Less: Tax effects on EI		(23,285)	(5,721)	
Less: Non-controlling interests' share of EI		(37,528)	(9,227)	
		56,292	13,840	
Profit attributable to owners of the Company, excluding EI[ii]		**227,774**	**172,892**	**32%**
Earnings per share, excluding EI[ii] (sen)				
Basic	6	2.78	2.13	
Diluted	6	2.77	2.12	

NM: Not meaningful

Note:
i. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings
ii. Exceptional items, net of tax and non-controlling interests

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

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

1. Staff costs increased as a result of higher headcount and salary increase driven by the higher demand for trained healthcare professionals. The Group increased its headcount to meet staffing requirements with the opening of new wards in existing hospitals and ramping up of new hospitals.

2. Other operating expenses include exceptional items as detailed on Page 2.

3. Acibadem recognises exchange gain or loss arising from the translation of its non-Turkish Lira ("TL") denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively.

   Exchange loss of RM116.4 million was recognised on translation of such non-TL balances in the finance costs in Q1 2015 (Q1 2014: RM28.6 million exchange loss).

   Refer to section B14 for details.

4. PLife REIT hedges its interest in the net assets of its Japanese operations and the effective portion of the hedge is recognised as a hedge of net investments in the statement of other comprehensive income, which offsets the foreign currency translation differences from the translation of the net assets of its Japanese operations. The Group's remaining foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore and Turkish operations.

   In Q1 2015, the Group recorded a net foreign currency translation loss of RM63.8 million as a result of the 4.82% depreciation of TL against the RM in Q1 2015. This is partially offset by the 0.03% appreciation of Singapore Dollar ("SGD") against the Ringgit Malaysia ("RM").

5. Fair value change of available-for-sale financial instruments arose mainly from the mark-to-market of the Group's 10.85% investment in Apollo Hospitals Enterprise Limited.

6. The Group's EPS was computed based on an enlarged share capital base in comparison to last year. Refer to Section B12 for details.

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

	31 Mar 2015	31 Mar 2014
1 SGD	2.6695	2.5994
1 TL	1.4709	1.4897

IHH HEALTHCARE BERHAD
Company No. 901914-V
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Assets			
Property, plant and equipment	1	9,499,039	9,148,483
Prepaid lease payments		777,194	746,061
Investment properties	2	2,331,182	2,028,438
Goodwill on consolidation	3	9,193,327	9,154,565
Intangible assets		2,469,927	2,537,802
Interests in associates		4,586	4,239
Interests in joint ventures		191,649	179,175
Other financial assets	4	1,224,467	956,035
Other receivables		27,565	48,235
Derivative assets		18,290	28,213
Deferred tax assets		78,126	68,327
Total non-current assets		**25,815,352**	**24,899,573**
Inventories		188,431	171,718
Trade and other receivables		1,218,942	1,027,535
Tax recoverable		56,076	59,005
Other financial assets	4	184,674	13,581
Derivative assets		577	1,067
Cash and cash equivalents		2,214,471	2,467,827
Total current assets		**3,863,171**	**3,740,733**
Total assets		**29,678,523**	**28,640,306**
Equity			
Share capital		8,200,780	8,178,570
Share premium		8,101,486	8,059,158
Other reserves		1,182,085	963,885
Retained earnings		2,423,331	2,250,132
Total equity attributable to owners of the Company		**19,907,682**	**19,451,745**
Non-controlling interests		1,841,529	1,861,651
Total equity		**21,749,211**	**21,313,396**
Liabilities			
Loans and borrowings	5	4,000,131	3,592,776
Employee benefits		24,548	23,312
Trade and other payables		492,442	408,501
Derivative liabilities		5,039	6,536
Deferred tax liabilities		944,555	938,045
Total non-current liabilities		**5,466,715**	**4,969,170**
Loans and borrowings	5	597,122	676,542
Trade and other payables		1,565,817	1,390,641
Derivative liabilities		246	517
Employee benefits		40,300	43,492
Tax payable		259,112	246,548
Total current liabilities		**2,462,597**	**2,357,740**
Total liabilities		**7,929,312**	**7,326,910**
Total equity and liabilities		**29,678,523**	**28,640,306**
Net assets per share attributable to owners of the Company[1] (RM)		2.43	2.39

[1]: Based on 8,200.8 million and 8,178.6 million shares issued as at 31 March 2015 and 31 December 2014 respectively

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the 2014 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

1. The increase in property, plant and equipment was attributed to the purchases of medical equipment during the quarter, cost capitalised for the on-going expansion and new hospital construction projects, as well as the additions from the acquisition of Continental Hospitals Limited ("Continental") on 23 March 2015.

2. The increase in investment properties was mainly due to PLife REIT's acquisition of 6 Japanese properties during the quarter at a consideration equivalent to approximately RM257.8 million.

3. The Group recorded goodwill on acquisition of approximately RM105.4 million arising from the acquisition of Continental. As at 31 March 2015, the Group is in the midst of performing a purchase price allocation ("PPA") for this acquisition, and would adjust the goodwill amount accordingly upon the completion of the PPA. Refer to section A11(f) for details.

4. The increase in other financial assets was mainly due to the fair valuation gain on the Group's available-for-sale financial instruments in Apollo Hospitals Enterprise Limited and its placement of RM170.0 million in money market funds.

5. The increase in borrowings was due to loans taken to finance working capital, capital expenditure as well as purchase of investment properties. In addition, the Group funded its acquisition of Continental with a RM147.6 million loan. The consolidation of Continental's borrowings also increased the Group's borrowings by RM179.8 million.

