IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

FULL YEAR FINANCIAL REPORT
31 DECEMBER 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 YEAR ENDED 31 DECEMBER 2016

		4th quarter ended			Financial year ended		
	Note	**31 Dec 2016 RM'000**	**31 Dec 2015 RM'000**	**Variance %**	**31 Dec 2016 RM'000**	**31 Dec 2015 RM'000**	**Variance %**
Revenue		2,631,473	2,294,868	15%	10,021,885	8,455,468	19%
Other operating income	1	132,808	170,164	-22%	359,036	329,333	9%
Inventories and consumables		(488,797)	(398,128)	-23%	(1,802,458)	(1,422,812)	-27%
Purchased and contracted services		(219,659)	(203,547)	-8%	(879,353)	(760,424)	-16%
Staff costs	2	(1,018,285)	(869,920)	-17%	(3,883,024)	(3,255,551)	-19%
Depreciation and impairment losses of property, plant and equipment	3	(188,055)	(183,421)	-3%	(744,753)	(629,030)	-18%
Amortisation and impairment losses of intangible assets		(14,300)	(11,878)	-20%	(55,129)	(60,371)	9%
Operating lease expenses		(81,199)	(62,013)	-31%	(301,679)	(223,670)	-35%
Other operating expenses	4	(529,757)	(265,727)	-99%	(1,325,487)	(904,572)	-47%
Finance income	5	79,523	21,278	NM	129,194	93,655	38%
Finance costs	5	(382,623)	67,232	NM	(657,284)	(418,770)	-57%
Share of profits of associates (net of tax)		714	543	31%	1,747	1,601	9%
Share of profits of joint ventures (net of tax)		3,502	3,338	5%	14,922	12,682	18%
(Loss)/profit before tax		**(74,655)**	**562,789**	**-113%**	**877,617**	**1,217,539**	**-28%**
Income tax expense		(32,555)	(28,549)	-14%	(269,625)	(165,444)	-63%
(Loss)/profit for the period/year		**(107,210)**	**534,240**	**-120%**	**607,992**	**1,052,095**	**-42%**
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	6	337,028	(171,639)	NM	(332,214)	2,328,418	-114%
Hedge of net investments in foreign operations	6	53,521	21,031	154%	328,118	(178,681)	NM
Net change in fair value of available-for-sale financial instruments	7	(165,018)	22,775	NM	(313,191)	283,747	NM
Cash flow hedge		10,073	360	NM	(6,597)	3,394	NM
		235,604	(127,473)	NM	(323,884)	2,436,878	-113%
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of defined benefit liabilities		(11,706)	(8,530)	-37%	(11,706)	(8,530)	-37%
Revaluation of property, plant and equipment upon transfer of properties to investment properties	8	50,019	-	-	50,019	-	-
		38,313	(8,530)	NM	38,313	(8,530)	NM
Total comprehensive income for the period/year		**166,707**	**398,237**	**-58%**	**322,421**	**3,480,443**	**-91%**
(Loss)/profit attributable to:							
Owners of the Company		(42,511)	415,826	-110%	612,353	933,903	-34%
Non-controlling interests		(64,699)	118,414	-155%	(4,361)	118,192	-104%
(Loss)/profit for the period/year		**(107,210)**	**534,240**	**-120%**	**607,992**	**1,052,095**	**-42%**
Total comprehensive income attributable to:							
Owners of the Company		261,419	264,189	-1%	433,906	3,251,063	-87%
Non-controlling interests		(94,712)	134,048	-171%	(111,485)	229,380	-149%
Total comprehensive income for the period/year		**166,707**	**398,237**	**-58%**	**322,421**	**3,480,443**	**-91%**
Earnings per share (sen)							
Basic		(0.52)	5.06	-110%	7.44	11.38	-35%
Diluted		(0.52)	5.05	-110%	7.44	11.36	-35%

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

IHH HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

SUPPLEMENTARY INFORMATION

		4th quarter ended			Financial year ended		
		31 Dec 2016 RM'000	**31 Dec 2015 RM'000**	**Variance %**	**31 Dec 2016 RM'000**	**31 Dec 2015 RM'000**	**Variance %**
(Loss)/profit attributable to owners of the Company		**(42,511)**	**415,826**	**-110%**	**612,353**	**933,903**	**-34%**
Add back/(less): Exceptional items ("EI")							
Gain on disposal of subsidiary[i]		-	-		(54,801)	-	
Gain on liquidation of subsidiaries[ii]		-	-		-	(4,095)	
Change in fair value of investment properties[iii]		(21,726)	(49,238)		(21,726)	(49,238)	
Investment tax allowance[iv]		(25,412)	(93,070)		(25,412)	(93,070)	
Impairment loss on investment in a joint venture[v]		97,344	-		97,344	-	
Liability for corporate guarantee given on a joint venture's loan facility[vi]		35,361	-		35,361	-	
Change in fair value of call option[vii]		15,580	-		15,580	-	
Change in fair value of CCPS liabilities[viii]		21,947	(882)		21,947	(882)	
Negative goodwill from business combination[ix]		(20,518)	-		(20,518)	-	
Value-added tax settlement relating to prior years[x]		53,634	-		53,634	-	
Professional fees relating to a potential acquisition		5,052	-		5,052	-	
Exchange loss/(gain) on net borrowings[xi]	5	244,589	(121,269)		335,169	234,194	
		405,851	(264,459)		441,630	86,909	
Add/(less): Tax effects on EI		(46,866)	24,254		(64,982)	(46,839)	
Add/(less): Non-controlling interests' share of EI		(94,064)	39,015		(123,050)	(74,733)	
		264,921	(201,190)		253,598	(34,663)	
Profit attributable to owners of the Company, excluding EI[xii]		**222,410**	**214,636**	**4%**	**865,951**	**899,240**	**-4%**
Earnings per share, excluding EI[xii] (sen)							
Basic		2.70	2.61		10.52	10.95	-4%
Diluted		2.70	2.61		10.52	10.94	-4%

NM: Not meaningful

Note:
i. Gain on disposal of 90% interest in Shenton Insurance
ii. Gain on liquidation of Gleneagles Hospital (UK) Limited and The Heart Hospital Limited, both 65%-owned subsidiaries of the Group
iii. Change in fair valuation of investment properties held for rental to third parties, excluding PLife REIT's investment properties held for rental to third parties
iv. Investment tax allowance granted in relation to the Group's hospital construction projects and capital investments
v. Impairment loss on investment in Khubchandani Hospital
vi. Proportionate share of corporate guarantee in relation to Khubchandani Hospital's loan facility
vii. Change in fair value of call option granted to non-controlling interests of a subsidiary to purchase the Group's 3% interest in the subsidiary on a fully diluted basis, at a fixed price of INR500.0 million upon the non-achievement of certain financial target in 2017
viii. Change in fair value of Compulsory Convertible Preference Shares ("CCPS") of a subsidiary that is classified as liability fair value through profit or loss
ix. Negative goodwill arising from the acquisition of Tokuda Group
x. Settlement of prior years' value-added tax claims and tax investigations relating to Acibadem's doctors.
xi. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 31 December 2016, Euro/TL=3.7099, USD/TL=3.5192)
xii. Exceptional items, net of tax and non-controlling interests

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2015 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

The Group acquired Tokushukai-Sofia Eood ("Tokuda") and City Hospitals and Clinic AD ("City Clinic") on 8 June 2016, while Continental Hospitals Limited ("Continental"), and Ravindranath GE Medical Associates Pte Ltd ("Global Hospitals") were acquired on 23 March 2015 and 3 December 2015 respectively. Generally, the consolidation of these newly acquired entities resulted in an increase in current period's revenue and expenses as compared to the corresponding period last year. The increase in revenue and expenses as a result of acquisitions is offset by the disposal of the Group's 90% equity interest in Shenton Insurance Pte Ltd ("SIPL") on 14 April 2016.

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

1. Other operating income decreased as a result of lower valuation gain recognised on investment properties in Q4 2016 of RM30.2 million as compared to RM120.9 million in Q4 2015. The decrease is partially offset by a RM13.1 million gain on divestment of investment properties by PLife REIT, RM20.5 million negative goodwill arising from the acquisition of Tokuda Group, RM4.1 million gain on disposal of Eurobonds, and a higher foreign exchange gain of RM8.2 million.

   YTD 2016 other operating income included the gain on disposal of the Group's 90% equity interest of Shenton Insurance Pte Ltd amounting to RM54.8 million.

2. 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, ramping up of newly-opened hospitals and in preparation for the opening of new hospitals in 2017.

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

3. Depreciation increased as a result of 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.

4. Other operating expense included impairment losses and change in fair values recognised in 2016 (refer to list of exceptional items on Page 2).

   Excluding these exceptional items, other operating expenses increased as a result of higher volume, pre-operating and start-up costs incurred by the new hospitals.

