

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2023

IHH HEALTHCARE BERHAD

Financial Year End 31 Dec 2023
 Quarter 4 Qtr
 Quarterly report for the financial period ended 31 Dec 2023
 The figures have been audited

Attachments

[IHH Q4 2023_Quarterly Report.pdf](#)
 1.1 MB

[IHH Q4_2023_Press Release \(29.02.2024\).pdf](#)
 562.6 kB

Default Currency	Other Currency
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Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2023

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	5,292,643	4,856,815	20,934,837	17,988,687
2	Profit/(loss) before tax	701,573	204,177	4,049,301	2,217,091
3	Profit/(loss) for the period	816,225	16,430	3,390,955	1,645,142
4	Profit/(loss) attributable to ordinary equity holders of the parent	727,453	191,273	2,951,874	1,548,398
5	Basic earnings/(loss) per share (Subunit)	8.26	2.17	33.52	17.00
6	Proposed/Declared dividend per share (Subunit)	5.50	7.00	18.60	7.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	

		QUARTER	YEAR END
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	3.3000	2.9700

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	29 Feb 2024
Category	Financial Results
Reference Number	FRA-20022024-00046



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 DECEMBER 2023

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Unaudited			Audited		
		4th quarter ended		Variance	Financial year ended		Variance
		31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022	
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1	5,292,643	4,856,815	9%	20,934,837	17,988,687	16%
Other operating income	2	97,382	133,823	-27%	1,413,431	497,786	184%
Inventories and consumables		(1,148,337)	(1,011,958)	-13%	(4,339,550)	(3,796,895)	-14%
Purchased and contracted services		(470,339)	(460,317)	-2%	(1,897,712)	(1,700,658)	-12%
Staff costs	3	(1,952,403)	(1,668,406)	-17%	(7,632,234)	(6,319,461)	-21%
Depreciation and impairment of property, plant and equipment	4	(271,973)	(636,150)	57%	(1,072,505)	(1,374,475)	22%
Depreciation and impairment of right-of-use ("ROU") assets	4	(103,021)	(89,409)	-15%	(390,645)	(357,893)	-9%
Amortisation and impairment of intangible assets	4	(12,016)	(23,236)	48%	(47,720)	(58,452)	18%
Operating lease expenses		(28,224)	(24,720)	-14%	(112,790)	(87,955)	-28%
Other operating expenses	5	(725,705)	(856,350)	15%	(2,697,447)	(2,530,946)	-7%
Finance income	6	(12,539)	6,009	NM	102,764	113,383	-9%
Finance costs	6	(246,920)	(207,531)	-19%	(941,319)	(657,413)	-43%
Net monetary gain arising from hyperinflationary economy		274,273	176,765	55%	703,941	462,512	52%
Share of profits of associates (net of tax)		8,255	8,408	-2%	24,784	36,836	-33%
Share of profits of joint ventures (net of tax)		497	434	15%	1,466	2,035	-28%
Profit before tax		701,573	204,177	NM	4,049,301	2,217,091	83%
Income tax expense	7	114,652	(187,747)	161%	(658,346)	(571,949)	-15%
Profit for the year		816,225	16,430	NM	3,390,955	1,645,142	106%
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	8	882,802	77,531	NM	1,488,181	224,633	NM
Realisation of FCTR ¹ upon disposal of subsidiaries		-	-	-	11,150	-	-
Hyperinflationary adjustments		(51,631)	(80,895)	36%	413,852	669,372	-38%
Hedge of net investments in foreign operations	8	(456,838)	(41,153)	NM	198,273	313,681	-37%
Cash flow hedge		2,758	4,543	-39%	(84,136)	22,137	NM
Costs of hedging		725	(158)	NM	(2,082)	1,292	NM
		377,816	(40,132)	NM	2,025,238	1,231,115	65%
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Remeasurement of defined benefit liabilities		(21,128)	(14,104)	-50%	(29,701)	(15,297)	-94%
Change in fair value of financial assets at FVOCI ²		47,395	-		47,395	-	-
Total other comprehensive income for the year, net of tax		404,083	(54,236)	NM	2,042,932	1,215,818	68%
Total comprehensive income for the year		1,220,308	(37,806)	NM	5,433,887	2,860,960	90%
Profit attributable to:							
Owners of the Company		727,453	191,273	NM	2,951,874	1,548,398	91%
Non-controlling interests		88,772	(174,843)	151%	439,081	96,744	NM
Profit for the year		816,225	16,430	NM	3,390,955	1,645,142	106%
Total comprehensive income attributable to:							
Owners of the Company		1,096,128	172,719	NM	4,804,799	2,835,443	69%
Non-controlling interests		124,180	(210,525)	159%	629,088	25,517	NM
Total comprehensive income for the year		1,220,308	(37,806)	NM	5,433,887	2,860,960	90%
Earnings per share (sen)							
Basic		8.26	2.17	NM	33.52	17.00	97%
Diluted		8.26	2.17	NM	33.52	16.99	97%

