IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 JUNE 2015

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

		2nd quarter ended			Financial period ended		
	Note	30 Jun 2015 RM'000	30 Jun 2014 RM'000	Variance %	30 Jun 2015 RM'000	30 Jun 2014 RM'000	Variance %
Revenue		2,093,351	1,865,053	12%	4,096,322	3,622,665	13%
Other operating income		44,619	41,191	8%	105,195	87,323	20%
Inventories and consumables		(345,325)	(313,453)	-10%	(677,249)	(599,444)	-13%
Purchased and contracted services		(185,757)	(167,172)	-11%	(365,169)	(325,466)	-12%
Staff costs	1	(779,334)	(706,608)	-10%	(1,585,166)	(1,388,192)	-14%
Depreciation and impairment losses of property, plant and equipment		(147,263)	(137,747)	-7%	(289,643)	(276,868)	-5%
Amortisation and impairment losses of intangible assets		(16,569)	(16,827)	2%	(33,601)	(33,312)	-1%
Operating lease expenses		(51,535)	(49,356)	-4%	(103,468)	(97,111)	-7%
Other operating expenses	2	(224,396)	(186,229)	-20%	(404,412)	(372,747)	-8%
Finance income	3	11,482	18,465	-38%	42,442	33,923	25%
Finance costs	3	(60,203)	(6,875)	NM	(215,711)	(70,892)	NM
Share of profits of associates (net of tax)		373	137	172%	743	279	166%
Share of profits of joint ventures (net of tax)		3,505	2,745	28%	5,602	6,213	-10%
Profit before tax		**342,948**	**343,324**	**0%**	**575,885**	**586,371**	**-2%**
Income tax expense		(75,700)	(82,855)	9%	(127,980)	(136,999)	7%
Profit for the period		**267,248**	**260,469**	**3%**	**447,905**	**449,372**	**0%**
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	4	473,405	(137,239)	NM	530,020	(48,767)	NM
Hedge of net investments in foreign operations	4	117,478	(7,656)	NM	(2,897)	(23,664)	88%
Net change in fair value of available-for-sale financial instruments	5	(58,014)	62,391	-193%	166,760	61,297	172%
Cash flow hedge		1,511	(1,824)	183%	4,238	(3,345)	NM
		534,380	(84,328)	NM	698,121	(14,479)	NM
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of defined benefit liability		-	(10)	100%	-	(713)	100%
Revaluation of property, plant and equipment upon transfer of properties to investment properties	6	-	35,823	-100%	-	35,823	-100%
		-	35,813	-100%	-	35,110	-100%
Total comprehensive income for the period		**801,628**	**211,954**	**NM**	**1,146,026**	**470,003**	**144%**
Profit attributable to:							
Owners of the Company		228,107	209,104	9%	399,589	368,156	9%
Non-controlling interests		39,141	51,365	-24%	48,316	81,216	-41%
Profit for the period		**267,248**	**260,469**	**3%**	**447,905**	**449,372**	**0%**
Total comprehensive income attributable to:							
Owners of the Company		728,173	160,669	NM	1,120,903	411,999	172%
Non-controlling interests		73,455	51,285	43%	25,123	58,004	-57%
Total comprehensive income for the period		**801,628**	**211,954**	**NM**	**1,146,026**	**470,003**	**144%**
Earnings per share (sen)							
Basic	7	2.78	2.56	9%	4.88	4.52	8%
Diluted	7	2.77	2.55	9%	4.86	4.50	8%

NM: Not meaningful

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

SUPPLEMENTARY INFORMATION

		2nd quarter ended			Financial period ended		
		30 Jun 2015 RM'000	30 Jun 2014 RM'000	Variance %	30 Jun 2015 RM'000	30 Jun 2014 RM'000	Variance %
Profit attributable to owners of the Company		**228,107**	**209,104**	**9%**	**399,589**	**368,156**	**9%**
Add back/(less): Exceptional items ("EI")							
Gain on liquidation of subsidiaries[i]		(4,098)	-		(4,098)	-	
Exchange loss/(gain) on net borrowings[ii]	3	21,965	(35,896)		138,389	(7,293)	
		17,867	(35,896)		134,291	(7,293)	
Less: Tax effects on EI		(4,393)	7,180		(27,678)	1,459	
Less: Non-controlling interests' share of EI		(7,028)	11,487		(44,284)	2,334	
		6,446	(17,229)		62,329	(3,500)	
Profit attributable to owners of the Company, excluding EI[iii]		**234,553**	**191,875**	**22%**	**461,918**	**364,656**	**27%**
Earnings per share, excluding EI[iii] (sen)							
Basic	7	2.86	2.35		5.64	4.47	
Diluted	7	2.85	2.34		5.62	4.46	

NM: Not meaningful

Note:

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

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

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

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2014 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

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

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

   On 29 April 2015, the Group granted Long Term Incentive Plan ("LTIP") units to eligible employees of the Group. The 1st tranche of the 2015 LTIP Grant vests immediately on grant date and the remaining 2 tranches vest over a shorter period of 2 years as compared to a longer vesting period of 3 years for previous grants. Staff costs increased by approximately RM7.0 million as a result of higher amortisation of share-based expense.

2. In Q2 2015, Acibadem Holdings recognised provision for doubtful receivables arising from a particular debtor of approximately RM7.0 million and also made provision for a legal case of approximately RM7.0 million.

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

   Exchange loss of RM22.0 million and RM138.4 million was recognised on translation of such non-TL balances in the finance costs in Q2 2015 and YTD 2015 respectively, as compared to a net exchange gain of RM35.9 million and RM7.3 million recognised in the corresponding periods last year.

   Refer to section B14 for details.

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

   In YTD 2015, the Group recorded a net foreign currency translation gain of RM527.1 million as a result of the 4.4% appreciation of Singapore Dollar ("SGD") against the Ringgit Malaysia ("RM"), offset by the 4.9% depreciation of TL against the RM in YTD 2015.