5. 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. The Group recognised RM244.6 million and RM335.2 million exchange losses on translation of such non-TL balances in Q4 2016 and YTD 2016 respectively, as compared to an exchange gain of RM121.3 million and exchange loss of RM234.2 million recognised in Q4 2015 and YTD 2015 respectively.

   The Group also recognised RM37.5 million fair value losses from the valuation of the CCPS and call option in Q4 2016 and YTD 2016 as compared to RM0.9 million net fair value gain in Q4 2015 and YTD 2015.

   Excluding the effects of foreign exchange on net borrowings and fair valuation of CCPS, net financing costs of the Group had increased on a YTD basis. This is as a result of higher borrowing taken and more cash being utilised for working capital, capital expenditure, acquisitions and purchase of investment properties.

6. 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 YTD 2016, the Group recorded a net foreign currency translation loss as the effects of depreciation of the Turkish Lira ("TL") against the Ringgit Malaysia ("RM") exceeds the effects of the appreciation of Singapore Dollar ("SGD") and United States Dollars ("USD") against RM.

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

7. 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.

8. In 2016, the Group re-designated the use of a piece of land in Malaysia from held for own use to held for capital appreciation, and had accordingly reclassified it from property, plant and equipment to investment properties. The difference in the carrying value of the land immediately prior to the transfer and its fair value was recognised directly in equity as a revaluation of property, plant and equipment.

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

	31 Dec 2016	31 Dec 2015
1 SGD	2.9967	2.8249
1 TL	1.3787	1.4322

IHH HEALTHCARE BERHAD
Company No. 901914-V
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Assets			
Property, plant and equipment	1	13,140,531	11,435,898
Prepaid lease payments	2	1,143,479	902,133
Investment properties	3	3,033,107	2,869,113
Goodwill on consolidation	4	11,076,000	11,009,274
Intangible assets		2,489,642	2,600,426
Interests in associates		7,657	6,583
Interests in joint ventures	5	153,154	220,006
Other financial assets	6	1,198,230	1,449,318
Trade and other receivables		104,392	113,234
Derivative assets		2,303	8,097
Deferred tax assets		240,596	233,211
Total non-current assets		**32,589,091**	**30,847,293**
Development properties	7	28,987	7,144
Inventories		252,589	218,768
Trade and other receivables		1,441,683	1,234,323
Tax recoverable		72,471	85,962
Other financial assets	8	351,674	1,119,305
Derivative assets		1,040	-
Cash and cash equivalents		2,443,181	1,977,939
		4,591,625	4,643,441
Assets classified as held for sale	9	7,240	7,156
Total current assets		**4,598,865**	**4,650,597**
Total assets		**37,187,956**	**35,497,890**
Equity			
Share capital		8,231,700	8,223,346
Share premium		8,185,160	8,151,010
Other reserves		2,292,652	2,857,513
Retained earnings		3,276,228	2,923,869
Total equity attributable to owners of the Company		**21,985,740**	**22,155,738**
Non-controlling interests		1,907,417	2,080,968
Total equity		**23,893,157**	**24,236,706**
Liabilities			
Loans and borrowings	10	6,852,782	6,322,527
Employee benefits		41,398	32,067
Trade and other payables	11	1,666,595	556,098
Derivative liabilities		24,860	12,521
Deferred tax liabilities		1,067,265	1,101,491
Total non-current liabilities		**9,652,900**	**8,024,704**
Loans and borrowings	10	634,316	373,923
Trade and other payables	12	2,612,446	2,555,494
Derivative liabilities		19,173	-
Employee benefits		71,910	59,981
Tax payable		304,054	247,082
Total current liabilities		**3,641,899**	**3,236,480**
Total liabilities		**13,294,799**	**11,261,184**
Total equity and liabilities		**37,187,956**	**35,497,890**
Net assets per share attributable to owners of the Company[1] (RM)		2.67	2.69

[1] Based on 8,231.7 million and 8,223.3 million shares issued as at 31 December 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

The increase in the balances on the statement of financial position as at 31 December 2016 was due to the consolidation of Tokuda and City Clinics, which were acquired during the year. The increase was boosted by the appreciation of SGD and USD against RM and partially offset by the depreciation of TL against the RM as compared to 31 December 2015.

1. The increase in property, plant and equipment was attributed to the purchase of the medical equipment during the period, cost capitalised for the on-going expansion and new hospital projects, as well as the additions from the acquisition of Tokuda and City Clinic during the year.

2. The increase in prepaid lease payments mainly relates to payments for leasehold land in China that is in substance an operating lease.

3. The increase in the investment properties was attributed to acquisition of nursing home during the year, and the recognition of revaluation gains of RM30.2 million on the Group's investment properties that are held for rental to external parties. In addition, the Group re-designated the use of a piece of land in Malaysia from held for own use to held for capital appreciation, and had accordingly reclassified it from property, plant and equipment to investment properties. The increase was partially offset by the divestment of investment properties by PLife REIT during the year.

4. The Group recorded goodwill on acquisition of approximately RM12.4 million from the acquisition of a food and beverage business in India and RM110.5 million from the acquisition of City Clinics.

5. The Group recorded RM97.3 million impairment loss on its investment in Khubchandani Hospitals Private Limited ("KHPL") in 2016.

6. The decrease in non-current other financial assets was attributed to the fair valuation loss on the Group's 10.85% investment in Apollo Hospitals Enterprise Limited.

7. Development properties comprise medical suites developed for sale at Gleneagles Medini. The increase in development properties was attributed to the capitalisation of construction costs during the year.

8. The decrease in the current other financial assets was attributed to the utilisation of funds placed as Money Markets Funds, Eurobonds, and fixed deposits with duration of more than 3 months. These funds were utilised for capital expenditure, acquisitions, working capital and dividend payment during the year.

9. Assets classified as held for sale mainly comprise a piece of freehold land in India that is committed for sale.

10. The increase in total borrowings was attributed to the consolidation of Tokuda and City Clinics' borrowings, and loans taken to finance working capital, capital expenditure, acquisitions and purchase of investment properties.

11. The increase in non-current trade and other payables was attributed to the recognition of RM176.9 million put option liabilities which arose from the put options granted to the non-controlling interests of Acibadem City Clinic B.V. ("Acibadem City"), an indirect subsidiary of the Company, to sell its existing interest in Acibadem City to the Group. These new put options are exercisable from June 2019 to May 2022. In addition, the Group recognized a net increase of RM287.7 mil in the fair value of all its put option liabilities granted to non-controlling interests.

    GHK Hospital Limited ("GHK"), an indirect 60% owned subsidiary, restructured its loan payable to non-controlling interests during the year and reclassified RM690.4 million from current to non-current payable.

12. Current trade and other payables increased with the recognition of the Group's proportionate share of corporate guarantee in relation to Khubchandani Hospital's loan facility.

    The increase current trade and other payables is also attributed to GHK taking an additional RM264.5 million loan from non-controlling interests, partially offset by the restructuring as mentioned in Note 11.

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

	31 Dec 2016	31 Dec 2015
1 SGD	3.1066	3.0590
1 TL	1.2756	1.4745
1 USD	4.4641	4.3282

IHH HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	-	-	-	-	-	-	-	-	(24,656)	-	(24,656)	(307,558)	(332,214)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	119,764	-	119,764	208,354	328,118
Net change in fair value of available-for-sale financial instruments	-	-	-	(314,103)	-	-	-	-	-	-	(314,103)	912	(313,191)
Cash flow hedge	-	-	-	-	-	(2,353)	-	-	-	-	(2,353)	(4,244)	(6,597)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	(7,118)	(7,118)	(4,588)	(11,706)
Revaluation of property, plant and equipment upon reclassification of properties to investment properties	-	-	-	-	50,019	-	-	-	-	-	50,019	-	50,019
Total other comprehensive income for the year	-	-	-	(314,103)	50,019	(2,353)	-	-	95,108	(7,118)	(178,447)	(107,124)	(285,571)
Profit for the year	-	-	-	-	-	-	-	-	-	612,353	612,353	(4,361)	607,992
Total comprehensive income for the year	-	-	-	(314,103)	50,019	(2,353)	-	-	95,108	605,235	433,906	(111,485)	322,421
Contributions by and distributions to owners of the Company													
- Share options exercised	464	1,483	-	-	-	-	-	-	-	-	1,947	-	1,947
- Share-based payment	-	-	54,168	-	-	-	-	-	-	-	54,168	-	54,168
- Dividends paid to owners of Company	-	-	-	-	-	-	-	-	-	(246,944)	(246,944)	-	(246,944)
	464	1,483	54,168	-	-	-	-	-	-	(246,944)	(190,829)	-	(190,829)
Transfer to share capital and share premium on share options exercised	7,890	32,667	(40,557)	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,077)	(1,077)
Changes in ownership interests in subsidiaries	-	-	-	-	-	6	(51,244)	-	(5)	-	(51,243)	115,053	63,810
Issue of shares by subsidiaries to non-controlling interest	-	-	-	-	-	-	118	-	-	-	118	96,685	96,803
Transfer per statutory requirements	-	-	-	-	-	-	-	5,932	-	(5,932)	-	-	-
Recognition of put options granted to non-controlling interests	-	-	-	-	-	-	(106,129)	-	-	-	(106,129)	(70,753)	(176,882)
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	-	(255,933)	-	-	-	(255,933)	(31,800)	(287,733)
Finalisation of purchase price allocation							112	-	-	-	112	3,106	3,218
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(173,280)	(173,280)
Total transactions with owners of the Company	8,354	34,150	13,611	-	-	6	(413,076)	5,932	(5)	(252,876)	(603,904)	(62,066)	(665,970)
At 31 December 2016	8,231,700	8,185,160	46,206	320,154	85,890	14,071	(1,157,882)	42,601	2,941,612	3,276,228	21,985,740	1,907,417	23,893,157