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

	31 Mar 2015	31 Dec 2014
1 SGD	2.6838	2.6831
1 TL	1.4114	1.4830

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	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	Revaluation reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2015	8,178,570	8,059,158	33,114	348,628	35,871	15,266	(309,306)	28,266	812,046	2,250,132	19,451,745	1,861,651	21,313,396
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	38,513	-	38,513	18,102	56,615
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(43,010)	-	(43,010)	(77,365)	(120,375)
Net change in fair value of available-for-sale financial instruments	-	-	-	224,774	-	-	-	-	-	-	224,774	-	224,774
Cash flow hedge	-	-	-	-	-	971	-	-	-	-	971	1,756	2,727
Total other comprehensive income for the period	-	-	-	224,774	-	971	-	-	(4,497)	-	221,248	(57,507)	163,741
Profit for the period	-	-	-	-	-	-	-	-	-	171,482	171,482	9,175	180,657
Total comprehensive income for the period	-	-	-	224,774	-	971	-	-	(4,497)	171,482	392,730	(48,332)	344,398
Contributions by and distributions to owners of the Company													
- Share options exercised	19,000	31,540	-	-	-	-	-	-	-	-	50,540	-	50,540
- Share-based payment	-	-	12,833	-	-	-	-	-	-	-	12,833	-	12,833
	19,000	31,540	12,833	-	-	-	-	-	-	-	63,373	-	63,373
Transfer to share capital and share premium on share options exercised	3,210	10,788	(13,998)	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	58,940	58,940
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(166)	-	-	-	(166)	(112)	(278)
Transfer per statutory requirements	-	-	-	-	-	-	-	(1,717)	-	1,717	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(30,618)	(30,618)
Total transactions with owners of the Company	22,210	42,328	(1,165)	-	-	-	(166)	(1,717)	-	1,717	63,207	28,210	91,417
At 31 March 2015	8,200,780	8,101,486	31,949	573,402	35,871	16,237	(309,472)	26,549	807,549	2,423,331	19,907,682	1,841,529	21,749,211

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	<---------- 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	Revaluation reserve RM’000	Hedge reserve RM’000	Capital reserve RM’000	Legal reserve RM’000	Foreign currency translation reserve RM’000	Retained earnings RM’000	Total RM’000	Non-controlling interests RM’000	Total equity RM’000
At 1 January 2014	8,134,974	7,992,299	33,295	216,082	205	16,150	(302,406)	9,020	293,383	1,682,143	18,075,145	1,847,802	19,922,947
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	100,060	-	100,060	(11,588)	88,472
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(5,723)	-	(5,723)	(10,285)	(16,008)
Net change in fair value of available-for-sale financial instruments	-	-	-	(1,094)	-	-	-	-	-	-	(1,094)	-	(1,094)
Cash flow hedge	-	-	-	-	-	(543)	-	-	-	-	(543)	(978)	(1,521)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	(422)	(422)	(281)	(703)
Total other comprehensive income for the period	-	-	-	(1,094)	-	(543)	-	-	94,337	(422)	92,278	(23,132)	69,146
Profit for the period	-	-	-	-	-	-	-	-	-	159,052	159,052	29,851	188,903
Total comprehensive income for the period	-	-	-	(1,094)	-	(543)	-	-	94,337	158,630	251,330	6,719	258,049
Contributions by and distributions to owners of the Company													
- Share options exercised	19,000	26,980	-	-	-	-	-	-	-	-	45,980	-	45,980
- Share-based payment	-	-	6,912	-	-	-	-	-	-	-	6,912	-	6,912
	19,000	26,980	6,912	-	-	-	-	-	-	-	52,892	-	52,892
Transfer to share capital and share premium on share options exercised		1,992	(1,992)	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(7,382)	-	-	-	(7,382)	(23,973)	(31,355)
Transfer per statutory requirements	-	-	-	-	-	-	-	731	-	(731)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(31,489)	(31,489)
Total transactions with owners of the Company	19,000	28,972	4,920	-	-	-	(7,382)	731	-	(731)	45,510	(55,462)	(9,952)
At 31 March 2014	8,153,974	8,021,271	38,215	214,988	205	15,607	(309,788)	9,751	387,720	1,840,042	18,371,985	1,799,059	20,171,044

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2014 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 31 MARCH 2015

	Financial period ended	
	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	232,937	243,047
Adjustments for:		
Finance income	(30,960)	(15,458)
Finance costs	155,508	64,017
Depreciation and impairment losses of property, plant and equipment	142,380	139,121
Amortisation and impairment losses of intangible assets	17,032	16,485
Write-off:		
- Property, plant and equipment	545	96
- Inventories	121	90
- Trade and other receivables	-	883
Gain on disposal of property, plant and equipment	(222)	(1,616)
Impairment loss made/(written back):		
- Trade and other receivables	4,263	12,984
- Amounts due from associates	-	(1,029)
Share of (profits)/losses of associates (net of tax)	(370)	(142)
Share of profits of joint ventures (net of tax)	(2,097)	(3,468)
Equity-settled share-based payment	12,833	6,912
Net unrealised foreign exchange differences	(9,767)	4,789
Operating profit before changes in working capital	**522,203**	**466,711**
Changes in working capital		
Trade and other receivables	(180,353)	(162,851)
Inventories	(14,993)	(8,048)
Trade and other payables	169,272	11,698
Cash flows from operations	**496,129**	**307,510**
Net income tax paid/(refund)	(43,128)	5,310
Net cash generated from operating activities	**453,001**	**312,820**
Cash flows from investing activities		
Interest received	10,485	12,732
Acquisition of subsidiary, net of cash and cash equivalents acquired	(75,874)	-
Development and purchase of intangible assets	(3,928)	(4,297)
Purchase of property, plant and equipment	(312,139)	(171,997)
Purchase of investment properties	(253,950)	(104,524)
Purchase of other financial assets	(170,000)	-
Proceeds from disposal of property, plant and equipment	5,206	7,869
Proceeds from disposal of intangible assets	76	1,028
Net repayment from associates	26	849
Net repayment from joint ventures	-	9,452
Dividends received from joint ventures	594	494
Refund of deposits paid to non-controlling shareholders of subsidiaries	-	25,591
Net cash used in investing activities	**(799,504)**	**(222,803)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Financial period ended	
	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Cash flows from financing activities		
Interest paid	(32,143)	(24,231)
Proceeds from exercise of share options	50,540	45,980
Proceeds from loans and borrowings	542,011	217,366
Repayment of loans and borrowings	(481,317)	(142,356)
Loan from non-controlling interests of a subsidiary	44,398	5,188
Dividends paid to non-controlling interests	(30,618)	(31,489)
Acquisition of non-controlling interests	(278)	(31,355)
Change in pledged deposits	133	538
Net cash from financing activities	**92,726**	**39,641**
Net (decrease)/increase in cash and cash equivalents	**(253,777)**	**129,658**
Effect of exchange rate fluctuations on cash and cash equivalents held	554	(5,411)
Cash and cash equivalents at beginning of the period	2,460,128	2,135,609
Cash and cash equivalents at end of the period	**2,206,905**	**2,259,856**