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

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

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

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

	30 June 2015	30 June 2014
1 SGD	2.6961	2.5927
1 TL	1.4230	1.5105

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

	Note	30 Jun 2015 RM'000	31 Dec 2014 RM'000
Assets			
Property, plant and equipment	1	9,901,772	9,148,483
Prepaid lease payments		792,064	746,061
Investment properties	2	2,416,663	2,028,438
Goodwill on consolidation	3	9,539,747	9,154,565
Intangible assets		2,457,298	2,537,802
Interests in associates		4,818	4,239
Interests in joint ventures		197,808	179,175
Other financial assets	4	1,190,871	956,035
Other receivables		39,508	48,235
Derivative assets		32,530	28,213
Deferred tax assets		81,078	68,327
Total non-current assets		**26,654,157**	**24,899,573**
Inventories		192,337	171,718
Trade and other receivables		1,207,372	1,027,535
Tax recoverable		54,890	59,005
Other financial assets	4	442,433	13,581
Derivative assets		192	1,067
Cash and cash equivalents		2,530,274	2,467,827
Total current assets		**4,427,498**	**3,740,733**
Total assets		**31,081,655**	**28,640,306**
Equity			
Share capital		8,219,977	8,178,570
Share premium		8,140,639	8,059,158
Other reserves		1,679,293	963,885
Retained earnings		2,643,694	2,250,132
Total equity attributable to owners of the Company		**20,683,603**	**19,451,745**
Non-controlling interests		1,866,961	1,861,651
Total equity		**22,550,564**	**21,313,396**
Liabilities			
Loans and borrowings	5	5,016,339	3,592,776
Employee benefits		24,957	23,312
Trade and other payables		508,661	408,501
Derivative liabilities		5,245	6,536
Deferred tax liabilities		952,839	938,045
Total non-current liabilities		**6,508,041**	**4,969,170**
Loans and borrowings	5	137,636	676,542
Trade and other payables		1,583,220	1,390,641
Derivative liabilities		54	517
Employee benefits		47,139	43,492
Tax payable		255,001	246,548
Total current liabilities		**2,023,050**	**2,357,740**
Total liabilities		**8,531,091**	**7,326,910**
Total equity and liabilities		**31,081,655**	**28,640,306**
Net assets per share attributable to owners of the Company[1] (RM)		2.52	2.39

[1]: Based on 8,220.0 million and 8,178.6 million shares issued as at 30 June 2015 and 31 December 2014 respectively

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

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

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

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

3. The Group recorded goodwill on acquisition of approximately RM105.4 million arising from the acquisition of Continental. As at 30 June 2015, the Group is in the midst of performing a purchase price allocation ("PPA") for this acquisition, and would adjust the goodwill amount accordingly upon the completion of the PPA. Refer to section A11(f) for details.

4. The increase in other financial assets was mainly due to the fair valuation gain on the Group's available-for-sale financial instruments in Apollo Hospitals Enterprise Limited and placement of RM111.0 million in money market fund. The Group also classified RM316.9 million of fixed deposits with tenure of more than 3 months under other financial assets.

5. The increase in borrowings was due to loans taken to finance working capital, capital expenditure as well as purchase of investment properties. The consolidation of Continental's borrowings also increased the Group's borrowings by RM131.6 million.

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

	30 June 2015	31 Dec 2014
1 SGD	2.8003	2.6831
1 TL	1.4100	1.4830

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	<------ Attributable to owners of the Company ------>												
	<------ Non-distributable ------>									Distributable			
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2015	8,178,570	8,059,158	33,114	348,628	35,871	15,266	(309,306)	28,266	812,046	2,250,132	19,451,745	1,861,651	21,313,396
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	554,112	-	554,112	(24,092)	530,020
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(1,035)	-	(1,035)	(1,862)	(2,897)
Net change in fair value of available-for-sale financial instruments	-	-	-	166,760	-	-	-	-	-	-	166,760	-	166,760
Cash flow hedge	-	-	-	-	-	1,477	-	-	-	-	1,477	2,761	4,238
Total other comprehensive income for the period	-	-	-	166,760	-	1,477	-	-	553,077	-	721,314	(23,193)	698,121
Profit for the period	-	-	-	-	-	-	-	-	-	399,589	399,589	48,316	447,905
Total comprehensive income for the period	-	-	-	166,760	-	1,477	-	-	553,077	399,589	1,120,903	25,123	1,146,026
Contributions by and distributions to owners of the Company													
- Share options exercised	32,250	53,535	-	-	-	-	-	-	-	-	85,785	-	85,785
- Share-based payment	-	-	25,729	-	-	-	-	-	-	-	25,729	-	25,729
	32,250	53,535	25,729	-	-	-	-	-	-	-	111,514	-	111,514
Transfer to share capital and share premium on share options exercised	9,157	27,946	(37,103)	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	58,940	58,940
Changes in ownership interest in subsidiaries	-	-	-	-	-	1	515	-	(5)	-	511	289	800
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	(1,070)	-	(1,070)	149	(921)
Transfer per statutory requirements	-	-	-	-	-	-	-	6,027	-	(6,027)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(79,191)	(79,191)
Total transactions with owners of the Company	41,407	81,481	(11,374)	-	-	1	515	6,027	(1,075)	(6,027)	110,955	(19,813)	91,142
At 30 June 2015	8,219,977	8,140,639	21,740	515,388	35,871	16,744	(308,791)	34,293	1,364,048	2,643,694	20,683,603	1,866,961	22,550,564

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	<------ Attributable to owners of the Company ------>												
	<------ Non-distributable ------>									Distributable			
	Share capital RM'000	**Share premium RM'000**	**Share option reserve RM'000**	**Fair value reserve RM'000**	**Revaluation reserve RM'000**	**Hedge reserve RM'000**	**Capital reserve RM'000**	**Legal reserve RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2014	8,134,974	7,992,299	33,295	216,082	205	16,150	(302,406)	9,020	293,383	1,682,143	18,075,145	1,847,802	19,922,947
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	(43,194)	-	(43,194)	(5,573)	(48,767)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(8,455)	-	(8,455)	(15,209)	(23,664)
Net change in fair value of available-for-sale financial instruments	-	-	-	61,297	-	-	-	-	-	-	61,297	-	61,297
Cash flow hedge	-	-	-	-	-	(1,200)	-	-	-	-	(1,200)	(2,145)	(3,345)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	(428)	(428)	(285)	(713)
Revaluation of property, plant and equipment upon transfer of properties to investment properties	-	-	-	-	35,823	-	-	-	-	-	35,823	-	35,823
Total other comprehensive income for the period	-	-	-	61,297	35,823	(1,200)	-	-	(51,649)	(428)	43,843	(23,212)	20,631
Profit for the period	-	-	-	-	-	-	-	-	-	368,156	368,156	81,216	449,372
Total comprehensive income for the period	-	-	-	61,297	35,823	(1,200)	-	-	(51,649)	367,728	411,999	58,004	470,003
Contributions by and distributions to owners of the Company													
- Share options exercised	32,500	46,445	-	-	-	-	-	-	-	-	78,945	-	78,945
- Share-based payment	-	-	13,404	-	-	-	-	-	-	-	13,404	-	13,404
- Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	(163,500)	(163,500)	-	(163,500)
	32,500	46,445	13,404	-	-	-	-	-	-	(163,500)	(71,151)	-	(71,151)
Transfer to share capital and share premium on share options exercised	8,144	13,937	(22,081)	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	1	(6,933)	-	190	-	(6,742)	(24,331)	(31,073)
Transfer per statutory requirements	-	-	-	-	-	-	-	5,373	-	(5,373)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(71,046)	(71,046)
Total transactions with owners of the Company	40,644	60,382	(8,677)	-	-	1	(6,933)	5,373	190	(168,873)	(77,893)	(95,377)	(173,270)
At 30 June 2014	8,175,618	8,052,681	24,618	277,379	36,028	14,951	(309,339)	14,393	241,924	1,880,998	18,409,251	1,810,429	20,219,680