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	-	-	-	-	-	-	-	-	2,099,341	-	2,099,341	229,077	2,328,418
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(63,843)	-	(63,843)	(114,838)	(178,681)
Net change in fair value of available-for-sale financial instruments	-	-	-	285,629	-	-	-	-	-	-	285,629	(1,882)	283,747
Cash flow hedge	-	-	-	-	-	1,151	-	-	-	-	1,151	2,243	3,394
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	(5,118)	(5,118)	(3,412)	(8,530)
Total other comprehensive income for the year	-	-	-	285,629	-	1,151	-	-	2,035,498	(5,118)	2,317,160	111,188	2,428,348
Profit for the year	-	-	-	-	-	-	-	-	-	933,903	933,903	118,192	1,052,095
Total comprehensive income for the year	-	-	-	285,629	-	1,151	-	-	2,035,498	928,785	3,251,063	229,380	3,480,443
Contributions by and distributions to owners of the Company													
- Share options exercised	33,250	55,195	-	-	-	-	-	-	-	-	88,445	-	88,445
- Share-based payment	-	-	47,664	-	-	-	-	-	-	-	47,664	-	47,664
- Dividends paid to owners of Company	-	-	-	-	-	-	-	-	-	(246,645)	(246,645)	-	(246,645)
	33,250	55,195	47,664	-	-	-	-	-	-	(246,645)	(110,536)	-	(110,536)
Transfer to share capital and share premium on share options exercised	11,526	36,657	(48,183)	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	154,937	154,937
Changes in ownership interests in subsidiaries	-	-	-	-	-	1	(30,132)	-	(5)	-	(30,136)	(5,447)	(35,583)
Liquidation of subsidiaries	-	-	-	-	-	-		-	(1,030)	-	(1,030)	144	(886)
Capital injection into non-wholly owned subsidiary	-	-	-	-	-	-	(119)	-	-	-	(119)	13,792	13,673
Transfer per statutory requirements	-	-	-	-	-	-	-	8,403	-	(8,403)	-	-	-
Recognition of put options granted to non-controlling interests	-	-	-	-	-	-	(405,249)	-	-	-	(405,249)	-	(405,249)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(173,489)	(173,489)
Total transactions with owners of the Company	44,776	91,852	(519)	-	-	1	(435,500)	8,403	(1,035)	(255,048)	(547,070)	(10,063)	(557,133)
At 31 December 2015	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

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
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Financial year ended	
	31 Dec 2016	**31 Dec 2015**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	877,617	1,217,539
Adjustments for:		
Dividend income	(8,019)	(7,868)
Finance income	(129,194)	(93,655)
Finance costs	657,284	418,770
Depreciation and impairment losses of property, plant and equipment	744,753	629,030
Amortisation and impairment losses of intangible assets	55,129	60,371
Impairment loss made/(written back):		
- Investment in joint ventures	97,344	-
- Trade and other receivables	63,827	44,593
- Inventories	1,773	-
- Amounts due from associates	(593)	(1,119)
- Amounts due from joint ventures	(15,278)	228
Write-off:		
- Property, plant and equipment	1,162	3,643
- Intangible assets	5,671	-
- Inventories	737	1,429
- Trade and other receivables	11,944	14,253
- Other financial assets	329	73
Gain on disposal of property, plant and equipment	(12,072)	(1,366)
Gain on disposal of subsidiary	(54,801)	-
Gain on liquidation of subsidiaries	-	(4,095)
Gain on divestment of investment properties	(13,141)	-
Gain on disposal of unquoted available-for-sale financial instruments	(9,173)	(171)
Negative goodwill from business combinations	(20,518)	-
Change in fair value of investment properties	(30,193)	(120,904)
Liability on corporate guarantee given to a joint venture's loan	35,361	-
Share of profits of associates (net of tax)	(1,747)	(1,601)
Share of profits of joint ventures (net of tax)	(14,922)	(12,682)
Equity-settled share-based payment	54,168	47,664
Net unrealised foreign exchange differences	(13,274)	(11,566)
Operating profit before changes in working capital	**2,284,174**	**2,182,566**
Changes in working capital:		
Trade and other receivables	(294,284)	(73,904)
Development properties	(17,124)	(2,004)
Inventories	(11,915)	(14,282)
Trade and other payables	176,792	207,946
Cash flows from operations	**2,137,643**	**2,300,322**
Net income tax paid	(203,861)	(314,580)
Net cash generated from operating activities	**1,933,782**	**1,985,742**
Cash flows from investing activities		
Interest received	70,125	62,253
Acquisition of business, net of cash and cash equivalents acquired	(12,380)	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(295,099)	(705,094)
Development and purchase of intangible assets	(4,649)	(11,440)
Purchase of property, plant and equipment	(2,083,908)	(1,361,390)
Purchase of investment properties	(51,026)	(317,905)
Purchase of unquoted available-for-sale financial instruments	-	(480,082)
Payment for prepaid lease	(199,470)	-

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Financial year ended	
	31 Dec 2016	**31 Dec 2015**
	RM'000	**RM'000**
Net withdrawal/(placement) of fixed deposits with duration more than 3 months	469,098	(704,889)
Proceeds from disposal of subsidiary, net of cash and cash equivalents disposed	9,554	-
Proceeds from disposal of property, plant and equipment	29,906	22,341
Proceeds from divestment of investment properties	145,951	-
Proceeds from disposal of intangible assets	1,912	206
Proceeds from disposal of available-for-sale financial instruments	214,984	100,064
Other financial assets matured	14,984	-
Net repayment from associates	624	1,103
Net repayment from joint ventures	7,085	6,523
Dividends received from available-for-sale financial instruments	8,019	7,868
Dividends received from joint ventures	2,118	2,387
Dividends received from associates	779	-
Net cash used in investing activities	**(1,671,393)**	**(3,378,055)**
Cash flows from financing activities		
Interest paid	(284,370)	(194,280)
Proceeds from exercise of share options	1,947	88,445
Proceeds from loans and borrowings	4,226,989	4,900,139
Issue of fixed rated notes	118,930	-
Repayment of loans and borrowings	(3,805,760)	(3,707,485)
Loan from non-controlling interests of a subsidiary	477,343	158,890
Repayment of loan from non-controlling interest of subsidiary	(212,862)	-
Dividends paid to non-controlling interests	(173,280)	(173,489)
Dividends paid to shareholders	(246,944)	(246,645)
Acquisition of non-controlling interests	(42,421)	(39,008)
Issue of shares by subsidiaries to non-controlling interest	96,803	-
Capital injection into a subsidiary by non-controlling interests	-	13,673
Change in pledged deposits	(2,623)	1,764
Net cash from financing activities	**153,752**	**802,004**
Net increase/(decrease) in cash and cash equivalents	**416,141**	**(590,309)**
Effect of exchange rate fluctuations on cash and cash equivalents held	41,132	96,182
Cash and cash equivalents at beginning of the year	1,966,001	2,460,128
Cash and cash equivalents at end of the year	**2,423,274**	**1,966,001**

Cash and cash equivalents

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

	31 Dec 2016	**31 Dec 2015**
	RM'000	**RM'000**
Cash and bank balances	1,639,233	950,233
Fixed deposits placed with licensed banks	803,948	1,027,706
	2,443,181	1,977,939
Less:		
- Bank overdrafts	(11,349)	(6,003)
- Deposits pledged	(2,617)	(382)
- Cash collateral received	(5,941)	(5,553)
Cash and cash equivalents at end of the year	**2,423,274**	**1,966,001**

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 year ended 31 December 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 full-year 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

A6 DEBT AND EQUITY SECURITIES

(a) Between 1 January to 31 December 2016, IHH issued:

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

(ii) 7,890,205 new ordinary shares of RM1.00 each pursuant to the surrender of vested Long Term Incentive Plan ("LTIP") units.

(iii) 214,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested Enterprise Option Scheme ("EOS") options.

(b) On 29 April 2016, IHH 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.

(c) On 3 June 2016, IHH granted a total of 6,105,000 options to an executive director under the Enterprise Option Scheme ("EOS") of IHH.

