IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 30 SEPTEMBER 2015

	Note	3rd quarter ended			Financial period ended		
		30 Sept 2015 RM'000	**30 Sept 2014 RM'000**	**Variance %**	**30 Sept 2015 RM'000**	**30 Sept 2014 RM'000**	**Variance %**
Revenue		2,064,278	1,783,943	16%	6,160,600	5,406,608	14%
Other operating income		53,974	40,912	32%	159,169	128,235	24%
Inventories and consumables		(347,435)	(299,073)	-16%	(1,024,684)	(898,517)	-14%
Purchased and contracted services		(191,708)	(166,153)	-15%	(556,877)	(491,619)	-13%
Staff costs	1	(800,465)	(709,581)	-13%	(2,385,631)	(2,097,773)	-14%
Depreciation and impairment losses of property, plant and equipment		(155,966)	(137,101)	-14%	(445,609)	(413,969)	-8%
Amortisation and impairment losses of intangible assets		(14,892)	(16,526)	10%	(48,493)	(49,838)	3%
Operating lease expenses		(58,189)	(50,506)	-15%	(161,657)	(147,617)	-10%
Other operating expenses	2	(234,433)	(171,758)	-36%	(638,845)	(544,505)	-17%
Finance income	3	29,935	9,137	NM	72,377	43,060	68%
Finance costs	3	(270,291)	(82,649)	NM	(486,002)	(153,541)	NM
Share of profits of associates (net of tax)		315	1,037	-70%	1,058	1,316	-20%
Share of profits of joint ventures (net of tax)		3,742	4,124	-9%	9,344	10,337	-10%
Profit before tax		**78,865**	**205,806**	**-62%**	**654,750**	**792,177**	**-17%**
Income tax expense	4	(8,915)	(47,036)	81%	(136,895)	(184,035)	26%
Profit for the period		**69,950**	**158,770**	**-56%**	**517,855**	**608,142**	**-15%**
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	5	1,970,037	(223,802)	NM	2,500,057	(272,569)	NM
Hedge of net investments in foreign operations	5	(196,815)	63,881	NM	(199,712)	40,217	NM
Net change in fair value of available-for-sale financial instruments	6	94,212	92,843	1%	260,972	154,140	69%
Cash flow hedge		(1,204)	1,670	-172%	3,034	(1,675)	NM
		1,866,230	(65,408)	NM	2,564,351	(79,887)	NM
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of defined benefit liability		-	5	-100%	-	(708)	100%
Revaluation of property, plant and equipment upon transfer of properties to investment properties	7	-	-	-	-	35,823	-100%
		-	5	-100%	-	35,115	-100%
Total comprehensive income for the period		**1,936,180**	**93,367**	**NM**	**3,082,206**	**563,370**	**NM**
Profit attributable to:							
Owners of the Company		118,488	146,907	-19%	518,077	515,063	1%
Non-controlling interests		(48,538)	11,863	NM	(222)	93,079	-100%
Profit for the period		**69,950**	**158,770**	**-56%**	**517,855**	**608,142**	**-15%**
Total comprehensive income attributable to:							
Owners of the Company		1,865,971	129,948	NM	2,986,874	541,947	NM
Non-controlling interests		70,209	(36,581)	NM	95,332	21,423	NM
Total comprehensive income for the period		**1,936,180**	**93,367**	**NM**	**3,082,206**	**563,370**	**NM**
Earnings per share (sen)							
Basic	8	1.44	1.80	-20%	6.31	6.31	0%
Diluted	8	1.44	1.79	-20%	6.30	6.29	0%

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 30 SEPTEMBER 2015

SUPPLEMENTARY INFORMATION

		3rd quarter ended			Financial period ended		
		30 Sept 2015 RM'000	30 Sept 2014 RM'000	Variance %	30 Sept 2015 RM'000	30 Sept 2014 RM'000	Variance %
Profit attributable to owners of the Company		**118,488**	**146,907**	**-19%**	**518,077**	**515,063**	**1%**
Add back/(less): Exceptional items ("EI")							
Gain on liquidation of subsidiaries[i]		3	-		(4,095)	-	
Exchange loss on net borrowings[ii]	3	217,074	61,025		355,463	53,732	
		217,077	61,025		351,368	53,732	
Less: Tax effects on EI		(43,415)	(12,205)		(71,093)	(10,746)	
Less: Non-controlling interests' share of EI		(69,464)	(19,528)		(113,748)	(17,194)	
		104,198	29,292		166,527	25,792	
Profit attributable to owners of the Company, excluding EI[iii]		**222,686**	**176,199**	**26%**	**684,604**	**540,855**	**27%**
Earnings per share, excluding EI[iii] (sen)							
Basic	7	2.71	2.15		8.34	6.63	
Diluted	7	2.71	2.15		8.33	6.61	

NM: Not meaningful

Note:

i. Gain on liquidation of Gleneagles Hospital (UK) Limited and the Heart Hospital Limited, both 65%-owned subsidiaries of the Group.

ii. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings.

iii. 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.

   On 29 April 2015 and 2 July 2015, the Group granted Long Term Incentive Plan ("LTIP") units to eligible employees of the Group. The 1st tranche of the 2015 LTIP Grant vests immediately on grant date and the remaining 2 tranches vest over a shorter period of 2 years as compared to a longer vesting period of 3 years for previous grants. Staff costs increased by approximately RM2.9 million and RM9.9 million in Q3 2015 and YTD 2015 respectively as a result of higher amortisation of share-based expense.

   On 1 July 2015, the Group granted options to eligible employees of the Group under the Enterprise Option Scheme ("EOS"), resulting in higher amortisation of share-based expenses of RM2.9 million in Q3 2015 and YTD 2015. The EOS was approved by shareholders at the Company's Extraordinary General Meeting held on 15 June 2015 ("EGM").

2. Other operating expense increased as a result of higher volume. In addition, pre-operating and start-up costs were incurred by the new hospitals.

3. Acibadem Holdings recognised 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 RM217.1 million and RM355.5 million was recognised on translation of such non-TL balances in the finance costs in Q3 2015 and YTD 2015 respectively, as compared to a net exchange loss of RM61.0 million and RM53.7 million recognised in the corresponding periods last year.

   Refer to Section B14 for details.

4. In Q3 2015, the Group reversed over provision of prior years' tax amounting to approximately RM15.2 million with the finalisation of the tax position of certain subsidiaries upon reaching the time-bar period set by the local tax authorities.

5. 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 YTD 2015, the Group recorded a net foreign currency translation gain of RM2,418.2 million and RM242.8 million as a result of the 15.3% and 25.8% appreciation of Singapore Dollar ("SGD") and United States Dollars ("USD") respectively against the Ringgit Malaysia ("RM"). The SGD translation gain arises from the Group's Singapore operations whereas the USD translation gain arises from the Group's investment in Integrated Healthcare Holdings (Bharat) Limited, which holds the Group's stake in Apollo Hospital Enterprise Limited.