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

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

	Financial period ended	
	30 Jun 2015	**30 Jun 2014**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	575,885	586,371
Adjustments for:		
Dividend income	(1,341)	-
Finance income	(42,442)	(33,923)
Finance costs	215,711	70,892
Depreciation and impairment losses of property, plant and equipment	289,643	276,868
Amortisation and impairment losses of intangible assets	33,601	33,312
Impairment loss made/(written back):		
- Trade and other receivables	19,986	13,727
- Amounts due from associates	(1,068)	(1,027)
Write-off:		
- Property, plant and equipment	727	195
- Inventories	372	280
- Trade and other receivables	7,030	1,705
Losses/(gain) on disposal of property, plant and equipment	195	(2,334)
Gain on liquidation of subsidiaries	(4,098)	-
Gain on disposal of unquoted available-for-sale financial instruments	(21)	-
Share of profits of associates (net of tax)	(743)	(279)
Share of profits of joint ventures (net of tax)	(5,602)	(6,213)
Equity-settled share-based payment	25,729	13,404
Net unrealised foreign exchange differences	(1,607)	(171)
Operating profit before changes in working capital	**1,111,957**	**952,807**
Changes in working capital		
Trade and other receivables	(288,808)	(220,328)
Inventories	(27,111)	(7,502)
Trade and other payables	304,384	74,455
Cash flows from operations	**1,100,422**	**799,432**
Net income tax paid	(131,072)	(57,859)
Net cash generated from operating activities	**969,350**	**741,573**
Cash flows from investing activities		
Interest received	26,749	24,387
Acquisition of subsidiary, net of cash and cash equivalents acquired	(75,874)	-
Development and purchase of intangible assets	(8,158)	(5,968)
Purchase of property, plant and equipment	(632,471)	(358,989)
Purchase of investment properties	(298,814)	(106,626)
Purchase of unquoted available-for-sale financial instruments	(170,000)	-
Proceeds from disposal of property, plant and equipment	11,622	25,252
Proceeds from disposal of intangible assets	112	1,025
Proceeds from disposal of unquoted available-for-sale financial insrtuments	59,853	-
Placement of fixed deposits with duration more than 3 months	(316,902)	-
Net repayment from associates	1,432	1,040
Net repayment from joint ventures	-	9,491
Dividends received from quoted available-for-sale financial instruments	1,341	-
Dividends received from joint ventures	1,293	1,055
Refund of deposits paid to non-controlling shareholders of subsidiaries	-	25,591
Net cash used in investing activities	**(1,399,817)**	**(383,742)**

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

	Financial period ended	
	30 Jun 2015	**30 Jun 2014**
	RM'000	**RM'000**
Cash flows from financing activities		
Interest paid	(78,970)	(70,221)
Proceeds from exercise of share options	85,785	78,945
Proceeds from loans and borrowings	2,859,648	325,103
Repayment of loans and borrowings	(2,375,526)	(431,874)
Loan from non-controlling interests of a subsidiary	44,662	8,027
Dividends paid to non-controlling interests	(79,191)	(71,046)
Acquisition of non-controlling interests	(117)	(32,151)
Change in pledged deposits	(12,485)	874
Net cash from/(used in) financing activities	**443,806**	**(192,343)**
Net increase in cash and cash equivalents	**13,339**	**165,488**
Effect of exchange rate fluctuations on cash and cash equivalents held	34,278	1,571
Cash and cash equivalents at beginning of the period	2,460,128	2,135,609
Cash and cash equivalents at end of the period	**2,507,745**	**2,302,668**

Cash and cash equivalents

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

	30 Jun 2015	**30 Jun 2014**
	RM'000	**RM'000**
Cash and bank balances	972,385	760,738
Fixed deposits placed with licensed banks	1,557,889	1,550,274
	2,530,274	2,311,012
Less:		
- Bank overdrafts	(2,345)	-
- Deposits pledged	(15,425)	(3,390)
- Cash collateral received	(4,759)	(4,954)
Cash and cash equivalents at end of the period	**2,507,745**	**2,302,668**

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

A1 BASIS OF PREPARATION

a) Basis of accounting

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

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

b) Significant accounting policies

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

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A3 SEASONALITY OF OPERATIONS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 June 2015.

A5 CHANGE IN ACCOUNTING ESTIMATES

There were no changes in the estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial year.

In preparing the unaudited condensed consolidated interim financial report, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimating uncertainty were consistent with those applied to 2014 Audited Financial Statements.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

A6 DEBT AND EQUITY SECURITIES

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

i) 32,250,002 new ordinary shares of RM1.00 each pursuant to the exercise of vested Equity Participation Plan ("EPP") options; and

ii) 9,157,143 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIP units.

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

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

Except as disclosed above, there were no other issuance of shares, share buy-backs, and repayments of debt and equity securities by the Company during the financial period ended 30 June 2015.

As at 30 June 2015, the issued and paid-up share capital of the Company amounted to RM8,219,977,034 comprising 8,219,977,034 ordinary shares of RM1.00 each.

A7 DIVIDENDS PAID

There were no dividends paid during the period ended 30 June 2015.

A8 SEGMENT REPORTING

There had been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2014 Audited Financial Statements.

Management monitors the operating results of each business unit for the purpose of making decisions on resources allocation and performance assessment. Performance is measured based on segment earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA").