Cash and cash equivalents

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

	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Cash and bank balances	1,057,803	706,715
Fixed deposits placed with licensed banks	1,156,668	1,561,821
	2,214,471	2,268,536
Less:		
- Deposits pledged	(2,806)	(3,758)
- Cash collateral received	(4,760)	(4,922)
Cash and cash equivalents at end of the period	**2,206,905**	**2,259,856**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2014 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

A1 BASIS OF PREPARATION

a) Basis of accounting

These condensed consolidated financial report are unaudited and prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134: Interim Financial Reporting in Malaysia and IAS 34: Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("2014 Audited Financial Statements").

The 2014 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards ("MFRS").

b) Significant accounting policies

The accounting policies and presentation adopted for this unaudited condensed consolidated interim financial report are consistent with those adopted for the 2014 Audited Financial Statements, except for the adoption of the new, revised and amendments to MFRS effective as of 1 January 2015 as issued by the Malaysian Accounting Standards Board, which does not have any impact on the financial statements of the Group.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2014 were not subjected to any qualification.

A3 SEASONALITY OF OPERATIONS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 31 March 2015.

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 2014 Audited Financial Statements.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

A6 DEBT AND EQUITY SECURITIES

(a) Between 1 January to 31 March 2015, the Company issued:

i) 19,000,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested Equity Participation Plan ("EPP") options; and

ii) 3,210,000 new ordinary shares of RM1.00 each pursuant to the surrender of vested Long Term Incentive Plan ("LTIP") units.

(b) On 18 March 2015, the Company granted a total of 466,000 LTIP units to an eligible employee of the Group.

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 31 March 2015.

As at 31 March 2015, the issued and paid-up share capital of the Company amounted to RM8,200,779,889 comprising 8,200,779,889 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

There were no dividends paid during the period ended 31 March 2015.

A8 SEGMENT REPORTING

There had been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2014 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 earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA").

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

A8 SEGMENT REPORTING

Financial period ended 31 March 2015

	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	1,186,617	736,555	57,079	22,720	-	-	2,002,971
Inter-segment revenue	23,095	-	773	42,996	16	(66,880)	-
Total segment revenue	1,209,712	736,555	57,852	65,716	16	(66,880)	2,002,971
EBITDA	313,782	148,219	23,102	53,592	(15,973)	(16,747)	505,975
Depreciation and impairment losses of property, plant and equipment	(72,459)	(58,941)	(3,013)	(7,848)	(119)	-	(142,380)
Amortisation and impairment losses of intangible assets	(8,234)	(8,692)	(106)	-	-	-	(17,032)
Net foreign exchange gains	4,476	100	237	4,165	158	-	9,136
Finance income	21,889	2,494	1,922	18	4,637	-	30,960
Finance costs	(2,956)	(142,724)	(67)	(9,757)	(4)	-	(155,508)
Share of profits of associates (net of tax)	370	-	-	-	-	-	370
Share of profits of joint ventures (net of tax)	2,097	-	-	-	-	-	2,097
Others	-	(681)	-	-	-	-	(681)
Profit/(loss) before tax	258,965	(60,225)	22,075	40,170	(11,301)	(16,747)	232,937
Income tax expense	(53,051)	11,536	(5,865)	(3,600)	(1,300)	-	(52,280)
Net profit/(loss) for period	205,914	(48,689)	16,210	36,570	(12,601)	(16,747)	180,657
Assets and liabilities							
Cash and cash equivalents	1,283,880	219,381	196,483	54,485	460,242	-	2,214,471
Other assets	16,711,679	5,157,352	412,772	3,804,210	1,402,363	(24,324)	27,464,052
Segment assets as at 31 March 2015	17,995,559	5,376,733	609,255	3,858,695	1,862,605	(24,324)	29,678,523
Loans and borrowings	883,317	2,190,315	560	1,523,061	-	-	4,597,253
Other liabilities	2,102,755	792,532	156,272	294,519	10,305	(24,324)	3,332,059
Segment liabilities as at 31 March 2015	2,986,072	2,982,847	156,832	1,817,580	10,305	(24,324)	7,929,312

A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

Financial period ended 31 March 2014

	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	1,044,252	640,162	50,291	22,907	-	-	1,757,612
Inter-segment revenue	19,572	-	889	40,974	14	(61,449)	-
Total segment revenue	1,063,824	640,162	51,180	63,881	14	(61,449)	1,757,612
EBITDA	272,524	116,820	21,146	51,852	(10,431)	(13,900)	438,011
Depreciation and impairment losses of property, plant and equipment	(69,932)	(58,413)	(3,058)	(7,661)	(57)	-	(139,121)
Amortisation and impairment losses of intangible assets	(8,136)	(8,277)	(72)	-	-	-	(16,485)
Net foreign exchange gains	3,571	85	3	1,010	1,106	-	5,775
Finance income	2,608	6,218	1,375	7	5,250	-	15,458
Finance costs	(4,893)	(51,765)	(25)	(7,330)	(4)	-	(64,017)
Share of profits of associates (net of tax)	142	-	-	-	-	-	142
Share of profits of joint ventures (net of tax)	3,468	-	-	-	-	-	3,468
Others	-	(184)	-	-	-	-	(184)
Profit/(loss) before tax	199,352	4,484	19,369	37,878	(4,136)	(13,900)	243,047
Income tax expense	(47,143)	1,847	(5,364)	(2,876)	(608)	-	(54,144)
Net profit/(loss) for period	152,209	6,331	14,005	35,002	(4,744)	(13,900)	188,903
Assets and liabilities							
Cash and cash equivalents	836,888	296,177	164,801	85,266	885,404	-	2,268,536
Other assets	15,429,107	5,255,086	408,064	3,585,764	773,052	(18,401)	25,432,672
Segment assets as at 31 March 2014	16,265,995	5,551,263	572,865	3,671,030	1,658,456	(18,401)	27,701,208
Loans and borrowings	1,063,838	2,061,035	1,259	1,435,849	-	-	4,561,981
Other liabilities	1,639,582	909,405	144,339	276,498	16,760	(18,401)	2,968,183
Segment liabilities as at 31 March 2014	2,703,420	2,970,440	145,598	1,712,347	16,760	(18,401)	7,530,164