   These translation gains were offset by the YTD 2.5% depreciation of TL against the RM upon the translation of the Group's operations in Turkey.

6. Fair value change of available-for-sale financial instruments arose from the mark-to-market of the Group's 10.85% investment in Apollo Hospitals Enterprise Limited and its investments in Eurobonds, and Money Market Fund units.

7. In 2014, the Group re-designated the use of a few medical suites units at Mount Elizabeth Novena Specialist Centre from held for own use to held for rental and had accordingly reclassified them from property, plant and equipment to investment properties. The difference in the carrying value of these medical suites units immediately prior to the transfer and their fair value was recognised directly in equity as a revaluation of property, plant and equipment.

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

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

	30 Sept 2015	30 Sept 2014
1 SGD	2.7632	2.5793
1 TL	1.4214	1.5004

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Note	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Assets			
Property, plant and equipment	1	10,768,012	9,148,483
Prepaid lease payments		923,831	746,061
Investment properties	2	2,792,406	2,028,438
Goodwill on consolidation	3	10,476,860	9,154,565
Intangible assets		2,477,828	2,537,802
Interests in associates		5,291	4,239
Interests in joint ventures		225,778	179,175
Other financial assets	4	1,483,703	956,035
Other receivables		34,254	48,235
Derivative assets		8,883	28,213
Deferred tax assets	5	126,991	68,327
Total non-current assets		**29,323,837**	**24,899,573**
Inventories		210,221	171,718
Trade and other receivables		1,197,587	1,027,535
Tax recoverable		70,754	59,005
Other financial assets	4	1,053,880	13,581
Derivative assets		-	1,067
Cash and cash equivalents		2,097,134	2,467,827
Total current assets		**4,629,576**	**3,740,733**
Total assets		**33,953,413**	**28,640,306**
Equity			
Share capital		8,223,272	8,178,570
Share premium		8,150,802	8,059,158
Other reserves		3,430,616	963,885
Retained earnings		2,515,171	2,250,132
Total equity attributable to owners of the Company		**22,319,861**	**19,451,745**
Non-controlling interests		1,884,759	1,861,651
Total equity		**24,204,620**	**21,313,396**
Liabilities			
Loans and borrowings	6	5,921,931	3,592,776
Employee benefits		25,877	23,312
Trade and other payables		654,917	408,501
Derivative liabilities		12,522	6,536
Deferred tax liabilities		980,639	938,045
Total non-current liabilities		**7,595,886**	**4,969,170**
Loans and borrowings	6	188,429	676,542
Trade and other payables		1,670,269	1,390,641
Derivative liabilities		-	517
Employee benefits		52,310	43,492
Tax payable		241,899	246,548
Total current liabilities		**2,152,907**	**2,357,740**
Total liabilities		**9,748,793**	**7,326,910**
Total equity and liabilities		**33,953,413**	**28,640,306**
Net assets per share attributable to owners of the Company[1] (RM)		2.71	2.38

[1]: Based on 8,223.3 million and 8,178.6 million shares issued as at 30 September 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

Generally the assets and liabilities increased with the appreciation of SGD and USD against the RM, slightly offset by the depreciation of TL.

1. The increase in property, plant and equipment was attributed to the purchases of medical equipment during the period, 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 year 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 30 September 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 due to the fair valuation gain on the Group's available-for-sale financial instruments in Apollo Hospitals Enterprise Limited and Money Market Fund. The Group also classified RM659.9 million of fixed deposits with tenure of more than 3 months to other financial assets. In addition, the Group purchased Eurobonds that had a fair value of RM307.3 million as at 30 September 2015.

5. The increase in deferred tax assets mainly arises from the exchange loss on Acibadem Holding's net borrowings.

6. The increase in borrowings was due to loans taken to finance working capital, capital expenditure as well as purchase of investment properties. The consolidation of Continental's borrowings also increased the Group's borrowings by RM154.1 million.

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

	30 Sept 2015	31 Dec 2014
1 SGD	3.0941	2.5602
1 TL	1.4455	1.4496

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	2,274,837	-	2,274,837	225,220	2,500,057
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(71,357)	-	(71,357)	(128,355)	(199,712)
Net change in fair value of available-for-sale financial instruments	-	-	-	264,310	-	-	-	-	-	-	264,310	(3,338)	260,972
Cash flow hedge	-	-	-	-	-	1,007	-	-	-	-	1,007	2,027	3,034
Total other comprehensive income for the period	-	-	-	264,310	-	1,007	-	-	2,203,480	-	2,468,797	95,554	2,564,351
Profit for the period	-	-	-	-	-	-	-	-	-	518,077	518,077	(222)	517,855
Total comprehensive income for the period	-	-	-	264,310	-	1,007	-	-	2,203,480	518,077	2,986,874	95,332	3,082,206
Contributions by and distributions to owners of the Company													
- Share options exercised	33,250	55,195	-	-	-	-	-	-	-	-	88,445	-	88,445
- Share-based payment	-	-	40,010	-	-	-	-	-	-	-	40,010	-	40,010
- Dividends paid to owners of Company	-	-	-	-	-	-	-	-	-	(246,645)	(246,645)	-	(246,645)
	33,250	55,195	40,010	-	-	-	-	-	-	(246,645)	(118,190)	-	(118,190)
Transfer to share capital and share premium on share options exercised	11,452	36,449	(47,901)	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	58,940	58,940
Changes in ownership interest in subsidiaries	-	-	-	-	-	1	466	-	(5)	-	462	257	719
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	(1,030)	-	(1,030)	144	(886)
Transfer per statutory requirements	-	-	-	-	-	-	-	6,393	-	(6,393)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(131,565)	(131,565)
Total transactions with owners of the Company	44,702	91,644	(7,891)	-	-	1	466	6,393	(1,035)	(253,038)	(118,758)	(72,224)	(190,982)
At 30 September 2015	8,223,272	8,150,802	25,223	612,938	35,871	16,274	(308,840)	34,659	3,014,491	2,515,171	22,319,861	1,884,759	24,204,620

