IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 MARCH 2016

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 2016

	Note	Financial period ended 31 Mar 2016 RM'000	31 Mar 2015 RM'000	Variance %
Revenue		2,475,355	2,002,971	24%
Other operating income		63,634	60,576	5%
Inventories and consumables		(424,329)	(331,924)	-28%
Purchased and contracted services		(240,729)	(179,412)	-34%
Staff costs	1	(940,018)	(805,832)	-17%
Depreciation and impairment losses of property, plant and equipment	2	(186,678)	(142,380)	-31%
Amortisation and impairment losses of intangible assets		(13,467)	(17,032)	21%
Operating lease expenses		(69,634)	(51,933)	-34%
Other operating expenses	3	(260,104)	(180,016)	-44%
Finance income	4	17,840	30,960	-42%
Finance costs	4	(70,091)	(155,508)	55%
Share of profits of associates (net of tax)		320	370	-14%
Share of profits of joint ventures (net of tax)		3,201	2,097	53%
Profit before tax		**355,300**	**232,937**	**53%**
Income tax expense		(83,268)	(52,280)	-59%
Profit for the period/year		**272,032**	**180,657**	**51%**
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences from foreign operations	5	(1,112,410)	56,615	NM
Hedge of net investments in foreign operations	5	255,406	(120,375)	NM
Net change in fair value of available-for-sale financial instruments	6	(129,545)	224,774	-158%
Cash flow hedge		(15,903)	2,727	NM
		(1,002,452)	163,741	NM
Total comprehensive income for the period/year		**(730,420)**	**344,398**	**NM**
Profit attributable to:				
Owners of the Company		235,478	171,482	37%
Non-controlling interests		36,554	9,175	NM
Profit for the period/year		**272,032**	**180,657**	**51%**
Total comprehensive income attributable to:				
Owners of the Company		(667,811)	392,730	NM
Non-controlling interests		(62,609)	(48,332)	-30%
Total comprehensive income for the period/year		**(730,420)**	**344,398**	**NM**
Earnings per share (sen)				
Basic		2.86	2.10	36%
Diluted		2.86	2.09	37%

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

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

SUPPLEMENTARY INFORMATION

		Financial period ended		
		31 Mar 2016 RM'000	**31 Mar 2015 RM'000**	**Variance %**
Profit attributable to owners of the Company		**235,478**	**171,482**	**37%**
Add back/(less): Exceptional items ("EI")				
Exchange loss on net borrowings[i]	4	5,839	116,424	
		5,839	116,424	
Add/(less): Tax effects on EI		(1,168)	(23,285)	
Add/(less): Non-controlling interests' share of EI		(1,869)	(37,256)	
		2,802	55,883	
Profit attributable to owners of the Company, excluding EI[ii]		**238,280**	**227,365**	**5%**
Earnings per share, excluding EI[ii] (sen)				
Basic		2.90	2.78	4%
Diluted		2.89	2.77	4%

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. (As at 31 March 2016, Euro/TL=3.2081 USD/TL=2.8334)

ii. Exceptional items, net of tax and non-controlling interests.

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

Generally the consolidation of Continental Hospitals Limited ("Continental") and Ravindranath GE Medical Associates Pte Ltd ("Global Hospitals"), which were acquired on 23 March 2015 and 3 December 2015 respectively, resulted in an increase in current period's revenue and expenses as compared to the corresponding period last year.

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.

   In addition, Acibadem Holdings' staff costs increased with the Turkish government's implementation of higher minimum wages with effect from 1 January 2016.

2. Q1 2016 depreciation includes the incremental depreciation of property, plant and equipment of the Group's newly opened hospitals in 2015, namely, Gleneagles Kota Kinabalu, Gleneagles Medini, and Acibadem Taksim Hospital. The Group commenced depreciation of these hospitals' property, plant and equipment upon completion of construction or commencement of operations.

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

4. 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. In Q1 2016, the Group recognised RM5.8 million exchange losses on translation of such non-TL balances in finance costs, as compared to an exchange loss of RM116.4 million recognised in the corresponding period last year.

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, as well as from the Group's investment in Integrated Healthcare Holdings (Bharat) Limited, which holds the Group's stake in Apollo Hospital Enterprise Limited.

   In Q1 2016, the Group recorded a net foreign currency translation loss as a result of the depreciation of Singapore Dollar ("SGD"), TL and United States Dollars ("USD") against Ringgit Malaysia ("RM").

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, investments in Eurobonds, and investment in Money Market Fund units.

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

	31 Mar 2016	31 Mar 2015
1 SGD	2.9958	2.6695
1 TL	1.4266	1.4709

IHH HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	31 Mar 2016 RM'000	31 Dec 2015 RM'000
Assets			
Property, plant and equipment		11,217,739	11,435,898
Prepaid lease payments		837,080	902,133
Investment properties		2,840,918	2,869,113
Goodwill on consolidation		10,538,583	11,009,274
Intangible assets		2,523,172	2,600,426
Interests in associates		6,672	6,583
Interests in joint ventures		211,110	220,006
Other financial assets	1	1,220,046	1,449,318
Trade and other receivables		109,588	113,234
Derivative assets		1,720	8,097
Deferred tax assets		213,369	233,211
Total non-current assets		**29,719,997**	**30,847,293**
Development properties	2	13,092	7,144
Inventories		221,419	218,768
Trade and other receivables		1,348,650	1,234,323
Tax recoverable		59,825	85,962
Other financial assets		1,111,762	1,119,305
Derivative assets		4,269	-
Cash and cash equivalents		2,108,670	1,977,939
		4,867,687	4,643,441
Assets classified as held for sale	3	6,635	7,156
Total current assets		**4,874,322**	**4,650,597**
Total assets		**34,594,319**	**35,497,890**
Equity			
Share capital		8,224,187	8,223,346
Share premium		8,153,608	8,151,010
Other reserves		1,958,026	2,857,513
Retained earnings		3,157,721	2,923,869
Total equity attributable to owners of the Company		**21,493,542**	**22,155,738**
Non-controlling interests		1,977,761	2,080,968
Total equity		**23,471,303**	**24,236,706**
Liabilities			
Loans and borrowings		6,224,744	6,322,527
Employee benefits		35,106	32,067
Trade and other payables		542,827	556,098
Derivative liabilities		26,230	12,521
Deferred tax liabilities		1,085,835	1,101,491
Total non-current liabilities		**7,914,742**	**8,024,704**
Loans and borrowings		317,319	373,923
Trade and other payables		2,568,590	2,555,494
Derivative liabilities		2,178	-
Employee benefits		50,319	59,981
Tax payable		269,868	247,082
Total current liabilities		**3,208,274**	**3,236,480**
Total liabilities		**11,123,016**	**11,261,184**
Total equity and liabilities		**34,594,319**	**35,497,890**
Net assets per share attributable to owners of the Company[1] (RM)		2.61	2.69