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

A8 SEGMENT REPORTING

Financial period ended 30 June 2015

	Parkway Pantai	Acibadem Holdings	IMU Health	PLife REIT	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and expenses							
Revenue from external customers	2,478,644	1,453,038	115,037	48,262	1,341	-	4,096,322
Inter-segment revenue	48,515	-	1,439	86,851	106,831	(243,636)	-
Total segment revenue	2,527,159	1,453,038	116,476	135,113	108,172	(243,636)	4,096,322
EBITDA	678,186	277,564	42,799	110,620	84,020	(142,421)	1,050,768
Depreciation and impairment loss of property, plant and equipment	(150,495)	(117,145)	(5,958)	(15,801)	(244)	-	(289,643)
Amortisation and impairment loss of intangible assets	(16,483)	(16,896)	(222)	-	-	-	(33,601)
Net foreign exchange gain	4,525	149	404	5,680	429	-	11,187
Finance income	24,736	4,974	3,850	25	8,857	-	42,442
Finance costs	(10,357)	(192,717)	(154)	(12,475)	(8)	-	(215,711)
Share of profits of associates (net of tax)	743	-	-	-	-	-	743
Share of profits of joint ventures (net of tax)	5,602	-	-	-	-	-	5,602
Others	4,098	-	-	-	-	-	4,098
Profit/(loss) before tax	540,555	(44,071)	40,719	88,049	93,054	(142,421)	575,885
Income tax expense	(112,486)	6,184	(10,933)	(6,892)	(3,853)	-	(127,980)
Net profit/(loss) for period	428,069	(37,887)	29,786	81,157	89,201	(142,421)	447,905
Assets and liabilities							
Cash and cash equivalents	1,151,266	811,145	94,379	66,776	406,708	-	2,530,274
Other assets	17,555,832	5,230,814	387,584	3,879,949	1,526,078	(28,876)	28,551,381
Segment assets as at 30 June 2015	18,707,098	6,041,959	481,963	3,946,725	1,932,786	(28,876)	31,081,655
Loans and borrowings	712,481	2,879,660	385	1,561,449	-	-	5,153,975
Other liabilities	2,176,699	799,624	122,379	292,364	14,926	(28,876)	3,377,116
Segment liabilities as at 30 June 2015	2,889,180	3,679,284	122,764	1,853,813	14,926	(28,876)	8,531,091

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

Financial period ended 30 June 2014

	Parkway Pantai RM'000	Acibadem Holdings RM'000	IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses							
Revenue from external customers	2,151,371	1,315,774	107,939	47,581	-	-	3,622,665
Inter-segment revenue	43,649	-	1,397	81,754	28	(126,828)	-
Total segment revenue	2,195,020	1,315,774	109,336	129,335	28	(126,828)	3,622,665
EBITDA	587,084	240,140	44,939	105,026	(19,685)	(31,642)	925,862
Depreciation and impairment losses of property, plant and equipment	(140,386)	(114,729)	(6,280)	(15,308)	(165)	-	(276,868)
Amortisation and impairment loss of intangible assets	(16,252)	(16,896)	(164)	-	-	-	(33,312)
Net foreign exchange (loss)/gain	(1,707)	259	2	2,720	(108)	-	1,166
Finance income	5,757	14,481	2,538	7	11,140	-	33,923
Finance costs	(10,039)	(46,213)	(97)	(14,535)	(8)	-	(70,892)
Share of losses of associates (net of tax)	279	-	-	-	-	-	279
Share of profits of joint ventures (net of tax)	6,213	-	-	-	-	-	6,213
Profit/(loss) before tax	430,949	77,042	40,938	77,910	(8,826)	(31,642)	586,371
Income tax expense	(101,359)	(16,963)	(11,275)	(5,998)	(1,404)	-	(136,999)
Net profit/(loss) for period	329,590	60,079	29,663	71,912	(10,230)	(31,642)	449,372
Assets and liabilities							
Cash and cash equivalents	897,254	234,635	147,918	91,982	939,223	-	2,311,012
Other assets	15,343,626	5,340,462	397,039	3,567,984	823,713	(25,586)	25,447,238
Segment assets as at 30 June 2014	16,240,880	5,575,097	544,957	3,659,966	1,762,936	(25,586)	27,758,250
Loans and borrowings	871,824	2,029,101	1,084	1,438,192	-	-	4,340,201
Other liabilities	1,744,418	893,787	127,978	276,983	180,789	(25,586)	3,198,369
Segment liabilities as at 30 June 2014	2,616,242	2,922,888	129,062	1,715,175	180,789	(25,586)	7,538,570

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

A9 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group does not adopt a revaluation policy on its property, plant and equipment.

A10 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties transactions have been entered into in the normal course of business under negotiated terms. Other than the remuneration paid to the Key Management Personnel, the significant related party transactions of the Group are as follows:

	Financial period ended	
	30 Jun 2015	**30 Jun 2014**
	RM'000	**RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	125,752	110,496
- Purchase and consumption of services	(30,105)	(31,003)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	6,983	20,786
- Purchase and consumption of services	(29,254)	(20,506)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

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

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

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

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

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

A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

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

The provisional effect of the acquisition is as follows:

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

The consolidation of Continental is regarded as a business combination in accordance to MFRS 3: Business Combinations. As at 30 June 2015, the fair value of the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquisition and the resulting goodwill is provisional pending completion of the PPA exercise.

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

Prior to the share swap, the Bodrum Medical Centres were wholly-owned subsidiaries of BTH, which in turn was a 60%-owned subsidiary of POL. As a result of the share swap, BTH became a direct wholly-owned subsidiary of POL whilst Bodrum Medical Centres became 60%-owned subsidiaries of BTH. The share swap was undertaken to streamline the Acibadem group structure and management.

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

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

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

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

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

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

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

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

(p) ASH shares have ceased to be traded on the Istanbul Stock Exchange ("ISE") after the second session of 4 October 2012. Following this, the delisting process has been successfully completed. Any shareholders that were unable to redeem their shares during Mandatory Take Over and Voluntary Take Over have the right to sell their shares for a three-year period from 26 July 2012, being the date ISE granted its approval of ASH's delisting. As at 30 June 2015, Acıbadem Sağlık Yatirimlari Holding A.Ş. ("ASYH")'s equity interest in ASH is 99.38%, following the tender of shares.

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

A12 SUBSEQUENT EVENTS

(a) On 1 July 2015, the Company granted a total of 8,822,000 options to eligible employees of the Group under the Enterprise Option Scheme. Out of the total 8,822,000 options granted, 4,121,000 options were granted to the executive directors of the Company, pursuant to the shareholders' approval obtained at the Company's Extraordinary General Meeting ("EGM") held on 15 June 2015.

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

(c) On 14 July 2015, ASH established a wholly-owned subsidiary named Acibadem Teknoloji A.S. ("Acibadem Teknoloji") in Turkey. Acibadem Teknoloji has an initial paid-up capital of TL100,000 and its intended principal activity is to conduct research, develop and commercially market healthcare related software,

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2015

operating and information systems, web-based applications and other technology solutions to national and international clientele.