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	(176,429)	-	(176,429)	(96,140)	(272,569)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	14,377	-	14,377	25,840	40,217
Net change in fair value of available-for-sale financial instruments	-	-	-	154,140	-	-	-	-	-	-	154,140	-	154,140
Cash flow hedge	-	-	-	-	-	(602)	-	-	-	-	(602)	(1,073)	(1,675)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	(425)	(425)	(283)	(708)
Revaluation of property, plant and equipment upon transfer of properties to investment properties	-	-	-	-	35,823	-	-	-	-	-	35,823	-	35,823
Total other comprehensive income for the period	-	-	-	154,140	35,823	(602)	-	-	(162,052)	(425)	26,884	(71,656)	(44,772)
Profit for the period	-	-	-	-	-	-	-	-	-	515,063	515,063	93,079	608,142
Total comprehensive income for the period	-	-	-	154,140	35,823	(602)	-	-	(162,052)	514,638	541,947	21,423	563,370
Contributions by and distributions to owners of the Company													
- Share options exercised	34,000	48,574	-	-	-	-	-	-	-	-	82,574	-	82,574
- Share-based payment	-	-	20,505	-	-	-	-	-	-	-	20,505	-	20,505
- Cancellation of share options	-	13	(13)	-	-	-	-	-	-	-	-	-	-
- Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	(163,500)	(163,500)	-	(163,500)
	34,000	48,587	20,492	-	-	-	-	-	-	(163,500)	(60,421)	-	(60,421)
Transfer to share capital and share premium on share options exercised	9,596	18,141	(27,737)	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	1	(6,770)	-	190	-	(6,579)	(24,210)	(30,789)
Transfer per statutory requirements	-	-	-	-	-	-	5,117	-	-	(5,117)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(101,705)	(101,705)
Total transactions with owners of the Company	43,596	66,728	(7,245)	-	-	1	(1,653)	-	190	(168,617)	(67,000)	(125,915)	(192,915)
At 30 September 2014	8,178,570	8,059,027	26,050	370,222	36,028	15,549	(304,059)	9,020	131,521	2,028,164	18,550,092	1,743,310	20,293,402

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	Financial period ended	
	30 Sept 2015	30 Sept 2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	654,750	792,177
Adjustments for:		
Dividend income	(7,145)	(4,654)
Finance income	(72,377)	(43,060)
Finance costs	486,002	153,541
Depreciation and impairment losses of property, plant and equipment	445,609	413,969
Amortisation and impairment losses of intangible assets	48,493	49,838
Impairment loss made/(written back):		
- Trade and other receivables	34,665	15,955
- Amounts due from associates	(1,094)	(1,021)
Write-off:		
- Property, plant and equipment	1,217	403
- Inventories	933	464
- Trade and other receivables	8,887	3,250
Gain on disposal of property, plant and equipment	(147)	(2,233)
Gain on liquidation of subsidiaries	(4,095)	-
Gain on disposal of unquoted available-for-sale financial instruments	(171)	-
Share of profits of associates (net of tax)	(1,058)	(1,316)
Share of profits of joint ventures (net of tax)	(9,344)	(10,337)
Equity-settled share-based payment	40,010	20,505
Net unrealised foreign exchange differences	(9,808)	(55,222)
Operating profit before changes in working capital	**1,615,327**	**1,332,259**
Changes in working capital		
Trade and other receivables	(134,758)	(74,347)
Inventories	(29,826)	(13,787)
Trade and other payables	174,673	50,245
Cash flows from operations	**1,625,416**	**1,294,370**
Net income tax paid	(261,373)	(135,501)
Net cash generated from operating activities	**1,364,043**	**1,158,869**
Cash flows from investing activities		
Interest received	39,697	33,979
Acquisition of subsidiary, net of cash and cash equivalents acquired	(75,874)	-
Development and purchase of intangible assets	(10,074)	(7,759)
Purchase of property, plant and equipment	(920,042)	(590,549)
Purchase of investment properties	(308,258)	(106,254)
Purchase of unquoted available-for-sale financial instruments	(485,069)	-
Proceeds from disposal of property, plant and equipment	14,887	28,505
Proceeds from disposal of intangible assets	63	1,018
Proceeds from disposal of unquoted available-for-sale financial instruments	99,893	-
Placement of fixed deposits with duration more than 3 months	(659,913)	-
Net repayment from associates	1,792	943
Net repayment from joint ventures	428	6,843
Dividends received from available-for-sale financial instruments	7,145	4,654
Dividends received from joint ventures	1,830	1,682
Refund of deposits paid to non-controlling shareholders of subsidiaries	-	25,591
Net cash used in investing activities	**(2,293,495)**	**(601,347)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	Financial period ended	
	30 Sept 2015 RM'000	**30 Sept 2014 RM'000**
Cash flows from financing activities		
Interest paid	(119,027)	(89,471)
Proceeds from exercise of share options	88,445	82,574
Proceeds from loans and borrowings	3,522,191	828,676
Repayment of loans and borrowings	(2,758,887)	(1,095,437)
Loan from non-controlling interests of a subsidiary	86,223	23,708
Dividends paid to non-controlling interests	(131,565)	(101,705)
Acquisition of non-controlling interests	(198)	(31,867)
Dividends paid to shareholders	(246,645)	(163,500)
Change in pledged deposits	(9,096)	1,293
Net cash from/(used in) financing activities	**431,441**	**(545,729)**
Net (decrease)/increase in cash and cash equivalents	**(498,011)**	**11,793**
Effect of exchange rate fluctuations on cash and cash equivalents held	107,259	4,392
Cash and cash equivalents at beginning of the period	2,460,128	2,135,609
Cash and cash equivalents at end of the period	**2,069,376**	**2,151,794**

Cash and cash equivalents

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

	30 Sept 2015 RM'000	**30 Sept 2014 RM'000**
Cash and bank balances	798,323	679,351
Fixed deposits placed with licensed banks	1,298,811	1,480,368
	2,097,134	2,159,719
Less:		
- Bank overdrafts	(10,963)	-
- Deposits pledged	(11,093)	(3,321)
- Cash collateral received	(5,702)	(4,604)
Cash and cash equivalents at end of the period	**2,069,376**	**2,151,794**

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30 September 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

A6 DEBT AND EQUITY SECURITIES

(a) Between 1 January to 30 September 2015, the Company issued:

i) 33,250,002 new ordinary shares of RM1.00 each pursuant to the exercise of vested Equity Participation Plan ("EPP") options; and

ii) 11,452,143 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIP units.

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

(c) On 29 April 2015, the Company 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 1 July 2015, the Company granted a total of 8,822,000 options to eligible employees of the Group under the EOS. Out of the total 8,822,000 options granted, 4,121,000 options were granted to the executive directors of the Company, pursuant to the shareholders' approval obtained at the Company's EGM.

(e) On 2 July 2015, the Company granted 2,014,000 LTIP units to the executive directors of the Company, pursuant to the shareholders' approval obtained at the Company's 5th Annual General Meeting ("AGM") held on 15 June 2015

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 2015.

As at 30 September 2015, the issued and paid-up share capital of the Company amounted to RM8,223,272,034 comprising RM8,223,272,034 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

	Sen per ordinary share	Total amount RM'000	Date of payment
First and final single tier cash dividend for financial year ended 31 December 2014	3.00	246,645	22-Jul-15

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").