[1] Based on 8,224.2 million and 8,223.3 million shares issued as at 31 March 2016 and 31 December 2015 respectively

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the 2015 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 decreased with the depreciation of SGD, USD and TL against the RM as compared to 31 December 2015.

1. The decrease in the other financial assets was due to the fair valuation loss on the Group's 10.85% investment in Apollo Hospitals Enterprise Limited.

2. Development properties comprise medical suites developed for sale at Gleneagles Medini.

3. Assets classified as held for sale relates to a piece of freehold land in India that is committed for sale but is still pending the approval from the Foreign Investment Promotion Board of India for the transfer of the title deed.

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

	31 Mar 2016	31 Dec 2015
1 SGD	2.9472	3.0590
1 TL	1.4044	1.4745
1 USD	4.0413	4.3282

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	<---- 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 2016	8,223,346	8,151,010	32,595	634,257	35,871	16,418	(744,806)	36,669	2,846,509	2,923,869	22,155,738	2,080,968	24,236,706
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	(856,354)	-	(856,354)	(256,056)	(1,112,410)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	90,224	-	90,224	165,182	255,406
Net change in fair value of available-for-sale financial instruments	-	-	-	(131,482)	-	-	-	-	-	-	(131,482)	1,937	(129,545)
Cash flow hedge	-	-	-	-	-	(5,677)	-	-	-	-	(5,677)	(10,226)	(15,903)
Total other comprehensive income for the period	-	-	-	(131,482)	-	(5,677)	-	-	(766,130)	-	(903,289)	(99,163)	(1,002,452)
Profit for the period	-	-	-	-	-	-	-	-	-	235,478	235,478	36,554	272,032
Total comprehensive income for the period	-	-	-	(131,482)	-	(5,677)	-	-	(766,130)	235,478	(667,811)	(62,609)	(730,420)
Contributions by and distributions to owners of the Company													
- Share options exercised	250	483	-	-	-	-	-	-	-	-	733	-	733
- Share-based payment	-	-	9,023	-	-	-	-	-	-	-	9,023	-	9,023
	250	483	9,023	-	-	-	-	-	-	-	9,756	-	9,756
Transfer to share capital and share premium on share options exercised	591	2,115	(2,706)	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(25,625)	-	-	-	(25,625)	(6,102)	(31,727)
Issue of shares by subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	-		-	7,160	7,160
Transfer per statutory requirements	-	-	-	-	-	-	-	1,626	-	(1,626)	-	-	-
Net changes in fair value of put options liabilities	-	-	-	-	-	-	21,484	-	-	-	21,484	-	21,484
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(41,656)	(41,656)
Total transactions with owners of the Company	841	2,598	6,317	-	-	-	(4,141)	1,626	-	(1,626)	5,615	(40,598)	(34,983)
At 31 March 2016	8,224,187	8,153,608	38,912	502,775	35,871	10,741	(748,947)	38,295	2,080,379	3,157,721	21,493,542	1,977,761	23,471,303

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	<------ 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

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2015 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

IHH HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Cash flows from operating activities		
Profit before tax	355,300	232,937
Adjustments for:		
Dividend income	(6,312)	-
Finance income	(17,840)	(30,960)
Finance costs	70,091	155,508
Depreciation and impairment losses of property, plant and equipment	186,678	142,380
Amortisation and impairment losses of intangible assets	13,467	17,032
Impairment loss made/(written back):		
- Trade and other receivables	11,301	4,263
- Amounts due from associates	(593)	-
Write-off/ (write back):		
- Property, plant and equipment	73	545
- Inventories	161	121
- Trade and other receivables	(1,820)	-
Loss/(gain) on disposal of property, plant and equipment	13	(222)
Share of profits of associates (net of tax)	(320)	(370)
Share of profits of joint ventures (net of tax)	(3,201)	(2,097)
Equity-settled share-based payment	9,023	12,833
Net unrealised foreign exchange differences	5,378	(9,767)
Operating profit before changes in working capital	**621,399**	**522,203**
Changes in working capital		
Trade and other receivables	(189,038)	(180,353)
Development properties	(1,228)	-
Inventories	(10,798)	(14,993)
Trade and other payables	(25,369)	169,272
Cash flows from operations	**394,966**	**496,129**
Net income tax paid	(10,988)	(43,128)
Net cash generated from operating activities	**383,978**	**453,001**
Cash flows from investing activities		
Interest received	12,433	10,485
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(75,874)
Development and purchase of intangible assets	(2,182)	(3,928)
Purchase of property, plant and equipment	(325,844)	(312,139)
Purchase of investment properties	(44,740)	(253,950)
Purchase of unquoted available-for-sale financial instruments	-	(170,000)
Placement of fixed deposits with duration more than 3 months	(10,724)	-
Proceeds from disposal of property, plant and equipment	12,303	5,206
Proceeds from disposal of intangible assets	642	76
Net repayment from associates	578	26
Net advances to joint ventures	(272)	-
Dividends received from available-for-sale financial instruments	6,312	-
Dividends received from joint ventures	616	594
Net cash used in investing activities	**(350,878)**	**(799,504)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Financial period ended	
	31 Mar 2016	**31 Mar 2015**
	RM'000	**RM'000**
Cash flows from financing activities		
Interest paid	(41,092)	(32,143)
Proceeds from exercise of share options	733	50,540
Proceeds from loans and borrowings	384,428	542,011
Issue of fixed rated notes	118,930	-
Repayment of loans and borrowings	(378,348)	(481,317)
Loan from non-controlling interests of a subsidiary	116,929	44,398
Dividends paid to non-controlling interests	(41,656)	(30,618)
Acquisition of non-controlling interests	(31,727)	(278)
Issue of shares by subsidiary to non-controlling interest	6,877	-
Change in pledged deposits	(58)	133
Net cash from financing activities	**135,016**	**92,726**
Net increase/(decrease) in cash and cash equivalents	**168,116**	**(253,777)**
Effect of exchange rate fluctuations on cash and cash equivalents held	(38,413)	554
Cash and cash equivalents at beginning of the year	1,966,001	2,460,128
Cash and cash equivalents at end of the year	**2,095,704**	**2,206,905**