NM: Not meaningful

Note:

¹: Foreign currency translation reserve

²: Fair value through other comprehensive income

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

SUPPLEMENTARY INFORMATION

Note	Unaudited 4th quarter ended			Unaudited Financial year ended		
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	Variance %	31 Dec 2023 RM'000	31 Dec 2022 RM'000	Variance %
	Profit attributable to owners of the Company, excluding EIⁱ					
	265,455	340,371	-22%	1,279,244	1,380,676	-7%
	Add/(Less): Exceptional items ("EI")					
	Gain on disposal of subsidiaries ⁱ					
2	(8)	-		991,480	-	
	Gain on disposal of interests in associates ⁱⁱ					
	3,723	-		3,723	-	
	Gain on disposal of asset ⁱⁱⁱ					
	(1,194)	-		1,946	-	
	Impairment of assets reversed/made ^{iv}					
	-	(394,991)		-	(379,068)	
	Reversal of lease payable upon project termination ^v					
2	120	-		21,332	-	
	Impairment loss on goodwill ^{vi}					
	-	(150,066)		-	(150,066)	
	Change in fair value of investment properties ^{vii}					
	5,482	43,224		5,482	43,224	
	Exchange difference on net borrowings, net of changes in fair value of financial derivatives ^{viii}					
6	(42,744)	(37,909)		(190,521)	(126,027)	
	Deferred tax credits ^{ix}					
7	255,760	(21,009)		255,760	104,436	
	Net monetary gain arising from hyperinflationary economy ^x					
	274,273	176,765		703,941	462,512	
	495,412	(383,986)		1,793,143	(44,989)	
	Less: Tax effects on EI					
	16,753	10,955		46,309	31,222	
	Less: Non-controlling interests' share of EI					
	(50,167)	223,933		(166,822)	181,489	
	461,998	(149,098)		1,672,630	167,722	
	Profit attributable to owners of the Company					
	727,453	191,273	NM	2,951,874	1,548,398	91%
	Earnings per share, excluding EIⁱ (sen)					
	Basic					
	3.01	3.87	-22%	14.53	15.09	-4%
	Diluted					
	3.01	3.87	-22%	14.53	15.09	-4%

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.

- Gain on disposal of IMU Health Sdn Bhd and its subsidiaries (collectively, "IMU Health") of RM872.5 million, Gleneagles Chengdu Hospital Company Limited ("Gleneagles Chengdu Hospital") of RM116.5 million and Angsana Holdings Pte Ltd and its subsidiaries (collectively "Angsana") of RM2.4 million.
- Gain on disposal of Famicord, 30%-owned; Gain on decrease in shareholdings of GJPMC from 40% to 30%
- Gain on disposal of Fortis Arcot Road Hospital.
- 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).
- Reversal of lease payable upon termination of the Group's hospital project in Myanmar.
- Impairment of goodwill over clinics in China.
- 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.
- Exchange differences arising from foreign currency denominated borrowings, lease liabilities, payables, cash and receivables, recognised by Acibadem Holdings.
It is netted of with the fair value changes of the financial derivatives which was entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings.
- Deferred tax credits arising from the revaluation of certain assets in the tax financials of the Group's entities in Türkiye, as allowed by the Türkiye government.
- Net increase in purchasing power from the net monetary position of the Group's operations in Türkiye, upon the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies*.
- Net of tax and minority 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, across the periods, was impacted by the relative movements of 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 period as compared to the corresponding period last year.