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

A8 SEGMENT REPORTING

Financial period ended 30 September 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	3,768,404	2,139,725	169,184	76,142	7,145	-	6,160,600
Inter-segment revenue	76,393	-	2,312	133,717	106,847	(319,269)	-
Total segment revenue	3,844,797	2,139,725	171,496	209,859	113,992	(319,269)	6,160,600
EBITDA	1,009,296	370,993	60,618	171,312	78,269	(163,315)	1,527,173
Depreciation and impairment losses of property, plant and equipment	(233,705)	(178,493)	(8,985)	(24,044)	(382)	-	(445,609)
Amortisation and impairment losses of intangible assets	(22,839)	(25,321)	(333)	-	-	-	(48,493)
Net foreign exchange gain	7,514	2,910	2,838	6,895	650	-	20,807
Finance income	46,164	8,959	4,497	31	12,726	-	72,377
Finance costs	(17,885)	(438,378)	(222)	(29,505)	(12)	-	(486,002)
Share of profits of associates (net of tax)	1,058	-	-	-	-	-	1,058
Share of profits of joint ventures (net of tax)	9,344	-	-	-	-	-	9,344
Others	4,095	-	-	-	-	-	4,095
Profit/(losses) before tax	803,042	(259,330)	58,413	124,689	91,251	(163,315)	654,750
Income tax expense	(150,161)	44,820	(15,819)	(10,494)	(5,241)	-	(136,895)
Profit/(losses) for the period	652,881	(214,510)	42,594	114,195	86,010	(163,315)	517,855
Assets and liabilities							
Cash and cash equivalents	1,314,815	573,301	94,360	89,603	25,055	-	2,097,134
Other assets	19,403,326	5,799,710	451,331	4,278,117	1,954,680	(30,885)	31,856,279
Segment assets as at 30 September 2015	20,718,141	6,373,011	545,691	4,367,720	1,979,735	(30,885)	33,953,413
Loans and borrowings	877,485	3,381,325	318	1,851,232	-	-	6,110,360
Other liabilities	2,350,325	808,013	173,365	319,433	18,182	(30,885)	3,638,433
Segment liabilities as at 30 September 2015	3,227,810	4,189,338	173,683	2,170,665	18,182	(30,885)	9,748,793

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

Financial period ended 30 September 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	3,236,133	1,932,395	161,996	71,430	4,654	-	5,406,608
Inter-segment revenue	780	-	2,242	122,500	34,135	(159,657)	-
Total segment revenue	3,236,913	1,932,395	164,238	193,930	38,789	(159,657)	5,406,608
EBITDA	871,692	329,345	64,516	157,458	10,913	(81,752)	1,352,172
Depreciation and impairment losses of property, plant and equipment	(210,735)	(170,844)	(9,119)	(22,973)	(298)	-	(413,969)
Amortisation and impairment losses of intangible assets	(24,359)	(25,215)	(264)	-	-	-	(49,838)
Net foreign exchange (loss)/gain	(1,125)	362	1	4,267	(865)	-	2,640
Finance income	13,654	8,538	3,658	15	17,195	-	43,060
Finance costs	(13,675)	(121,616)	(122)	(18,114)	(14)	-	(153,541)
Share of profits of associates (net of tax)	1,316	-	-	-	-	-	1,316
Share of profits of joint ventures (net of tax)	10,337	-	-	-	-	-	10,337
Profit before tax	647,105	20,570	58,670	120,653	26,931	(81,752)	792,177
Income tax expense	(147,412)	(7,652)	(16,101)	(9,098)	(3,776)	4	(184,035)
Net profit for period	499,693	12,918	42,569	111,555	23,155	(81,748)	608,142
Assets and liabilities							
Cash and cash equivalents	855,653	248,614	171,550	88,373	795,529	-	2,159,719
Other assets	15,221,546	5,217,889	405,467	3,489,766	915,646	(21,665)	25,228,649
Segment assets as at 30 September 2014	16,077,199	5,466,503	577,017	3,578,139	1,711,175	(21,665)	27,388,368
Loans and borrowings	607,634	2,114,206	976	1,378,434	-	-	4,101,250
Other liabilities	1,740,683	848,462	147,240	266,288	12,708	(21,665)	2,993,716
Segment liabilities as at 30 September 2014	2,348,317	2,962,668	148,216	1,644,722	12,708	(21,665)	7,094,966

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	
	30 Sept 2015 RM'000	**30 Sept 2014 RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	176,918	160,000
- Purchase and consumption of services	(37,714)	(37,110)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	17,557	29,711
- Purchase and consumption of services	(43,056)	(30,554)

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30 September 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) 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.

(h) 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, the Group's effective interest in PLife REIT was diluted from 35.76% to 35.74%.

(i) On 15 April 2015, Credit Enterprise Sdn Bhd was struck off from the Register of Companies pursuant to Section 308(4) of the Companies Act, 1965. The striking off of Credit Enterprise Sdn Bhd is part of the

Group's streamlining exercise.

(j) 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.

(k) On 5 May 2015, Parkway China Holdings 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.

(l) On 9 May 2015, The Heart Hospital Limited was dissolved pursuant to a voluntary creditors' liquidation.

(m) On 22 May 2015, Pantai Group Resources Sdn. Bhd. acquired the entire issued and paid-up share capital comprising of 2 ordinary shares of RM1.00 each in Pantai Wellness Sdn. Bhd. (formerly known as Summit Sensation Sdn. Bhd.) ("PWSB") for a total consideration of RM2.00. The intended principal activity of PWSB is the provision of health and wellness services. The provisional effect of the acquisition is not significant.

(n) On 9 June 2015, Gleneagles Hospital (UK) Limited was dissolved pursuant to a voluntary creditors' liquidation.

(o) On 10 June 2015, Kyami Pty. Ltd., an associate of the Group, was deregistered.

(p) On 29 June 2015, M&P Investments Pte. Ltd. ("M&P") established a 70%-owned sino-foreign equity company named ParkwayHealth Shanghai International Hospital Company Limited ("PHSIH") in the People's Republic of China pursuant to Equity Joint Venture Contract dated 6 April 2015 and Amendment to Equity Joint Venture Agreement dated 8 May 2015, entered into between M&P and Shanghai Hongxin Medical Investment Holding Co., Ltd. ("Shanghai Hongxin"), at a cash subscription of RMB318,500,000 (equivalent to RM192,056,000). The remaining 30% equity stake in PHSIH is owned by Shanghai Hongxin. The principal activity of PHSIH is the provision of medical and health related facilities and services, including multi-specialty hospital's outpatient, inpatients, operating theatres, radiology departments, laboratory, diagnosis room, pharmacies, food and beverage facilities, conference or function areas, business centers, retail establishments, automobile parking facilities and all other hospital facilities that are operated in connection therewith.

(q) On 14 July 2015, ASH established a wholly-owned subsidiary named Acibadem Teknoloji A.S. ("Acibadem Teknoloji") in Turkey. Acibadem Teknoloji has an initial paid-up capital of TL100,000 and its intended principal activity is to conduct research, develop and commercially market healthcare related software, operating and information systems, web-based applications and other technology solutions to national and international clientele.

(r) On 13 August 2015, Parkway Group Healthcare Pte Ltd ("PGH") transferred 100% equity interest in Parkway Healthcare Indo-China Pte Ltd (formerly known as Parkway Education Pte Ltd) to Parkway Pantai Limited for a consideration of SGD1 (equivalent to RM2.87) pursuant to an internal reorganisation exercise.