(d) On 15 June 2016, IHH granted 1,791,000 LTIP units to its executive directors, pursuant to the shareholders' approval obtained at IHH's 6th Annual General Meeting ("AGM") held on 27 May 2016.

(e) On 1 July 2016, IHH granted a total of 8,756,000 options to eligible employees of the Group under the EOS. Out of the 8,756,000 options granted, 4,253,000 options were granted to the executive directors of the Company.

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 year ended 31 December 2016.

As at 31 December 2016, the issued and paid-up share capital of IHH amounted to RM8,231,700,239 comprising 8,231,700,239 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 2015	3.00	246,944	18-Jul-16

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

A8 SEGMENT REPORTING

Financial year ended 31 December 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	6,165,019	3,480,192	237,071	131,584	8,019	-	10,021,885
Inter-segment revenue	112,671	-	3,648	196,260	32,569	(345,148)	-
Total segment revenue	6,277,690	3,480,192	240,719	327,844	40,588	(345,148)	10,021,885
EBITDA	1,484,529	538,065	85,504	286,907	1,127	(112,979)	2,283,153
Depreciation and impairment losses of property, plant and equipment	(420,295)	(276,621)	(12,977)	(34,090)	(770)	-	(744,753)
Amortisation and impairment losses of intangible assets	(20,987)	(33,631)	(511)	-	-	-	(55,129)
Foreign exchange differences	(6,973)	38	(39)	3,699	3,388	-	113
Finance income	88,858	23,939	5,539	11	10,847	-	129,194
Finance costs	(163,954)	(457,350)	(280)	(35,687)	(13)	-	(657,284)
Share of profits of associates (net of tax)	1,747	-	-	-	-	-	1,747
Share of profits of joint ventures (net of tax)	14,922	-	-	-	-	-	14,922
Others	(56,179)	(33,115)	-	-	(5,052)	-	(94,346)
Profit/(loss) before tax	921,668	(238,675)	77,236	220,840	9,527	(112,979)	877,617
Income tax (expense)/credit	(230,889)	5,081	(20,471)	(19,995)	(3,351)	-	(269,625)
Profit/(loss) for the year	690,779	(233,594)	56,765	200,845	6,176	(112,979)	607,992
Assets and liabilities							
Cash and cash equivalents	1,893,118	97,199	5,186	220,863	226,815	-	2,443,181
Other assets	22,242,823	6,390,179	530,771	4,301,618	1,281,639	(2,255)	34,744,775
Segment assets as at 31 December 2016	24,135,941	6,487,378	535,957	4,522,481	1,508,454	(2,255)	37,187,956
Loans and borrowings	2,093,342	3,440,029	372	1,953,355	-	-	7,487,098
Other liabilities	3,973,548	1,348,519	127,618	357,747	2,524	(2,255)	5,807,701
Segment liabilities as at 31 December 2016	6,066,890	4,788,548	127,990	2,311,102	2,524	(2,255)	13,294,799

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

Financial year ended 31 December 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	5,159,759	2,952,859	229,348	105,634	7,868	-	8,455,468
Inter-segment revenue	106,365	-	3,249	182,677	106,866	(399,157)	-
Total segment revenue	5,266,124	2,952,859	232,597	288,311	114,734	(399,157)	8,455,468
EBITDA	1,349,288	521,031	80,591	306,226	69,464	(185,094)	2,141,506
Depreciation and impairment losses of property, plant and equipment	(335,934)	(247,378)	(12,654)	(32,366)	(698)	-	(629,030)
Amortisation and impairment losses of intangible assets	(26,127)	(33,791)	(453)	-	-	-	(60,371)
Foreign exchange differences	8,682	2,821	1,843	8,735	853	-	22,934
Finance income	54,083	17,003	5,891	32	16,646	-	93,655
Finance costs	(29,566)	(352,341)	(281)	(36,567)	(15)	-	(418,770)
Share of profits of associates (net of tax)	1,601	-	-	-	-	-	1,601
Share of profits of joint ventures (net of tax)	12,682	-	-	-	-	-	12,682
Others	53,332	-	-	-	-	-	53,332
Profit/(loss) before tax	1,088,041	(92,655)	74,937	246,060	86,250	(185,094)	1,217,539
Income tax (expense)/credit	(114,921)	7,590	(20,647)	(30,883)	(6,583)	-	(165,444)
Profit/(loss) for the year	973,120	(85,065)	54,290	215,177	79,667	(185,094)	1,052,095
Assets and liabilities							
Cash and cash equivalents	1,365,193	448,352	74,113	62,277	28,004	-	1,977,939
Other assets	20,831,562	6,042,898	441,162	4,285,247	1,944,602	(25,520)	33,519,951
Segment assets as at 31 December 2015	22,196,755	6,491,250	515,275	4,347,524	1,972,606	(25,520)	35,497,890
Loans and borrowings	1,682,166	3,217,467	584	1,796,233	-	-	6,696,450
Other liabilities	3,212,472	905,292	130,988	329,753	11,749	(25,520)	4,564,734
Segment liabilities as at 31 December 2015	4,894,638	4,122,759	131,572	2,125,986	11,749	(25,520)	11,261,184

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 year ended	
	31 Dec 2016	**31 Dec 2015**
	RM'000	**RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	343,672	257,547
- Purchase and consumption of services	(45,840)	(45,880)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	17,594	27,250
- Purchase and consumption of services	(74,243)	(63,382)

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 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.

(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.

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

(f) On 23 March 2016, Mount Elizabeth Health Care Services Sdn. Bhd. was struck off from the Register of Companies pursuant to Section 308(4) of the Companies Act, 1965. The striking off of Mount Elizabeth Health Care Services Sdn. Bhd. is part of the Group's streamlining exercise.

(g) 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.

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

(i) On 14 April 2016, Parkway Holdings Limited ("PHL") had disposed 90% equity interest in SIPL to FWD Group Financial Services Pte. Ltd. ("FWD") for a total consideration of approximately SGD33.7 million (equivalent to RM100.1 million).

Pursuant to the Shareholders Agreement signed on 14 April 2016, PHL may sell and FWD may buy the Group's remaining equity interest in SIPL through a put and call option.

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

(k) On 4 May 2016, Parkway Trust Management Limited ("PTM") transferred 145,900 PLife REIT units that it owned to its eligible employees in accordance to PTM's Long Term Incentive Plan. Consequential thereto, IHH Group's effective interest in PLife REIT was diluted from 35.74% to 35.72%.

(l) On 31 May 2016, Shanghai Mai Kang Hospital Investment Management Co., Ltd. had received the Business License from Huangpu District Administration for Industry and Commerce for the establishment of a wholly-owned domestic company named Shanghai Rui Ying Clinic Co., Ltd ("SRYC") in The People's Republic of China. The validity period of the licence is from 31 May 2016 to 30 May 2036. SRYC has a registered capital of RMB5,000,000 (equivalent to RM3,129,000) and its intended principal activity is the provision of medical and healthcare outpatient services.

(m) On 3 June 2016, Parkway Group Healthcare Pte Ltd ("PGH") received the approval from Shanghai Administration of Industry and Commerce Bureau for the transfer of 100% equity interest in Parkway (Shanghai) Hospital Management Ltd ("PSHM") to PCH Holding Pte. Ltd., (formerly known as Parkway China Holding Co. Pte. Ltd.) ("PCH") with effect from 31 May 2016 pursuant to an internal reorganization exercise. The consideration was settled by way of issuance of 10,000 new PCH ordinary shares valued at SGD1,384,000 (equivalent to approximately RM4,133,000) to PGH.

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A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

(n) On 8 June 2016, Acibadem City acquired 100% of Tokuda and its subsidiaries (collectively "Tokuda Group") and City Clinic and its subsidiaries (collectively "City Clinic Group"). Consequential thereto, both Tokuda Group and City Clinic Group were consolidated as subsidiaries of IHH. Please refer to Note B6 of the Q2 2016 Interim Financial Report announcement for further information on the acquisition.