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015**

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	
	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	64,298	52,783
- Purchase and consumption of services	(22,126)	(21,569)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	3,465	7,212
- Purchase and consumption of services	(13,281)	(9,536)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 1 February 2015, Pantai Medical Centre Sdn. Bhd. ("PMCSB") acquired 250,000 ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of Oncology Centre (KL) Sdn. Bhd. from Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd. for a total consideration of RM793,000 pursuant to an internal reorganisation exercise.

(b) On 16 February 2015, Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH") established a foreign wholly-owned subsidiary named Acibadem International Medical Centre B.V. ("AIMC") in Rotterdam, Netherlands. AIMC has an initial paid-up capital of EUR100,000 and its intended principal activity is to establish and operate medical clinics, and to provide home treatment and care services.

(c) On 1 March 2015, PMCSB acquired 100% of the total issued and paid-up share capital of both HPAK Lithotripsy Services Sdn. Bhd and HPAK Cancer Centre Sdn. Bhd. from Hospital Pantai Ayer Keroh Sdn. Bhd. for a total purchase consideration of RM1 and RM667,000 respectively pursuant to an internal reorganisation exercise.

(d) On 6 March 2015, as part of the Group's streamlining exercise, Clinical Hospital Sistina, Kosovo was dissolved pursuant to the mutual agreement between its shareholders.

(e) On 16 March 2015, Parkway Life Japan4 Pte. Ltd. ("TK Investor") entered into a *Tokumei Kumiai* agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 10 ("TK Operator"). Pursuant to the TK Agreement, the TK Investor has injected funds into the TK Operator in relation to the acquisition of 4 nursing homes and 1 group home located in Japan by the TK Operator at a total purchase price of approximately ¥5,977,000,000 (approximately RM182,615,000). Due to the nature of the arrangements under the TK Agreement, the TK Operator is under established terms that impose strict limitations on decision-making powers of the TK Operator's management, resulting in the Group receiving the majority of the benefits relating to the TK Operator's operations and net assets, being exposed to the majority of the risks incident to the TK Operator's activities and retaining the majority of the residual or ownership risks related to the TK Operator and their assets. As such the TK Operator is regarded as subsidiary of the Group pursuant to MFRS 10: Consolidated Financial Statements.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

(f) On 23 March 2015, Gleneagles Development Pte Ltd ("GDPL") acquired and subscribed to 71,085,224 ordinary shares representing 51% equity interest in Continental, for a total cash consideration of INR2,818,830,000 (equivalent to RM166,731,000). The principal activity of Continental is provision of medical, surgical and hospital services.

The provisional effect of the acquisition is as follows:

	Acquirees' carrying amount RM'000
Property, plant and equipment	240,271
Other financial assets	18
Inventories	1,856
Trade and other receivables	5,240
Cash and cash equivalents	90,857
Trade and other payables	(25,211)
Employee benefits	(366)
Loans and borrowings	(181,758)
Deferred tax liabilities	(10,620)
Net identifiable assets acquired	120,287
Non-controlling interests, based on their proportionate interest in the net identifiable assets acquired	(58,940)
Goodwill on acquisition	105,384
Total purchase consideration	166,731
Less: Cash and cash equivalents acquired	(90,857)
Net cash outflow	75,874

The consolidation of Continental is regarded as a business combination in accordance to MFRS 3: Business Combinations. As at 31 March 2015, the fair value of the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquisition and the resulting goodwill is provisional pending completion of the PPA exercise.

(g) 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 Mandatory Take Over and Voluntary Take Over 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 31 March 2015, Acıbadem Sağlık Yatirimlari Holding A.Ş. ("ASYH")'s equity interest in ASH is 99.38%, following the tender of shares.

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

A12 SUBSEQUENT EVENTS

(a) On 1 April 2015, Acibadem Poliklinikleri A.S. ("POL") swapped 40% equity interest each in Medlife Clinic Ambulance ve Ozel Saglik Hizmetleri ve Ihracat A.S., Bodrum Medikal Ozel Saglik Hizmetleri Turizm Gida Insaat Pazarlama Ithalat Ihracat Sanayi ve Ticaret A.S., Sesu Ozel Saglik Hizmetleri Tibbi Malzemeler ve Ticaret A.S. and Ozel Turgutreis Poliklinik Hizmetleri Ticaret A.S. (collectively referred as "Bodrum

Medical Centres") for the remaining 40% equity interest in Bodrum Tedavi Hizmetleri A.S. ("BTH"). Prior to the share swap, the Bodrum Medical Centres were wholly-owned subsidiaries of BTH, which in turn was a 60%-owned subsidiary of POL. As a result of the share swap, BTH became a direct wholly-owned subsidiary of POL whilst Bodrum Medical Centres became 60%-owned subsidiaries of BTH. The share swap was undertaken to streamline the Acibadem group structure and management.

(b) On 10 April 2015, Parkway Trust Management Limited ("PTM") transferred 145,000 PLife REIT units that it owned to its eligible employees in accordance to PTM's Long Term Incentive Plan. Consequential thereto, IHH Group's effective interest in PLife REIT was diluted from 35.76% to 35.74%.

