

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2022

IHH HEALTHCARE BERHAD

Financial Year End 31 Dec 2022

Quarter 4 Qtr

Quarterly report for the financial period ended 31 Dec 2022

The figures have been audited

Attachments

[IHH Q4 2022 Quarterly Report.pdf](#)
491.8 kB

[IHH Q4 2022 Press Release 28.02.2023.pdf](#)
443.8 kB

Default Currency

Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2022

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	4,856,815	4,470,716	17,988,687	17,131,763
2 Profit/(loss) before tax	204,177	684,159	2,217,091	2,555,737
3 Profit/(loss) for the period	16,430	521,956	1,645,142	2,176,585
4 Profit/(loss) attributable to ordinary equity holders of the parent	191,273	453,598	1,548,398	1,862,525
5 Basic earnings/(loss) per share (Subunit)	2.17	4.90	17.00	20.20
6 Proposed/Declared dividend per share (Subunit)	7.00	6.00	7.00	6.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	2.9700		2.5500	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	28 Feb 2023
Category	Financial Results
Reference Number	FRA-29112022-00138



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 DECEMBER 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	Unaudited			Audited		
		4th quarter ended			Financial year ended		
		31 Dec 2022	31 Dec 2021	Variance	31 Dec 2022	31 Dec 2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%	
Revenue	1	4,856,815	4,470,716	9%	17,988,687	17,131,763	5%
Other operating income	2	133,823	186,137	-28%	497,786	722,449	-31%
Inventories and consumables		(1,011,958)	(934,719)	-8%	(3,796,895)	(3,604,102)	-5%
Purchased and contracted services		(460,317)	(400,003)	-15%	(1,700,658)	(1,533,014)	-11%
Development cost of properties sold		-	(2,540)	100%	-	(2,540)	100%
Staff costs	3	(1,668,406)	(1,491,650)	-12%	(6,319,461)	(6,079,462)	-4%
Depreciation and impairment of property, plant and equipment	4	(636,150)	(228,559)	-178%	(1,374,475)	(1,116,081)	-23%
Depreciation and impairment of right-of-use ("ROU") assets		(89,409)	(82,682)	-8%	(357,893)	(320,859)	-12%
Amortisation and impairment of intangible assets	5	(23,236)	(11,591)	-100%	(58,452)	(47,251)	-24%
Operating lease expenses		(24,720)	(22,480)	-10%	(87,955)	(80,649)	-9%
Other operating expenses	6	(856,350)	(595,785)	-44%	(2,530,946)	(2,010,347)	-26%
Finance income	7	6,009	373,625	-98%	113,383	543,601	-79%
Finance costs	7	(207,531)	(583,925)	64%	(657,413)	(1,087,627)	40%
Net monetary gain arising from hyperinflationary economy		176,765	-	-	462,512	-	-
Share of profits of associates (net of tax)		8,408	7,294	15%	36,836	31,034	19%
Share of profits of joint ventures (net of tax)	8	434	321	35%	2,035	8,822	-77%
Profit before tax		204,177	684,159	-70%	2,217,091	2,555,737	-13%
Income tax expense	9	(187,747)	(162,203)	-16%	(571,949)	(379,152)	-51%
Profit for the year		16,430	521,956	-97%	1,645,142	2,176,585	-24%
Other comprehensive income, net of tax							
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences from foreign operations	10	77,531	(401,247)	119%	224,633	(397,621)	156%
Realisation of FCTR ¹ upon disposal of a joint venture		-	25,575	-100%	-	47,723	-100%
Hyperinflationary adjustments	11	(80,895)	-	-	669,372	-	-
Hedge of net investments in foreign operations	10	(41,153)	53,974	-176%	313,681	151,274	107%
Cash flow hedge		4,543	2,815	61%	22,137	11,617	91%
Cost of hedging		(158)	(177)	11%	1,292	(213)	NM
		(40,132)	(319,060)	87%	1,231,115	(187,220)	NM
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Remeasurement of defined benefit liabilities		(14,104)	(9,361)	-51%	(15,297)	(8,512)	-80%
Total other comprehensive income for the year, net of tax		(54,236)	(328,421)	83%	1,215,818	(195,732)	NM
Total comprehensive income for the year		(37,806)	193,535	-120%	2,860,960	1,980,853	44%
Profit attributable to:							
Owners of the Company		191,273	453,598	-58%	1,548,398	1,862,525	-17%
Non-controlling interests		(174,843)	68,358	NM	96,744	314,060	-69%
Profit for the year		16,430	521,956	-97%	1,645,142	2,176,585	-24%
Total comprehensive income attributable to:							
Owners of the Company		172,719	190,071	-9%	2,835,443	1,714,730	65%
Non-controlling interests		(210,525)	3,464	NM	25,517	266,123	-90%
Total comprehensive income for the year		(37,806)	193,535	-120%	2,860,960	1,980,853	44%
Earnings per share (sen)							
Basic		2.17	4.90	-56%	17.00	20.20	-16%
Diluted		2.17	4.90	-56%	16.99	20.20	-16%

NM: Not meaningful

Note:

1. Foreign currency translation reserve

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

SUPPLEMENTARY INFORMATION

	Note	4th quarter ended			Financial year ended		
		31 Dec 2022 RM'000	31 Dec 2021 RM'000	Variance %	31 Dec 2022 RM'000	31 Dec 2021 RM'000	Variance %
Profit attributable to owners of the Company, excluding EIⁱⁱⁱ		340,371	440,750	-23%	1,380,676	1,594,752	-13%
Add/(Less): Exceptional items ("EI")							
Remeasurement to fair value of interest in a joint venture ⁱ	2	-	(116)		-	86,061	
Gain on disposal of subsidiaries ⁱⁱ	2	-	53,032		-	53,032	
Gain on disposal of a joint venture ⁱⁱⁱ	2	-	-		-	139,053	
Provision for loan taken by a joint venture ^{iv}		-	1		-	(2,563)	
Impairment of assets (made)/reversed ^v	4,5	(394,991)	11,501		(379,068)	(229,781)	
Impairment loss on goodwill ^{vi}	6	(150,066)	(6,090)		(150,066)	(6,090)	
Change in fair value of investment properties ^{vii}	2	43,224	46,481		43,224	46,481	
Change in fair value of cross currency swaps ^{viii}	7	5,365	352,453		18,167	477,646	
Exchange loss on net borrowings ^{ix}	7	(43,274)	(478,638)		(144,194)	(604,966)	
Deferred tax benefits ^x	9	(21,009)	(3,308)		104,436	244,888	
Net monetary gain arising from hyperinflationary economy ^{xi}		176,765	-		462,512	-	
		<u>(383,986)</u>	<u>(24,684)</u>		<u>(44,989)</u>	<u>203,761</u>	
Less: Tax effects on EI		10,955	31,546		31,222	31,830	
Less: Non-controlling interests' share of EI		<u>223,933</u>	<u>5,986</u>		<u>181,489</u>	<u>32,182</u>	
		<u>(149,098)</u>	<u>12,848</u>		<u>167,722</u>	<u>267,773</u>	
Profit attributable to owners of the Company		<u>191,273</u>	<u>453,598</u>	-58%	<u>1,548,398</u>	<u>1,862,525</u>	-17%
Earnings per share, excluding EI^{xii} (sen)							
Basic		3.87	4.76	-19%	15.09	17.15	-12%
Diluted		3.87	4.76	-19%	15.09	17.15	-12%

Note:

"Acibadem Holdings" as referred to throughout this financial report includes the wholly owned Integrated Healthcare Turkey Yatirimlari Limited Group, which owns approximately 90% interest in Acibadem Sağlık Yatirimlari Holding A.Ş. Group.

- i. Remeasurement to fair value of interests in DDRC SRL Diagnostics Limited ("DDRC SRL"), upon acquisition of controlling interest in DDRC SRL.
- ii. Disposal of subsidiaries – entire 62.23% interest in Continental Hospitals Private Limited ("Continental Hospitals"), net of realisation of FCTR of RM25.6 million loss.
- iii. Disposal of a joint venture – Apollo Gleneagles Hospital Ltd, net of realisation of FCTR of RM22.1 million loss.
- iv. Provision for proportionate share of amounts owed by Khubchandani Hospitals on its loans, that is unlikely to be repaid.
- v. Impairment of assets of Parkway Shanghai Hospital ("PSH") (the Group's hospital in China that was planned to be operational in 2022 whose construction and preparation for opening was longer than expected and was hampered by the COVID-19 pandemic). (2021: Impairment of assets of Gleneagles Chengdu Hospital (the Group's hospital in China that was operational in late 2019 whose ramp up was longer than expected and was hampered by the COVID-19 pandemic) and the Group's uncompleted hospital in Myanmar (which construction was stalled)).
- vi. Impairment of goodwill over clinics in China.
- vii. Change in fair value of investment properties held for rental to third parties, excluding PLife REIT's investment properties held for rental to third parties.
- viii. Change in fair value of cross currency swaps which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings.
- ix. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 31 December 2022, Euro/TL=19.9349).
- x. Deferred tax assets arising from the indexation of property, plant and equipment in the local tax books, as allowed by the Turkiye government to cushion the effects of higher inflation (2021: Deferred tax assets previously not recognised by Acibadem Holdings).
- xi. Net increase in purchasing power from the net monetary position of the Group's operations in Turkiye, upon the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* (refer to Section A1(b)(ii) and Section A4).
- xii. Exceptional items, net of tax and non-controlling interests.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2022 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

The Group's reported results were impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM weakened against Singapore Dollars ("SGD") and strengthened against Turkish Lira ("TL") in the current quarter and year as compared to the corresponding period last year.

In addition, the Group's reported results for Q4 2022 and FY 2022 included the application to the Group's entities in Turkiye of MFRS 129, *Financial Reporting in Hyperinflationary Economies* ("MFRS 129"), as detailed in Section A1(b)(ii) and Section A4.

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

1. Q4 2022 and FY 2022 revenues were higher as compared to last year due to the strong recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of DDRC SRL Diagnostics Limited ("DDRC SRL") on 5 April 2021, General Hospital Acibadem Bel Medic ("Bel Medic") on 20 July 2021 and Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi ("Ortopedia") on 9 August 2022 also contributed to the increase.

These were partially offset by lower contribution from COVID-19 related-services rendered in Q4 2022 and FY 2022, the effects from disposal of Continental Hospitals Private Limited ("Continental Hospitals") on 14 December 2021, temporary closure of all clinics in China between March and May 2022 and partial lockdown in China per local COVID-19 measures. The translational effects from a weakened TL against RM during the year also eroded the Group's revenue from its operations in Turkiye.