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

(e) Between 1 July 2015 to 19 August 2015, the Company issued:
  (i) 1,000,000 new ordinary shares of RM1.00 each pursuant to the exercise of vested EPP options; and
  (ii) 2,262,000 new ordinary shares of RM1.00 each pursuant to the surrender of vested LTIP units.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A14 CAPITAL COMMITMENTS

	30 Jun 2015 RM'000	31 Dec 2014 RM'000
Capital expenditure commitments not provided for in the interim financial		
Property, plant and equipment and investment properties		
- Authorised and contracted for	2,040,351	2,478,972
- Authorised but not contracted for	1,575,254	1,246,703
	3,615,605	3,725,675

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 30 Jun 2015				
Assets				
Investment properties	-	-	2,416,663	2,416,663
Quoted available-for-sale financial instruments	1,172,630	-	-	1,172,630
Unquoted available-for-sale financial instruments	-	110,963	-	110,963
Derivative assets	-	32,722	-	32,722
Liabilities				
Derivative liabilities	-	(5,299)	-	(5,299)
As at 31 December 2014				
Assets				
Investment properties	-	-	2,028,438	2,028,438
Quoted available-for-sale financial instruments	938,167	-	-	938,167
Derivative assets	-	29,280	-	29,280
Liabilities				
Derivative liabilities	-	(7,053)	-	(7,053)

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

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

	2nd quarter ended			Financial period ended		
	30 Jun 2015 RM'000	30 Jun 2014 RM'000	Variance %	30 Jun 2015 RM'000	30 Jun 2014 RM'000	Variance %
REVENUE[1]						
Parkway Pantai:						
- Singapore	792,123	684,567	16%	1,544,399	1,341,988	15%
- Malaysia	375,138	336,028	12%	722,186	644,218	12%
- North Asia	72,201	55,085	31%	129,047	104,022	24%
- India	15,368	-	-	15,368	-	-
- PPL Others*	37,197	31,439	18%	67,644	61,143	11%
Parkway Pantai	**1,292,027**	**1,107,119**	**17%**	**2,478,644**	**2,151,371**	**15%**
Acibadem Holdings	**716,483**	**675,612**	**6%**	**1,453,038**	**1,315,774**	**10%**
IMU Health	**57,958**	**57,648**	**1%**	**115,037**	**107,939**	**7%**
Others^	**1,341**	**-**	**-**	**1,341**	**-**	**-**
Group (Excluding PLife REIT)	**2,067,809**	**1,840,379**	**12%**	**4,048,060**	**3,575,084**	**13%**
PLife REIT total revenue	69,397	65,454	6%	135,113	129,335	4%
Less: PLife REIT inter-segment revenue	(43,855)	(40,780)	-8%	(86,851)	(81,754)	-6%
PLife REIT	**25,542**	**24,674**	**4%**	**48,262**	**47,581**	**1%**
Group	**2,093,351**	**1,865,053**	**12%**	**4,096,322**	**3,622,665**	**13%**
EBITDA[2]						
Parkway Pantai[3]:						
- Singapore	189,310	157,244	20%	355,594	297,217	20%
- Malaysia	122,785	107,650	14%	228,725	199,384	15%
- North Asia	18,087	17,276	5%	29,121	30,922	-6%
- India	(2,190)	-	-	(2,199)	(44)	NM
- PPL Others*	17,553	14,662	20%	31,355	27,991	12%
Parkway Pantai	**345,545**	**296,832**	**16%**	**642,596**	**555,470**	**16%**
Acibadem Holdings	**130,026**	**123,504**	**5%**	**277,564**	**240,140**	**16%**
IMU Health	**19,697**	**23,793**	**-17%**	**42,799**	**44,939**	**-5%**
Others^	**(6,822)**	**(9,268)**	**26%**	**(22,811)**	**(19,713)**	**-16%**
Group (Excluding PLife REIT)	**488,446**	**434,861**	**12%**	**940,148**	**820,836**	**15%**
PLife REIT[4]	**57,028**	**53,174**	**7%**	**110,620**	**105,026**	**5%**
Group	**545,474**	**488,035**	**12%**	**1,050,768**	**925,862**	**13%**

[1]: *Relates to external revenue only*
It excludes PLife REIT's rental income earned from Parkway Pantai
Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT
[2]: *Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group*
[3]: *Includes rental expense incurred for lease of hospitals from PLife REIT*
[4]: *Includes rental income earned from lease of hospitals to Parkway Pantai*
* *PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai*
^: *Others comprise mainly IHH Group's corporate office as well as other investment holding entities*

Q2 2015 vs Q2 2014

The Group achieved 12% growth for both revenue and EBITDA in Q2 2015 over the same period last year. The increase in Q2 2015 revenue was attributed to organic growth of existing operations and the commencement of operations of Acibadem Atakent Hospital (opened in January 2014), Pantai Hospital Manjung (opened in May 2014) and Gleneagles Kota Kinabalu (opened in May 2015).

As a result of its robust EBITDA growth, the Group's Q2 2015 PATMI excluding exceptional items increased 22% to RM234.6 million over the same period last year. The Group's Q2 2015 PATMI increased 9% to RM228.1 million.

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

Parkway Pantai

Parkway Pantai's revenue grew 17% to RM1,292.0 million in Q2 2015 whilst its EBITDA grew 16% to RM345.5 million in Q2 2015. Parkway Pantai's strong performance was the result of the continuous ramp up of its Mount Elizabeth Novena Hospital in Singapore as well as from its other hospitals and healthcare businesses. Mount Elizabeth Novena Hospital's revenue increased by 35% in Q2 2015 to RM109.8 million as compared to Q2 2014, and it achieved 77% growth in EBITDA to RM32.1 million in Q2 2015 as a result of operating leverage. Parkway Pantai's Q2 2015 EBITDA was eroded by the recognition of the incremental RM6.2 million share-base expense resulting from the shorter vesting period of the April 2015 LTIP grant.

Parkway Pantai's Singapore hospitals saw an overall 5.5% increase in inpatient admissions to 17,401 inpatient admissions in Q2 2015. The increase was mainly driven by local patients as well as foreign patients from the Middle East. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals decreased 0.5% to 47,235 inpatient admissions in Q2 2015 on the back of a general slowdown in consumption following the implementation of GST in Malaysia in April 2015. The healthy revenue growth at Parkway Pantai was also driven by higher revenue intensities that resulted from more complex cases undertaken by the hospitals and price increases to compensate for cost inflation. Q2 2015 revenue per inpatient admission increased 4.9% to RM24,529 in Singapore and increased 14.9% to RM5,629 in Malaysia compared to Q2 2014.

Despite the increase in nurses' salaries and benefits since Q4 2014, Parkway Pantai's EBITDA from operations grew on the back of higher revenues and operating leverage from the higher patient volumes. EBITDA growth was also driven by the significant improvement in Mount Elizabeth Novena Hospital's EBITDA as the hospital ramps up its revenue and optimises its resources with the increasing patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM1.0 million and RM3.3 million EBITDA start-up losses incurred by Pantai Hospital Manjung and Gleneagles Kota Kinabalu respectively in Q2 2015, as well as RM2.7 million pre-operating cost of Gleneagles Hospital Hong Kong.

Parkway Pantai started consolidating the results of Continental in Q2 2015, upon the completion of the acquisition in March 2015. Continental contributed RM13.6 million of revenue and RM0.3 million of EBITDA to the Group in Q2 2015. The EBITDA loss in the India sub-segment is mainly attributed to the costs of Parkway Pantai's India corporate team, which was previously classified under PPL Others.