Cash and cash equivalents

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

	31 Mar 2016	**31 Mar 2015**
	RM'000	**RM'000**
Cash and bank balances	1,214,513	1,057,803
Fixed deposits placed with licensed banks	894,157	1,156,668
	2,108,670	2,214,471
Less:		
- Bank overdrafts	(6,973)	-
- Deposits pledged	(520)	(2,806)
- Cash collateral received	(5,473)	(4,760)
Cash and cash equivalents at end of the year	**2,095,704**	**2,206,905**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2015 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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 2015 ("2015 Audited Financial Statements").

The 2015 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 2015 Audited Financial Statements, except for the adoption of the new, revised and amendments to MFRS effective as of 1 January 2016 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 2015 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 2016.

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 2015 Audited Financial Statements.

A NOTES TO THE FULL YEAR FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

A6 DEBT AND EQUITY SECURITIES

Between 1 January to 31 March 2016, the Company issued:

i) 250,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested Equity Participation Plan (“EPP”) options; and

ii) 591,000 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIP units.

Except as disclosed above, there was no other issuance of shares, share buy-backs, and repayments of debt and equity securities by IHH during the financial period ended 31 March 2016.

As at 31 March 2016, the issued and paid-up share capital of IHH amounted to RM8,224,187,034 comprising 8,224,187,034 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

There were no dividends paid during the period ended 31 March 2016.

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 2015 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 FULL YEAR FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

A8 SEGMENT REPORTING

Financial period ended 31 March 2016

	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	1,543,934	835,996	58,191	30,922	6,312	-	2,475,355
Inter-segment revenue	29,561	-	725	48,759	19	(79,064)	-
Total segment revenue	1,573,495	835,996	58,916	79,681	6,331	(79,064)	2,475,355
EBITDA	395,273	157,786	23,171	65,042	(2,467)	(21,824)	616,981
Depreciation and impairment losses of property, plant and equipment	(104,705)	(70,207)	(3,200)	(8,381)	(185)	-	(186,678)
Amortisation and impairment losses of intangible assets	(4,963)	(8,385)	(119)	-	-	-	(13,467)
Foreign exchange differences	(10,870)	(182)	(100)	(1,567)	(87)	-	(12,806)
Finance income	6,385	6,470	928	5	4,052	-	17,840
Finance costs	(24,531)	(35,455)	(61)	(10,041)	(3)	-	(70,091)
Share of profits of associates (net of tax)	320	-	-	-	-	-	320
Share of profits of joint ventures (net of tax)	3,201	-	-	-	-	-	3,201
Profit/(loss) before tax	260,110	50,027	20,619	45,058	1,310	(21,824)	355,300
Income tax expense	(61,445)	(10,467)	(5,698)	(4,415)	(1,243)	-	(83,268)
Net profit/(loss) for period	198,665	39,560	14,921	40,643	67	(21,824)	272,032
Assets and liabilities							
Cash and cash equivalents	1,517,638	416,200	74,831	71,998	28,003	-	2,108,670
Other assets	20,223,602	5,854,587	480,396	4,234,174	1,720,528	(27,638)	32,485,649
Segment assets as at 31 March 2016	21,741,240	6,270,787	555,227	4,306,172	1,748,531	(27,638)	34,594,319
Loans and borrowings	1,652,536	3,068,315	530	1,820,682	-	-	6,542,063
Other liabilities	3,197,380	898,155	156,074	348,167	8,815	(27,638)	4,580,953
Segment liabilities as at 31 March 2016	4,849,916	3,966,470	156,604	2,168,849	8,815	(27,638)	11,123,016

A NOTES TO THE FULL YEAR FINANCIAL REPORT
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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	147,538	23,102	53,592	(15,973)	(16,747)	505,294
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)
Foreign exchange differences	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
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 FULL YEAR FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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 2016	**31 Mar 2015**
	RM'000	**RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	91,403	64,298
- Purchase and consumption of services	(25,265)	(22,126)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	3,124	3,465
- Purchase and consumption of services	(15,947)	(13,281)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 25 January 2016, Parkway Healthcare Indo-China Pte. Ltd ("PHIC") incorporated a 52% owned subsidiary in Myanmar, named Andaman Alliance Healthcare Limited ("AAHL"). The remaining 48% equity stake in AAHL is owned by Macondray Holdings Pte Ltd (10.5%), AMMK Medicare Company Limited (21.5%) and Global Star Company Limited (16%).

On 25 January, AAHL was issued a Form of Permit (Temporary) and a Certificate of Incorporation (Temporary) by the Company Registration Office of Myanmar to allow it to carry on business in Myanmar pending issuance of the Permanent Form of Permit and Permanent Certificate of Incorporation.