2. FY 2022 other operating income decreased from a high base as FY 2021 included remeasurement to fair value of interest in DDRC SRL of RM86.1 million, gain on disposal of Continental Hospitals of RM53.0 million, and gain on disposal of Apollo Gleneagles Hospital Ltd (a joint venture) of RM139.1 million, whereas there was no such one-off gain in FY 2022. This is partially offset by RM82.0 million higher foreign exchange gains recognised in FY 2022.

Q4 2022 other operating income decreased from a high base as Q4 2021 included gain on disposal of Continental Hospitals of RM53.0 million.

3. FY 2022 staff costs increased as the Group expands its capacity to cater for higher demand for its services. These were also driven by annual increments, partially offset by lower costs of contract employees following the reduction of COVID-19 related services rendered.
4. Q4 2022 and FY 2022 depreciation and impairment of property, plant and equipment included impairment loss of RM395.0 million mainly relating to assets of Parkway Shanghai Hospital.

Q4 2021 depreciation and impairment of property, plant and equipment included reversal of impairment loss of RM11.5 million, whilst FY 2021 included impairment loss of RM229.8 million mainly relating to assets of Gleneagles Chengdu Hospital and the Group's uncompleted hospital in Myanmar. As a result, there was no depreciation on these impaired assets in Q4 2022 and FY 2022. In addition, there was lower depreciation from GHK Hospital as some of its assets were fully depreciated.

The above mitigated the higher depreciation and impairment of property, plant and equipment in Q4 2022 and FY 2022 that resulted from the application of MFRS 129 for the Group's subsidiaries in Turkiye, where the carrying amounts of property, plant and equipment were higher after reindexation.

5. Q4 2022 and FY 2022 depreciation and impairment of intangible assets included impairment loss of RM8.9 million mainly relating to clinics in China.
6. Q4 2022 and FY 2022 other operating expenses increased mainly attributed to the higher level of activities as compared to the corresponding periods last year when several regions were in lockdown, as well as cost inflation especially in Turkiye. It also includes an impairment of goodwill over the Group's clinics in China of RM150.1 million.

7. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. Acibadem Holdings manages its foreign exchange exposures by entering into cross currency swaps (“CCS”).

FY 2022 net loss recognised by the Group was RM126.0 million, approximately the same as that recognised for FY 2021. On the same basis, the Group recognised a net loss of RM37.9 million in Q4 2022 as compared to net loss of RM126.2 million in Q4 2021.

Excluding the above, net finance costs in FY 2022 approximates that in FY 2021. Net finance costs were higher in Q4 2022 mainly due to higher interest expense on loans drawn down for redemption of perpetual securities and higher interest rates in Q4 2022.

8. Lower share of profits of joint ventures in FY 2022 was attributed to DDRC SRL which became a subsidiary of the Group and was consolidated since April 2021.
9. Refer to Section B5 for details on income tax expenses.
10. Parkway Life Real Estate Investment Trust (“PLife REIT”) hedges its interest in the net assets of its Japanese operations. The effective portion of the hedge was 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, India and Europe operations.
11. The Group’s subsidiaries in Turkiye reindexed their non-monetary assets/liabilities at 1 January 2022 in accordance with MFRS 129 and recorded a (loss)/gain in other comprehensive income.

Note:

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

	31 Dec 2022	31 Dec 2021
1 SGD	3.1806	3.0835
1 TL	0.2325	0.4792

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Assets			
Property, plant and equipment	1	11,882,760	10,840,572
Right-of-use assets		6,685,030	6,529,336
Investment properties		3,938,335	3,875,123
Goodwill on consolidation	2	13,209,372	12,170,705
Intangible assets		2,737,840	2,022,627
Interests in associates		133,076	157,613
Interests in joint ventures		6,751	6,307
Other financial assets	3	127,620	76,345
Trade and other receivables		196,563	131,425
Tax recoverables		374,905	302,224
Derivative assets		258,970	297,208
Deferred tax assets		633,943	567,731
Total non-current assets		40,185,165	36,977,216
Development properties		76,471	73,862
Inventories		519,431	455,065
Trade and other receivables		2,625,424	2,497,529
Tax recoverables		73,641	18,373
Other financial assets	3	249,717	340,733
Derivative assets		149,816	127,967
Cash and cash equivalents		3,663,511	5,017,680
		7,358,011	8,531,209
Assets classified as held for sale	4	924,311	1,844
Total current assets		8,282,322	8,533,053
Total assets		48,467,487	45,510,269

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Equity			
Share capital		19,684,881	19,614,918
Other reserves		(158,140)	(2,846,392)
Retained earnings		6,665,236	5,656,406
Total equity attributable to owners of the Company		26,191,977	22,424,932
Perpetual securities	5	-	2,158,358
Non-controlling interests		2,967,080	2,693,541
Total equity		29,159,057	27,276,831
Liabilities			
Loans and borrowings	6	7,565,989	7,609,491
Lease liabilities	7	1,407,923	1,783,904
Employee benefits		172,261	135,225
Trade and other payables	8	1,255,005	1,420,424
Derivative liabilities		-	471
Deferred tax liabilities		1,648,525	1,234,665
Total non-current liabilities		12,049,703	12,184,180
Bank overdrafts		44,135	24,229
Loans and borrowings	6	1,592,791	1,237,427
Lease liabilities	7	223,118	218,630
Employee benefits		148,470	165,127
Trade and other payables		4,208,470	4,052,574
Derivative liabilities		4,379	-
Tax payable		378,637	351,271
		6,600,000	6,049,258
Liabilities directly associated with assets classified as held for sale	4	658,727	-
Total current liabilities		7,258,727	6,049,258
Total liabilities		19,308,430	18,233,438
Total equity and liabilities		48,467,487	45,510,269
Net assets per share attributable to owners of the Company ¹ (RM)		2.97	2.55

¹ Based on 8,806.0 million and 8,796.7 million shares issued as at 31 December 2022 and 31 December 2021 respectively.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position was impacted by the relative movements in RM against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL as at 31 December 2022 as compared to 31 December 2021.

In addition, the Group's reported results as at 31 December 2022 included the application to the Group's entities in Turkiye of MFRS 129, as detailed in Section A1(b)(ii) and Section A4.

1. Increase in property, plant and equipment was mainly due to newly opened Acibadem Atasehir Hospital and Headquarter Office in Turkiye. This was partially offset by the transfer of property, plant and equipment of IMU Health Sdn. Bhd. ("IMUH") and its subsidiaries ("IMU Group") to assets classified as held for sale, and impairment recognised on assets of Parkway Shanghai Hospital.
2. Increase in goodwill was mainly from the application of MFRS129, offset by the transfer of goodwill over IMU Group to assets classified as held for sale and impairment of goodwill on clinics in China.
3. Non-current other financial assets increased mainly due to RM16.1 million investment in convertible notes issued by Lucence Life Sciences Pte. Ltd and RM23.1 million investment in preference shares issued by EKO.AI Pte Ltd. Current other financial assets decreased due to full redemption of money market funds and transfer of fixed deposits with tenor of more than 3 months held by IMU Group to assets classified as held for sale, partially offset by placement of fixed deposits.
4. The Group plans to divest its investment in IMU Group and Gleneagles Chengdu Hospital Company Limited ("GCD") in the near term. Accordingly, the assets and liabilities of IMU Group and GCD were transferred to assets classified as held for sale and liabilities directly associated with assets classified as held for sale as at 31 December 2022. On 27 February 2023, the divestment of GCD was completed.
5. On 27 July 2022, Parkway Pantai Limited has completed the redemption of its US\$500 million 4.25% Senior Perpetual Securities ("Securities"), issued under its US\$2.0 billion Multicurrency Medium Term Note Programme. Following the redemption, all the outstanding Securities have been cancelled and delisted from the Singapore Exchange Securities Trading Limited.
6. Loans and borrowings increased due to loans drawn down for redemption of perpetual securities in July 2022, as well as for capital expenditure and working capital purpose.

As at 31 December 2022, ParkwayHealth Shanghai Hospital Company Limited, a subsidiary, breached a non-financial covenant in respect of a bank loan amounting to RM514.0 million, whereby its medical licence was not obtained by 31 December 2022. Consequentially the bank loan became repayable on demand and was classified in full as a current liability. However, the bank had not called an event of default. The medical licence was obtained on 19 January 2023.

7. Lease liabilities decreased due to the transfer of lease liabilities of GCD to liabilities directly associated with assets classified as held for sale as at 31 December 2022.
8. Non-current trade and other payables decreased mainly due to a decrease in the fair value of a put option liability relating to SRL Diagnostics Private Limited, offset by a transfer of a put option liability relating to Acibadem City Clinic B.V. from current liability to non-current liability when the commencement of the exercise period was deferred.

Note:

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

	31 Dec 2022	31 Dec 2021
1 SGD	3.2468	3.0817
1 TL	0.2325	0.3122

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company											Total equity RM'000	
	Non-distributable						Distributable						
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000	
At 1 January 2022	19,614,918	33,874	83,434	16,587	332	(4,451,467)	57,814	1,413,034	5,656,406	22,424,932	2,158,358	2,693,541	27,276,831
Hyperinflationary restatement to 1 January 2022	-	-	-	-	-	421,267	(26,450)	1,064,261	59,161	1,518,239	-	259,758	1,777,997
At 1 January 2022, restated	19,614,918	33,874	83,434	16,587	332	(4,030,200)	31,364	2,477,295	5,715,567	23,943,171	2,158,358	2,953,299	29,054,828
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	489,854	-	489,854	-	(265,221)	224,633
Hyperinflationary adjustments	-	-	-	-	-	96,694	2,238	610,368	(20,308)	688,992	-	(19,620)	669,372
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	111,509	-	111,509	-	202,172	313,681
Cash flow hedge	-	-	-	7,869	-	-	-	-	-	7,869	-	14,268	22,137
Costs of hedging	-	-	-	-	459	-	-	-	-	459	-	833	1,292
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(11,638)	(11,638)	-	(3,659)	(15,297)
Total other comprehensive income for the year	-	-	-	7,869	459	96,694	2,238	1,211,731	(31,946)	1,287,045	-	(71,227)	1,215,818
Profit for the year	-	-	-	-	-	-	-	-	1,548,398	1,548,398	-	96,744	1,645,142
Total comprehensive income for the year	-	-	-	7,869	459	96,694	2,238	1,211,731	1,516,452	2,835,443	-	25,517	2,860,960
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	3,319	-	-	-	-	-	-	-	3,319	-	-	3,319
Transfer to share capital on share options exercised	69,963	(14,221)	-	-	-	-	-	-	-	55,742	-	-	55,742
Cancellation of vested share options	-	(189)	-	-	-	-	-	-	189	-	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(528,162)	(528,162)	-	-	(528,162)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(184,854)	(184,854)
Redemption and payment of coupon on perpetual securities	-	-	-	-	-	(47,158)	-	-	-	(47,158)	(2,210,570)	-	(2,257,728)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(52,212)	(52,212)	52,212	-	-
Changes in ownership interests in subsidiaries	-	-	-	(2)	-	(15,853)	-	(5)	-	(15,860)	-	(39,037)	(54,897)
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(2,306)	-	-	-	(2,306)	-	212,155	209,849
Transfer per statutory requirements	-	-	-	-	-	-	2,778	-	(2,778)	-	-	-	-
Others	-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-
Total transactions with owners	69,963	(11,091)	-	(16,182)	-	(65,317)	2,778	(5)	(566,783)	(586,637)	(2,158,358)	(11,736)	(2,756,731)
At 31 December 2022	19,684,881	22,783	83,434	8,274	791	(3,998,823)	36,380	3,689,021	6,665,236	26,191,977	-	2,967,080	29,159,057