(s) On 1 September 2015, GDPL established a foreign wholly-owned subsidiary named Parkway Healthcare India Private Limited ("PHIPL"). PHIPL has an initial paid-up capital of INR500,000 and its intended principal activity is the provision of centralized support services.

(t) On 29 September 2015, POL merged with its direct wholly-owned subsidiary, BTH. All assets and liabilities including four 60%-owned subsidiaries of BTH were transferred to POL and BTH was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the Acibadem group structure and management.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

(u) 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 30 September 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

Between 1 October 2015 to 19 November 2015, the Company issued 74,000 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIP units.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in the contingent liabilities or contingent assets as at 19 November 2015 from that disclosed in the 2014 Audited Financial Statements.

A14 CAPITAL COMMITMENTS

	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Capital expenditure commitments not provided for in the interim financial		
Property, plant and equipment and investment properties		
- Authorised and contracted for	2,032,277	2,478,972
- Authorised but not contracted for	1,451,278	1,246,703
	3,483,555	3,725,675

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30 September 2015				
Assets				
Investment properties	-	-	2,792,406	2,792,406
Quoted available-for-sale financial instruments	1,448,352	-	-	1,448,352
Unquoted available-for-sale financial instruments	-	377,887	-	377,887
Derivative assets	-	8,883	-	8,883
Liabilities				
Derivative liabilities	-	(12,522)	-	(12,522)
As at 31 December 2014				
Assets				
Investment properties	-	-	2,028,438	2,028,438
Quoted available-for-sale financial 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

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

	3rd quarter ended			Financial period ended		
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	Variance %	30 Sept 2015 RM'000	30 Sept 2014 RM'000	Variance %
REVENUE[1]						
Parkway Pantai:						
- Singapore	817,397	688,195	19%	2,361,796	2,030,183	16%
- Malaysia	357,280	326,202	10%	1,079,466	970,420	11%
- North Asia	57,368	43,800	31%	186,415	147,822	26%
- India	17,909	-	-	33,277	-	-
- PPL Others*	39,806	26,565	50%	107,450	87,708	23%
Parkway Pantai	**1,289,760**	**1,084,762**	**19%**	**3,768,404**	**3,236,133**	**16%**
Acibadem Holdings	**686,687**	**616,621**	**11%**	**2,139,725**	**1,932,395**	**11%**
IMU Health	**54,147**	**54,057**	**0%**	**169,184**	**161,996**	**4%**
Others^	**5,804**	**4,654**	**25%**	**7,145**	**4,654**	**54%**
Group (Excluding PLife REIT)	**2,036,398**	**1,760,094**	**16%**	**6,084,458**	**5,335,178**	**14%**
PLife REIT total revenue	74,746	64,595	16%	209,859	193,930	8%
Less: PLife REIT inter-segment revenue	(46,866)	(40,746)	-15%	(133,717)	(122,500)	-9%
PLife REIT	**27,880**	**23,849**	**17%**	**76,142**	**71,430**	**7%**
Group	**2,064,278**	**1,783,943**	**16%**	**6,160,600**	**5,406,608**	**14%**
EBITDA[2]						
Parkway Pantai[3]:						
- Singapore	186,494	149,874	24%	542,088	447,091	21%
- Malaysia	101,136	100,223	1%	329,861	299,607	10%
- North Asia	5,865	7,259	-19%	34,986	38,181	-8%
- India	(216)	(6)	NM	(2,415)	(50)	NM
- PPL Others*	16,953	11,255	51%	48,308	39,246	23%
Parkway Pantai	**310,232**	**268,605**	**15%**	**952,828**	**824,075**	**16%**
Acibadem Holdings	**93,429**	**89,205**	**5%**	**370,993**	**329,345**	**13%**
IMU Health	**17,819**	**19,577**	**-9%**	**60,618**	**64,516**	**-6%**
Others^	**(5,767)**	**(3,509)**	**-64%**	**(28,578)**	**(23,222)**	**-23%**
Group (Excluding PLife REIT)	**415,713**	**373,878**	**11%**	**1,355,861**	**1,194,714**	**13%**
PLife REIT[4]	**60,692**	**52,432**	**16%**	**171,312**	**157,458**	**9%**
Group	**476,405**	**426,310**	**12%**	**1,527,173**	**1,352,172**	**13%**

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*

Q3 2015 vs Q3 2014

The Group achieved 16% and 12% growth for revenue and EBITDA respectively in Q3 2015 over the same period last year. The increase in Q3 2015 revenue was attributed to organic growth of existing operations and the commencement of operations of Acibadem Atakent Hospital (opened in January 2014), Pantai Hospital Manjung (opened in May 2014) and Gleneagles Kota Kinabalu (opened in May 2015).

As a result of its robust EBITDA growth and reversal of over provision of tax of RM15.2 million, the Group's Q3 2015 PATMI excluding exceptional items increased 26% to RM222.7 million over the same period last year. The Group's Q3 2015 PATMI decreased by 19% to RM118.5 million as a result of the recognition of RM217.1 million exchange losses by Acibadem Holdings on the translation of its non-TL balances.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

Parkway Pantai

Parkway Pantai's revenue grew 19% to RM1,289.8 million in Q3 2015 whilst its EBITDA grew 15% to RM310.2 million in Q3 2015. Excluding the effects of the appreciation of SGD on translation of Parkway Pantai's results, Parkway Pantai's Q3 2015 revenues and EBITDA increased 8% and 6% respectively over last year.

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 29% in Q3 2015 to RM123.6 million as compared to Q3 2014, and it achieved 55% growth in EBITDA to RM38.5 million in Q3 2015 as a result of operating leverage.

Parkway Pantai's Singapore hospitals had a 0.7% increase in inpatient admissions to 16,859 inpatient admissions in Q3 2015. The increase was mainly driven by local patients as well as foreign patients from the Middle East and other non-traditional markets. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals decreased 0.2% to 45,615 inpatient admissions in Q3 2015 on the back of a general slowdown in consumption following a weaker RM and the implementation of 6% Good Service Tax ("GST") in Malaysia in April 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. Q3 2015 revenue per inpatient admission increased 3.0% to RM27,351 in Singapore and increased 9.6% to RM5,443 in Malaysia compared to Q3 2014.

Parkway Pantai's Q3 2015 EBITDA was eroded by the recognition of incremental RM0.5 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants and the recognition of RM1.9 million share-based expense for options granted under the new EOS. Notwithstanding higher share-based expenses and increase in nurses' salaries and benefits, Parkway Pantai's EBITDA from operations grew on the back of higher revenues and operating leverage from the higher patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM1.2 million and RM3.9 million EBITDA start-up losses incurred by Pantai Hospital Manjung and Gleneagles Kota Kinabalu respectively in Q3 2015, as well as RM3.1 million pre-operating cost of Gleneagles Hospital Hong Kong.