The Group's reported results, across the periods, was also impacted by the relative movements of inflation rates in Turkiye, upon the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* ("MFRS 129") to the Group's entities in Turkiye. Refer to Section A1(c) and Section A4 for details.

In addition to variances arising from the above-mentioned effects of the relative movement in exchange rates and inflation rates in Turkiye, the following notes explain the major fluctuations in the statement of profit or loss and other comprehensive income for the quarter and year ended 31 December 2023.

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

1. FY 2023 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 commencement of operations at Atasehir Hospital in September 2022, the continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi ("Ortopedia") on 9 August 2022 and Ozel Kent Saglik Hizmetleri ve Malzemeleri Sanayi Ticaret A.S. ("Kent") on 14 February 2023 also contributed to the increase.
2. FY 2023 other operating income increased mainly due to the gain on disposal of IMU Health of RM872.5 million, Gleneagles Chengdu Hospital of RM116.5 million and Angsana of RM2.4 million. In addition, the Group reversed RM21.3 million lease payable upon termination of the Group's hospital project in Myanmar. These are offset by lower foreign exchange gains of RM91.9 million and lower valuation gains of RM14.4 million on the Group's investment properties.
3. FY 2023 staff costs increased as the Group expands its capacity to cater for higher demand for its services and annual increments. In addition, the consolidation of Ortopedia's and Kent's staff costs upon acquisition contributed to the increase.
4. Q4 2023 and FY 2023 depreciation, amortisation and impairment expense decreased from a high base last year when the Group recognised impairment loss of RM395.0 million mainly relating to assets of Parkway Shanghai Hospital.

This is partially offset by higher depreciation and amortisation expense on the property, plant and equipment, right-of-use assets and intangible assets of the Group's subsidiaries in Turkiye with the increase in inflation rates in Turkiye during the year.

5. Q4 2023 other operating expenses decreased from a high base last year when the Group recognised an impairment of goodwill amounting to RM150.1 million over its clinics in China.

FY 2023 other operating expenses increased mainly due to the higher level of activities and higher cost of operations such as increased utilities costs, increased spend on repairs and maintenance, costs to rebrand the Group's diagnostics business in India to "Agilus Diagnostics" as well as IT-related expenses. In addition, FY 2023 other operating expenses included professional fees in relation to the Group's acquisition and disposal of subsidiaries during the year, as well as donation to support humanitarian efforts for the earthquake victims when a massive earthquake struck Turkiye in February 2023. These are partially offset by the high base last year when the Group recognised an impairment of goodwill amounting to RM150.1 million over its clinics in China.

6. Acibadem Holdings recognised exchange differences arising from the translation of its unhedged foreign currency denominated borrowings, lease liabilities, payables, cash and receivables as finance income or finance cost. Acibadem Holdings manages its foreign exchange exposures by entering into cross currency swaps (“CCS”) and foreign exchange forward contracts. The Group recognised a higher net loss of RM42.7 million in Q4 2023 as compared to a net loss of RM37.9 million in Q4 2022. On the same basis, the Group recognised a higher net loss of RM190.5 million in FY 2023 as compared to net loss of RM126.0 million in FY 2022.

Excluding the above, Q4 2023 and FY 2023 net finance costs increased mainly due to higher prevailing interest rates during 2023 and decrease in capitalisation of borrowing cost for Parkway Shanghai Hospital upon completion of construction. In addition, FY 2022 net finance costs was of a lower base as it included the derecognition of fair value gains on foreign exchange forward contracts, which was entered into in anticipation of the redemption of perpetual securities in July 2022, upon settlement.

7. Refer to Section B5 for details on income tax expenses.
8. The Group’s foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore, India and Europe operations.

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.