(c) On 29 April 2015, IHH granted a total of 3,903,000 LTIP units to eligible employees of the Group. Out of the total 3,903,000 units granted, 70,000 units were granted under a cash option pursuant to the terms and conditions of the LTIP Bye Laws.

(d) On 5 May 2015, Parkway Pantai Limited ("PPL") subscribed to 98 ordinary shares representing 98% of the total issued and paid-up share capital in GDPL for a total consideration of SGD98 (equivalent to RM265) pursuant to an internal reorganisation exercise. Prior to the internal reorganisation, GDPL was a direct wholly-owned subsidiary of Gleneagles International Pte Ltd.

(e) On 5 May 2015, Parkway China Holding Co Pte Ltd acquired 100% equity interest in Shanghai Gleneagles Hospital Management Co., Ltd from Medical Resources International Pte Ltd for a consideration of RMB6.1 million (equivalent to RM3.6 million) pursuant to an internal reorganisation exercise.

(f) On 9 May 2015, The Heart Hospital Limited, an indirect wholly-owned subsidiary of IHH, was dissolved pursuant to a voluntary creditors' liquidation.

(g) Between 1 April 2015 to 21 May 2015, the Company issued:
  (i) 9,625,002 new ordinary shares of RM1.00 each pursuant to the exercise of vested EPP options; and
  (ii) 5,947,143 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIPs units.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in the contingent liabilities or contingent assets as at 21 May 2015 from that disclosed in the 2014 Audited Financial Statements.

A14 CAPITAL COMMITMENTS

	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Capital expenditure commitments not provided for in the interim financial report		
Property, plant and equipment and investment properties		
- Authorised and contracted for	2,201,310	2,478,972
- Authorised but not contracted for	1,718,255	1,246,703
	3,919,565	3,725,675

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31 March 2015				
Assets				
Investment properties	-	-	2,331,182	2,331,182
Quoted available-for-sale instruments	1,206,710	-	-	1,206,710
Unquoted available-for-sale instruments	-	171,172	-	171,172
Derivative assets	-	18,867	-	18,867
Liabilities				
Derivative liabilities	-	(5,285)	-	(5,285)
As at 31 December 2014				
Assets				
Investment properties	-	-	2,028,438	2,028,438
Quoted available-for-sale instruments	938,167	-	-	938,167
Derivative assets	-	29,280	-	29,280
Liabilities				
Derivative liabilities	-	(7,053)	-	(7,053)

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

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

	1st quarter ended		
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	752,276	657,421	14%
- Malaysia	347,048	308,190	13%
- North Asia	56,846	48,937	16%
- PPL Others*	30,447	29,704	3%
Parkway Pantai	**1,186,617**	**1,044,252**	**14%**
Acibadem Holdings	**736,555**	**640,162**	**15%**
IMU Health	**57,079**	**50,291**	**13%**
Others^	**-**	**-**	**-**
Group (Excluding PLife REIT)	**1,980,251**	**1,734,705**	**14%**
PLife REIT total revenue	65,716	63,881	3%
Less: PLife REIT inter-segment revenue	(42,996)	(40,974)	-5%
PLife REIT	**22,720**	**22,907**	**-1%**
Group	**2,002,971**	**1,757,612**	**14%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	166,284	139,973	19%
- Malaysia	105,940	91,734	15%
- North Asia	11,034	13,646	-19%
- India	(9)	(44)	80%
- PPL Others*	13,802	13,329	4%
Parkway Pantai	**297,051**	**258,638**	**15%**
Acibadem Holdings	**148,219**	**116,820**	**27%**
IMU Health	**23,102**	**21,146**	**9%**
Others^	**(15,989)**	**(10,445)**	**-53%**
Group (Excluding PLife REIT)	**452,383**	**386,159**	**17%**
PLife REIT[4]	**53,592**	**51,852**	**3%**
Group	**505,975**	**438,011**	**16%**

[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*
* *PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai*
^: *Others comprise mainly IHH Group's corporate office as well as other investment holding entities*

Q1 2015 vs Q1 2014

The Group achieved revenue and EBITDA growth of 14% and 16% respectively in Q1 2015 over the same period last year. The increase in Q1 2015 revenue was attributed to organic growth of existing operations and the commencement of operations of Acibadem Atakent Hospital and Pantai Hospital Manjung in January 2014 and May 2014 respectively.

As a result of its robust EBITDA growth, the Group's Q1 2015 PATMI excluding exceptional items increased 32% to RM227.8 million over the same period last year. The Group's Q1 2015 PATMI increased 8% to RM171.5 million.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

Parkway Pantai

Parkway Pantai's revenue grew 14% to RM1,186.6 million in Q1 2015 whilst its EBITDA grew 15% to RM297.1 million in Q1 2015. Parkway Pantai's strong performance was the result of the continuous ramp up of its Mount Elizabeth Novena Hospital in Singapore as well as from its other hospitals and healthcare businesses. Mount Elizabeth Novena Hospital's revenue increased by 34% in Q1 2015 to RM105.0 million as compared to Q1 2014, and it achieved 73% growth in EBITDA to RM31.5 million in Q1 2015 as a result of operating leverage.

Parkway Pantai's Singapore hospitals saw an overall 7.2% increase in inpatient admissions to 16,322 inpatient admissions in Q1 2015. The increase was mainly driven by local patients. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals grew 0.3% to 44,740 inpatient admissions in Q1 2015. 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. Q1 2015 revenue per inpatient admission increased 2.0% to RM24,392 in Singapore and increased 13.8% to RM5,412 in Malaysia compared to Q1 2014.

Despite the increase in nurses' salaries and benefits since Q4 2014, Parkway Pantai's EBITDA from operations grew on the back of higher revenues and operating leverage from the higher patient volumes. EBITDA growth was also driven by the significant improvement in Mount Elizabeth Novena Hospital's EBITDA as the hospital ramps up its revenue and optimises its resources with the increasing patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM0.7 million EBITDA start-up loss incurred by Pantai Hospital Manjung in Q1 2015 as well as RM1.7 million and RM2.4 million pre-operating cost of Gleneagles Kota Kinabalu and Gleneagles Hospital Hong Kong respectively.