The intended principal activity of AAHL is the provision of medical and health related facilities and services.

(b) On 29 January 2016, Suzhou Xin Hui Clinic Co., Ltd ("Suzhou Xin Hui") was dissolved pursuant to the Company Law of the People's Republic of China and the Regulations of the People's Republic of China on Administration of Registration of Companies. The dissolution of Suzhou Xin Hui is part of the Group's streamlining exercise.

(c) On 2 February 2016, Pantai Hospitals Sdn Bhd acquired 1,852,500 ordinary shares of RM1.00 each, representing approximately 7.72% of the total issued and paid-up share capital of Syarikat Tunas Pantai Sdn Bhd ("STPSB") from Koperasi Tunas Muda Sungai Ara Berhad for a total consideration of RM25.9 million. Consequential thereto, IHH Group's effective interest in STPSB has increased from 92.28% to 100%.

(d) On 5 February 2016, Ravindranath GE Medical Associates Private Limited ("Global Hospitals") allotted a total of 1,344,280 equity shares with a par value of INR10 each in the capital of Global Hospitals to Dr. K. Ravindranath and Global Hospitals Private Limited, an entity affiliated to Dr. K. Ravindranath upon the conversion of certain compulsory convertible preference shares ("CCPS") issued by Global Hospitals held by them.

IHH Group's interest in Global Hospitals was unchanged at 76.25% based on shareholdings interests that give rise to present access to the rights and rewards of ownership in Global Hospitals.

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

(e) On 18 February 2016, PMC Radio-Surgery Sdn Bhd ("PMC") and Angiography Sdn Bhd ("ASB") were dissolved pursuant to members' voluntary winding up. The dissolutions of PMC and ASB are part of the Group's streamlining exercise.

(f) On 24 March 2016, Parkway Life Japan4 Pte. Ltd. ("TK Investor") entered into a *Tokumei Kumiai* agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 11 ("TK Operator"). Pursuant to the TK Agreement, the purchase price of the property amounting to JPY1,100 million (equivalent to RM39.3 million) will be injected into TK Operator by the TK Investor to facilitate the acquisition of one nursing home facility located in Japan by the TK Operator. The Company does not have any direct or indirect equity in the TK Operator. However 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.

(g) On 24 March 2016, Parkway HK Holdings Limited acquired the remaining 15% equity interest in Parkway Healthcare Hong Kong Limited from MediOne (Hong Long) Limited for a total consideration of HKD11,250,000 (equivalent to RM5.9 million).

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 4 April 2016, AAHL received the Permanent Form of Permit and Permanent Certificate of Incorporation, both dated 25 January 2016, from the Company Registration Office of Myanmar. The paid up share capital of AAHL was increased to USD3.5 million (equivalent to RM13.6 million), comprising 3,500,000 equity shares of USD 1 each.

(b) On 14 April 2016, Parkway Holdings Limited ("PHL") had disposed 90% equity interest in Shenton Insurance Pte Ltd ("SIPL") to FWD Group Financial Services Pte. Ltd. ("FWD") for a total consideration of approximately SGD28.4 million (equivalent to RM81.4 million), subject to post-closing adjustments.

Pursuant to the Shareholders Agreement, PHL may sell and FWD may buy the remaining 10% equity interest in SIPL through a put and call option at a consideration to be determined.

(c) On 19 April 2016, Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH") established a wholly-owned subsidiary named Acibadem City Clinic B.V. ("ACCBV") in Amsterdam, Netherlands. ACCBV has an issued capital of EUR100,000 and its intended principal activity is investment holding.

(d) On 29 April 2016, the Company granted a total of 4,322,000 LTIP units to eligible employees of the Group. Out of the total 4,322,000 units granted, 49,000 units were granted under a cash option pursuant to the terms and conditions of the LTIP Bye Laws.

(e) Between 1 April 2016 to 19 May 2016, the Company issued 4,413,2015 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 May 2016 from that disclosed in the 2015 Audited Financial Statements.

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

A14 CAPITAL COMMITMENTS

	31 Mar 2016 RM'000	31 Dec 2015 RM'000
Capital expenditure commitments not provided for		
Property, plant and equipment and investment properties		
- Authorised and contracted for	2,385,791	2,159,183
- Authorised but not contracted for	1,218,370	1,407,287
	3,604,161	3,566,470

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
31 March 2016				
Investment properties	-	-	2,840,918	2,840,918
Quoted available-for-sale financial instruments	1,216,274	-	-	1,216,274
Unquoted available-for-sale financial instruments	-	366,527	-	366,527
Derivative assets	-	5,989	-	5,989
Liabilities				
CCPS liabilities[i]	-	-	(54,183)	(54,183)
Put option liabilities[ii]	-	-	(368,957)	(368,957)
Derivative liabilities	-	(26,595)	(1,813)	(28,408)
31 December 2015				
Assets				
Investment properties	-	-	2,869,113	2,869,113
Quoted available-for-sale financial instruments	1,446,623	-	-	1,446,623
Unquoted available-for-sale financial instruments	-	382,282	-	382,282
Derivative assets	-	8,097	-	8,097
Liabilities				
CCPS liabilities[i]	-	-	(58,433)	(58,433)
Put option liabilities[ii]	-	-	(405,249)	(405,249)
Derivative liabilities	-	(10,573)	(1,948)	(12,521)

i) Fair value through profit or loss

ii) Initial and subsequent remeasurements recognised through equity

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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