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company												
	Non-distributable							Distributable					
	Share capital	Share option reserve	Revaluation reserve	Hedge reserve	Cost of hedging reserve	Capital reserve	Legal reserve	Foreign currency translation reserve	Retained earnings	Total	Perpetual securities	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	19,473,364	80,168	83,434	12,454	408	(3,777,228)	55,590	1,556,893	4,254,736	21,739,819	2,158,061	3,137,489	27,035,369
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	(245,378)	-	(245,378)	-	(152,243)	(397,621)
Realisation of FCTR upon disposal of subsidiaries and a joint venture	-	-	-	-	-	-	-	47,723	-	47,723	-	-	47,723
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	53,802	-	53,802	-	97,472	151,274
Cash flow hedge	-	-	-	4,132	-	-	-	-	-	4,132	-	7,485	11,617
Costs of hedging	-	-	-	-	(76)	-	-	-	-	(76)	-	(137)	(213)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(7,998)	(7,998)	-	(514)	(8,512)
Total other comprehensive income for the year	-	-	-	4,132	(76)	-	-	(143,853)	(7,998)	(147,795)	-	(47,937)	(195,732)
Profit for the year	-	-	-	-	-	-	-	-	1,862,525	1,862,525	-	314,060	2,176,585
Total comprehensive income for the year	-	-	-	4,132	(76)	-	-	(143,853)	1,854,527	1,714,730	-	266,123	1,980,853
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	5,930	-	-	-	4	-	-	-	5,934	-	8	5,942
Transfer to share capital on share options exercised	141,554	(38,364)	-	-	-	-	-	-	-	103,190	-	-	103,190
Cancellation of vested share options	-	(13,860)	-	-	-	-	-	-	13,860	-	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(351,163)	(351,163)	-	-	(351,163)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(242,744)	(242,744)
Payment of coupon on perpetual securities	-	-	-	-	-	344	-	-	-	344	(88,003)	-	(87,659)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(88,300)	(88,300)	88,300	-	-
Changes in ownership interests in subsidiaries	-	-	-	1	-	(6,276)	-	(6)	-	(6,281)	-	(45,316)	(51,597)
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	477	477
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	20,439	20,439
Disposal of subsidiaries	-	-	-	-	-	86,823	-	-	(25,030)	61,793	-	(70,176)	(8,383)
Changes in fair value of liabilities/recognition of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(755,134)	-	-	-	(755,134)	-	(372,759)	(1,127,893)
Transfer per statutory requirements	-	-	-	-	-	-	2,224	-	(2,224)	-	-	-	-
Total transactions with owners	141,554	(46,294)	-	1	-	(674,239)	2,224	(6)	(452,857)	(1,029,617)	297	(710,071)	(1,739,391)
At 31 December 2021	19,614,918	33,874	83,434	16,587	332	(4,451,467)	57,814	1,413,034	5,656,406	22,424,932	2,158,358	2,693,541	27,276,831

The Consolidated Statement of Changes in Equity should be read in conjunction with the 2022 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Financial year ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000 (Restated)
Cash flows from operating activities		
Profit before tax	2,217,091	2,555,737
Adjustments for:		
Dividend income	(63)	(2,585)
Finance income	(113,383)	(543,601)
Finance costs	657,413	1,087,627
Depreciation and impairment of property, plant and equipment	1,374,475	1,116,081
Depreciation and impairment of ROU assets	357,893	320,859
Amortisation and impairment of intangible assets	58,452	47,251
Impairment loss made:		
- Goodwill	150,066	6,090
- Trade and other receivables	44,686	80,605
Write-off:		
- Property, plant and equipment	1,087	1,863
- Trade and other receivables	10,048	20,749
- Inventories	4,296	3,601
Gain on disposal of property, plant and equipment	(11,864)	(14,975)
Gain on disposal of an investment property	-	(16,335)
Gain on disposal of subsidiaries	-	(53,032)
Gain on disposal of a joint venture	-	(139,053)
Change in fair value of investment properties	(23,750)	(87,107)
Remeasurement to fair value of interest in a joint venture	-	(86,061)
Provision for loan taken by a joint venture	-	2,563
Share of profits of associates (net of tax)	(36,836)	(31,034)
Share of profits of joint ventures (net of tax)	(2,035)	(8,822)
Equity-settled share-based payment	3,319	5,942
Net monetary gain arising from hyperinflationary economy	(462,512)	-
Operating profit before changes in working capital	4,228,383	4,266,363
Changes in working capital:		
Development properties	(2,609)	(1,185)
Inventories	(108,513)	(138,254)
Trade and other receivables	(579,931)	(1,034,778)
Trade and other payables	746,445	930,047
Cash generated from operations	4,283,775	4,022,193
Tax paid	(616,132)	(490,316)
Net cash from operating activities	3,667,643	3,531,877
Cash flows from investing activities		
Interest received	85,597	52,017
Acquisition of a subsidiary and a business, net of cash and cash equivalents acquired	(50,125)	(221,761)
Purchase of other financial assets	(77,668)	(12,722)
Net placement of fixed deposits with tenor of more than 3 months	(85,012)	(2,129)
Purchase of property, plant and equipment	(1,668,399)	(1,027,402)
Purchase of investment properties	(206,941)	(312,868)
Development and purchase of intangible assets	(47,848)	(43,381)
Net cash inflow from disposal of subsidiaries	-	192,561
Proceeds from disposal of joint ventures	-	225,080
Proceeds from disposal of other financial assets	136,608	83,039
Proceeds from disposal of property, plant and equipment	35,017	76,777
Proceeds from disposal of an investment property	-	111,299
Proceeds from disposal of intangible assets	-	16,026
Dividends received from associates and joint ventures	24,877	32,103
Repayment of advances by a joint venture	-	9,671
Net cash used in investing activities	(1,853,894)	(821,690)

**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Financial year ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000 (Restated)
Cash flows from financing activities		
Finance costs paid	(293,706)	(303,118)
Proceeds from loans and borrowings	4,061,286	2,833,956
Repayment of loans and borrowings	(3,632,316)	(3,374,149)
Payment of lease liabilities	(337,144)	(383,142)
Payment of perpetual securities distribution and redemption	(2,257,728)	(87,659)
Dividends paid to owners of the Company	(528,162)	(351,163)
Dividends paid to non-controlling interests	(184,854)	(242,744)
Proceeds from exercise of share options	55,742	103,190
Repurchase of shares from non-controlling interests	(56,795)	-
Proceeds from issue of shares by subsidiaries to non-controlling interests	-	846
Proceeds from issuance of fixed rate notes	348,535	-
Redemption of fixed rate notes	(94,711)	-
Net cash used in financing activities	(2,919,853)	(1,803,983)
Net (decrease)/increase in cash and cash equivalents	(1,106,104)	906,204
Effect of exchange rate fluctuations on cash and cash equivalents held	(371,069)	(85,065)
Hyperinflationary restatement of cash and cash equivalents at beginning of the period	146,074	-
Cash and cash equivalents at beginning of the year	4,993,451	4,172,312
Cash and cash equivalents at end of the year	3,662,352	4,993,451

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprises the following amounts from the statement of financial position:

	31 Dec 2022 RM'000	31 Dec 2021 RM'000 (Restated)
Cash and bank balances	1,345,870	1,516,681
Fixed deposits with tenor of 3 months or less	482,774	1,597,418
Deposits placed in escrow account	1,834,246	1,900,284
Restricted cash	621	3,297
Cash and cash equivalents in the statement of financial position	3,663,511	5,017,680
Add:		
- Cash and cash equivalents included in assets classified as held for sale	42,976	-
Less:		
- Bank overdrafts	(44,135)	(24,229)
Cash and cash equivalents in the statement of cash flows	3,662,352	4,993,451

Deposits placed in escrow account

These are the amounts deposited in accordance with the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations) (“SEBI (SAST) Regulations”) relating to the Group’s Mandatory Open Offer (“Offer”) to acquire up to an additional 197,025,660 and 4,894,308 equity shares of Fortis Healthcare Limited (“Fortis”) and Fortis Malar Hospitals Limited (“Malar”) respectively (see Section A14). These amounts can only be released in the manner prescribed in Clause 17(10) of the SEBI (SAST) Regulations.

The Consolidated Statement of Cash Flows should be read in conjunction with the 2022 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

A1 BASIS OF PREPARATION

a) Basis of accounting

These consolidated interim financial report are 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 2022 (“2022 Audited Financial Statements”).

The 2022 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards (“MFRSs”).

b) Significant accounting policies

The accounting policies and presentation adopted for this consolidated interim financial report are consistent with those adopted for the 2022 Audited Financial Statements.

c) MFRS 129, *Financial Reporting in Hyperinflationary Economies*

The Turkish economy was designated as a hyperinflationary economy starting April 2022. As a result, MFRS 129, *Financial Reporting in Hyperinflationary Economies* has been applied for component entities whose functional currency is the Turkish Lira.

The assets, liabilities, equity items, income and expenses of foreign operations in hyperinflationary economies are translated to RM at the exchange rate at the end of the reporting period. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the end of the reporting period. Amounts shown for prior periods for comparative purposes are not modified.

The application of MFRS 129 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the period end date;
- Adjustment of the income and expenses for inflation during the reporting period;
- The income and expenses are translated at the period-end foreign exchange rate instead of an average rate; and
- Adjustment of the income and expenses to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

Price index

The financial statements of component entities, of which their functional currency is denominated in Turkish Lira, have been restated to reflect the price index and the exchange rate at 31 December 2022 in accordance with MFRS 129 requirements. Hyperinflationary adjustments are based on available data for changes in the Consumer Price Index published by the Turkish Statistical Institute (“TURKSTAT”). Based on this price index, the hyperinflation closing price index as at 31 December 2022 was 1,128.5 (30 June 2022: 977.9; 1 January 2022: 687.0).