Fair value of consideration transferred

The following summarises the acquisition date fair value of each major class of consideration transferred or payable:

	City Group	Tokuda Group	Total
	RM'000	RM'000	RM'000
Cash and cash equivalents	49,118	284,329	333,447
Equity instruments	104,631	-	104,631
	153,749	284,329	438,078

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	City Group	Tokuda Group	Total
	RM'000	RM'000	RM'000
Property, plant and equipment	111,509	237,126	348,635
Intangible assets	42,001	45,380	87,381
Deferred tax assets	4,223	3,262	7,485
Inventories	12,311	8,303	20,614
Trade and other receivables	26,341	33,388	59,729
Cash and cash equivalents	1,553	45,756	47,309
Trade and other payables	(69,227)	(56,394)	(125,621)
Employee benefits	(401)	(1,434)	(1,835)
Loans and borrowings	(85,196)	-	(85,196)
Deferred tax liabilities	(974)	(10,466)	(11,440)
Net identifiable assets acquired	42,140	304,921	347,061

Net cash outflow arising from acquisition of subsidiaries

	City Group	Tokuda Group	Total
	RM'000	RM'000	RM'000
Purchase consideration settled in cash and cash equivalents	49,118	284,329	333,447
Cash and cash equivalents acquired	(1,553)	(45,756)	(47,309)
	47,565	238,573	286,138

Goodwill

	City Group	Tokuda Group	Total
	RM'000	RM'000	RM'000
Fair value of consideration transferred	153,749	284,329	438,078
Fair value of net identified assets acquired	(42,140)	(304,921)	(347,061)
Non-controlling interests, based on their proportionate interest in the net identifiable assets acquired	(1,151)	74	(1,077)
Goodwill on consolidation recognised in balance sheet	110,458	-	110,458
Negative goodwill recognised in profit or loss	-	(20,518)	(20,518)

On 8 June 2016, following the partial settlement of the purchase consideration of City Clinic Group through the issue of new shares in Acibadem City and an internal restructuring, the shareholdings of Acibadem City was reconstituted as follows: a) 23.5% by minority shareholders; b) 15% by Clinical Hospital Acibadem Sistina Skopje (a 50.3% owned subsidiary of ASH); and c) 61.4% by ASH.

Upon the completion of the Acquisition of City Clinic Group, IHH Group's effective interest in Acibadem City has been diluted from 59.63% to 41.16%.

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

(o) On 28 June 2016, Pantai Medical Centre Sdn Bhd ("PMCSB") had transferred 100% equity interest in HPAK Lithotripsy Services Sdn Bhd ("HPAK Litho") to Pantai Group Resources Sdn Bhd ("PGRSB"), at a nominal consideration of RM2.00 pursuant to an internal reorganisation exercise.

(p) On 3 August 2016, Parkway Pantai Limited ("PPL") had subscribed for 11,000,000 ordinary shares in the share capital of PGH for a total consideration of SGD11,000,000 (equivalent to RM32,777,000), pursuant to a recapitalisation exercise. Consequential thereto, PPL's equity interest in PGH has increased from 70% to 78.52%, and PHL's equity interest was reduced from 30% to 21.48%.

(q) On 8 September 2016, Gleneagles (Malaysia) Sdn Bhd ("GMSB") acquired 174,391 ordinary shares of RM1.00 each, representing approximately 0.72% in the share capital of Pulau Pinang Clinic Sdn Bhd ("PPCSB") for total consideration of RM3.1 million. Consequential thereto, GMSB's equity interest in PPCSB was increased from 70.05% to 70.77%.

(r) On 15 September 2016, Pantai Group Resources Sdn Bhd acquired the remaining 15% equity interest in Pantai Integrated Rehab Services Sdn Bhd for total consideration of RM7,540,000.

(s) On 24 October 2016, ASH acquired 100% equity interest in A Plus Saglik Hizmetleri A.S. ("APSH") comprising of 1,250,000 ordinary shares for a total consideration of TL6.5 million. The intended principal activity of APSH is provision of healthcare services.

Fair value of consideration transferred

The following summarises the acquisition date fair value of each major class of consideration transferred or payable:

	RM'000
Cash and cash equivalents	8,961
Equity instruments	-
	8,961

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	RM'000
Intangible assets	8,961
Net identifiable assets acquired	8,961

Net cash outflow arising from acquisition of subsidiaries

	RM'000
Purchase consideration settled in cash and cash equivalents	8,961
Cash and cash equivalents acquired	-
	8,961

Goodwill

	RM'000
Fair value of consideration transferred	8,961
Fair value of net identified assets acquired	(8,961)
Goodwill on consolidation recognised in balance sheet	-

(t) On 25 October 2016, PCH received the approval from Shanghai Pudong New Area Market Supervision and Administration Bureau for the transfer of 100% equity interest in Shanghai Gleneagles Hospital Management Co., Ltd. ("SGHM") to PGH with effect from 14 October 2016 pursuant to an internal reorganisation exercise.

A NOTES TO THE FULL YEAR FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

(u) On 12 December 2016, M&P Investments Pte. Ltd. ("M&P") established a 70%-owned sino-foreign equity company named ParkwayHealth Chengdu Hospital Company Limited ("ParkwayHealth Chengdu") in the People's Republic of China, at a cash subscription of RMB210.0 million (equivalent to RM134.6 million). The establishment of ParkwayHealth Chengdu is pursuant to a Joint Venture Agreement dated 15 August 2016, entered into between M&P and Shanghai Broad Ocean Investments Co. Ltd. ("Broad Ocean"). The remaining 30% equity stake in ParkwayHealth Chengdu is owned by Broad Ocean. The principal activity of ParkwayHealth Chengdu is the provision of specialised care and services.

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 January 2017 to 16 February 2017, IHH issued 33,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested EOS options.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

In November 2014, ASH received notification from the tax authorities in Turkey that ASH had under-withheld the value added tax ("VAT") amounting to approximately TL25.2 million (equivalent to RM32.2 million*) between 2008 to 2014 for services rendered by doctors who are partners or employees of another company. This is the result of a difference in interpretation between the Turkish private healthcare industry and the tax authorities of the VAT rates applicable to such services. The related penalty and interest amounts approximate to TL38.0 million (equivalent to RM48.5 million*) and TL12.1 (equivalent to RM15.4 million*) respectively.

In November 2016, ASH made a final settlement of TL14.0 million (equivalent to RM17.9 million) to the tax authorities in Turkey.

* Translated at the 31 December 2016 closing rate of RM1.2756 to TL1.00

A14 CAPITAL COMMITMENTS

	31 Dec 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	1,147,134	2,159,183
- Authorised but not contracted for	2,349,600	1,407,287
	3,496,734	3,566,470

A NOTES TO THE FULL YEAR FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

The table below analyses investment properties and financial instruments carried at fair value. The different levels are 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 Dec 2016				
Assets				
Investment properties	-	-	3,033,107	3,033,107
Quoted available-for-sale financial instruments	1,176,638	-	-	1,176,638
Unquoted available-for-sale financial instruments	-	152,043	-	152,043
Derivative assets	-	1,691	-	1,691
Liabilities				
CCPS liabilities[i]	-	-	(82,645)	(82,645)
Put option liabilities[ii]	-	-	(864,608)	(864,608)
Derivative liabilities	-	(44,033)	-	(44,033)
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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

	4th quarter ended			Financial year ended		
	31 Dec 2016 RM'000	**31 Dec 2015 RM'000**	**Variance %**	**31 Dec 2016 RM'000**	**31 Dec 2015 RM'000**	**Variance %**
REVENUE[1]						
Parkway Pantai:						
- Singapore	894,737	878,004	2%	3,563,347	3,239,800	10%
- Malaysia	414,064	364,066	14%	1,620,579	1,443,532	12%
- India	150,096	40,722	NM	560,082	73,999	NM
- North Asia	68,616	66,455	3%	259,229	252,870	3%
- PPL Others*	43,746	42,108	4%	161,782	149,558	8%
Parkway Pantai	**1,571,259**	**1,391,355**	**13%**	**6,165,019**	**5,159,759**	**19%**
Acibadem Holdings	**967,646**	**813,134**	**19%**	**3,480,192**	**2,952,859**	**18%**
IMU Health	**57,981**	**60,164**	**-4%**	**237,071**	**229,348**	**3%**
Others^	**623**	**723**	**-14%**	**8,019**	**7,868**	**2%**
Group (Excluding PLife REIT)	**2,597,509**	**2,265,376**	**15%**	**9,890,301**	**8,349,834**	**18%**
PLife REIT total revenue	84,236	78,452	7%	327,844	288,311	14%
Less: PLife REIT inter-segment revenue	(50,272)	(48,960)	-3%	(196,260)	(182,677)	-7%
PLife REIT	**33,964**	**29,492**	**15%**	**131,584**	**105,634**	**25%**
Group	**2,631,473**	**2,294,868**	**15%**	**10,021,885**	**8,455,468**	**19%**
EBITDA[2]						
Parkway Pantai[3]:						
- Singapore	245,298	213,969	15%	913,171	756,057	21%
- Malaysia	95,534	90,065	6%	430,812	419,926	3%
- India	14,002	(12,497)	NM	27,325	(14,912)	NM
- North Asia	(28,848)	10,813	NM	(27,922)	45,799	-161%
- PPL Others*	6,902	15,882	-57%	60,733	64,190	-5%
Parkway Pantai	**332,888**	**318,232**	**5%**	**1,404,119**	**1,271,060**	**10%**
Acibadem Holdings	**136,912**	**150,038**	**-9%**	**538,065**	**521,031**	**3%**
IMU Health	**16,028**	**19,973**	**-20%**	**85,504**	**80,591**	**6%**
Others^	**(9,464)**	**(8,824)**	**-7%**	**(31,442)**	**(37,402)**	**16%**
Group (Excluding PLife REIT)	**476,364**	**479,419**	**-1%**	**1,996,246**	**1,835,280**	**9%**
PLife REIT[4]	**89,046**	**134,914**	**-34%**	**286,907**	**306,226**	**-6%**
Group	**565,410**	**614,333**	**-8%**	**2,283,153**	**2,141,506**	**7%**

[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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

Q4 2016 vs Q4 2015

The Group achieved 15% growth for revenue while EBITDA decreased 8% in Q4 2016 over the same period last year. The increase in Q4 2016 revenue was attributed to organic growth of most of its existing operations, and the ramp up of operations at 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 Global Hospitals (acquired in December 2015), as well as the acquisition of Tokuda Group and City Clinic Group (acquired in June 2016) contributed to the increase in the Group's Q4 2016 revenue.