Acibadem Holdings

Acibadem Holdings' revenue grew 15% to RM736.6 million in Q1 2015 whilst its EBITDA grew 27% to RM148.2 million in Q1 2015. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' Q1 2015 revenues increased 17% whilst its Q1 2015 EBITDA increased 29% over last year. The strong growth is attributed to existing hospital operations as well as to the year-old Acibadem Atakent Hospital, which significantly reduced its start-up EBITDA loss from RM9.9 million in Q1 2014 to RM0.8 million in Q1 2015.

Revenue growth against last year was driven by strong performance at its existing hospitals as well as revenue contribution from the ramp up of Acibadem Atakent Hospital. Acibadem Holdings' inpatient admissions grew 2.6% to 33,616 in Q1 2015, which resulted in greater operating leverage. Acibadem Holdings' average inpatient revenue per inpatient admission also increased by 10.4% to RM9,565 in Q1 2015 as a result of price increases to compensate for cost inflation and case mix where more complex cases were undertaken.

IMU Health

IMU Health's revenue grew 13% to RM57.1 million in Q1 2015 whilst its EBITDA increased by 9% to RM23.1 million in Q1 2015.

IMU Health's revenue and EBITDA growth was driven by higher student intake, and offset by higher expenses incurred in Q1 2015 to cope with the increase in student intake. Staff costs had also increased as IMU Health increased its headcount pursuant to its increased student enrolment in order to maintain the ideal staff-to-student ratio.

PLife REIT

PLife REIT's external revenue decreased by 1% to RM22.7 million in Q1 2015 whilst its EBITDA grew 3% to RM53.6 million in Q1 2015.

PLife REIT's external revenue decreased due to the translation effects of the weakening Japanese Yen on its

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

rental income from its investment properties in Japan. This was offset by contribution from the nursing homes acquired during 2014 and in Q1 2015.

EBITDA grew 3% with higher rental income from its properties in Singapore which were rented to Parkway Pantai.

Others

The increase in expenses was due to a one-off share-base expense recognised with regards to the acceleration and vesting of LTIPs of an employee.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	1st quarter ended 31 Mar 2015 RM'000	4th quarter ended 31 Dec 2014 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	752,276	712,145	6%
- Malaysia	347,048	340,032	2%
- North Asia	56,846	54,078	5%
- PPL Others*	30,447	32,449	-6%
Parkway Pantai	**1,186,617**	**1,138,704**	**4%**
Acibadem Holdings	**736,555**	**719,894**	**2%**
IMU Health	**57,079**	**55,888**	**2%**
Others^	**-**	**33**	**-100%**
Group (Excluding PLife REIT)	**1,980,251**	**1,914,519**	**3%**
PLife REIT total revenue	65,716	64,828	1%
Less: PLife REIT inter-segment revenue	(42,996)	(41,936)	-3%
PLife REIT	**22,720**	**22,892**	**-1%**
Group	**2,002,971**	**1,937,411**	**3%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	166,284	154,908	7%
- Malaysia	105,940	107,492	-1%
- North Asia	11,034	16,136	-32%
- India	(9)	(38)	76%
- PPL Others*	13,802	12,845	7%
Parkway Pantai	**297,051**	**291,343**	**2%**
Acibadem Holdings	**148,219**	**148,789**	**0%**
IMU Health	**23,102**	**11,905**	**94%**
Others^	**(15,989)**	**(6,561)**	**-144%**
Group (Excluding PLife REIT)	**452,383**	**445,476**	**2%**
PLife REIT[4]	**53,592**	**140,866**	**-62%**
Group	**505,975**	**586,342**	**-14%**

[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*
* *PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai*
^: *Others comprise mainly IHH Group's corporate office as well as other investment holding entities*

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

Q1 2015 vs Q4 2014

The Group's revenue increased 3% whilst EBITDA decreased 14% quarter-on-quarter. Q4 2014 EBITDA was boosted by the recognition of RM52.7 million revaluation gain arising from PLife REIT's investment properties that are held for rental to external parties and RM36.4 million divestment gain from PLife REIT's sale of 7 Japanese nursing homes in December 2014.

As a result, the Group's Q1 2015 PATMI excluding exceptional items decreased 6% quarter-on-quarter.

Parkway Pantai

Parkway Pantai's revenue increased 4% quarter-on-quarter, driven mainly by higher revenue intensities in both Singapore and Malaysia as a result of more complex cases undertaken. Q1 2015 revenue per inpatient admission in Singapore and Malaysia increased 2.7% and 8.4% respectively quarter-on-quarter.

Parkway Pantai's Singapore hospitals inpatient admissions increased by 0.4% quarter-on-quarter whilst inpatient admissions decreased 5.2% in Malaysia as a result of seasonally low demand during the Chinese New Year period in Q1 2015.

Parkway Pantai's EBITDA increased 2% quarter-on-quarter as a result of revenue growth, offset by higher staff costs as a result of annual increment paid out to staff.

Acibadem Holdings

Acibadem Holdings' revenue increase 2% quarter-on-quarter. However EBITDA remained flat due to higher staff costs as a result of annual increment paid out to staff.

Acibadem Atakent Hospital incurred an EBITDA loss of RM0.8 million in Q1 2015 as compared to positive EBITDA of RM2.8 million in Q4 2014 as a result of lower intensity cases undertaken and higher staff costs in the current quarter.

IMU Health

IMU Health's revenue increased 2% whilst EBITDA grew 94% quarter-on-quarter. IMU Health's EBITDA grew from a low base last quarter when it recognised expenses incurred for student recruitment promotional activities which took place in Q4 2014.

PLife REIT

PLife REIT's external revenue reduced by 1% whilst its EBITDA reduced by 62% quarter-on-quarter. PLife REIT's EBITDA reduced from a high base last quarter when it recognised RM52.7 million revaluation gain arising from PLife REIT's investment properties that are held for rental to external parties and RM36.4 million divestment gain from its sale of 7 Japanese nursing homes in December 2014.