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Net monetary gain/(loss) arising from hyperinflationary economies

Net monetary gain/(loss) arising from hyperinflationary economies is derived as the difference resulting from the restatement of non-monetary assets and liabilities, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

Refer to Section A4 for the effects of applying MFRS 129 on the Group's reported results.

d) Comparative figures

Following the issuance of IFRIC Agenda Decision during the year to clarify on the presentation of restricted cash, the Group reassessed and reclassified restricted cash and deposits placed in escrow account to be presented as cash and cash equivalents in the statement of cash flows. The impact arising from the reclassification is as follows:

	As per previously reported RM'000	Effects of reclassification RM'000	As restated RM'000
<u>Financial period ended 31 December 2021</u>			
Change in restricted cash	11,097	(11,097)	-
Net cash used in financing activities	(1,792,886)	(11,097)	(1,803,983)
Net decrease in cash and cash equivalents	917,301	(11,097)	906,204
Effect of exchange rate fluctuations on cash and cash equivalents held	(91,478)	6,413	(85,065)
Cash and cash equivalents at beginning of the period	2,264,047	1,908,265	4,172,312
Cash and cash equivalents at end of the period	3,089,870	1,903,581	4,993,451

A2 AUDIT REPORT IN THE ANNUAL FINANCIAL STATEMENTS

The 2022 Audited Financial Statements 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 in some markets. As the Group is continuously expanding, the effects of seasonality may not be obvious from the Group's financial statements.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**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 2022, other than the COVID-19 pandemic impact on the performance of the Group, and the effects of the application to the Group's entities in Turkiye of MFRS 129.

Effects of application of MFRS129

<u>Statement of profit or loss</u>	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
Revenue	18,089,970	(101,283)	17,988,687
Other operating income	500,077	(2,291)	497,786
Inventories and consumables	(3,745,428)	(51,467)	(3,796,895)
Purchased and contracted services	(1,697,215)	(3,443)	(1,700,658)
Staff costs	(6,354,276)	34,815	(6,319,461)
Depreciation and impairment of property, plant and equipment	(1,253,960)	(120,515)	(1,374,475)
Depreciation of right-of-use ("ROU") assets	(307,411)	(50,482)	(357,893)
Amortisation and impairment of intangible assets	(52,726)	(5,726)	(58,452)
Operating lease expenses	(89,063)	1,108	(87,955)
Other operating expenses	(2,547,283)	16,337	(2,530,946)
Finance income	113,519	(136)	113,383
Finance costs	(670,060)	12,647	(657,413)
Net monetary gain arising from hyperinflationary economy	-	462,512	462,512
Share of profits of associates (net of tax)	36,836	-	36,836
Share of profits of joint ventures (net of tax)	2,035	-	2,035
Profit before tax	2,025,015	192,076	2,217,091
Income tax expense	(408,025)	(163,924)	(571,949)
Profit for the year	1,616,990	28,152	1,645,142
Profit attributable to:			
Owners of the Company	1,520,134	28,264	1,548,398
Non-controlling interests	96,856	(112)	96,744
Profit for the year	1,616,990	28,152	1,645,142

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

<u>Statement of financial position</u>	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
Non-current assets			
Property, plant and equipment	10,718,658	1,164,102	11,882,760
Right-of-use assets	6,310,923	374,107	6,685,030
Goodwill on consolidation	12,147,211	1,062,161	13,209,372
Intangible assets	2,022,886	714,954	2,737,840
Trade and other receivables	196,527	36	196,563
Deferred tax assets	631,471	2,472	633,943
Current assets			
Inventories	507,814	11,617	519,431
Trade and other receivables	2,625,374	50	2,625,424
Equity			
Other reserves	(2,621,712)	2,463,572	(158,140)
Retained earnings	6,596,202	69,034	6,665,236
Non-controlling interests	2,628,699	338,381	2,967,080
Non-current liabilities			
Deferred tax liabilities	1,190,013	458,512	1,648,525

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 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 the 2022 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

- (a) Between 1 January 2022 to 31 December 2022, IHH issued 9,326,000 new ordinary shares pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units.
- (b) On 3 October 2022, the Company granted a total of 16,580,000 EOS options to eligible employees of the Group.

Except as disclosed above, there were no other issuance of shares, share buy-backs and repayments of debt and equity securities by IHH during the financial year 1 January 2022 to 31 December 2022.

As at 31 December 2022, the issued share capital of IHH comprised of 8,806,043,463 ordinary shares.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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 2021	6.00	528,162	29-Apr-22

A8 SEGMENT REPORTING

Since 1 January 2022, the Group's segment reporting has been changed to reflect the Group's new reporting structure. The results for the comparative year have been restated on the same basis.

The Group's reportable segments comprise:

- Hospital and healthcare
 - Singapore
 - Malaysia
 - India
 - Greater China
 - Turkiye and Europe
 - Southeast Asia
- IMU Health
- PLife REIT
- Others

Except for IMU Health and PLife REIT, the strategic business units offer hospital and healthcare services in different locations, and are managed separately. IMU Health is an educational service provider while PLife REIT is a real estate investment trust. Others comprises the Group's corporate office as well as other investment holding entities.

Management monitors the operating results of each business unit for the purpose of making decisions on resource 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

A8 SEGMENT REPORTING

Financial year ended 31 December 2022

	Hospital and Healthcare						IMU Health	PLife REIT	Others	Eliminations	Total
	Singapore	Malaysia	India	Greater China	Turkiye and Europe	Southeast Asia					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Revenue and expenses</i>											
Revenue from external customers	5,143,114	3,181,790	3,865,251	998,378	4,384,857	-	260,772	149,531	4,994	-	17,988,687
Inter-segment revenue	763	1,585	-	1	4,868	-	1,489	226,668	1,539,019	(1,774,393)	-
Total segment revenue	<u>5,143,877</u>	<u>3,183,375</u>	<u>3,865,251</u>	<u>998,379</u>	<u>4,389,725</u>	<u>-</u>	<u>262,261</u>	<u>376,199</u>	<u>1,544,013</u>	<u>(1,774,393)</u>	<u>17,988,687</u>
EBITDA	1,600,156	909,700	646,624	(60,291)	983,587	(346)	84,750	278,442	1,249,304	(1,640,799)	4,051,127
Depreciation and impairment of property, plant and equipment	(176,312)	(215,290)	(152,735)	(506,554)	(291,978)	-	(5,279)	(24,475)	(1,852)	-	(1,374,475)
Depreciation and impairment of ROU assets	(301,564)	(26,513)	(38,175)	(71,763)	(116,701)	-	(1,235)	(12,894)	(6,178)	217,130	(357,893)
Amortisation and impairment of intangible assets	-	(1,756)	(31,508)	(12,962)	(11,202)	-	(255)	-	(9,236)	8,467	(58,452)
Foreign exchange differences	(360)	(1,484)	7,539	(336)	(2,202)	(5,158)	(12)	10,810	83,729	-	92,526
Net monetary gain arising from hyperinflationary economy	-	-	-	-	462,512	-	-	-	-	-	462,512
Finance income	226	8,050	14,496	2,916	58,542	47	2,836	16,413	18,289	(8,432)	113,383
Finance costs	(62,238)	(5,053)	(90,743)	(112,318)	(400,969)	-	(1,527)	(18,296)	(35,071)	68,802	(657,413)
Share of profits of associates (net of tax)	2,001	-	14,849	-	-	19,986	-	-	-	-	36,836
Share of profits of joint ventures (net of tax)	1,421	-	614	-	-	-	-	-	-	-	2,035
Others	43,224	(8,045)	-	(136,319)	-	-	-	-	(13,583)	21,628	(93,095)
Profit/(loss) before tax	1,106,554	659,609	370,961	(897,627)	681,589	14,529	79,278	250,000	1,285,402	(1,333,204)	2,217,091
Income tax expense	(183,867)	(183,333)	(94,472)	(2,518)	(51,656)	-	(18,833)	(19,692)	(17,578)	-	(571,949)
Profit/(loss) for the year	<u>922,687</u>	<u>476,276</u>	<u>276,489</u>	<u>(900,145)</u>	<u>629,933</u>	<u>14,529</u>	<u>60,445</u>	<u>230,308</u>	<u>1,267,824</u>	<u>(1,333,204)</u>	<u>1,645,142</u>
<i>Assets and liabilities</i>											
Cash and cash equivalents	340,604	408,027	1,910,258	212,551*	333,230	7,551	-*	129,903	321,387	-	3,663,511
Other assets	18,885,130	6,422,804	7,557,717	3,233,926	8,356,431	60,042	640,710	5,308,363	4,066,047	(9,727,194)	44,803,976
Segment assets as at 31 December 2022	<u>19,225,734</u>	<u>6,830,831</u>	<u>9,467,975</u>	<u>3,446,477</u>	<u>8,689,661</u>	<u>67,593</u>	<u>640,710</u>	<u>5,438,266</u>	<u>4,387,434</u>	<u>(9,727,194)</u>	<u>48,467,487</u>
Loans and borrowings	-	-	538,993	3,446,473*	1,083,334	-	-*	2,759,055	1,330,925	-	9,158,780
Other liabilities	9,822,637	1,016,211	2,759,695	1,079,894	2,991,417	21,841	210,149	407,974	1,528,567	(9,688,735)	10,149,650
Segment liabilities as at 31 December 2022	<u>9,822,637</u>	<u>1,016,211</u>	<u>3,298,688</u>	<u>4,526,367</u>	<u>4,074,751</u>	<u>21,841</u>	<u>210,149</u>	<u>3,167,029</u>	<u>2,859,492</u>	<u>(9,688,735)</u>	<u>19,308,430</u>

*: Certain balances had been transferred to assets classified as held for sale and liabilities directly associated with assets classified as held for sale.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Financial year ended 31 December 2021