	Financial period ended		
	31 Mar 2016	**31 Mar 2015**	**Variance**
	RM'000	**RM'000**	**%**
REVENUE[1]			
Parkway Pantai:			
- Singapore	913,455	752,276	21%
- Malaysia	391,306	347,048	13%
- North Asia	67,266	56,846	18%
- India	127,754	-	-
- PPL Others*	44,153	30,447	45%
Parkway Pantai	**1,543,934**	**1,186,617**	**30%**
Acibadem Holdings	**835,996**	**736,555**	**14%**
IMU Health	**58,191**	**57,079**	**2%**
Others^	**6,312**	**-**	**-**
Group (Excluding PLife REIT)	**2,444,433**	**1,980,251**	**23%**
PLife REIT total revenue	79,681	65,716	21%
Less: PLife REIT inter-segment revenue	(48,759)	(42,996)	-13%
PLife REIT	**30,922**	**22,720**	**36%**
Group	**2,475,355**	**2,002,971**	**24%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	237,326	166,284	43%
- Malaysia	106,655	105,940	1%
- North Asia	10,765	11,034	-2%
- India	(3,083)	(9)	NM
- PPL Others*	21,805	13,802	58%
Parkway Pantai	**373,468**	**297,051**	**26%**
Acibadem Holdings	**157,786**	**147,538**	**7%**
IMU Health	**23,171**	**23,102**	**0%**
Others^	**(2,486)**	**(15,989)**	**84%**
Group (Excluding PLife REIT)	**551,939**	**451,702**	**22%**
PLife REIT[4]	**65,042**	**53,592**	**21%**
Group	**616,981**	**505,294**	**22%**

[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 2016

Q1 2016 vs Q1 2015

The Group achieved 24% and 22% growth for revenue and EBITDA respectively in Q1 2016 over the same period last year. The increase in Q1 2016 revenue was attributed to organic growth of existing operations and the commencement of operations of Gleneagles Kota Kinabalu Hospital (opened in May 2015), Acibadem Taksim Hospital (opened in October 2015) and Gleneagles Medini Hospital (opened in November 2015). The acquisition of Continental (acquired in March 2015) and Global Hospitals (acquired in December 2015) also contributed to the Group's Q1 2016 revenue.

EBITDA grew as a result of the robust growth in the revenue, but was diluted by start-up losses from the new hospitals as well as pre-opening expenses incurred to prepare Gleneagles Hong Kong for its opening next year.

The Group's Q1 2016 PATMI increased 37% from a lower base in Q1 2015 whereby the Group recognised exchange loss of RM116.4 million on Acibadem Holdings' non-TL denominated borrowings as compared to exchange loss of RM5.8 million in Q1 2016. The Group's Q1 2016 PATMI excluding exceptional items increased 5% to RM238.3 million.

Parkway Pantai

Parkway Pantai's revenue grew 30% to RM1,543.9 million in Q1 2016 whilst its EBITDA grew 26% to RM373.5 million in Q1 2016. Excluding the effects of the appreciation of SGD on translation of Parkway Pantai's results, Parkway Pantai's Q1 2016 revenues increased 17% while its EBITDA increase 16% over corresponding period last year.

Parkway Pantai's strong revenue was the result of the continuous ramp up of its Mount Elizabeth Novena Hospital in Singapore as well as contribution from its newly opened hospitals and acquisitions made in 2015. Parkway Pantai's existing hospitals and healthcare businesses also grew strongly.

Parkway Pantai's Singapore hospitals had a 10.9% increase in inpatient admissions to 18,094 in Q1 2016, while inpatient admissions at Parkway Pantai's Malaysia hospitals increased 9.6% to 49,026 inpatient admissions in Q1 2016. Both the increase was mainly driven by local patients in Singapore and Malaysia. 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 2016 revenue per inpatient admission increased 0.3% to RM26,857 in Singapore and increased 3.2% to RM5,583 in Malaysia compared to Q1 2015. Parkway Pantai's India hospitals had 14,033 inpatient admissions and revenue per inpatient admission of RM7,235 in Q1 2016.

Parkway Pantai's Q1 2016 EBITDA grew on the back of higher revenues and operating leverage from the higher patient volumes. However, the growth was eroded by wage inflation from nurses' salaries and benefits as well as start-up losses of RM6.4 million from its new hospitals in Malaysia. Gleneagles Hospital Hong Kong, which is currently under construction, incurred pre-opening expenses of about RM5.8 million.

Acibadem Holdings

Acibadem Holdings' revenue grew 14% to RM836.0 million in Q1 2016 whilst its EBITDA grew 7% to RM157.8 million in Q1 2016. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' Q1 2016 revenues increased 17% while its EBITDA increase 10% over corresponding period last year.

Acibadem Holdings' strong revenue was the result of the continuous ramp up of Acibadem Atakent Hospital as well as contribution from its newly opened Acibadem Taksim Hospital. Acibadem Holdings' existing hospitals and healthcare businesses also grew strongly.

Acibadem Holdings' inpatient admissions grew 16.9% to 39,296 in Q1 2016. Meanwhile, its average inpatient revenue per inpatient admission increased by 8.0% to RM10,281 in Q1 2016 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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

Acibadem Holdings' Q1 2016 EBITDA grew on the back of higher revenues and operating leverage from the higher patient volumes. However, the growth was eroded by higher staff costs as a result of the Turkish government's implementation of higher minimum wages with effect from 1 January 2016. Start-up losses at Acibadem Taksim Hospital also eroded EBITDA.

IMU Health

IMU Health's Q1 2016 revenue grew 2% to RM58.2 million in Q1 2016 due to increase in tuition fees for the courses offered.

IMU Health's EBITDA growth was flat at RM23.2 million in Q1 2016 due to higher operating expenses incurred for marketing and teaching materials.

PLife REIT

PLife REIT's external revenue increased by 36% to RM30.9 million in Q1 2016 whilst its EBITDA increase 21% to RM65.0 million in Q1 2016.

PLife REIT's external revenue and EBITDA increased with the contribution from the nursing homes acquired in 2015. PLife REIT's EBITDA also increased with higher rental income from its properties in Singapore which were rented to Parkway.