EBITDA decreased 8% from a high base in Q4 2015 where the Group recognised higher revaluation gain of RM71.7 million from PLife REIT's investment properties that are held for rental to external parties, as compared to a lower revaluation gain of RM8.5 million recognised in Q4 2016. In addition, the Group recognised higher doubtful debts expenses of RM49.0 million as compared to RM9.9 million recognised in Q4 2015. EBITDA was also eroded by start-up losses from the new hospitals, higher operating and staff costs as well as pre-opening expenses incurred to prepare Gleneagles Hong Kong for its opening next year. The decrease in EBITDA is partially offset by RM13.1 million gain on divestment of PLife REIT's investment properties in Q4 2016.

The Group's Q4 2016 PATMI excluding exceptional items increased 4% to RM222.4 million on the back of lower net financing costs with partial settlement of borrowings, higher foreign exchange gains, and lower non-controlling interests' share of the profit in Q4 2016 compared to Q4 2015.

Parkway Pantai

Parkway Pantai's Q4 2016 revenue increased 13% to RM1,571.3 million whilst its EBITDA increased 5% to RM332.9 million. Excluding the effects of the appreciation of SGD on translation of Parkway Pantai's results, Parkway Pantai's Q4 2016 revenues increased 12% while its EBITDA increased 4% 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.

Parkway Pantai's Singapore hospitals saw an overall 4.8% increase in inpatient admissions to 18,174 in Q4 2016, driven by increase in local patients. Revenue per inpatient admission in Singapore increased 1.5% to RM28,189. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia Hospitals increased 3.6% to 47,318 inpatient admissions, while its revenue per inpatient admission increased 12.3% to RM6,151 in Q4 2016.

Parkway Pantai's Q4 2016 EBITDA increased 5% on the back of higher revenue and higher operating leverage from the higher patient volumes. It was partially eroded by higher operating expenses and staff costs, start-up losses of RM1.7 million from its new hospitals in Malaysia as well as pre-opening expenses of RM38.4 million incurred to prepare Gleneagles Hong Kong for its opening next year.

Acibadem Holdings

Acibadem Holdings' Q4 2016 revenue grew 19% to RM967.6 million whilst its EBITDA decreased 9% to RM136.9 million. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' Q4 2016 revenue increased 30% while its EBITDA reduced 1% over corresponding period last year.

Acibadem Holdings' strong revenue growth was the result of the continuous ramp up of Acibadem Atakent Hospital as well as contribution from its newly opened Acibadem Taksim Hospital. The newly acquired Tokuda Group and City Clinic Group also contributed to the revenue in Q4 2016. Acibadem Holdings' existing hospitals revenue also grew.

Acibadem Holdings' inpatient admissions grew 46.8% to 50,470 in Q4 2016 with contribution from Acibadem City Group. Meanwhile, its average inpatient revenue per inpatient admission decreased by 7.6% to RM8,864 in

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

Q4 2016 due to the lower revenue per inpatient admission at Acibadem City Group.

Acibadem Holdings' Q4 2016 EBITDA decreased 9% due to higher staff costs arising from the Turkish government's implementation of higher minimum wages with effect from 1 January 2016 as well as higher operating costs and rental expenses with the further depreciation of TL against USD and Euro.

Acibadem Holdings also recognised higher provision of doubtful debts of RM50.8 million in Q4 2016 as compared to RM8.0 million in Q4 2015. The higher provision for doubtful debt was mainly attributed to provision for receivables from Libyan patients. Excluding this provision for Libya receivables in Q4 2016, Acibadem Holdings' EBITDA would have increased 36% on a constant currency basis.

Acibadem Holdings' EBITDA was boosted by the contribution from Acibadem Taksim Hospital and Acibadem City Group.

IMU Health

IMU Health's Q4 2016 revenue decreased 4% to RM58.0 million due to lower new student intakes for certain courses, offset by the increase in tuition fees for some of courses offered.

IMU Health's Q4 2016 EBITDA decreased 20% to RM16.0 million on the back of lower revenue and higher staff costs.

PLife REIT

PLife REIT's Q4 2016 external revenue increased 15% to RM34.0 million with the contribution from the nursing homes acquired in 2016.

PLife REIT's Q4 2016 EBITDA decreased 34% to RM89.0 million from a high base in Q4 2015 where it recognised higher revaluation gain of RM71.7 million from its investment properties that are held for rental to external parties, as compared to a lower revaluation gain of RM8.5 million recognised in Q4 2016. The decrease in EBITDA is partially offset by RM13.1 million gain on divestment of PLife REIT's investment properties in Q4 2016.

Others

Revenue decreased in Q4 2016 due to lower dividends from the Money Market Funds in Q4 2016 compared to Q4 2015.

EBITDA losses increased in Q4 2016 as a result of higher staff costs with increased head counts.

<u>YTD 2016 vs YTD 2015</u>

The Group achieved 19% growth for revenue and 7% growth for EBITDA in YTD 2016 over the same period last year. The increase in YTD 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), Global Hospitals (acquired in December 2015), as well as the acquisition of Tokuda Group and City Clinic Group (acquired in June 2016) contributed to the increase in the Group's YTD 2016 revenue.

EBITDA growth was driven by revenue. EBITDA grew 7% despite a high base in YTD 2015 where the Group recognised higher revaluation gain of RM71.7 million from PLife REIT's investment properties that are held for rental to external parties, as compared to a lower revaluation gain of RM8.5 million recognised in YTD 2016. In addition, the Group recognised higher doubtful debts expenses of RM63.8 million as compared to RM44.6 million recognised in YTD 2015. EBITDA was also eroded by start-up losses from the new hospitals, higher operating and staff costs as well as pre-opening expenses incurred to prepare Gleneagles Hong Kong for its

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

opening next year. The decrease in EBITDA is partially offset by RM13.1 million gain on divestment of PLife REIT's investment properties in YTD 2016.

The Group's YTD 2016 PATMI excluding exceptional items reduced 4% to RM866.0 million due to incremental depreciation from new hospitals and higher net financing costs.

Parkway Pantai

Parkway Pantai's revenue grew 19% to RM6,165.0 million while its EBITDA grew 10% to RM1,404.1 million in YTD 2016. Excluding the effects of the appreciation of SGD on translation of Parkway Pantai's results, Parkway Pantai's YTD 2016 revenues increased 15% while its EBITDA increased 6% 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.

Parkway Pantai's Singapore hospitals saw an overall 9.1% increase in inpatient admissions to 74,119 in YTD 2016, driven by increase in local patients. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals increased 5.4% to 193,113 in YTD 2016. YTD 2016 revenue per inpatient admission decreased 0.4% to RM27,543 in Singapore and increased 7.7% to RM5,915 in Malaysia.

Parkway Pantai's YTD 2016 EBITDA increased 10% on the back of higher revenue and higher operating leverage from the higher patient volumes. It was partially eroded by higher operating expenses and staff costs, start-up losses of RM17.9 million from its new hospitals in Malaysia as well as pre-opening expenses of RM72.6 million incurred to prepare Gleneagles Hong Kong for its opening next year.

Acibadem Holdings

Acibadem Holdings' revenue grew 18% to RM3,480.2 million while its EBITDA increased 3% to RM538.1 million in YTD 2016. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' YTD 2016 revenues increased 22% and its EBITDA increased 7%.

Acibadem Holdings' strong revenue growth was the result of the continuous ramp up of Acibadem Atakent Hospital as well as contribution from its newly opened Acibadem Taksim Hospital. The newly acquired Tokuda Group and City Clinic Group also contributed to the revenue in YTD 2016. Acibadem Holdings' existing hospitals also grew.

Acibadem Holdings' inpatient admissions grew 31.6% to 171,583 in YTD 2016. Meanwhile, its average inpatient revenue per inpatient admission reduced by 2.5% to RM9,062 in YTD 2016.

Acibadem Holdings' YTD 2016 EBITDA increased 3% on the back of higher revenues and operating leverage from the higher patient volumes. It was partially eroded by higher staff costs arising from the Turkish government's implementation of higher minimum wages with effect from 1 January 2016, higher operating costs and rental expenses with the further depreciation of TL against USD and Euro.