	Hospital and Healthcare						IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkiye and Europe RM'000	Southeast Asia RM'000					
<i>Revenue and expenses</i>											
Revenue from external customers	5,033,275	2,727,152	3,728,706	876,887	4,347,258	-	257,647	153,167	7,671	-	17,131,763
Inter-segment revenue	962	1,000	-	-	-	-	2,411	217,527	3,951,006	(4,172,906)	-
Total segment revenue	5,034,237	2,728,152	3,728,706	876,887	4,347,258	-	260,058	370,694	3,958,677	(4,172,906)	17,131,763
EBITDA	1,692,982	760,144	664,462	(69,554)	1,198,862	(330)	86,709	349,919	3,652,225	(4,055,989)	4,279,430
Depreciation and impairment of property, plant and equipment	(169,538)	(212,335)	(155,180)	(349,275)	(191,898)	(6)	(12,834)	(23,817)	(1,198)	-	(1,116,081)
Depreciation and impairment of ROU assets	(284,352)	(25,847)	(34,834)	(78,267)	(83,200)	-	(4,172)	(12,711)	(3,819)	206,343	(320,859)
Amortisation and impairment of intangible assets	-	(3,051)	(26,771)	(3,956)	(12,834)	-	(639)	-	(10,448)	10,448	(47,251)
Foreign exchange differences	(453)	(183)	1,974	438	89	(87)	2	6,001	2,731	-	10,512
Finance income	297	10,645	14,665	4,936	496,093	1	2,530	12,831	3,070	(1,467)	543,601
Finance costs	(8,772)	(1,029)	(122,943)	(66,242)	(864,216)	-	-	(14,439)	(18,143)	8,157	(1,087,627)
Share of profits of associates (net of tax)	1,263	-	10,875	-	-	18,896	-	-	-	-	31,034
Share of profits of joint ventures (net of tax)	889	-	7,933	-	-	-	-	-	-	-	8,822
Others	50,701	(4,220)	275,583	(29,063)	-	(38,845)	-	-	-	-	254,156
Profit/(loss) before tax	1,283,017	524,124	635,764	(590,983)	542,896	(20,371)	71,596	317,784	3,624,418	(3,832,508)	2,555,737
Income tax expense	(204,488)	(125,535)	(119,592)	(6,874)	146,597	-	(17,036)	(24,527)	(27,697)	-	(379,152)
Profit/(loss) for the period	1,078,529	398,589	516,172	(597,857)	689,493	(20,371)	54,560	293,257	3,596,721	(3,832,508)	2,176,585
<i>Assets and liabilities</i>											
Cash and cash equivalents	204,952	287,144	2,187,615	334,779	279,815	5,453	123,119	79,485	1,515,318	-	5,017,680
Other assets	13,939,564	6,080,287	7,341,305	3,789,831	4,516,816	56,083	536,791	5,040,588	3,715,858	(4,524,534)	40,492,589
Segment assets as at 31 December 2021	14,144,516	6,367,431	9,528,920	4,124,610	4,796,631	61,536	659,910	5,120,073	5,231,176	(4,524,534)	45,510,269
Loans and borrowings	-	300,000	689,545	3,201,887	1,716,517	-	38,025	2,545,131	355,813	-	8,846,918
Other liabilities	4,999,550	822,734	2,970,532	1,035,515	2,267,330	15,821	178,195	405,483	1,131,803	(4,440,443)	9,386,520
Segment liabilities as at 31 December 2021	4,999,550	1,122,734	3,660,077	4,237,402	3,983,847	15,821	216,220	2,950,614	1,487,616	(4,440,443)	18,233,438

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 party 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 2022	31 Dec 2021
	RM'000	RM'000
Transactions with substantial shareholders*		
- Sales and provision of services	456	453
- Purchases and consumption of services	(12,607)	(10,376)
	<u>456</u>	<u>(10,376)</u>
Transactions with key management personnel*		
- Sales and provision of services	4,616	4,240
- Purchases and consumption of services	(82,165)	(65,243)
	<u>(77,549)</u>	<u>(61,003)</u>

*: Including parties directly/jointly-controlled by substantial shareholders or key management personnel.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 5 April 2022, Parkway Trust Management Limited (“PTM”) transferred 123,500 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 35.60% to 35.58%.
- (b) On 25 May 2022, a sole proprietorship named Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd (“Marija Mirkovic”) has been established pursuant to the Consultancy Agreement entered into by General Hospital Acibadem Bel Medic (*formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)*) (“ABM”) with the sole proprietor. ABM has control power over Marija Mirkovic and has consolidated the financial statements of Marija Mirkovic into ABM’s financial statements under MFRS 10 *Consolidated Financial Statements*. Accordingly, Marija Mirkovic is regarded as direct subsidiary of ABM pursuant to MFRS10 *Consolidated Financial Statements*. The principal activity of Marija Mirkovic is provision of laboratory business.
- (c) On 2 June 2022, IHH established a wholly owned subsidiary, IHH Laboratories Holdings Sdn Bhd (“IHH Laboratories Holdings”) in Malaysia. The initial capital of IHH Laboratories Holdings is RM1 and its intended principal activity is investment holding.
- (d) On 3 June 2022, IHH established a wholly owned subsidiary, IHH Treasury Services Pte Ltd (now known as IHH Financial Services Pte Ltd (“IHH Financial Services”) after it changed its name on 6 July 2022) in Singapore. The initial capital of IHH Financial Services is SGD1.0 million (equivalent to RM3.2 million) and its intended principal activity is provision of treasury services.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

- (e) On 9 June 2022, IMUH established a wholly owned subsidiary, IMU Omega Sdn Bhd ("IMU Omega") in Malaysia. The initial capital of IMU Omega is RM2 and its intended principal activity is provision of medical, surgical and hospital services.
- (f) On 28 June 2022, IHH Laboratories Holdings established a wholly owned subsidiary, IHH Laboratories Pte Ltd ("IHH Laboratories") in Singapore. The initial capital of IHH Laboratories is SGD1 (equivalent to RM3) and its intended principal activities are investment holding and provision of services for medical diagnostic laboratory tests.
- (g) On 6 July 2022, Parkway Group Healthcare Pte Ltd acquired 100% equity interest in IHH Technology Sdn Bhd (formerly known as POEM Corporate Health Services Sdn Bhd) from Pantai Group Resources Sdn Bhd at a total consideration of RM635,000.
- (h) On 14 July 2022, Parkway HK Holdings Limited established a 60%-owned subsidiary, Parkway Medical Services (Hong Kong) Limited ("Parkway Medical") in Hong Kong. The remaining 40% equity stake in Parkway Medical is owned by Media Year Investments Limited. The initial capital of Parkway Medical is HKD10 (equivalent to RM6) and its intended principal activity is provision of healthcare services.
- (i) On 9 August 2022, Acibadem Sağlık Hizmetleri ve Ticaret A.S. ("ASH"), acquired 100% equity interest in Ortopedia Ozel Sağlık Hizmetleri Anonim Sirketi ("Ortopedia") for a total consideration of TL200.0 million (equivalent to RM50.1 million). Ortopedia is a private healthcare operator in Adana, Turkiye and it currently operates a 52 bedded hospital specifically for orthopedics. Post completion of the acquisition, Ortopedia has become a direct subsidiary of ASH.
- (j) On 13 September 2022, Parkway Life Japan4 Pte Ltd ("TK Investor"), an indirect subsidiary, entered into a Tokumei Kumiai agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 17 (the "TK Operator"). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY2.6 billion (equivalent to RM83.6 million) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of three nursing homes by the TK Operator.

PLife REIT 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 PLife REIT 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 its assets. As such the TK Operator is regarded as indirect subsidiary of IHH pursuant to MFRS10 *Consolidated Financial Statements*.

- (k) On 20 September 2022, Parkway Life Japan4 Pte Ltd ("TK Investor") entered into a Tokumei Kumiai agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 18 (the "TK Operator"). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY2.9 billion (equivalent to RM92.6 million) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of two nursing homes by the TK Operator.

PLife REIT 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 PLife REIT 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 its assets. As such the TK

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

Operator is regarded as indirect subsidiary of IHH pursuant to MFRS10 *Consolidated Financial Statements*.

- (l) On 23 September 2022, Acibadem City Clinic B.V. ("ACC BV"), an indirect subsidiary, repurchased 41,533 of its own shares at a consideration of EUR12.6 million (equivalent to RM56.8 million). The shares were retained as treasury shares. Consequential thereto, ASH's effective interest in ACC BV has increased from 64.05% to 66.82%.
- (m) On 8 December 2022, IHH Laboratories, an indirect wholly owned subsidiary, acquired 100% equity interest in Pantai Premier Pathology Sdn Bhd from Pantai Group Resources Sdn Bhd, an indirect wholly owned subsidiary, at a total consideration of RM94.2 million. Post completion of the acquisition, Orifolio Options Sdn Bhd, a direct wholly owned subsidiary of Pantai Premier Pathology Sdn Bhd has become an indirect wholly owned subsidiary of IHH Laboratories.
- (n) On 29 December 2022, IHH Laboratories, an indirect wholly owned subsidiary, acquired 100% equity interest in Parkway Laboratory Services Ltd from Parkway Holdings Limited, an indirect wholly owned subsidiary, at a total consideration of SGD53.3 million (equivalent to RM173.1million).

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 14 February 2023, Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH") acquired the entire equity stake in Ozel Kent Saglik Hizmetleri ve Malzemeleri Sanayi Ticaret A.S. ("Kent") for a total consideration of EUR55.0 million (equivalent to RM255.3 million). Kent is a private healthcare operator in Izmir, Turkiye and it currently operates a 340-bedded Kent Hospital and 2 medical centres. Post completion of the acquisition, Kent has become a direct subsidiary of ASH, whilst Alsancak Ozel Kent Tıp Merkezi A.S. and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. have become indirect wholly owned subsidiaries of ASH.
- (b) On 27 February 2023, M&P Investments Pte Ltd, an indirect wholly-owned subsidiary, completed the disposal of its 70% equity interest in Gleneagles Chengdu Hospital Company Limited to Perennial Healthcare Pte Ltd.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at 28 February 2023.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

A14 CAPITAL COMMITMENTS

	31 Dec 2022 RM'000	31 Dec 2021 RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for	1,152,671	541,431
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,830,228	1,896,122
Maximum amount committed for Malar Open Offer ¹	15,511	16,070
	<u>1,845,739</u>	<u>1,912,192</u>

¹ The actual number of Fortis Healthcare Limited ("Fortis") shares and the actual number of Fortis Malar Hospitals Limited ("Malar") shares that Northern TK Venture Pte. Ltd. ("NTK") will be acquiring can only be determined at the end of the Fortis Open Offer and Malar Open Offer respectively.

On 13 November 2018, IHH acquired 31.17% equity interest in Fortis through a preferential allotment by Fortis to an indirect wholly owned subsidiary of IHH, NTK. As a consequence of the preferential allotment by Fortis, NTK is required to carry out the following:

- (i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of INR10 each in Fortis, representing additional 26% of the Expanded Voting Share Capital of Fortis, at a price of not less than INR170 per share ("Fortis Open Offer") or such higher price as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (ii) In light of the acquisition of the controlling stake of Fortis, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each in Malar, representing 26% of the paid-up equity shares of Malar at a price of INR58 per share ("Malar Open Offer"). The Malar Open Offer is subject to the completion of the Fortis Open Offer.

On 13 July 2018, NTK, together with IHH and Parkway Pantai Limited ("PPL") had made a public announcement to all the public shareholders who are eligible to tender their shares in the Fortis Open Offer and Malar Open Offer.

Subsequently on 14 December 2018, the Supreme Court of India passed an order in the matter of "Mr Vinay Prakash Singh v. Sameer Gehlaut & Ors." [Contempt Petition (Civil) No. 2120 of 2018] ("Original Contempt Petition"), directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained" ("Interim Status Quo Order"). Pursuant thereto, decision was taken not to proceed with Fortis Open Offer and Malar Open Offer.