In Q3 2015, Continental contributed RM15.9 million of revenue and RM0.1 million of EBITDA to the Group. The EBITDA loss in the India sub-segment is mainly attributed to the costs of Parkway Pantai's India corporate team, which was previously classified under PPL Others.

Acibadem Holdings

Acibadem Holdings' revenue grew 11% to RM686.7 million in Q3 2015 whilst its EBITDA grew 5% to RM93.4 million in Q3 2015. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' Q3 2015 revenues and EBITDA increased by 16% and 9% respectively over last year.

The strong growth is attributed to existing hospital operations as well as to the 21-month old Acibadem Atakent Hospital, which contributed an EBITDA of RM3.7 million in Q3 2015 compared to EBITDA start-up losses of RM0.3 million in Q3 2014. Acibadem Holdings' Q3 2015 EBITDA was partially eroded by provision made for long overdue receivables of approximately RM5.2 million, the recognition of incremental RM1.1 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants, and pre-operating EBITDA loss of RM3.0 million for Taksim Hospital.

Acibadem Holdings' inpatient admissions decreased by 4.7% to 29,805 in Q3 2015 due to the long periods of holidays in Turkey to celebrate Eid festivities, which fell in Q3 2015 as compared to these holidays being in Q4 last year. Acibadem Holdings' average inpatient revenue per inpatient admission increased by 20.2% to RM10,826 in Q3 2015 as a result of price increases to compensate for cost inflation and case mix where more complex cases were undertaken.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

IMU Health

IMU Health's Q3 2015 revenue was flat against Q3 2014 at RM54.1 million as a lower intake for its medicine programme was offset by an increase in tuition fees.

IMU Health's EBITDA decreased 9% to RM17.8 million in Q3 2015 due to higher expenses incurred for marketing and promotional expenses, and repair and maintenance expenses for buildings as the University beefed up its security, and cleaning services and utility fees increased with the implementation of 6% GST in Malaysia in April 2015. Staff costs also increased as IMU Health increased its headcount pursuant to its increased student enrolment in order to maintain the ideal staff-to-student ratio. IMU Health's Q3 2015 EBITDA was also eroded by the recognition of incremental RM0.1 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants and the recognition of RM0.1 million share-based expense for options granted under the new EOS.

PLife REIT

PLife REIT's external revenue increased by 17% to RM27.9 million in Q3 2015 whilst it's EBITDA grew 16% to RM60.7 million in Q3 2015.

PLife REIT's external revenue and EBITDA increased with the contribution from the nursing homes acquired during Q4 2014 and 2015. In addition, PLife REIT earned higher rental income from its properties in Singapore which were rented to Parkway Pantai.

PLife REIT's growth was also boosted by the strengthening of SGD against RM.

Others

The Company received higher dividend income from its investment in Apollo Hospitals Enterprise Limited in Q3 2015 compared to Q3 2014. In addition, it recognised RM0.9 million dividend income from placement of funds in Money Market Fund in 2015.

The Company's EBITDA was eroded by the recognition of incremental RM1.2 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grant. In addition, the Company recognised RM0.9 million share-based expense for options granted under the new EOS.

YTD 2015 vs YTD 2014

The Group achieved 14% and 13% growth for revenue and EBITDA respectively in YTD 2015 over the same period last year. The increase in YTD 2015 revenue was attributed to organic growth of existing operations, the ramping up of Acibadem Atakent Hospital, Pantai Hospital Manjung and Gleneagles Kota Kinabalu.

As a result of its robust EBITDA growth and reversal of over provision of tax of RM15.2 million, the Group's YTD 2015 PATMI excluding exceptional items increased 27% to RM684.6 million over the same period last year. The Group's YTD 2015 PATMI increased 1% to RM518.1 million as a result of the recognition of RM355.5 million exchange loss by Acibadem Holdings on the translation of its non-TL balances.

Parkway Pantai

Parkway Pantai's revenue and EBITDA both grew 16% to RM3,768.4 million and RM952.8 million respectively in YTD 2015. Excluding the effects of the appreciation of SGD on translation of Parkway Pantai's results, Parkway Pantai's YTD 2015 revenues and EBITDA increased 11% and 10% respectively over last year.

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 33% in YTD 2015 to RM338.4 million as compared to YTD 2014, and it achieved 67% growth in EBITDA to RM102.2 million in YTD 2015 as a result of operating leverage.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

Parkway Pantai's Singapore hospitals saw an overall 4.4% increase in inpatient admissions to 50,582 inpatient admissions in YTD 2015. The increase was attributed to local patients as well as foreign patients from the Middle East and other non-traditional markets. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals decreased 0.2% to 137,590 inpatient admissions in YTD 2015 on the back of a general slowdown in consumption following a weaker RM and the implementation of GST in Malaysia in April 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. YTD 2015 revenue per inpatient admission increased 3.3% to RM27,514 in Singapore and increased 12.7% to RM5,497 in Malaysia.

Parkway Pantai's YTD 2015 EBITDA was eroded by the recognition of incremental RM6.7 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants and the recognition of RM1.9 million share-based expense for options granted under the new EOS. Notwithstanding higher share-based expenses and increase in nurses' salaries and benefits, Parkway Pantai's EBITDA from operations grew on the back of higher revenues and operating leverage from the higher patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM2.9 million and RM8.8 million EBITDA start-up losses incurred by Pantai Hospital Manjung and Gleneagles Kota Kinabalu respectively in Q3 2015, as well as RM8.2 million pre-operating cost of Gleneagles Hospital Hong Kong.

Since the completion of the acquisition in March 2015, Continental had contributed RM29.5 million of revenue and RM0.8 million of EBITDA to the Group in YTD 2015. The EBITDA loss in the India sub-segment is mainly attributed to the costs of Parkway Pantai's India corporate team, which was previously classified under PPL Others.

Acibadem Holdings

Acibadem Holdings' revenue grew by 11% to RM2,139.7 million in YTD 2015 whilst its EBITDA increased 13% to RM371.0 million. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' YTD 2015 revenues increased by 17% and its EBITDA increased by 19%.

The strong growth is attributed to existing hospital operations as well as to the 21-months old Acibadem Atakent Hospital, which contributed an EBITDA of RM7.5 million in YTD 2015 compared to a start-up EBITDA loss of RM13.0 million in YTD 2014. Acibadem Holdings' YTD 2015 EBITDA was partially eroded by provision made for doubtful receivables and long overdue debts of approximately RM16.6 million, provision made for a legal case of approximately RM7.0 million, incremental RM1.1 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants and pre-operating EBITDA loss of RM3.4 million for Taksim Hospital.

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 admission decreased 1.0% to 96,057 in YTD 2015 due to the long periods of holidays in Turkey to celebrate Eid festivities, which fell in Q3 2015 as compared to these holidays being in Q4 last year. This was compensated by higher average inpatient revenue per inpatient admission which grew 18.1% to RM10,417 in YTD 2015.

IMU Health

IMU Health's revenue grew 4% to RM169.2 million in YTD 2015 whilst it's EBITDA decreased by 6% to RM60.6 million in YTD 2015.