Note:

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

	31 Dec 2023	31 Dec 2022
1 SGD	3.3838	3.1806
1 TL	0.1568	0.2325

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Assets			
Property, plant and equipment		13,413,941	11,882,760
Right-of-use assets		7,119,066	6,685,030
Investment properties		4,105,768	3,938,335
Goodwill on consolidation	1	14,295,951	13,209,372
Other intangible assets		2,963,011	2,737,840
Interests in associates		139,761	133,076
Interests in joint ventures		6,813	6,751
Other financial assets	2	233,393	127,620
Trade and other receivables	3	128,840	196,563
Tax recoverables		422,193	374,905
Derivative assets		138,018	258,970
Deferred tax assets		512,495	633,943
Total non-current assets		43,479,250	40,185,165
Development properties		79,579	76,471
Inventories		639,837	519,431
Trade and other receivables	3	3,084,027	2,625,424
Tax recoverables		31,244	73,641
Other financial assets	2	286,008	249,717
Derivative assets		212,898	149,816
Cash and cash equivalents		2,379,123	3,663,511
		6,712,716	7,358,011
Assets classified as held for sale	4	194	924,311
Total current assets		6,712,910	8,282,322
Total assets		50,192,160	48,467,487

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Equity			
Share capital		19,691,630	19,684,881
Other reserves		1,573,882	(158,140)
Retained earnings		7,840,027	6,665,236
Total equity attributable to owners of the Company		29,105,539	26,191,977
Non-controlling interests		3,253,111	2,967,080
Total equity		32,358,650	29,159,057
Liabilities			
Loans and borrowings	5	6,650,567	7,565,989
Lease liabilities		1,412,669	1,407,923
Employee benefits		182,950	172,261
Trade and other payables	6	454,222	1,255,005
Derivative liabilities		12,936	-
Deferred tax liabilities		1,663,349	1,648,525
Total non-current liabilities		10,376,693	12,049,703
Bank overdrafts		77,885	44,135
Loans and borrowings	5	1,660,820	1,592,791
Lease liabilities		247,822	223,118
Employee benefits		158,354	148,470
Trade and other payables	6	4,951,735	4,208,470
Derivative liabilities		7,159	4,379
Tax payable		353,042	378,637
		7,456,817	6,600,000
Liabilities directly associated with assets classified as held for sale	4	-	658,727
Total current liabilities		7,456,817	7,258,727
Total liabilities		17,833,510	19,308,430
Total equity and liabilities		50,192,160	48,467,487
Net assets per share attributable to owners of the Company ¹ (RM)		3.30	2.97

¹: Based on 8,807.0 million and 8,806.0 million shares issued as at 31 December 2023 and 31 December 2022 respectively.

The Consolidated Statement of Financial Position should be read in conjunction with the 2023 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position as at 31 December 2023 was impacted by the movements in RM against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL for the year ended 31 December 2023.

The Group's reported financial position as at 31 December 2023 was also impacted by the movements of the price index in Turkiye, upon the application of MFRS 129 to the Group's entities in Turkiye. Inflation rates in Turkiye increased for the year ended 31 December 2023. Refer to Section A1(c) and Section A4 for details.

In addition to variances arising from the above-mentioned effects of the movement in exchange rates and inflation rates in Turkiye, the following notes explain the major fluctuations in the statement of financial position as at 31 December 2023.

1. Goodwill increased mainly due to acquisition of Kent on 14 February 2023 which resulted in goodwill on acquisition of RM59.4 million, the acquisition of various laboratory businesses in India which resulted in goodwill on acquisition of RM44.0 million, translational effects from a strengthened SGD against RM during the year, and from MFRS 129 effects.
2. Other financial assets increased mainly due to placements in Money Market Funds ("MMF") and investments in unquoted shares of start-up companies.
3. Trade and other receivables increased mainly due to higher revenue and acquisition of Kent.
4. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale decreased upon the completion of the divestment of Gleneagles Chengdu Hospital and IMU Health during the year.
5. Loans and borrowings decreased due to net repayment of loans.
6. Trade and other payables increased due to higher purchases and acquisition of Kent. Current trade and other payables increased mainly due to reclass of liabilities on put options granted to the non-controlling interests Agilus Diagnostics Limited ("Agilus", an indirect subsidiary of IHH) from non-current to current liabilities, offset by the reversals upon exercise of put options by non-controlling interests of Acibadem City Clinic B.V. ("ACC BV", an indirect subsidiary of IHH), and lapse of put options by non-controlling interests of Gleneagles Healthcare India Private Limited ("GHIPL", formerly known as Ravindranath GE Medical Associates Private Limited, an indirect subsidiary of IHH).