Vide its judgment dated 15 November 2019 ("Judgment"), the Supreme Court of India issued suo-moto contempt notice to, among others, Fortis, and its Registry to register a fresh contempt petition in regard to alleged violation of the Interim Status Quo Order ("Fortis Contempt Petition").

On 22 September 2022, the Supreme Court pronounced the final order and on 23 September 2022, the written judgment was made available. The Supreme Court held, among others, that:

- (i) The Special Leave Petition (Civil) No. 20417 of 2017, the Original Contempt Petition (in which the Interim Status Quo Order was passed) and the Fortis Contempt Petition are disposed of.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

- (ii) The Delhi High Court may consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between Fortis and RHT Health Trust and other related transactions.
- (iii) It will be open to the Delhi High Court to pass such directions as the facts and circumstances presented before it may justify.

Neither IHH, NTK or PPL are party to Daiichi Sankyo Co. Ltd's ("Daiichi") pending execution proceedings* before the Delhi High Court. Daiichi had moved Delhi High Court requesting the Delhi High Court to pass appropriate directions (in view of the Supreme Court Judgment) in connection with the forensic audit and the execution proceedings are ongoing.

Following the decision of the Supreme Court of India, on 16 November 2022, the Securities and Exchange Board of India ("SEBI") had advised NTK to proceed with the Fortis Open Offer and the Malar Open Offer after obtaining an appropriate order from the Delhi High Court. In view of the aforementioned, IHH is obtaining advice from legal counsel.

*: Daiichi filed execution proceedings before the Delhi High Court to enforce and execute an arbitral award issued in its favour ("Arbitral Award"). Pursuant to the Arbitral Award (which IHH Group is not a party to), Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh ("Singh Brothers") and persons and entities related to them were directed to pay an amount of approximately INR 25.62 billion with interest to Daiichi in connection with a dispute relating to the sale of shares of Ranbaxy Laboratories Limited by the Singh Brothers to Daiichi.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

The table below analyses 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 that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability

	Fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
31 December 2022					
Financial assets					
Unquoted shares at FVOCI	-	-	114,573	114,573	114,573
Foreign exchange forward contracts	-	42,475	-	42,475	42,475
Cross currency swaps	-	291,978	-	291,978	291,978
Cross currency interest rate swaps	-	61,410	-	61,410	61,410
Interest rate caps	-	12,799	-	12,799	12,799
Interest rate swaps	-	124	-	124	124
Financial liabilities					
Foreign exchange forward contracts	-	(4,379)	-	(4,379)	(4,379)
Fixed rate medium term notes	-	(647,919)	-	(647,919)	(654,440)
Liabilities on put options granted to NCI	-	-	(1,592,665)	(1,592,665)	(1,592,665)
31 December 2021					
Financial assets					
Unquoted shares at FVOCI	-	-	72,581	72,581	72,581
Money market funds at FVTPL	-	111,394	-	111,394	111,394
Foreign exchange forward contracts	-	21,451	-	21,451	21,451
Cross currency swaps	-	374,382	-	374,382	374,382
Cross currency interest rate swaps	-	27,199	-	27,199	27,199
Interest rate caps	-	2,143	-	2,143	2,143
Financial liabilities					
Interest rate swaps	-	(471)	-	(471)	(471)
Fixed rate medium term notes	-	(434,080)	-	(434,080)	(431,713)
Liabilities on put options granted to NCI	-	-	(1,938,448)	(1,938,448)	(1,938,448)

Refer to Section B13 for fair value gain/(loss) recognised in the statement of profit or loss.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

	4th quarter ended			Financial year ended		
	31 Dec 2022	31 Dec 2021	Variance	31 Dec 2022	31 Dec 2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE¹						
Singapore	1,343,948	1,297,115	4%	5,143,114	5,033,275	2%
Malaysia	877,098	742,942	18%	3,181,790	2,727,152	17%
India	1,009,307	948,276	6%	3,865,251	3,728,777	4%
Greater China	286,061	237,438	20%	998,378	876,887	14%
Turkiye and Europe	1,343,080	1,134,537	18%	4,486,140	4,347,258	3%
Hospital and Healthcare	4,859,494	4,360,308	11%	17,674,673	16,713,349	6%
IMU Health	70,005	69,993	0%	260,772	257,647	1%
Others[^]	1,628	1,748	-7%	4,994	7,600	-34%
Group (Excluding PLife REIT)	4,931,127	4,432,049	11%	17,940,439	16,978,596	6%
PLife REIT total revenue	96,282	93,584	3%	376,199	370,694	1%
Less: PLife REIT inter-segment revenue	(58,579)	(54,917)	-7%	(226,668)	(217,527)	-4%
PLife REIT	37,703	38,667	-2%	149,531	153,167	-2%
	4,968,830	4,470,716	11%	18,089,970	17,131,763	6%
Adjustment for hyperinflationary economies ⁴	(112,015)	-	-	(101,283)	-	-
Group	4,856,815	4,470,716	9%	17,988,687	17,131,763	5%
EBITDA²						
Singapore	421,485	484,457	-13%	1,600,156	1,692,982	-5%
Malaysia	244,863	223,210	10%	909,700	760,144	20%
India	165,774	181,138	-8%	646,624	664,462	-3%
Greater China	(12,407)	(10,364)	-20%	(60,291)	(69,554)	13%
Turkiye and Europe	358,212	318,259	13%	1,089,811	1,198,862	-9%
Southeast Asia	(28)	20	NM	(346)	(330)	-5%
Hospital and Healthcare	1,177,899	1,196,720	-2%	4,185,654	4,246,566	-1%
IMU Health	19,323	16,918	14%	84,750	86,709	-2%
Others[^]	(77,694)	(95,031)	18%	(170,644)	(185,532)	8%
Group (Excluding PLife REIT)	1,119,528	1,118,607	0%	4,099,760	4,147,743	-1%
PLife REIT	60,841	50,318	21%	278,442	349,919	-20%
Eliminations³	(58,245)	(54,903)	-6%	(220,851)	(218,232)	-1%
	1,122,124	1,114,022	1%	4,157,351	4,279,430	-3%
Adjustment for hyperinflationary economies ⁴	(49,013)	-	-	(106,224)	-	-
Group	1,073,111	1,114,022	-4%	4,051,127	4,279,430	-5%

¹: Relates to external revenue only

²: Relates to the EBITDA performance of each strategic business units, after elimination of dividend income from within the Group

³: Relates to the elimination of inter-segment income and expenses

⁴: Arises from the application of MFRS 129

[^]: "Others" comprise mainly 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 2022

Q4 2022 vs Q4 2021

The Group's Q4 2022 revenue increased 9% over Q4 2021 while its Q4 2022 EBITDA decreased 4%. Excluding effects of MFRS 129, the Group's Q4 2022 revenue and EBITDA increased 11% and 1% respectively over Q4 2021.

The decrease in EBITDA was mainly due to higher cost of operations, translational effects from a weakened TL against RM during in the quarter and a debit adjustment of RM49.0 million in Q4 2022 relating to the application of MFRS 129.

The Group's Q4 2022 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 23% to RM340.4 million, mainly due to higher net finance costs and a debit adjustment of RM84.0 million in Q4 2022 relating to the application of MFRS 129 which mainly resulted from higher depreciation and amortisation on reindexation and partially eroded by the translation effects of weakening TL as at 31 December 2022. These were partially offset by lower depreciation expenses on non-reindexed assets.

Hospital and Healthcare

Hospital and Healthcare's Q4 2022 revenue increased 11% to RM4,859.5 million whilst its Q4 2022 EBITDA decreased 2% to RM1,177.9 million. The growth in revenue was mainly due to the strong recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital and acquisitions of Bel Medic on 20 July 2021 and Ortopedia on 9 August 2022 also contributed to the increase. These were partially offset by lower contribution from COVID-19 related-services rendered in Q4 2022, as well as the disposal of Continental Hospitals on 14 December 2021 and partial lockdown in China per local COVID-19 measures.

Singapore hospital inpatient admissions decreased 4% to 15,010 in Q4 2022 while its revenue per inpatient admission increased 29% to RM53,944 with a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 33% to 57,206 in Q4 2022 while its revenue per inpatient admission decreased 3% to RM9,769. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in Q4 2022. India hospital inpatient admissions decreased 2% to 83,345 in Q4 2022 while its revenue per inpatient admission increased 12% to RM8,564. Turkiye and Europe hospital inpatient admissions increased 7% to 64,309 in Q4 2022 while its revenue per inpatient admission increased 45% to RM10,268 with price adjustments to counter inflation.

Strong recovery of foreign patient volumes was observed in Q4 2022 for Singapore and Malaysia as border controls were eased in the two countries since April 2022.

The decrease in Hospital and Healthcare's Q4 2022 EBITDA was mainly due to higher staff cost and other operating expenses and translational effects from a weakened TL against RM during the quarter.

IMU Health

IMU Health's Q4 2022 revenue remained flat at RM70.0 million and its Q4 2022 EBITDA increased 14% to RM19.3 million on lower staff costs.

PLife REIT

PLife REIT's Q4 2022 external revenue and EBITDA increased 3% and 21% respectively over Q4 2021. EBITDA increased mainly due to contribution from five nursing homes acquired in September 2022 as well as lower valuation loss on investment properties of RM19.5 million recorded.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

Others

Q4 2022 revenue decreased 7% to RM1.6 million mainly due to lower dividends received from investments in Money Market Funds ("MMF") following partial redemption made in December 2021 and full redemption in April 2022.

Q4 2022 EBITDA losses decreased 18% mainly due to lower other operating expenses.

FY 2022 vs FY 2021

The Group's FY 2022 revenue increased by 5% over FY 2021 while its FY 2022 EBITDA decreased 5%. Excluding effects of MFRS 129, the Group's FY 2022 revenue increased by 6% over Q4 2021 while its FY 2022 EBITDA decreased 3%.

The decrease in EBITDA was mainly due to a higher base in FY 2021 with RM16.3 million gain on divestment of P-Life Matsudo and RM40.6 million valuation gain on PLife REIT's investment properties, compared to valuation loss of RM19.5 million in FY 2022. In addition, higher cost of operations, translational effects from a weakened TL against RM during the year and a debit adjustment of RM106.2 million in FY 2022 relating to the application of MFRS 129 eroded FY 2022 EBITDA.

The Group's FY 2022 PATMI (Excl EI) decreased 13% to RM1,380.7 million, mainly due to lower EBITDA, higher net finance costs and a debit adjustment of RM273.1 million relating to the application of MFRS 129 in FY 2022 which mainly resulted from higher depreciation and amortisation on reindexation and partially eroded by the translation effects of weakening TL as at 31 December 2022. These were partially offset by lower depreciation expenses on non-reindexed assets and higher net exchange gains.

Hospital and Healthcare

Hospital and Healthcare's FY 2022 revenue increased 6% to RM17,674.7 million while its FY 2022 EBITDA decreased 1% to RM4,185.7 million.