Acibadem Holdings also recognised higher provision of doubtful debts of RM53.6 million in YTD 2016 as compared to RM24.6 million in YTD 2015. The higher provision for doubtful debt was mainly attributed to provision for receivables from Libyan patients. Excluding this provision Libya receivables in YTD 2016, Acibadem Holdings' EBITDA would have increased 18% on a constant currency basis.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

IMU Health

IMU Health's YTD 2016 revenue grew 3% to RM237.1 million due to increase in tuition fees for the courses offered, offset by lower new student intake in 2016 compared to 2015.

IMU Health's YTD 2016 EBITDA increased 6% to RM85.5 million on the back of higher revenue, offset by higher staff costs.

PLife REIT

PLife REIT's YTD 2016 external revenue increased 25% to RM131.6 million with the contribution from the nursing homes acquired in 2016.

PLife REIT's YTD 2016 EBITDA decreased 6% to RM286.9 million from a high base in YTD 2015 where it recognised higher revaluation gain of RM71.7 million from its investment properties that are held for rental to external parties, as compared to a lower revaluation gain of RM8.5 million recognised in YTD 2016. The decrease in EBITDA is partially offset by RM13.1 million gain on divestment of PLife REIT's investment properties in YTD 2016.

Others

The increase in revenue was mainly attributed to higher dividend income from Apollo Hospitals Enterprises Limited in YTD 2016 as compared to YTD 2015.

EBITDA losses decreased to RM31.4 million in YTD 2016. In YTD 2015 whereby the Group recognised a one-off share-based expense on the acceleration and vesting of LTIPs of a resigned employee.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2016 RM'000	3rd quarter ended 30 Sept 2016 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	894,737	882,141	1%
- Malaysia	414,064	417,572	-1%
- India	150,096	149,265	1%
- North Asia	68,616	56,271	22%
- PPL Others*	43,746	37,856	16%
Parkway Pantai	**1,571,259**	**1,543,105**	**2%**
Acibadem Holdings	**967,646**	**808,686**	**20%**
IMU Health	**57,981**	**55,040**	**5%**
Others^	**623**	**589**	**6%**
Group (Excluding PLife REIT)	**2,597,509**	**2,407,420**	**8%**
PLife REIT total revenue	84,236	83,634	1%
Less: PLife REIT inter-segment revenue	(50,272)	(49,253)	-2%
PLife REIT	**33,964**	**34,381**	**-1%**
Group	**2,631,473**	**2,441,801**	**8%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	245,298	213,727	15%
- Malaysia	95,534	129,003	-26%
- India	14,002	8,657	62%
- North Asia	(28,848)	(12,127)	-138%
- PPL Others*	6,902	15,096	-54%
Parkway Pantai	**332,888**	**354,356**	**-6%**
Acibadem Holdings	**136,912**	**83,786**	**63%**
IMU Health	**16,028**	**19,512**	**-18%**
Others^	**(9,464)**	**20,871**	**-145%**
Group (Excluding PLife REIT)	**476,364**	**478,525**	**0%**
PLife REIT[4]	**89,046**	**67,789**	**31%**
Group	**565,410**	**546,314**	**3%**

[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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

Q4 2016 vs Q3 2016

The Group rebounded from the seasonal lows in Q3 2016 and recorded 8% quarter-on-quarter increase in revenue in Q4 2016. Q3 is typically a slow quarter for the Group due to summer months in Turkey.

The Group recorded 3% quarter-on-quarter growth in EBITDA following the recognition of RM8.5 million revaluation gain arising from PLife REIT's investment properties that are held for rental to external parties and RM13.1 gain on divestment of investment properties. The Group's EBITDA quarter-on-quarter growth is offset by higher doubtful debts expenses of RM49.0 million in Q4 2016.

The Group's quarter-on-quarter PATMI excluding exceptional items increased 2% on back of the growth in EBITDA, offset by higher depreciation expenses.

Parkway Pantai

Parkway Pantai's revenue grew 2% quarter-on-quarter. Parkway Pantai's Singapore hospitals inpatient admissions decreased 5.1% quarter-on-quarter, while its revenue per inpatient admission increased 5.8% with more complex cases undertaken by the hospital. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals decreased 4.8% quarter-on-quarter and its revenue per inpatient admission grew 2.5%.

Parkway Pantai's EBITDA decrease by 6% quarter-on-quarter mainly due to higher bonus provisions made in Malaysia in Q4 2016 as well as higher pre-opening expenses incurred by Gleneagles Hong Kong as it prepares for its opening in 2017.

Acibadem Holdings

Acibadem Holding' revenue and EBITDA increased 20% and 63% respectively quarter-on-quarter. Excluding the effects of the depreciation of TL on translation of Acibadem Holdings' results, Acibadem Holdings' revenue and EBITDA increased 22% and 64% quarter-on-quarter.

Acibadem Holdings' EBITDA grew 63% quarter-on-quarter on as a result of better operating leverage with increased volumes and the low EBITDA base in Q3 2016.

IMU Health

IMU Health's registered 5% increase in its quarter-on-quarter revenue. It grew from a lower base in the previous quarter, which coincided with the semester breaks for some of its major medical courses.

IMU Health's EBITDA decreased 18% quarter-on-quarter as a result of expenses incurred for student recruitment promotional activities which took place in the current quarter.

PLife REIT

PLife REIT's external revenue decreased 1%, whilst its EBITDA increased 31% quarter-on-quarter. The decrease in revenue was due to the loss of revenue of the investment properties that was divested in Q4 2016.

PLife REIT's Q4 2016 EBITDA included RM8.5 million revaluation gain arising from PLife REIT's investment properties that are held for rental to external parties as well as RM13.1 million divestment gain from PLife REIT's sale of investment properties in Q4 2016.

Others
Q4 2016 EBITDA decreased quarter-on-quarter from a high base in Q3 2016 where it recognised a reversal of a one-off staff cost.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

B3 NEXT FINANCIAL YEAR PROSPECTS

Parkway Pantai

Parkway Pantai expects revenue to increase, driven by patient demographics and intensity in its home markets, the ramp up of hospitals which were opened during 2015 as well as contribution from Gleneagles Hong Kong which will open in 2017. Parkway Pantai expects greater revenue contribution from Continental and Global Hospitals, as it continues to integrate its India operations into the Group.

Parkway Pantai's operations in Singapore and Malaysia are facing some headwinds from the sluggish economic outlook for 2017. The slowing economic growth in the region and fluctuation of regional currencies may result in postponement of non-critical and elective surgeries, especially by medical travelers. Whilst the environment remains challenging, Parkway Pantai will continue to focus leveraging on its economies of scale, on investing in training and development, upgrading equipment and facilities, service excellence initiatives and improving on clinical outcomes to attract patients to its hospitals. Parkway Pantai is also on the lookout for value-accretive opportunities in the other markets as part of its efforts to diversify its portfolio.

Gleneagles Hong Kong is scheduled to open in first half of 2017. Whilst it would generate revenue upon opening, it would incur start-up costs in its initial stage of operations before it ramps up to gain operating leverage. Gleneagles Hong Kong would commence depreciation and expense off its finance costs when its construction is completed.

The construction of Parkway Pantai's joint venture greenfield hospital in Mumbai has stalled as a result of failed negotiations over disagreements with the joint venture partner. After the review of all our options, we have decided to impair the investment.

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' revenue is expected to increase with the ramp up of Acibadem Taksim hospital which was opened during 2015. Acibadem Altunizade Hospital, which will be Acibadem's largest facility in Istanbul when it opens in 2017, will contribute to revenue upon opening. The full 12 months consolidation of Tokuda and City Clinic Group in Bulgaria would also add to Acibadem Holdings' revenue, as it integrates these 2 new acquisitions into the Group.

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

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 meet demand, which would drive revenue growth. While the Group expects 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. 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 and tight cost control.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

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 foreign exchange 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. In view of the current economic environment, we expect to see more currency volatility and cost pressures.

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 2015 to achieve optimal operating leverage and integrating its new acquisitions. The Group would also focus on staff training, equipping and preparing for the opening of Gleneagles Hong Kong and Acibadem Altunizade Hospital in 2017. In addition, the Group constantly reviews its portfolio of investments with a view of rebalancing it to optimise returns.

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

	4th quarter ended		Financial year ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Current tax expense	80,259	24,911	291,972	207,202
Deferred tax expense	(47,704)	3,638	(22,347)	(41,758)
	32,555	28,549	269,625	165,444

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was -41.3% for Q4 2016 due mainly to the non-tax deductible exceptional items (refer to page 2) recognised in Q4 2016, which also resulted in the Group's net loss before tax in Q4 2016.