Others

The Group recognised RM 5.7 million dividend income from Apollo Hospital Enterprise Ltd and RM0.6 million dividend income from placement of funds in Money Market Funds in Q1 2016, which resulted in lower EBITDA losses recognised. EBITDA losses was lower in Q1 2016 as compared to the corresponding period last year due to a one-off RM5.2 million share-based expenses recognised with regards to the granting, accelerating 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 2016

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	1st quarter ended 31 Mar 2016 RM’000	4th quarter ended 31 Dec 2015 RM’000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	913,455	878,004	4%
- Malaysia	391,306	364,066	7%
- North Asia	67,266	66,455	1%
- India	127,754	40,722	NM
- PPL Others*	44,153	42,108	5%
Parkway Pantai	**1,543,934**	**1,391,355**	**11%**
Acibadem Holdings	**835,996**	**813,134**	**3%**
IMU Health	**58,191**	**60,164**	**-3%**
Others^	**6,312**	**723**	**NM**
Group (Excluding PLife REIT)	**2,444,433**	**2,265,376**	**8%**
PLife REIT total revenue	79,681	78,452	2%
Less: PLife REIT inter-segment revenue	(48,759)	(48,960)	0%
PLife REIT	**30,922**	**29,492**	**5%**
Group	**2,475,355**	**2,294,868**	**8%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	237,326	213,969	11%
- Malaysia	106,655	90,065	18%
- North Asia	10,765	10,813	0%
- India	(3,083)	(12,497)	75%
- PPL Others*	21,805	15,882	37%
Parkway Pantai	**373,468**	**318,232**	**17%**
Acibadem Holdings	**157,786**	**150,038**	**5%**
IMU Health	**23,171**	**19,973**	**16%**
Others^	**(2,486)**	**(8,824)**	**72%**
Group (Excluding PLife REIT)	**551,939**	**479,419**	**15%**
PLife REIT[4]	**65,042**	**134,914**	**-52%**
Group	**616,981**	**614,333**	**0%**

[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 2016

Q1 2016 vs Q4 2015

The Group's revenue increased 8% quarter-on-quarter. The Group's EBITDA was flat quarter-on-quarter due to a high base in Q4 2015 following the recognition of revaluation gains of RM71.7 million from PLife REIT's investment properties that are held for rental to external parties.

Parkway Pantai

Parkway Pantai's revenue grew 11% quarter-on-quarter, driven by a mix of higher inpatient admissions and higher revenue per inpatient admission. Parkway Pantai's Singapore hospitals inpatient admissions increased 4.4% quarter-on-quarter, its revenue per inpatient admission increased 2.0% with more complex cases undertaken by the Singapore hospitals. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals grew 7.3% quarter-on-quarter and its revenue per inpatient admission grew 2.0%. In addition, Global Hospitals' revenue was consolidated for 3 months in Q1 2016 as compared to only 1 month Q4 2015 after it was acquired in December 2015.

Parkway Pantai's EBITDA increased by 17% quarter-on-quarter with greater operating leverage achieved by the new hospitals in Malaysia as they ramp of their operations. Quarter-on-quarter EBITDA also increased from a low base in Q4 2015 whereby Global Hospitals' Chennai operations was affected by massive floods in Chennai during December 2015 and with the recognition of one-off acquisition-related expenses.

Acibadem Holdings

Acibadem Holdings' revenue increase 3% quarter-on-quarter, driven by a 14.3% increase in its inpatient admissions and offset by a 2.7% decrease in inpatient intensity.

Despite higher staff costs as a result of the Turkish government's implementation of higher minimum wages with effect from 1 January, Acibadem Holdings' EBITDA increased by 5% quarter-on-quarter with greater operating leverage achieved by Acibadem Taksim Hospital as it ramps up its operations since its opening in October 2015.

IMU Health

IMU Health's revenue decreased 3% a result of reduction in student intake whilst its EBITDA grew 16% 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 2015.

PLife REIT

PLife REIT's external revenue increased by 5% quarter-on-quarter whilst its EBITDA decreased 52% quarter-on-quarter. PLife REIT's EBITDA decreased from a high base in Q4 2015 following the recognition of revaluation gains of RM71.7 million from PLife REIT's investment properties that are held for rental to external parties.

Others

The Group recognised RM 5.7 million dividend income from Apollo Hospital Enterprise Ltd and RM0.6 million dividend income from placement of funds in Money Market Funds in Q1 2016. As a result, Q1 2016 EBITDA losses to decreased 72% quarter-on-quarter.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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 contribution from hospitals which were opened during 2015. The consolidation of Continental and Global Hospitals would also add to the Parkway Pantai's revenue, as it integrates these 2 new acquisitions into the Group.

While Parkway Pantai registered an uplift in its results this quarter, the outlook remains mixed. Parkway Pantai is expected to face continued headwinds from the slowing economies in the countries that it operates. The economic instability and fluctuation of regional currencies may result in postponement of elective surgeries, especially by medical travelers. In addition, Parkway Pantai expects increasing competition with the opening of new private and public hospitals in its home markets and the region. Whilst the environment remains challenging, Parkway Pantai will continue to focus on investing in training and development, upgrading equipment and facilities, service excellence initiatives and improving on its clinical outcomes to attract patients to its hospitals.

The construction of Gleneagles Hong Kong is progressing well and Parkway Pantai would incur increasing pre-operating costs as it staffs up the hospital and prepares for its scheduled opening in early 2017. With the exception of Parkway Pantai's joint venture greenfield hospital in Mumbai, other ongoing projects in Malaysia 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.

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 is well-poised to tap this demand with its strong pipeline of beds on stream especially with the opening Acibadem Taksim Hospital in October 2015 and the completion of the expansion of Acibadem Sistina Hospital in December 2015. In addition, Acibadem Atakent Hospital's capacity is currently being expanded to include more outpatient clinics in order to cater to the high demand.

Acibadem Holdings is expected to face continued headwinds from the uncertainty of the geopolitical turmoil in the Middle East, which may result in fewer medical travelers from the Middle East region seeking medical treatment in Turkey. Notwithstanding that, Acibadem Holdings will continue to expand its reach to other non-traditional sources of medical travellers by opening new representation offices in neighbouring geographies.