The growth in revenue was mainly due to the strong recovery of core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of DDRC SRL on 5 April 2021, Bel Medic on 20 July 2021 and Ortopedia on 9 August 2022 also contributed to the increase. These were partially offset by lower contribution from COVID-19 related-services rendered in FY 2022, as well as the disposal of Continental Hospitals on 14 December 2021, temporary closure of all clinics in China between March and May 2022 and partial lockdown in China per local COVID-19 measures.

Singapore hospital inpatient admissions decreased 4% to 61,951 in FY 2022 as beds were allocated to COVID-19 patients in FY 2021, while its revenue per inpatient admission increased 26% to RM48,965 with a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 35% to 205,459 in FY 2022 while its revenue per inpatient admission decreased 7% to RM9,587. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in FY 2022 as compared to FY 2021 when the Movement Control Order was in place in Malaysia. India hospital inpatient admissions increased 4% to 332,661 in FY 2022 while its revenue per inpatient admission increased 3% to RM8,103. Turkiye and Europe hospital inpatient admissions increased 7% to 234,831 in FY 2022 while its revenue per inpatient admission increased 31% to RM9,090 with price adjustments to counter inflation.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

Strong recovery of foreign patient volumes was observed since April 2022 for Singapore and Malaysia as border controls were eased in the two countries.

The decrease in Hospital and Healthcare's FY 2022 EBITDA was mainly due to higher staff cost and other operating expenses and translational effects from a weakened TL against RM during the year.

IMU Health

IMU Health's FY 2022 revenue increased 1% to RM260.8 million while its FY 2022 EBITDA decreased 2% to RM84.8 million as expenses increased since there were more campus activities with students returning to campus for physical classes post pandemic lockdown.

PLife REIT

PLife REIT's FY 2022 external revenue increased 1% while its FY 2022 EBITDA decreased 20%. The lower EBITDA was mainly due to a higher base in FY 2021 with RM16.3 million gain on divestment of P-Life Matsudo and valuation gains on investment properties of RM40.2 million recorded, compared to valuation loss of RM19.5 million in FY 2022.

Others

FY 2022 revenue decreased 34% to RM5.0 million due to lower dividends received from investments in MMF following partial redemption made in December 2021 and full redemption in April 2022. In addition, there was lower management fee income from Gleneagles JPMC Sdn Bhd.

FY 2022 EBITDA losses decreased 8% mainly due to higher staff costs.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2022 RM'000	3rd quarter ended 30 Sep 2022 RM'000	Variance %
<u>REVENUE</u>¹			
Singapore	1,343,948	1,276,792	5%
Malaysia	877,098	840,244	4%
India	1,009,307	1,032,034	-2%
Greater China	286,061	265,412	8%
Turkiye and Europe	1,343,080	1,110,199	21%
Hospital and Healthcare	4,859,494	4,524,681	7%
IMU Health	70,005	59,624	17%
Others [^]	1,628	1,003	62%
Group (Excluding PLife REIT)	4,931,127	4,585,308	8%
PLife REIT total revenue	96,282	92,263	4%
Less: PLife REIT inter-segment revenue	(58,579)	(56,624)	-3%
PLife REIT	37,703	35,639	6%
	4,968,830	4,620,947	8%
Adjustment for hyperinflationary economies ⁴	(112,015)	(25,703)	NM
Group	4,856,815	4,595,244	6%
<u>EBITDA</u>²			
Singapore	421,485	374,641	13%
Malaysia	244,863	248,200	-1%
India	165,774	179,291	-8%
Greater China	(12,407)	(7,547)	-64%
Turkiye and Europe	358,212	230,853	55%
Southeast Asia	(28)	(35)	20%
Hospital and Healthcare	1,177,899	1,025,403	15%
IMU Health	19,323	15,563	24%
Others [^]	(77,694)	(35,619)	-118%
Group (Excluding PLife REIT)	1,119,528	1,005,347	11%
PLife REIT	60,841	73,030	-17%
Eliminations ³	(58,245)	(54,698)	-6%
	1,122,124	1,023,679	10%
Adjustment for hyperinflationary economies ⁴	(49,013)	(21,100)	-132%
Group	1,073,111	1,002,579	7%

¹: Relates to external revenue only

²: Relates to the EBITDA performance of each strategic business units, after elimination of dividend income from within the Group

³: Relates to the elimination of inter-segment income and expenses

⁴: Arises from the application of MFRS 129

The Group recognised the cumulative YTD 6 months (ie. 1 January 2022 to 30 June 2022) effects of MFRS 129 in Q2 2022 upon application of the standard in April 2022, whereas it recognised Q4 3 months effects of MFRS 129 in Q3 2022.

[^]: "Others" comprise mainly 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 2022

Q4 2022 vs Q3 2022

The Group's quarter-on-quarter revenue and EBITDA increased by 6% and 7% respectively. Excluding effects of MFRS 129, the Group's quarter-on-quarter revenue and EBITDA increased by 8% and 10% respectively.

EBITDA increased quarter-on-quarter on the back of a higher revenue. It was partially offset by higher cost of operations and valuation loss on PLife REIT's investment properties of RM19.5 million recorded in Q4 2022.

The Group's PATMI (Excl EI) increased 8% quarter-on-quarter on the back of higher EBITDA. It is partially offset by lower net exchange gains in Q4 2022 and a higher debit adjustment relating to the application of MFRS 129.

Hospital and Healthcare

Hospital and Healthcare recorded a 7% quarter-on-quarter increase in revenue and 15% quarter-on-quarter increase in EBITDA.

Singapore hospital inpatient admissions decreased 3% quarter-on-quarter, while its revenue per inpatient admission increased 11%. Malaysia hospital inpatient admissions was flat quarter-on-quarter, while its revenue per inpatient admission increased 5%. India hospital inpatient admissions decreased 6% quarter-on-quarter, while its revenue per inpatient admission increased 4% quarter-on-quarter. Turkiye and Europe hospital inpatient admissions increased 20% quarter-on-quarter while its revenue per inpatient increased 2%.

EBITDA increased quarter-on-quarter on the back of a higher revenue, partially offset by higher staff cost and other operating expenses.

IMU Health

IMU Health's revenue increased 17% quarter-on-quarter mainly due to timing of the semester and student intake. EBITDA increased 24% quarter-on-quarter as a result of higher revenues, offset by higher expenses as a result of increased activities in campus and timing of expenditure which coincides with the new semester and student intake.

PLife REIT

PLife REIT's external revenue increased 4% quarter-on-quarter due to revenue contribution from five nursing homes acquired in September 2022.

PLife REIT's EBITDA decreased 17% quarter-on-quarter due to valuation loss on PLife REIT's investment properties of RM19.5 million recorded in Q4 2022.

Others

Revenue increased 62% quarter-on-quarter while EBITDA losses increased 118% quarter-on-quarter as a result of higher other operating expenses.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B3 NEXT YEAR FINANCIAL PROSPECTS

The Group is cautiously optimistic of robust growth from its core business with the return of local and foreign patients to its hospitals. It continues to drive bed occupancy, optimise capacity of its existing operations and further scale up in Malaysia, India and Turkey to meet increasing demand for quality healthcare services. In addition, the Group will grow its laboratories as a distinct platform to expand its reach and to provide end-to-end laboratory services to patients and clients.

Meanwhile, Mount Elizabeth Hospital in Singapore is undergoing a major refurbishment and will convert its two-bedded rooms to single rooms to meet strong local and international demand. The renovation will be phased over three years to minimise disruptions. Some patients may be decanted to the Group's three other hospitals in Singapore.

The healthcare industry continues to face near-term macroeconomic headwinds. Most costs are expected to increase with global rising inflation. Higher energy prices have added to the Group's cost of operations. Nursing shortages across most markets has also led to increased pressure on salary costs, as well as placed limitations on bed capacity. The Group will maintain a tight rein on costs and leverage synergies from its international network to achieve cost savings. The Group expects its net finance cost to increase in a rising interest rate environment.

As the Group pivots its strategy towards growth, it continues to seek opportunities to acquire strategic assets. It will also focus on improving its returns on equity. The Group will continue to improve on group-wide synergies and operational efficiencies. In February 2023, the Group expanded its footprint into Turkiye's third largest city of Izmir with the acquisition of 100% of Kent Health Group, which operates the largest private hospital as well as two other medical centers in Izmir.

The Group's hospitals in Turkiye were unscathed from the recent earthquake in the region, and have stepped up to provide medical support to quake victims across the country. The Group is committed to rendering humanitarian and healthcare assistance to affected communities.

In 2023, the Group expects to complete the sale of IMU Group (its education business in Malaysia). On 27 February 2023, the divestment of Gleneagles Chengdu Hospital Company Limited, a 49% owned subsidiary, was completed. The sale is in line with IHH's strategy to continually reviews its asset portfolio in China to minimise losses.

Despite the above-mentioned near-term headwinds, the Group is confident of its long-term growth trajectory, underpinned by megatrends in healthcare as well as its operational resilience and strong financial position. The Group expects its Return of Equity enhancement strategy via its cluster strategy, coupled with the strong pent-up demand for private healthcare, to drive growth.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	4th quarter ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense	124,474	143,622	551,154	558,107
Deferred tax expense/(credit)	63,273	18,581	20,795	(178,955)
	<u>187,747</u>	<u>162,203</u>	<u>571,949</u>	<u>379,152</u>

Q4 2022 and FY 2022 effective tax rates* were 96.1% and 26.3% respectively. Q4 2021 and FY 2021 effective tax rates* were 24.0% and 15.1% respectively. The Group's effective tax rates differ from the Malaysia statutory tax rate mainly due to certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items), as well as unrecognised tax losses arising from some subsidiaries' operations and hospitals under construction.

* Effective tax rate, after adjusting for the Group's share of profits of associates and joint ventures

B6 STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at 28 February 2023:

1. Following the subscription of 235,294,117 new equity shares of face value of Indian Rupee ("INR") 10 each ("Fortis Shares") in Fortis Healthcare Limited ("Fortis") through preferential allotment by Fortis to an indirect wholly owned subsidiary of IHH, Northern TK Venture Pte Ltd ("NTK" or the "Acquirer");
 - (i) Mandatory Open Offer for acquisition of up to 197,025,660 Fortis Shares representing additional 26.10% of the Expanded Voting Share Capital (as defined herein) of Fortis by the Acquirer ("Fortis Open Offer"); and
 - (ii) Mandatory Open Offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each, representing 26.11% of the fully diluted voting equity share capital of Fortis Malar Hospitals Limited ("Malar") by the Acquirer ("Malar Open Offer").