Acibadem Holdings

Acibadem Holdings' revenue grew 6% to RM716.5 million in Q2 2015 whilst its EBITDA grew 5% to RM130.0 million in Q2 2015. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' Q2 2015 revenues and EBITDA both increased 18% over last year. The strong growth is attributed to existing hospital operations as well as to the 18-month old Acibadem Atakent Hospital, which contributed an EBITDA of RM4.6 million in Q2 2015 compared to EBITDA start-up losses of RM2.8 million in Q2 2014. Acibadem Holdings' Q2 2015 EBITDA was partially eroded by a provision made for doubtful receivables arising from a particular debtor of approximately RM7.0 million and a provision made for a legal case of approximately RM7.0 million.

Acibadem Holdings' inpatient admissions reduced by 1.1% to 32,636 in Q2 2015 due to seasonality as Ramadan started in mid June 2015 whilst it started in end June last year. Acibadem Holdings' average inpatient revenue per inpatient admission increased by 24.3% to RM10,420 in Q2 2015 as a result of price increases to compensate for cost inflation and case mix where more complex cases were undertaken.

IMU Health

IMU Health's revenue grew 1% to RM58.0 million in Q2 2015 whilst its EBITDA decreased 17% to RM19.7 million in Q2 2015.

IMU Health's revenue growth was driven by higher student intake, while its EBITDA decreased due to higher expenses incurred in Q2 2015 to cope with the increase in student intake as well as higher marketing and promotional expenses. Staff costs also increased as IMU Health increased its headcount pursuant to its increased student enrolment in order to maintain the ideal staff-to-student ratio.

PLife REIT

PLife REIT's external revenue increased by 4% to RM25.5 million in Q2 2015 whilst its EBITDA grew 7% to RM57.0 million in Q2 2015.

Despite the translation effects of the weakening Japanese Yen, PLife REIT's external revenue increased with the contribution from the nursing homes acquired during 2014 and 2015.

EBITDA grew 7% with higher rental income from its properties in Singapore which were rented to Parkway Pantai.

Others

The Company recognised RM1.3 million dividend income from placement of funds in money market fund in 2015. EBITDA losses decreased 26% in Q2 2015 as a result of the dividend income earned and lower staff costs.

<u>YTD 2015 vs YTD 2014</u>

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

As a result of its robust EBITDA growth, the Group's YTD 2015 PATMI excluding exceptional items increased 27% to RM461.9 million over the same period last year. The Group's YTD 2015 PATMI increased 9% to RM399.6 million.

Parkway Pantai

Parkway Pantai's revenue grew 15% to RM2,478.6 million in YTD 2015 whilst its EBITDA grew 16% to RM642.6 million in YTD 2015. Parkway Pantai's strong performance was the result of the continuous ramp up of its Mount Elizabeth Novena Hospital in Singapore as well as from its other hospitals and healthcare businesses. Mount Elizabeth Novena Hospital's revenue increased by 35% in YTD 2015 to RM214.8 million as compared to YTD 2014, and it achieved 75% growth in EBITDA to RM63.7 million in YTD 2015 as a result of operating leverage. Parkway Pantai's YTD 2015 EBITDA was eroded by the recognition of the incremental RM6.2 million share-base expense resulting from the shorter vesting period of the April 2015 LTIP grant.

Parkway Pantai's Singapore hospitals saw an overall 6.3% increase in inpatient admissions to 33,723 inpatient admissions in YTD 2015. The increase was attributed to local patients as well as foreign patients from the Middle East. Meanwhile, inpatient admissions at Parkway Pantai's Malaysia hospitals decreased 0.1% to 91,975 inpatient admissions in YTD 2015 on the back of a general slowdown in consumption following the implementation of GST in Malaysia in April 2015. The healthy revenue growth at Parkway Pantai was also driven by higher revenue intensities that resulted from more complex cases undertaken by the hospitals and price increases to compensate for cost inflation. YTD 2015 revenue per inpatient admission increased 3.5% to RM24,975 in Singapore and increased 14.3% to RM5,524 in Malaysia.

Despite increasing cost pressures, EBITDA of Parkway Pantai's operations grew on the back of higher revenues and operating leverage from the higher patient volumes. Parkway Pantai's EBITDA growth was also driven by the significant improvements in Mount Elizabeth Novena Hospital's EBITDA as the hospital ramps up its revenue and optimizes its resources with the increasing patient volumes. Parkway Pantai achieved strong EBITDA growth despite the RM1.7 million and RM5.0 million EBITDA start-up losses incurred by Pantai Hospital Manjung and Gleneagles Kota Kinabalu in YTD 2015 respectively, as well as RM5.1 million pre-operating cost of Gleneagles Hospital Hong Kong.

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

Parkway Pantai started consolidating the results of Continental, upon the completion of the acquisition in March 2015. Continental contributed RM13.6 million of revenue and RM0.3 million of EBITDA to the Group in YTD 2015. The EBITDA loss in the India sub-segment is mainly attributed to the costs of Parkway Pantai's India corporate team, which was previously classified under PPL Others.

Acibadem Holdings

Acibadem Holdings' revenue grew by 10% to RM1,453.0 million in YTD 2015 whilst its EBITDA increased 16% to RM277.6 million. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' YTD 2015 revenues increased by 17% and its EBITDA increased by 23%. The strong growth is attributed to existing hospital operations as well as to the 18-months old Acibadem Atakent Hospital, which contributed an EBITDA of RM3.8 million in YTD 2015 compared to an start-up EBITDA loss of RM12.7 million in YTD 2014. Acibadem Holdings' YTD 2015 EBITDA was partially eroded by a provision made for doubtful receivables arising from a particular debtor of approximately RM7.0 million and a provision made for a legal case of approximately RM7.0 million.

Revenue growth against last year was driven by strong performance at its existing hospitals as well as revenue contribution from the ramp up of Acibadem Atakent Hospital. Acibadem Holdings' inpatient admissions grew 0.8% to 66,252 in YTD 2015, which resulted in greater operating leverage. Acibadem Holdings' average inpatient revenue per inpatient admission grew 17.1% to RM9,982 in YTD 2015.

IMU Health

IMU Health's revenue grew 7% to RM115.0 million in YTD 2015 whilst its EBITDA decreased by 5% to RM42.8 million in YTD 2015.

IMU Health's revenue growth was driven by higher student intake, while its EBIDA decreased due to higher expenses incurred in YTD 2015 to cope with the increase in student intake as well as higher marketing and promotional expenses. Staff costs also increased as IMU Health increased its headcount pursuant to its increased student enrolment in order to maintain the ideal staff-to-student ratio.

PLife REIT

PLife REIT's external revenue grew 1% to RM48.3 million in YTD 2015 whilst its EBITDA grew 5% to RM110.6 million in YTD 2015.

Despite the translation effects of the weakening Japanese Yen, PLife REIT's external revenue increased with the contribution from the nursing homes acquired during 2014 and 2015.