Acibadem Holdings expects its staff costs to increase with the Turkish government's implementation of higher minimum wages with effect from 1 January 2016. Acibadem Holdings expects to mitigate such rising costs by optimising its personnel costs and increasing productivity, whilst still maintaining quality patient service.

Ongoing projects in Turkey, including Acibadem Altunizade Hospital which will be Acibadem's largest facility in Istanbul when construction completes in early 2017, are progressing well.

On 20 April 2016, Acibadem Holdings entered into agreements to purchase 4 hospitals and 4 medical centres in Bulgaria, subject to the satisfaction of certain conditions precedent. The potential acquisition would increase Acibadem Holdings' footprints to Eastern Europe and increase its access to the medical tourism market within Russia and the European Union region. 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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

the pre-operating costs and start-up costs of 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, and from higher minimum wages in Turkey. In addition, the Group is mindful of rising costs of purchases if USD continues to strengthen against the currencies of its home markets. 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, cost optimisation 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 geopolitical risks and 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 Group's reporting currency may affect the comparability of the Group's financial performance across periods.

The Group had grown rapidly in the last few years through the opening of new hospitals and acquisitions. Going forward, the Group would focus on consolidating and enhancing its service offerings in existing hospitals, ramping up of hospitals that were opened in 2014 and 2015 to achieve optimal operating leverage and integrating its new acquisitions. In addition, the Group would also focus on staff training, equipping and preparing several of its new greenfield hospitals that are currently under construction for their expected opening in 2017 and 2018.

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 year ahead.

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	Financial period ended	
	31 Mar 2016 RM'000	**31 Mar 2015 RM'000**
Current tax expense	67,038	56,032
Deferred tax expense	16,230	(3,752)
	83,268	52,280

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 23.7% for Q1 2016. 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

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

On 25 February 2016, the Company announced the proposal to seek from its shareholders, at its forthcoming Sixth Annual General Meeting ("Sixth AGM"), the authority to purchase its own shares of up to ten percent (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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

A statement containing the details of the Proposed Renewal of Share Buy-Back Authority has been despatched to the shareholders on 29 April 2016 together with the Annual Report 2015 of the Company. The Proposed Renewal of Share Buy-Back Authority is subject to shareholders' approval at the Sixth AGM to be held on 27 May 2016.

(ii) Proposed acquisition of Tokushukai-Sofia Eood by ASH ("Proposed Acquisition of Tokuda Group") and Proposed Acquisition of City Clinic Group by ASH ("Proposed Acquisition of City Clinic Group")

(a) Proposed Acquisition of Tokuda Group

On 20 April 2016, ASH entered into a Share Purchase Agreement ("Tokuda Group SPA") with Dr. Torao Tokuda and Tokushukai Incorporated to buy the entire issued and outstanding share capital of Tokushukai-Sofia EOOD ("Tokuda") and its subsidiaries (collectively "Tokuda Group"), for a consideration of EUR65.0 million (equivalent to RM286.1 million) minus the outstanding amount as at completion that is owed by Tokuda Group to Tokushukai Incorporated, which will be settled in cash. Tokushukai Incorporated has agreed to guarantee the obligations of Dr. Torao Tokuda pursuant to the Tokuda Group SPA.

ASH had incorporated a fully controlled company under the laws of The Netherlands, ACCBV to undertake the Proposed Acquisition of Tokuda Group and ASH will guarantee the obligations of ACCBV pursuant to the Tokuda Group SPA.

The completion of Proposed Acquisition of Tokuda Group is subject to satisfaction of certain conditions precedent, which includes the competition clearance decision having been obtained for joint filing on acquisition of Tokuda Group and City Clinic Group.

Upon completion of the Proposed Acquisition of Tokuda Group, Tokuda Group will be consolidated as indirect subsidiaries of IHH.

(b) Proposed Acquisition of City Clinic Group

On 20 April 2016, ASH and Clinical Hospital Acibadem Sistina Skopje ("Acibadem Sistina") entered into a Share Sale Purchase Agreement ("City Clinic Group SPA") with the following persons/entities to buy the share capital of City Hospitals and Clinics AD ("City Clinic Group") and its subsidiaries:

(1) Andrey Parvanov Markov;
(2) Ivo Sprassov Petrov;
(3) Ilian Georgiev Grigorov;
(4) Venelina Filipova Atanasova;
(5) Petar Tzvetanov Dudolenski;
(6) Anguel Ivanov Anguelov;
(7) Luka Angelov Angelov;
(8) Saccoria Inc.;
(9) Aneta Ivanova Dimitrova;
(10) Empower Capital Fund Cooperatief U.A.; and
(11) Alexander Dmitrievich Minov.

(The persons and entity listed from (1) through (9) above shall be collectively referred to as the "SPV Sellers", and individually as an "SPV Seller". The persons and entities listed in (8) through (11) shall be collectively referred to as the "Cash-out Sellers", and individually as a "Cash-out Seller", The SPV Sellers and the Cash-out Sellers shall be collectively referred to as the "Sellers", and individually as a "Seller". The persons listed in (1) through (7) shall be collectively referred to as the "Roll-over Sellers", and individually as a "Roll-over Seller").

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

The aggregate consideration for the Proposed Acquisition of City Clinic Group that is payable to the Cash-out Sellers is EUR10.97 million (equivalent to RM48.29 million). As consideration for the contribution and transfer of the respective City Clinic Group Shares by the Roll-over Sellers to ACCBV, ACCBV shall issue and allot to the Roll-over Sellers such number of shares in ACCBV valued at EUR23.37 million (equivalent to RM102.87 million) (which excludes the cash subscription from the Roll-over Sellers) representing an aggregate of 23.5% of the total share capital of ACCBV.

The completion of this transaction is subject to satisfaction of certain conditions precedent, which includes the competition clearance decision having been obtained for joint filing on the acquisitions of Tokuda Group and City Clinic Group.