Refer to Section A14 for details and status of the Fortis Open Offer and Malar Open Offer.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Proposed disposal of the entire issued ordinary share capital of IMU Health Sdn Bhd ("IMUH"), by IHH to Inbound Education Holdings Sdn Bhd ("IEHSB") ("Proposed Disposal of IMU"); and proposed disposal of the entire issued share capital of IMU Omega ("Hospital HoldCo"), by IMUH to Columbia Asia Sdn Bhd ("CASB") ("Proposed Facility Disposal") (collectively the "Proposed Disposals"), for a cash consideration to be determined based on a total enterprise value of RM1,345 million

IHH and IEHSB had on 7 June 2022 entered into a conditional share sale agreement ("IMU SSA") whereby IHH will dispose 1,140,032 ordinary shares in IMUH representing the entire issued ordinary share capital of IMUH to IEHSB.

In conjunction with the Proposed Disposal of IMU, IHH will also dispose of a hospital situated on the land bearing title particulars GRN 46835, Lot 38387, Mukim Petaling, Daerah Kuala Lumpur ("Facility") together with the assets and liabilities of the Facility ("Facility Business"), which are currently owned by its indirect wholly owned subsidiary, IMU Education Sdn Bhd ("IMU Education") to CASB. IHH will execute various internal restructuring steps ("Proposed Restructuring") within IMU Group to facilitate the Proposed Facility Disposal.

To facilitate the Proposed Restructuring, IMU Education and IMU Omega had entered into an asset purchase agreement ("Facility APA") in respect of the Facility Business on 27 June 2022. On 27 July 2022, IMUH, IHH and CASB had entered into a conditional share sale agreement for the disposal of the entire issued share capital of IMU Omega by IMUH to CASB ("Facility SSA") pursuant to the Proposed Facility Disposal.

The Proposed Disposal of IMU, the Proposed Facility Disposal and the Proposed Restructuring (collectively the "Proposed Transactions") are not subject to IHH shareholders' approval but are subject to approvals from various regulatory bodies.

Please refer to IHH's announcements dated 7 June 2022, 27 June 2022, 21 July 2022, 27 July 2022, 5 August 2022 and 11 November 2022 for further details of the Proposed Transactions.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
Non-current		
Secured		
Bank loans	522,857	1,079,929
Loans from corporates	2,792	2,221
Unsecured		
Bank loans	5,534,248	5,162,308
Fixed rate medium term notes	588,418	431,713
Loans from corporates*	917,674	933,320
	7,565,989	7,609,491
Current		
Secured		
Bank overdrafts	44,135	24,229
Bank loans	634,656	179,823
Loans from corporates	1,533	1,008
Unsecured		
Bank loans	889,896	1,055,928
Fixed rate medium term notes	66,022	-
Loans from corporates	684	668
	1,636,926	1,261,656
Total	9,202,915	8,871,147

* Includes loans from non-controlling interests of RM916,992,000 (2021: RM869,305,000)

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

	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
Hong Kong Dollar	2,928,559	2,689,200
Japanese Yen	2,084,418	2,027,290
Singapore Dollar	2,005,562	1,546,758
Euro	669,559	977,658
Indian Rupees	581,761	712,460
Renminbi	517,914	512,686
Turkish Lira	388,075	47,499
Macedonian Denar	25,698	18,257
Others	1,369	1,314
Ringgit Malaysia	-	338,025
	9,202,915	8,871,147

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 December 2022:

	Notional amount as at 31 Dec 2022 RM'000	Fair value amount as at 31 Dec 2022 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	30,182	6,553
- Between 1 - 3 years	264,422	30,196
- More than 3 years	85,210	5,726
	<u>379,814</u>	<u>42,475</u>
Interest rate swaps		
- Between 1 - 3 years	145,286	124
Interest rate caps		
- Between 1 - 3 years	778,600	4,759
- More than 3 years	366,724	8,040
	<u>1,145,324</u>	<u>12,799</u>
Cross currency interest rate swaps		
- Between 1 - 3 years	265,828	61,410
Cross currency swaps		
- Within 1 year	85,463	143,263
- Between 1 - 3 years	86,194	148,715
	<u>171,657</u>	<u>291,978</u>
	<u>2,107,909</u>	<u>408,786</u>
Derivative liabilities		
Foreign exchange forward contracts		
- Within 1 year	128,321	(4,379)
Call option granted to non-controlling interests		
- Within 1 year	27,321	-
	<u>155,642</u>	<u>(4,379)</u>

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 caps

Interest rate caps are entered by the Group to protect against an increase in interest rates beyond the pre-determined cap rate.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

Cross currency interest rate swaps and cross currency swaps

Cross currency interest rate swaps and cross currency 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 values of cross currency interest rate swaps and cross currency swaps are determined based on bank quotes.

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.

Call option granted to non-controlling interests

Call option granted to non-controlling interests 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, pursuant to an option agreement entered with the non-controlling interests. The call option granted to non-controlling interests is classified as a derivative liability.

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 B13 for the fair value gain/loss recognised in the statement of profit or loss.

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 are disclosed in Section B13.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B10 MATERIAL LITIGATIONS

The following are the material litigations of the Group:

In respect of Escorts Heart Institute and Research Centre Limited ("EHIRCL"), a subsidiary of Fortis:

- (a) The Delhi Development Authority ("DDA") had terminated the lease deeds and allotment letters relating to land parcels on which the Fortis Escorts Hospital exists due to certain alleged non-compliances of such documents. Consequent to the termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. These terminations, show cause notices and eviction proceedings have been challenged by EHIRCL before the High Court of Delhi, Supreme Court of India and Estate Officer of DDA. The Supreme Court of India, vide its order dated 14 November 2019, has quashed the show cause notice for eviction proceedings. Based on external legal counsel advice, Fortis is of the understanding that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments to the financial statements are required.
- (b) In relation to the judgement of the High Court of Delhi relating to provision of free treatment/beds to the economically weaker sections of society pursuant to such obligations set forth under certain land grant orders/allotment letters ("EWS Obligations"), the Directorate of Health Services ("DoHS"), Government of NCT of Delhi, appointed a firm to calculate "unwarranted profits" arising to EHIRCL due to alleged non-compliance of such EWS Obligations. Following various hearings and appeals between 2014 and 2018, in a hearing before the DoHS in May 2018, an order was passed imposing a penalty of INR5.0 billion (equivalent to RM275.1 million) which was challenged by EHIRCL before the Delhi High Court. Through an order dated 1 June 2018, the Delhi High Court has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of INR50.0 million (equivalent to RM2.7 million) before the DoHS. In compliance of the above direction, EHIRCL had deposited the stipulated amount on 20 June 2018. Matter is sub judice before the Delhi High Court. Based on its internal assessment and advice from its counsel, since the documents available, EHIRCL believes that it is in compliance of the conditions of free treatment and free beds to patients of economic weaker sections and expects the demand to be set aside.

B11 DIVIDENDS

The Board of Directors have declared that a first and final single tier cash dividend of 7 sen per ordinary share for the financial year ended 31 December 2022 to be paid on 28 April 2023 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn Bhd and The Central Depository (Pte) Limited ("CDP") at the close of business on 31 March 2023. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 31 March 2023 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

For details of the dividends paid by the Company during the financial year ended 31 December 2022, please refer to Section A7.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

B12 EARNINGS PER SHARE ("EPS")

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

	4th quarter ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
i) <u>Net profit attributable to ordinary shareholders</u>				
Profit after tax and non-controlling interests	191,273	453,598	1,548,398	1,862,525
Perpetual securities distribution accrued	-	(22,466)	(52,212)	(88,300)
	<u>191,273</u>	<u>431,132</u>	<u>1,496,186</u>	<u>1,774,225</u>
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>				
Profit after tax and non-controlling interests (excluding EI)	340,371	440,750	1,380,676	1,594,752
Perpetual securities distribution accrued	-	(22,466)	(52,212)	(88,300)
	<u>340,371</u>	<u>418,284</u>	<u>1,328,464</u>	<u>1,506,452</u>
(a) Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	8,806,043	8,791,778	8,803,471	8,782,187
	sen	sen	sen	sen
Basic EPS	2.17	4.90	17.00	20.20
Basic EPS (excluding EI)	<u>3.87</u>	<u>4.76</u>	<u>15.09</u>	<u>17.15</u>

(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 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,806,043	8,791,778	8,803,471	8,782,187
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	-	-	-	459
Weighted number of unissued ordinary shares from share options under EOS	100	949	834	85
Weighted average number of dilutive ordinary shares for computation of diluted EPS	<u>8,806,143</u>	<u>8,792,727</u>	<u>8,804,305</u>	<u>8,782,731</u>
	sen	sen	sen	sen
Diluted EPS	2.17	4.90	16.99	20.20
Diluted EPS (excluding EI)	<u>3.87</u>	<u>4.76</u>	<u>15.09</u>	<u>17.15</u>

At 31 December 2022, 18,759,000 (2021: 21,509,000) outstanding EOS options 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 2022

B13 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	4th quarter ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	650	63	2,585
Other operating income	80,512	97,235	323,654	312,051
Foreign exchange differences	2,855	2,025	92,526	10,512
Impairment loss (made)/written back:				
- Property, plant and equipment	(384,336)	12,284	(384,302)	(167,408)
- Intangible assets	(8,943)	-	(8,943)	-
- Goodwill	(150,066)	(6,090)	(150,066)	(6,090)
- Trade and other receivables	(16,638)	5,615	(44,686)	(80,605)
Write off:				
- Property, plant and equipment	(214)	(617)	(1,087)	(1,863)
- Trade and other receivables	(4,692)	(11,767)	(10,048)	(20,749)
- Inventories	(1,061)	(1,050)	(4,296)	(3,601)
Change in fair value of investment properties	27,780	21,923	23,750	87,107
Remeasurement to fair value of interest in a joint venture	-	(116)	-	86,061
Gain on disposal of property, plant and equipment	2,971	11,054	11,864	14,975
Gain on disposal of an investment property	-	(4)	-	16,335
Gain on disposal of a subsidiaries	-	53,032	-	53,032
Gain on disposal of a joint venture	-	-	-	139,053
Provision for loan taken by a joint venture	-	1	-	(2,563)
Finance income				
Interest income	8,621	12,603	77,586	49,084
Fair value gain on instruments at FVTPL	176	201	987	933
Fair value (loss)/gain on financial derivatives	(2,788)	360,821	34,810	493,584
	6,009	373,625	113,383	543,601
Finance costs				
Interest on loans and borrowings	(114,509)	(58,943)	(318,800)	(287,029)
Interest on lease liabilities	(43,719)	(37,249)	(152,863)	(157,529)
Exchange loss on net borrowings	(43,274)	(478,638)	(144,194)	(604,966)
Fair value gain on financial instruments	1,062	-	-	-
Other finance costs	(7,091)	(9,095)	(41,556)	(38,103)
	(207,531)	(583,925)	(657,413)	(1,087,627)