Others

The increase in expenses was mainly due to a one-off share base expense recognised with regards to the acceleration and vesting of LTIPs of an employee.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

B3 CURRENT FINANCIAL YEAR PROSPECTS

Parkway Pantai

Parkway Pantai expects demand for quality private healthcare services across its home markets and the region to remain strong. Parkway Pantai would be able to tap on this demand with its strong pipeline of beds coming onstream in 2015. Mount Elizabeth Novena Hospital and Pantai Hospital Manjung will continue to ramp up its operations and progressively open additional wards. Gleneagles Kota Kinabalu commenced its operations in May 2015 and would contribute to the Group's revenues as it progressively ramps up. However, Parkway Pantai is mindful of increasing competition with the opening of new private hospital beds and public hospitals in its home markets.

The expansion projects at Gleneagles Hospital Kuala Lumpur and Pantai Hospital Kuala Lumpur are expected to complete during the year. The construction of Gleneagles Medini hospital is expected to complete during the year and would open up their wards progressively. With the exception of Parkway Pantai's joint venture greenfield hospital in Mumbai, other ongoing projects in Malaysia and Hong Kong are progressing well.

Parkway Pantai had acquired a 51% stake in Continental on 23 March 2015 and would consolidate Continental's results from April 2015 onwards. Continental operates a state-of-the-art facility offering multi-specialty tertiary and quaternary care services in Hyderabad, India, and has a capacity of 750 beds with 250 operational beds currently.

Acibadem Holdings

Acibdem Holdings expects its patient volumes, and hence revenues in TL, to grow with the continued demand and increased affordability of private healthcare. Acibadem Holdings would be able to tap on this demand with its strong pipeline of beds coming onstream in 2015.

Acibadem Bodrum Hospital and Acibadem Atakent Hospital will continue to ramp up its operations and progressively open additional wards. The cancer care centre at Acibadem Bodrum Hospital as well as the expansion of Acibadem Sistina Skopje Hospital are both expected to complete in 2015. The construction of Acibadem Taksim Hospital is expected to complete in 2015. Zekeriyakoy Medical Centre, which is located close to Acibadem Maslak Hospital, commenced operations in April 2015 and would contribute to Acibadem Holdings' revenues. Other ongoing projects in Turkey are progressing well.

Overall IHH Group Prospects

With the expansion of existing facilities and opening of new facilities across the Group's home markets, the Group has sufficient capacity to support the increasing demand, which would drive revenue growth. While the Group expects the pre-operating costs and start-up costs of these new operations to partially erode its profitability during the initial stages, the Group seeks to mitigate the effects by ramping up on patient volumes in tandem with phasing in opening of wards at these new facilities in order to achieve optimal operating leverage.

The Group expects higher costs of operations arising from wage inflation as a result of increased competition for trained healthcare personnel in its home markets. In addition, the implementation of 6% Goods and Services Tax ("GST") in Malaysia is expected to increase the operating costs of the Group's Malaysian operations as healthcare services are GST-exempt and GST incurred on its expenses cannot be recovered. While such sustained cost pressures may reduce the Group's EBITDA and margins, the Group expects to mitigate these effects through achieving operating leverage as patient volumes continues to grow.

The robust demand for healthcare services in the region, especially in Asia and Eastern Europe, continues to present growth prospects for the Group to expand its footprints through greenfield and brownfield opportunities as well as mergers and acquisitions.

Given the Group's geographical footprints across Asia as well as the Central and Eastern Europe, Middle East and North Africa ("CEEMENA"), the Group is susceptible to currency volatility in the countries that it operates,

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

which would result in translation differences in the Group's balance sheet and income statement. In addition, significant currency volatility against the Ringgit Malaysia may affect the comparability of the Group's financial performance across periods.

The Group is confident that its strong pipeline of new beds, backed with its strong balance sheet and operating cash flows, would enable it to tide through the challenging operating environment expected for the rest of the year.

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	1st quarter ended	
	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Current tax expense	56,032	42,343
Deferred tax expense	(3,752)	11,801
	52,280	54,144

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 22.7% for Q1 2015. It is lower than the Malaysian statutory tax rate mainly due to the effects of lower tax rate in certain countries that the Group operates.

B6 STATUS OF CORPORATE PROPOSALS

(a) Proposed acquisition of subsidiaries by Medi-Rad Associates Ltd

On 12 September 2014, Medi-Rad Associates Ltd ("Medi-Rad"), an indirect wholly-owned subsidiary of IHH, entered into a Sale and Purchase Agreement ("SPA") with Fortis Healthcare Singapore Pte. Limited to acquire 100% equity interest in Radlink-Asia Pte Ltd ("Radlink"). The purchase is subject to satisfaction of certain conditions precedent. On 13 March 2015, the SPA in relation to this proposed acquisition lapsed and ceased to be of effect due to the non-satisfaction of certain conditions precedent stipulated in the SPA.

(b) Proposed establishment of an enterprise option scheme ("Scheme") of up to 2% of the issued and paid-up share capital (excluding treasury shares) of the Company at any time during the existence of the Scheme ("Proposed EOS")

On 27 April 2015, the Company announced that it proposes to establish an enterprise option scheme of up to 2% of the issued and paid-up share capital (excluding treasury shares) of IHH at any time during the existence of the Scheme for the Executive Directors and selected senior management of IHH and its subsidiaries (excluding dormant subsidiaries).

On 28 April 2015, the Company announced that Maybank Investment Bank Berhad ("Maybank IB") had, on behalf of the Company, submitted the additional listing application for the new ordinary shares of RM1.00 each ("Shares") to be issued pursuant to the exercise of the options under the Scheme to Bursa Malaysia Securities Berhad ("Bursa Securities").

On 12 May 2015, the Company announced that Bursa Securities had vide its letter to Maybank IB dated 11 May 2015, approved the listing of such number of additional new Shares representing up to 2% of the issued

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

and paid-up ordinary share capital (excluding treasury shares) of IHH, to be issued pursuant to the exercise of options under the Scheme, subject to the following:

(i) Maybank IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed EOS pursuant to Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Securities and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting; and
(ii) IHH is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed under the Scheme as at the end of each quarter together with a detailed computation of listing fees payable.