The Group also recognised a credit of RM25.4 million of investment tax allowances in Q4 2016, which was offset by the recognition of RM21.7 million under provision of prior year tax in Q4 2016.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

B6 STATUS OF CORPORATE PROPOSALS

<u>Proposed divestment of 29.9% of the shares in the capital of PCH to TK Healthcare Investment Limited ("Taikang") through a combination of secondary sale and proposed allotment of shares by PCH to Taikang</u>

(i) On 11 November 2016, PGH entered into a Share Purchase Agreement ("SPA") with Taikang, an indirect wholly-owned subsidiary of Taikang Insurance Group Inc., to divest 20,690,131 shares in the capital of PCH to Taikang for a consideration of RMB291.1 million (equivalent to RM182.8 million) in cash ("Secondary Proceeds") ("Proposed Share Sale"), subject to post-closing adjustments and transactional adjustments to be determined upon the completion of the Proposed Share Sale ; and

(ii) On 11 November 2016, contemporaneously with the entry by PGH and Taikang into the SPA, PCH has entered into a Share Subscription Agreement ("SSA") with Taikang, to allot and issue to Taikang, 57,357,343 new shares in the capital of PCH for a consideration of RMB807.1 million (equivalent to RM506.8 million) in cash, subject to closing adjustments ("Primary Proceeds"), which will be retained with PCH to finance its future expansion activities in China,

(individually, the "Proposed Transaction" and collectively, the "Proposed Transactions").

Upon the completion of the Proposed Transactions, PGH and Taikang will hold 70.1% and 29.9% of the entire issued share capital in PCH respectively. Accordingly, on completion of the Proposed Transactions, PCH will become an indirect 70.1% subsidiary of IHH and the financials of PCH will continue to be consolidated under IHH.

Under the terms of the SPA and the SSA, the completion of each Proposed Transaction shall be conditional upon and contemporaneous with each other, and subject to the satisfaction of certain conditions precedent, including the receipt of the customary regulatory approvals.

There were no other corporate proposals announced but not completed as at 16 February 2017.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

B7 LOANS AND BORROWINGS

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

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Non-current		
Secured		
Bank borrowings	430,224	303,915
Financial lease liabilities	90,356	135,913
Unsecured		
Bank borrowings	6,205,323	5,882,699
Fixed rate notes	126,879	-
	6,852,782	6,322,527
Current		
Secured		
Bank borrowings	65,909	239,424
Bank overdrafts	11,348	5,935
Financial lease liabilities	59,556	75,808
Unsecured		
Bank borrowings	497,503	52,689
Bank overdrafts	-	67
	634,316	373,923
Total	7,487,098	6,696,450

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

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Singapore Dollar	1,266,584	2,025,882
Ringgit Malaysia	40,460	60,672
US Dollar	572,389	558,122
Macedonian Denar	6	9,211
Euro	2,160,786	1,903,550
Swiss Franc	23,653	45,549
Turkish Lira	5,887	21,863
Japanese Yen	1,360,992	1,260,017
Indian Rupees	363,172	318,859
Hong Kong Dollar	1,693,150	492,725
Bulgarian Lev	19	-
	7,487,098	6,696,450

Key exchange rates as at 31 December 2016:

1 SGD	3.1066
1 TL	1.2756
1 USD	4.4641

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

B8 FINANCIAL DERIVATIVE INSTRUMENTS

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

	Notional amount as at 31 Dec 2016 RM'000	**Fair value amount as at 31 Dec 2016 RM'000**
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	146,854	1,040
- Between 1 - 3 years	10,240	350
- More than 3 years	23,737	301
	180,831	1,691
Put option*		
- Between 1 - 3 years	16,551	1,652
	197,382	3,343
Derivative liabilities		
Foreign exchange forward contracts		
- More than 3 years	49,983	(2,677)
Interest rate swaps		
- Within 1 year	487,710	(1,045)
- Between 1 - 3 years	787,510	(5,891)
- More than 3 years	298,299	(2,509)
	1,573,519	(9,445)
Cross currency interest rate swaps		
- More than 3 years	233,574	(13,783)
Call option		
- Within 1 year	32,961	(18,128)
	1,890,037	(44,033)

* Put option is stated at cost as the underlying equity instrument that will be delivered when put option is being exercised does not have a quoted market price in an active market

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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

Call option 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 RM31.0 million) in 2017, pursuant to an option agreement entered with the non-controlling interests. The call option is classified as a derivative liability.

Put option

On disposal of the Group's controlling stake in SIPL, the Group entered into an agreement with the purchaser and is granted a put option to sell all of its remaining shares in SIPL to the purchaser. The put option is exercisable only after 14 April 2019, and at the higher of the prevailing market price or consideration determined pursuant to the agreement. The put option is classified as a derivative asset.

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 16 February 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

The Board of Directors recommends a first and final single tier cash dividend of 3 sen per ordinary share (2015: 3 sen) for the financial year ended 31 December 2016, subject to Shareholders' approval at the forthcoming Annual General Meeting. The book closure and payment date in respect of the proposed dividend will be determined by the Board of Directors at a later date.

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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.

	4th quarter ended		Financial year ended	
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Basic and diluted earnings per share is based on:				
Net profit attributable to ordinary shareholders	(42,511)	415,826	612,353	933,903
Net profit attributable to ordinary shareholders (excluding EI)	222,410	214,636	865,951	899,240
(a) Basic EPS				
	'000	**'000**	**'000**	**'000**
Weighted average number of shares	8,231,676	8,223,309	8,228,688	8,210,002
	Sen	**Sen**	**Sen**	**Sen**
Basic EPS	(0.52)	5.06	7.44	11.38
Basic EPS (excluding EI)	2.70	2.61	10.52	10.95

(b) Diluted earnings per share

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares.

	4th quarter ended		Financial year ended	
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
	'000	**'000**	**'000**	**'000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,231,676	8,223,309	8,228,688	8,210,002
Weighted number of unissued ordinary shares from units under LTIP	4,824	6,421	5,803	8,067
Weighted number of unissued ordinary shares from share options under EPP	-	144	2	5,433
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,236,500	8,229,874	8,234,493	8,223,502
	Sen	**Sen**	**Sen**	**Sen**
Diluted EPS	(0.52)	5.05	7.44	11.36
Diluted EPS (excluding EI)	2.70	2.61	10.52	10.94

At 31 December 2016, 22,306,000 outstanding EOS options (31 December 2015: 8,742,000) 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 Dec 2016 RM'000	**As at 31 Dec 2015 RM'000**
Total retained earnings of the Company and its subsidiaries		
- Realised	3,775,038	3,049,893
- Unrealised	83,692	474,610
	3,858,730	3,524,503
Total share of retained earnings from associates		
- Realised	651	(316)
Total share of retained earnings from joint ventures		
- Realised	61,969	49,165
Less: Consolidation adjustments	(645,122)	(649,483)
Total Group retained earnings	3,276,228	2,923,869

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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:

	4th quarter ended		Financial year ended	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	RM'000	RM'000	RM'000	RM'000
Dividend income	623	723	8,019	7,868
Other operating income	57,215	46,371	202,936	174,717
Foreign exchange differences	10,321	2,127	113	22,934
Impairment loss (made)/written back:				
- Investment in a joint venture	(97,344)	-	(97,344)	-
- Trade and other receivables	(49,020)	(9,928)	(63,827)	(44,593)
- Inventories	(1,773)	-	(1,773)	-
- Amounts due from associates	3	25	593	1,119
- Amounts due from joint ventures	15,278	(228)	15,278	(228)
Write off:				
- Property, plant and equipment	(901)	(2,426)	(1,162)	(3,643)
- Intangibles	934	-	(5,671)	-
- Inventories	(217)	(496)	(737)	(1,429)
- Trade and other receivables	(4,454)	(5,366)	(11,944)	(14,253)
- Other financial assets	(329)	(73)	(329)	(73)
Gain on disposal of property, plant and equipment	(58)	1,219	12,072	1,366
Gain on disposal of subsidiary	-	-	54,801	-
Gain on liquidation of subsidiaries	-	-	-	4,095
Gain on divestment of investment properties	13,141	-	13,141	-
Gain on disposal of unquoted available-for-sale financial instruments	4,149	-	9,173	171
Change in fair value of investment properties	30,193	120,904	30,193	120,904
Liability on corporate guarantee given on a joint venture's loan facility	(35,361)	-	(35,361)	-
Negative goodwill from business combination	20,518	-	20,518	-
Settlement of prior years' value-added tax claim and tax investigations	(53,634)	-	(53,634)	-
Finance costs				
Interest expense on loans and borrowing	(49,629)	(49,317)	(194,606)	(158,310)
Exchange gain/(loss) on net borrowings	(292,284)	121,269	(393,212)	(234,194)
Fair value loss of financial instruments	(27,960)	(146)	(43,255)	(11,538)
Other finance costs	(12,750)	(4,574)	(26,211)	(14,728)
	(382,623)	67,232	(657,284)	(418,770)
Finance income				
Interest income				
- Banks and financial institutions	17,045	21,121	65,504	64,071
- Others	609	134	1,821	457
Exchange gain/(loss) on net borrowings	61,869	(859)	61,869	28,245
Fair value loss of financial instruments	-	882	-	882
	79,523	21,278	129,194	93,655