EBITDA grew 5% with higher rental income from its properties in Singapore which were rented to Parkway Pantai.

Others

The Company recognised RM1.3 million dividend income from placement of funds in money market fund in 2015. The higher EBITDA loss in YTD 2015 was due to a one-off share-base expense recognised with regards to the acceleration and vesting of LTIPs of an employee, offset by the above RM1.3 million dividend income.

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

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	2nd quarter ended 30 Jun 2015 RM'000	1st quarter ended 31 Mar 2015 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	792,123	752,276	5%
- Malaysia	375,138	347,048	8%
- North Asia	72,201	56,846	27%
- India	15,368	-	-
- PPL Others*	37,197	30,447	22%
Parkway Pantai	**1,292,027**	**1,186,617**	**9%**
Acibadem Holdings	**716,483**	**736,555**	**-3%**
IMU Health	**57,958**	**57,079**	**2%**
Others^	**1,341**	**-**	**-**
Group (Excluding PLife REIT)	**2,067,809**	**1,980,251**	**4%**
PLife REIT total revenue	69,397	65,716	6%
Less: PLife REIT inter-segment revenue	(43,855)	(42,996)	-2%
PLife REIT	**25,542**	**22,720**	**12%**
Group	**2,093,351**	**2,002,971**	**5%**
EBITDA[2]			
Parkway Pantai[3]:			
- Singapore	189,310	166,284	14%
- Malaysia	122,785	105,940	16%
- North Asia	18,087	11,034	64%
- India	(2,190)	(9)	NM
- PPL Others*	17,553	13,802	27%
Parkway Pantai	**345,545**	**297,051**	**16%**
Acibadem Holdings	**130,026**	**147,538**	**-12%**
IMU Health	**19,697**	**23,102**	**-15%**
Others^	**(6,822)**	**(15,989)**	**57%**
Group (Excluding PLife REIT)	**488,446**	**451,702**	**8%**
PLife REIT[4]	**57,028**	**53,592**	**6%**
Group	**545,474**	**505,294**	**8%**

[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*

Q2 2015 vs Q1 2015

The Group's revenue and EBITDA increased 5% and 8% respectively quarter-on-quarter, on the back of a seasonally stronger quarter in Q2.

The Group's Q2 2015 PATMI excluding exceptional items increased 3% quarter-on-quarter.

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

Parkway Pantai

Parkway Pantai's 9% quarter-on-quarter revenue growth was driven by stronger inpatient admissions and partially offset by lower revenue per inpatient admissions in Singapore. The Singapore operations' quarter-on-quarter inpatient admissions increased 6.6% but revenue per inpatient admission declined 3.6% as a result of fewer complex cases undertaken in this quarter. The Malaysian operations' quarter-on-quarter inpatient admissions increased 5.6% from a seasonally low base during the Chinese New Year period in Q1 2015 and its revenue per inpatient admission grew 4.0%. Parkway Pantai also started consolidating the results of Continental, upon the completion of the acquisition in March 2015. Continental contributed RM13.6 million of revenue and RM0.3 million of EBITDA to the Group in Q2 2015.

Parkway Pantai's EBITDA increased 16% quarter-on-quarter despite Q2 2015 EBITDA being eroded by the recognition of the incremental RM6.2 million share-base expense resulting from the shorter vesting period of the April 2015 LTIP grant.

Acibadem Holdings

Acibadem Holdings' revenue and EBITDA decreased 3% and 12% respectively quarter-on-quarter. Excluding the effects of the depreciation of the TL on translation of Acibadem Holdings' results, Acibadem Holdings' revenues increased 4% on the back of 9.1% increase in revenue per inpatient admission. Inpatient admissions decreased 2.9% quarter-on-quarter due to Ramandan, which started in mid June 2015.

Excluding the effects of the depreciation of the TL, Acibadem Holdings' EBITDA decreased by 6% as it recognised a provision made for doubtful receivables arising from a particular debtor of approximately RM7.0 million and a provision made for a legal case of approximately RM7.0 million.

IMU Health

IMU Health's revenue increased 2% whilst EBITDA decreased 15% quarter-on-quarter. IMU Health incurred higher expenses in Q2 2015 when it recognised expenses incurred for student recruitment and promotional activities which took place this quarter.

PLife REIT

PLife REIT's external revenue increased by 12% whilst its EBITDA grew by 6% quarter-on-quarter from the contribution of the 5 nursing homes acquired in end March 2015.

Others

In the current quarter, the Company recognised RM1.3 million dividend income from the placement of funds in money market fund.

EBITDA loss of the Others segment decreased 57% quarter-on-quarter as a result of the above-mentioned dividend income in Q2 2015 and one-off share-base expense with regards to the acceleration and vesting of LTIPs of an employee in Q1 2015.

B3 CURRENT FINANCIAL YEAR PROSPECTS

Parkway Pantai

Parkway Pantai expects revenue to increase, driven by demand for private healthcare services and revenue intensity in its home markets. Parkway Pantai is expected to face headwinds from increasing competition with the opening of new private and public hospitals in its home markets and the region.

The expansion project at Gleneagles Hospital Kuala Lumpur is expected to complete during the year. The

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

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

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

Gleneagles Medini Hospital is expected to market its medical suites when all necessary approvals are obtained from the authorities.

Acibadem Holdings

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

Acibadem Bodrum Hospital and Acibadem Atakent Hospital will continue to ramp up its operations. The cancer care centre at Acibadem Bodrum Hospital as well as the expansion of Acibadem Sistina Skopje Hospital are both expected to complete and become operational in the second half of 2015. Acibadem Taksim Hospital, a brownfield hospital project, is expected to complete in 2015. Zekeriyakoy Medical Centre, which is located close to Acibadem Maslak Hospital, commenced operations in April 2015 and would contribute to Acibadem Holdings' revenues by acting as a referral centre to Acibadem Maslak Hospital. Other ongoing projects in Turkey are progressing well.

Overall IHH Group Prospects

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

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

Given the Group's geographical footprints across Asia as well as the Central and Eastern Europe, Middle East and North Africa ("CEEMENA"), the Group is susceptible to currency volatility in the countries that it operates, which would result in translation differences in the Group's balance sheet and income statement. In addition, significant currency volatility against the Ringgit Malaysia may affect the comparability of the Group's financial performance across periods.

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

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

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

B5 TAXATION

	2nd quarter ended		Financial period ended	
	30 Jun 2015 RM'000	**30 Jun 2014 RM'000**	**30 Jun 2015 RM'000**	**30 Jun 2014 RM'000**
Current tax expense	74,018	79,264	130,050	121,607
Deferred tax expense	1,682	3,591	(2,070)	15,392
	75,700	82,855	127,980	136,999

The Group's effective tax rate, after adjusting for the share of profits of associates and joint ventures, was 22.3% for Q2 2015. It is lower than the Malaysian statutory tax rate mainly due to the effects of lower tax rate in certain countries that the Group operates.