IMU Health's revenue growth was driven by higher student intake and tuition fees, while its EBITDA decreased due to higher expenses incurred in YTD 2015 to cope with the increase in operations, higher maintenance and utilities expenses as well as higher marketing and promotional expenses. Staff costs also increased as IMU Health increased its headcount pursuant to its increased student enrolment in order to maintain the ideal staff-to-student ratio. IMU Health's YTD 2015 EBITDA was also eroded by the recognition of incremental RM0.3 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants and the recognition of RM0.1 million share-based expense for options granted under the new EOS.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

PLife REIT

PLife REIT's external revenue grew 7% to RM76.1 million in YTD 2015 whilst its EBITDA grew 9% to RM171.3 million in YTD 2015.

PLife REIT's external revenue and EBITDA increased with the contribution from the nursing homes acquired during Q4 2014 and 2015. In addition, PLife REIT earned higher rental income from its properties in Singapore which were rented to Parkway Pantai.

PLife REIT's growth was also boosted by the strengthening of SGD against RM.

Others

The Company received higher dividend income from its investment in Apollo Hospitals Enterprise Limited in YTD 2015 compared to YTD 2014. In addition, it recognised RM2.2 million dividend income from placement of funds in money market fund in 2015.

The Company's EBITDA was eroded by the recognition of incremental RM1.8 million share-based expense resulting from the shorter vesting period of the 2015 LTIP grants. In addition, the Company recognised RM0.9 million share-based expense for options granted under the new EOS.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	3rd quarter ended 30 Sept 2015 RM'000	2nd quarter ended 30 June 2015 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	817,397	792,123	3%
- Malaysia	357,280	375,138	-5%
- North Asia	57,368	72,201	-21%
- India	17,909	15,368	17%
- PPL Others*	39,806	37,197	7%
Parkway Pantai	**1,289,760**	**1,292,027**	**0%**
Acibadem Holdings	**686,687**	**716,483**	**-4%**
IMU Health	**54,147**	**57,958**	**-7%**
Others^	**5,804**	**1,341**	**NM**
Group (Excluding PLife REIT)	**2,036,398**	**2,067,809**	**-2%**
PLife REIT total revenue	74,746	69,397	8%
Less: PLife REIT inter-segment revenue	(46,866)	(43,855)	-7%
PLife REIT	**27,880**	**25,542**	**9%**
Group	**2,064,278**	**2,093,351**	**-1%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	186,494	189,310	-1%
- Malaysia	101,136	122,785	-18%
- North Asia	5,865	18,087	-68%
- India	(216)	(2,190)	90%
- PPL Others*	16,953	17,553	-3%
Parkway Pantai	**310,232**	**345,545**	**-10%**
Acibadem Holdings	**93,429**	**130,026**	**-28%**
IMU Health	**17,819**	**19,697**	**-10%**
Others^	**(5,767)**	**(6,822)**	**15%**
Group (Excluding PLife REIT)	**415,713**	**488,446**	**-15%**
PLife REIT[4]	**60,692**	**57,028**	**6%**
Group	**476,405**	**545,474**	**-13%**

[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*

Q3 2015 vs Q2 2015

Q3 is typically a slow quarter for the Group due to summer months in Turkey and long periods of holidays in Singapore, Malaysia, China and Turkey. As a result, the Group's revenue and EBITDA decreased 1% and 13% respectively quarter-on-quarter.

The Group's Q3 2015 PATMI excluding exceptional items decreased by 5.1% due to lower EBITDA offset by a reversal of over provision of prior year tax of RM15.2 million in Q3 2015.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

Parkway Pantai

Parkway Pantai's revenue was flat quarter-on-quarter. The Singapore operations inpatient admissions decreased 3.1% but was offset by a 0.9% increase in revenue per inpatient admission and translation gains from the strengthening of the SGD. The Malaysian operations' quarter-on-quarter inpatient admissions reduced by 3.4%, and revenue per inpatient admission reduced by 3.3%.

Parkway Pantai's EBITDA decreased 10% quarter-on-quarter due to lower volumes in Q3 as well as higher pre-operating and start-up costs incurred by its new hospitals.

Acibadem Holdings

Acibadem Holdings' revenue decreased 4% quarter-on-quarter as a result of decrease in inpatient admissions by 8.7% in the summer season and effects of the depreciating TL. It was offset by a 1.3% increase in revenue per inpatient admission.

Acibadem Holdings' EBITDA decreased 28% quarter-on-quarter due to lower volumes in Q3, higher cost of sales and operating lease expense as well as effects of the depreciating TL.

IMU Health

IMU Health registered 7% decline in its quarter-on-quarter revenue as Q3 usually coincided with the semester breaks for some of its major medical courses. As a result EBIDA decreased.

PLife REIT

PLife REIT's external revenue increased by 9% whilst its EBITDA grew by 6% quarter-on-quarter due mainly to the effects of the strengthening of the SGD on translation of PLife REIT's results

Others

In the current quarter, the Company recognised RM4.9 million dividend from its investment in Apollo Hospitals Enterprise Limited.

EBITDA loss of the Others segment decreased 15% quarter-on-quarter as a result of the above-mentioned dividend income, offset by the higher share-based expenses.

B3 CURRENT FINANCIAL YEAR PROSPECTS

Parkway Pantai

Parkway Pantai expects revenue to increase, driven by revenue intensity in its home markets, opening of new wards and through acquisitions. Parkway Pantai is expected to face continued headwinds from increasing competition with the opening of new private and public hospitals in its home markets and the region. On 1 November 2015, the Ministry of Health, Singapore, has rolled out Medishield Life which will provide universal healthcare insurance coverage. Parkway Pantai will monitor the impact of this development.

The expansion project at Gleneagles Hospital Kuala Lumpur is 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.

The robust demand for healthcare services in the region, especially in China and India, continues to present growth opportunities for Parkway Pantai to expand its footprints. Continental Hospitals is expected to contribute to the Group's revenue growth.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

Acibadem Holdings

Acibadem 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. The cancer care centre at Acibadem Bodrum Hospital as well as the expansion of Acibadem Sistina Skopje Hospital became operational during third quarter of 2015 and these projects are expected to contribute revenues in the final quarter of the year. Zekeriyakoy Medical Centre, which is located close to Acibadem Maslak Hospital, commenced operations in April 2015 and would contribute to Acibadem Holdings' revenues by acting as a referral centre to Acibadem Maslak Hospital. Acibadem Taksim Hospital, a brownfield hospital project, commenced operations on 26 October 2015. Other ongoing projects in Turkey are progressing well. Acibadem Holdings will continue to explore suitable hospitals for acquisitions in Turkey and its region.

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 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% GST in Malaysia has increased 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 potentially reduce the Group's EBITDA and margins, the Group expects to mitigate these effects through higher revenue intensity procedures and tight cost control.