Upon completion of the Proposed Acquisition of City Clinic Group, City Clinic Group will be consolidated as indirect subsidiaries of IHH.

In addition, ASH, Acibadem Sistina and the Roll-Over Sellers will enter into a Shareholders' Agreement to regulate their relationship as shareholders in the Acibadem SPV. The Shareholders' Agreement contains a put option whereby the Roll-Over Sellers have the right to sell their shares in the Acibadem SPV to Acibadem at a consideration to be determined.

There were no other corporate proposals announced but not completed as at 19 May 2016.

B7 LOANS AND BORROWINGS

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

	31 Mar 2016 RM'000	31 Dec 2015 RM'000
Non-current		
Secured		
Bank borrowings	356,316	303,915
Financial lease liabilities	116,173	135,913
Unsecured		
Bank borrowings	5,635,252	5,882,699
Fixed rate notes	117,003	-
	6,224,744	6,322,527
Current		
Secured		
Bank borrowings	190,956	239,424
Bank overdrafts	6,973	5,935
Financial lease liabilities	69,344	75,808
Unsecured		
Bank borrowings	50,046	52,689
Bank overdrafts	-	67
	317,319	373,923
Total	6,542,063	6,696,450

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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

	31 Mar 2016 RM'000	31 Dec 2015 RM'000
Singapore Dollar	1,842,218	2,025,882
Ringgit Malaysia	55,618	60,672
US Dollar	515,261	558,122
Macedonian Denar	10,625	9,211
Euro	1,822,230	1,903,550
Swiss Franc	42,222	45,549
Turkish Lira	23,463	21,863
Japanese Yen	1,284,827	1,260,017
Indian Rupees	308,906	318,859
Hong Kong Dollar	636,693	492,725
	6,542,063	6,696,450

Key exchange rates as at 31 March 2016:

1 SGD	= RM2.9472
1 TL	= RM1.4044
1 USD	= RM4.0413

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 March 2016:

	Notional amount as at 31 Mar 2016 RM'000	Fair value amount as at 31 Mar 2016 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	23,095	4,269
- Between 1 - 3 years	1,949	128
- More than 3 years	40,684	1,592
	65,728	5,989
Derivative liabilities		
Foreign exchange forward contracts		
- More than 3 years	57,541	(1,875)
Interest rate swaps		
- Within 1 year	294,724	(2,178)
- Between 1 - 3 years	472,620	(4,735)
- More than 3 years	690,670	(10,689)
	1,458,014	(17,602)
Cross currency interest rate swaps		
- More than 3 years	221,596	(7,118)
Call option right		
- Between 1 - 3 years	31,388	(1,813)
	1,768,539	(28,408)

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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.

Call option right

Call option right relates to a call option granted by the Group to non-controlling interests of Ravindranath GE Medical Associates Pte Ltd ("RGE") to purchase the Group's 3% interest in RGE on a fully diluted basis at a fixed price of INR500.0 million (equivalent to RM30.2 million) in 2017, pursuant to an option agreement entered with the non-controlling interests. The call option is classified as a derivative liability.

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

Other than as disclosed in Section A15 the Group does not remeasure its financial liabilities and derivatives at reporting date. The changes in fair value recognised through profit or loss is disclosed in section B14.

B10 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 19 May 2016, 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 Company during the period ended 31 March 2016.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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.

	Financial period ended	
	31 Mar 2016	**31 Mar 2015**
	RM'000	**RM'000**
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	235,478	171,482
Net profit attributable to ordinary shareholders (excluding EI)	238,280	227,365
(a) Basic EPS		
	'000	**'000**
Weighted average number of shares	8,223,695	8,179,366
	Sen	**Sen**
Basic EPS	2.86	2.10
Basic EPS (excluding EI)	2.90	2.78

(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.

	Financial period ended	
	31 Mar 2016	**31 Mar 2015**
	'000	**'000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,223,695	8,179,366
Weighted number of unissued ordinary shares from units under LTIP	8,072	12,083
Weighted number of unissued ordinary shares from share options under EPP	7	16,842
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,231,774	8,208,291
	Sen	**Sen**
Diluted EPS	2.86	2.09
Diluted EPS (excluding EI)	2.89	2.77

At 31 March 2016, 8,030,000 outstanding EOS options (31 March 2015: Nil) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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 2016 RM'000	**As at 31 Dec 2015 RM'000**
Total retained earnings of the Company and its subsidiaries		
- Realised	3,355,322	3,049,893
- Unrealised	436,684	474,610
	3,792,006	3,524,503
Total share of retained earnings from associates		
- Realised	3	(316)
Total share of retained earnings from joint ventures		
- Realised	51,750	49,165
Less: Consolidation adjustments	(686,038)	(649,483)
Total Group retained earnings	3,157,721	2,923,869

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

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:

	Financial period ended	
	31 Mar 2016	**31 Mar 2015**
	RM'000	**RM'000**
Dividend income	6,312	-
Other operating income	58,328	50,809
Foreign exchange differences	(12,806)	9,136
Impairment loss (made)/written back:		
- Trade and other receivables	(11,301)	(4,263)
- Amounts due from associates	593	-
(Write off)/ write back		
- Property, plant and equipment	(73)	(545)
- Inventories	(161)	(121)
- Trade and other receivables	1,820	-
(Loss)/gain on disposal of property, plant and equipment	(13)	222
Gain on liquidation of subsidiaries	-	4,098
Finance costs		
Interest expense on loans and borrowing	(48,325)	(32,321)
Exchange loss on net borrowings	(14,602)	(116,424)
Fair value loss of financial instruments	(2,497)	(4,092)
Other finance costs	(4,667)	(2,671)
	(70,091)	(155,508)
Finance income		
Interest income		
- Banks and financial institutions	17,734	12,465
- Others	106	118
Exchange gain on net borrowings	-	18,377
	17,840	30,960