B6 STATUS OF CORPORATE PROPOSALS

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

On 15 June 2015, the shareholders had at the Company's EGM approved the EOS. The effective date of the Scheme is 22 June 2015.

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

On 15 June 2015, the shareholders had at the Company's Fifth AGM approved the Share Buy-Back Authority.

There were no other corporate proposals announced but not completed as at 19 August 2015.

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

B7 LOANS AND BORROWINGS

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

	30 Jun 2015 RM'000	31 Dec 2014 RM'000
Non-current		
Secured		
Bank borrowings	2,195,402	1,102,616
Financial lease liabilities	126,988	110,648
Unsecured		
Bank borrowings	2,693,949	2,379,512
	5,016,339	3,592,776
Current		
Secured		
Bank borrowings	47,640	167,734
Financial lease liabilities	65,948	53,196
Bank overdrafts	2,344	-
Unsecured		
Bank borrowings	21,704	455,612
	137,636	676,542
Total	5,153,975	4,269,318

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

	30 Jun 2015 RM'000	31 Dec 2014 RM'000
Singapore Dollar	1,333,884	1,436,624
Ringgit Malaysia	65,473	76,085
US Dollar	497,855	1,095,907
Macedonian Denar	7,751	5,776
Euro	1,677,393	195,084
Swiss Franc	52,397	53,585
Turkish Lira	22,842	246,390
Japanese Yen	1,101,017	1,101,510
Hong Kong Dollar	263,789	58,357
Indian Rupees	131,574	-
	5,153,975	4,269,318

Key exchange rates as at 30 June 2015:

1 SGD	= RM2.8003
1 TL	= RM1.4100
1 USD	= RM3.7603

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

B8 FINANCIAL DERIVATIVE INSTRUMENTS

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

	Notional amount as at 30 Jun 2015 RM'000	Fair value amount as at 30 Jun 2015 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	619	192
- Between 1 - 3 years	33,243	9,311
- More than 3 years	103,128	7,613
	136,990	17,116
Cross currency interest rate swaps		
- More than 3 years	210,552	15,606
	210,552	15,606
	347,542	32,722
Derivative liabilities		
Interest rate swaps		
- Within 1 year	210,580	(54)
- Between 1 - 3 years	938,208	(3,002)
- More than 3 years	600,602	(2,243)
	1,749,390	(5,299)

Foreign exchange forward contracts

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

Interest rate swaps

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

Cross currency interest rate swaps

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

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

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

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

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

B10 CHANGES IN MATERIAL LITIGATIONS

There is no litigation or arbitration as at 19 August 2015, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or threatening or of any fact likely to give rise to any proceedings.

B11 DIVIDENDS

No dividends were declared or paid by the Group during the financial period ended 30 June 2015.

B12 EARNINGS PER SHARE ("EPS")

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

	2nd quarter ended		Financial period ended	
	30 Jun 2015	**30 Jun 2014**	**30 Jun 2015**	**30 Jun 2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Basic and diluted earnings per share is based on:				
Net profit attributable to ordinary shareholders	228,107	209,104	399,589	368,156
Net profit attributable to ordinary shareholders (excluding EI)	234,553	191,875	461,918	364,656
(a) Basic EPS				
	'000	**'000**	**'000**	**'000**
Weighted average number of shares	8,213,721	8,165,513	8,196,639	8,150,495
	Sen	**Sen**	**Sen**	**Sen**
Basic EPS	2.78	2.56	4.88	4.52
Basic EPS (excluding EI)	2.86	2.35	5.64	4.47

(b) Diluted earnings per share

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

	2nd quarter ended		Financial period ended	
	30 Jun 2015	**30 Jun 2014**	**30 Jun 2015**	**30 Jun 2014**
	'000	**'000**	**'000**	**'000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,213,721	8,165,513	8,196,639	8,150,495
Weighted number of unissued ordinary shares from units under LTIP	6,062	10,971	8,194	14,175
Weighted number of unissued ordinary shares from share options under EPP	3,478	13,349	10,302	19,819
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,223,261	8,189,833	8,215,135	8,184,489
	Sen	**Sen**	**Sen**	**Sen**
Diluted EPS	2.77	2.55	4.86	4.50
Diluted EPS (excluding EI)	2.85	2.34	5.62	4.46

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

B13 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained earnings is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	30 Jun 2015 RM'000	31 Dec 2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	2,665,951	2,496,263
- Unrealised	515,345	248,207
	3,181,296	2,744,470
Total share of retained earnings from associates		
- Realised	(1,174)	(1,893)
- Unrealised	-	(24)
	(1,174)	(1,917)
Total share of retained earnings from joint ventures		
- Realised	43,179	38,870
- Unrealised	-	-
	43,179	38,870
Less consolidation adjustments	(579,607)	(531,291)
Total Group retained earnings	2,643,694	2,250,132

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

B14 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Pursuant to the amendment to paragraph 9.22 of Bursa Malaysia listing requirements which is effective from 3 January 2012, the following amounts have been (debited)/credited in arriving at the Total Comprehensive Income for the period:

	2nd quarter ended		Financial period ended	
	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
	RM'000	RM'000	RM'000	RM'000
Dividend income	1,341	-	1,341	-
Other operating income	35,729	37,106	86,538	75,630
Net foreign exchange gain	2,051	(4,609)	11,187	1,166
Impairment loss (made)/written back:				
- Trade and other receivables	(15,723)	(743)	(19,986)	(13,727)
- Amounts due from associates	1,068	(2)	1,068	1,027
Write off				
- Property, plant and equipment	(182)	(99)	(727)	(195)
- Inventories	(251)	(190)	(372)	(280)
- Trade and other receivables	(7,030)	(822)	(7,030)	(1,705)
(Loss)/gain on disposal of property, plant and equipment	(417)	718	(195)	2,334
Gain on liquidation of subsidiaries	4,098	-	4,098	-
Gain on disposal of unquoted available-for-sale financial instruments	21	-	21	-
Finance costs				
Interest expense on loans and borrowing	(37,637)	(30,638)	(69,958)	(61,071)
Exchange (loss)/gain on net borrowings	(21,965)	28,603	(138,389)	-
Fair value gain/(loss) of financial instruments	3,550	(1,774)	(542)	(4,046)
Other finance costs	(4,151)	(3,066)	(6,822)	(5,775)
	(60,203)	(6,875)	(215,711)	(70,892)
Finance income				
Interest income				
- Banks and financial institutions	15,644	10,997	28,109	24,132
- Others	151	143	269	282
Exchange (loss)/gain on net borrowings	(4,313)	7,293	14,064	7,293
Fair value gain of financial instruments	-	32	-	2,216
	11,482	18,465	42,442	33,923