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, 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 brands and network of hospitals, 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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

B5 TAXATION

	3rd quarter ended		Financial period ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Current tax expense	52,241	51,048	182,291	172,655
Deferred tax expense	(43,326)	(4,012)	(45,396)	11,380
	8,915	47,036	136,895	184,035

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 11.9% for Q3 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 and a reversal of over provision of prior year tax of approximately RM15.2 million in Q3 2015.

B6 STATUS OF CORPORATE PROPOSALS

Except as disclosed below, there were no other corporate proposals announced but not completed as at 19 November 2015:

On 28 August 2015, GDPL entered into definitive agreements with Ravindranath GE Medical Associates Private Limited ("Global Hospitals"), Dr. K. Ravindranath, Indivision India Partners, Estra Enterprises Pvt Ltd, Worldwide Advisory Pte. Ltd., Anand Rathi Financial Services Pvt. Ltd. and Dr. Haranath Policherla to acquire and subscribe to 73.4% of the equity interest on a fully diluted basis, in Global Hospitals at a consideration of INR12.84 billion (equivalent to RM819 million) ("Proposed Acquisition"). The consideration will be paid in cash, and is subject to customary adjustments on changes in working capital and debt which will only be determined upon completion of the Proposed Acquisition.

The completion of the Proposed Acquisition is subject to satisfaction of certain conditions precedent as set out in the Definitive Agreements.

Upon completion of the Proposed Acquisition, Global Hospitals and its subsidiaries (collectively referred as "Global Hospitals Group") will be consolidated as subsidiaries of IHH. The Global Hospitals Group is a chain of tertiary / quaternary care hospitals in India having facilities across Hyderabad, Chennai, Bangalore and Mumbai with approximately 1,100 operational beds in total. The Global Hospitals Group is renowned for its focus on gastroenterology, hepatobiliary diseases and neurosciences and runs amongst the largest multi-organ transplant programs in India.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

B7 LOANS AND BORROWINGS

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

	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Non-current		
Secured		
Bank borrowings	2,592,028	1,102,616
Financial lease liabilities	144,239	110,648
Unsecured		
Bank borrowings	3,185,664	2,379,512
	5,921,931	3,592,776
Current		
Secured		
Bank borrowings	50,995	167,734
Financial lease liabilities	76,157	53,196
Bank overdrafts	10,962	-
Unsecured		
Bank borrowings	50,315	455,612
	188,429	676,542
Total	6,110,360	4,269,318

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

	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Singapore Dollar	1,488,882	1,436,624
Ringgit Malaysia	62,758	76,085
US Dollar	576,327	1,095,907
Macedonian Denar	7,611	5,776
Euro	2,010,564	195,084
Swiss Franc	57,661	53,585
Turkish Lira	42,386	246,390
Japanese Yen	1,327,592	1,101,510
Indian Rupees	154,081	-
Hong Kong Dollar	382,498	58,357
	6,110,360	4,269,318

Key exchange rates as at 30 September 2015:

1 SGD	= RM3.0941
1 TL	= RM1.4455
1 USD	= RM4.4081

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 30 September 2015:

	Notional amount as at 30 Sept 2015 RM'000	**Fair value amount as at 30 Sept 2015 RM'000**
Derivative assets		
Foreign exchange forward contracts		
- Between 1 - 3 years	31,269	6,932
- More than 3 years	45,538	1,951
	76,807	8,883
Derivative liabilities		
Foreign exchange forward contracts		
- More than 3 years	295,294	(3,403)
	295,294	(3,403)
Interest rate swaps		
- Between 1 - 3 years	1,124,177	(3,930)
- More than 3 years	719,650	(5,189)
	1,843,827	(9,119)
	2,139,121	(12,522)

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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

B10 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 19 November 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 by the Company in the financial period ended 30 September 2015.

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

B12 EARNINGS PER SHARE ("EPS")

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

	3rd quarter ended		Financial period ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
Net profit attributable to ordinary shareholders	118,488	146,907	518,077	515,063
Net profit attributable to ordinary shareholders (excluding EI)	222,686	176,199	684,604	540,855
(a) Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	8,216,866	8,178,101	8,205,517	8,159,798
	Sen	Sen	Sen	Sen
Basic EPS	1.44	1.80	6.31	6.31
Basic EPS (excluding EI)	2.71	2.15	8.34	6.63

(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.

	3rd quarter ended		Financial period ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,216,866	8,178,101	8,205,517	8,159,798
Weighted number of unissued ordinary shares from units under LTIP	5,439	6,325	8,403	7,280
Weighted number of unissued ordinary shares from share options under EPP	267	5,533	7,040	15,031
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,222,572	8,189,959	8,220,960	8,182,109
	Sen	Sen	Sen	Sen
Diluted EPS	1.44	1.79	6.30	6.29
Diluted EPS (excluding EI)	2.71	2.15	8.33	6.61

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

	30 Sept 2015 RM'000	**31 Dec 2014 RM'000**
Total retained earnings of the Company and its subsidiaries		
- Realised	2,765,578	2,496,263
- Unrealised	235,137	248,207
	3,000,715	2,744,470
Total share of retained earnings from associates		
- Realised	(859)	(1,893)
- Unrealised	-	(24)
	(859)	(1,917)
Total share of retained earnings from joint ventures		
- Realised	46,384	38,870
Less consolidation adjustments	(531,069)	(531,291)
Total Group retained earnings	2,515,171	2,250,132

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

	3rd quarter ended		Financial period ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Dividend income	5,804	4,654	7,145	4,654
Other operating income	41,808	38,573	128,346	114,203
Net foreign exchange gain	9,620	1,474	20,807	2,640
Impairment loss (made)/written back:				
- Trade and other receivables	(14,679)	(2,228)	(34,665)	(15,955)
- Amounts due from associates	26	(6)	1,094	1,021
Write off				
- Property, plant and equipment	(490)	(208)	(1,217)	(403)
- Inventories	(561)	(184)	(933)	(464)
- Trade and other receivables	(1,857)	(1,545)	(8,887)	(3,250)
Gain/(loss) on disposal of property, plant and equipment	342	(101)	147	2,233
Gain on liquidation of subsidiaries	4,098	-	4,095	-
Gain on disposal of unquoted available-for-sale financial instruments	150	-	171	-
Finance costs				
Interest expense on loans and borrowing	(39,035)	(28,456)	(108,993)	(89,527)
Exchange loss on net borrowings	(217,074)	(53,732)	(355,463)	(53,732)
Fair value (loss)/gain of financial instruments	(10,850)	2,240	(11,392)	(1,806)
Other finance costs	(3,332)	(2,701)	(10,154)	(8,476)
	(270,291)	(82,649)	(486,002)	(153,541)
Finance income				
Interest income				
- Banks and financial institutions	14,841	11,877	42,950	36,009
- Others	54	154	323	436
Exchange gain/(loss) on net borrowings	15,040	(2,878)	29,104	4,415
Fair value (loss)/gain of financial instruments	-	(16)	-	2,200
	29,935	9,137	72,377	43,060