The Proposed EOS is subject to shareholders' approval at the Extraordinary General Meeting to be held on 15 June 2015.

(c) Proposed authority for IHH to purchase its own shares of up to 10% of the prevailing issued and paid-up share capital of the Company ("Proposed Share Buy-Back Authority")

On 7 May 2015, the Company announced the proposal to seek from its shareholders, at its forthcoming Fifth Annual General Meeting ("Fifth AGM"), the authority to purchase its own shares of up to 10% of the prevailing issued and paid-up share capital of the Company at the point of purchase through stockbroker(s) to be appointed by the Company at a later date.

The Proposed Share Buy-Back Authority is subject to shareholders' approval at the Fifth AGM to be held on 15 June 2015.

Other than corporate proposals (b) and (c) above, there were no other corporate proposals announced but not completed as at 21 May 2015.

B7 LOANS AND BORROWINGS

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

	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Non-current		
Secured		
Bank borrowings	1,299,058	1,102,616
Financial lease liabilities	101,203	110,648
Unsecured		
Bank borrowings	2,599,870	2,379,512
	4,000,131	3,592,776
Current		
Secured		
Bank borrowings	185,904	167,734
Financial lease liabilities	55,606	53,196
Unsecured		
Bank borrowings	355,612	455,612
	597,122	676,542
Total	4,597,253	4,269,318

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

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

	31 Mar 2015 RM'000	31 Dec 2014 RM'000
Singapore Dollar	1,402,013	1,436,624
Ringgit Malaysia	70,647	76,085
US Dollar	1,118,754	1,095,907
Macedonian Denar	6,653	5,776
Euro	201,610	195,084
Swiss Franc	57,727	53,585
Turkish Lira	210,150	246,390
Japanese Yen	1,098,104	1,101,510
Hong Kong Dollar	251,806	58,357
Others*	179,789	-
	4,597,253	4,269,318

** Others include Brunei Dollar and India Rupees*

Key exchange rates as at 31 March 2015:
1 SGD = RM2.6838
1 TL = RM1.4114
1 USD = RM3.6723

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 March 2015:

	Notional amount as at 31 Mar 2015 RM'000	Fair value amount as at 31 Mar 2015 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	2,050	577
- Between 1 - 3 years	34,206	8,816
- More than 3 years	102,552	3,519
	138,808	12,912
Cross currency interest rate swaps		
- More than 3 years	201,793	5,955
	201,793	5,955
	340,601	18,867
Derivative liabilities		
Interest rate swaps		
- Within 1 year	606,814	(246)
- Between 1 - 3 years	136,296	(689)
- More than 3 years	702,517	(4,350)
	1,445,627	(5,285)

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

Foreign exchange forward contracts

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

Interest rate swaps

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

Cross currency interest rate swaps

Cross currency interest rate swaps are entered by the Group to hedge the interest rate fluctuations on the floating rate borrowings, and to realign certain borrowings to the same currency of the Group's foreign investments to achieve a natural hedge. The fair value of cross currency interest rate swaps is determined based on bank quotes.

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

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

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

B10 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 21 May 2015, 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 during the financial period ended 31 March 2015.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

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 year.

	1st quarter ended	
	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	171,482	159,052
Net profit attributable to ordinary shareholders (excluding EI)	227,774	172,892
(a) Basic EPS		
	'000	**'000**
Weighted average number of shares	8,179,366	8,135,310
	Sen	**Sen**
Basic EPS	2.10	1.96
Basic EPS (excluding EI)	2.78	2.13

(b) 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.

	1st quarter ended	
	31 Mar 2015	**31 Mar 2014**
	'000	**'000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,179,366	8,135,310
Weighted number of unissued ordinary shares from units under LTIP	12,083	14,713
Weighted number of unissued ordinary shares from share options under EPP	16,842	22,528
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,208,291	8,172,551
	Sen	**Sen**
Diluted EPS	2.09	1.95
Diluted EPS (excluding EI)	2.77	2.12

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

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 31 Mar 2015 RM'000	**As at 31 Dec 2014 RM'000**
Total retained earnings of the Company and its subsidiaries		
- Realised	2,765,384	2,496,263
- Unrealised	159,587	248,207
	2,924,971	2,744,470
Total share of retained earnings from associates		
- Realised	(1,523)	(1,893)
- Unrealised	(24)	(24)
	(1,547)	(1,917)
Total share of retained earnings from joint ventures		
- Realised	40,373	38,870
- Unrealised	-	-
	40,373	38,870
Less consolidation adjustments	(540,466)	(531,291)
Total Group retained earnings	2,423,331	2,250,132

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2015

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 3 January 2012, the following amounts have been (debited)/credited in arriving at the Total Comprehensive Income for the period:

	1st quarter ended	
	31 Mar 2015	**31 Mar 2014**
	RM'000	**RM'000**
Other operating income	50,809	38,524
Net foreign exchange gain	9,136	5,775
Impairment loss (made)/written back:		
- Trade and other receivables	(4,263)	(12,984)
- Amounts due from associates	-	1,029
Write (off)/ back		
- Property, plant and equipment	(545)	(96)
- Inventories	(121)	(90)
- Trade and other receivables	-	(883)
Gain on disposal of property, plant and equipment	222	1,616
Professional and consultancy fees for acquisitions	(681)	(185)
Finance costs		
Interest expense on loans and borrowing	(32,321)	(30,433)
Exchange loss on net borrowings	(116,424)	(28,603)
Fair value gain of financial instruments	(4,092)	(2,272)
Other finance costs	(2,671)	(2,709)
	(155,508)	(64,017)
Finance income		
Interest income		
- Banks and financial institutions	12,465	13,135
- Others	118	139
Exchange (loss)/gain on net borrowings	18,377	-
Fair value gain of financial instruments	-	2,184
	30,960	15,458