Note:

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

	31 Dec 2023	31 Dec 2022
1 SGD	3.4990	3.2468
1 TL	0.1568	0.2325

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	-----> Attributable to owners of the Company <-----													
	-----> Non-distributable <-----							Distributable						
	Share capital	Share option reserve	Revaluation reserve	Fair value 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	RM'000	
At 1 January 2023	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
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	1,404,075	-	1,404,075	-	84,106	1,488,181
Realisation of FCTR upon disposal of subsidiaries	-	-	-	-	-	-	-	-	11,150	-	11,150	-	-	11,150
Hyperinflationary adjustments	-	-	-	-	-	117,433	2,386	291,393	(1,841)	409,371	-	4,481	413,852	
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	70,493	-	70,493	-	127,780	198,273	
Cash flow hedge	-	-	-	-	(63,245)	-	-	-	-	(63,245)	-	(20,891)	(84,136)	
Costs of hedging	-	-	-	-	-	(740)	-	-	-	(740)	-	(1,342)	(2,082)	
Change in fair value of financial assets at FVOCI	-	-	-	47,395	-	-	-	-	-	47,395	-	-	47,395	
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(25,574)	(25,574)	-	(4,127)	(29,701)	
Total other comprehensive income for the year	-	-	-	47,395	(63,245)	(740)	117,433	2,386	1,777,111	(27,415)	1,852,925	-	190,007	2,042,932
Profit for the year	-	-	-	-	-	-	-	-	2,951,874	2,951,874	-	439,081	3,390,955	
Total comprehensive income for the year	-	-	-	47,395	(63,245)	(740)	117,433	2,386	1,777,111	2,924,459	4,804,799	-	629,088	5,433,887
<i>Contributions by and distributions to owners</i>														
Share-based payment transactions	-	7,714	-	-	-	-	-	-	-	-	7,714	-	-	7,714
Transfer to share capital for share options exercised	6,749	(1,260)	-	-	-	-	-	-	-	5,489	-	-	5,489	
Cancellation of vested share options	-	(4,172)	-	-	-	-	-	-	4,172	-	-	-	-	
Dividends declared	-	-	-	-	-	-	-	-	(1,770,205)	(1,770,205)	-	-	(1,770,205)	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(266,759)	(266,759)	
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	9,943	9,943	
Remeasurement of liabilities on put options granted to non-controlling interests	-	-	-	-	-	410,672	-	-	-	410,672	-	27,725	438,397	
Transfer per statutory requirements	-	-	-	-	-	-	8,160	-	(8,283)	(123)	-	123	-	
Other	-	-	-	-	-	-	-	-	7,199	7,199	-	800	7,999	
	6,749	2,282	-	-	-	410,672	8,160	-	(1,767,117)	(1,339,254)	-	(228,168)	(1,567,422)	
Changes in ownership interests in subsidiaries	-	-	-	-	(3)	(549,459)	-	1	-	(549,461)	-	(171,330)	(720,791)	
Total transactions with owners	6,749	2,282	-	-	(3)	(138,787)	8,160	1	(1,767,117)	(1,888,715)	-	(399,498)	(2,288,213)	
Disposal of subsidiaries	-	-	-	-	-	(19,971)	-	-	17,449	(2,522)	-	56,441	53,919	
At 31 December 2023	19,691,630	25,065	83,434	47,395	(54,974)	51	(4,040,148)	46,926	5,466,133	7,840,027	29,105,539	-	3,253,111	32,358,650

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	←----- Attributable to owners of the Company ----->													
	←----- Non-distributable ----->							Distributable						
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Fair value 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	Total equity RM'000
At 1 January 2022	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 period	-	-	-	-	7,869	459	96,694	2,238	1,211,731	(31,946)	1,287,045	-	(71,227)	1,215,818
Profit for the period	-	-	-	-	-	-	-	-	-	1,548,398	1,548,398	-	96,744	1,645,142
Total comprehensive income for the period	-	-	-	-	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 for share options exercised	69,963	(14,221)	-	-	-	-	-	-	-	-	55,742	-	-	55,742
Cancellation of vested share options	-	(189)	-	-	-	-	-	-	-	189	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	-	-	(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	-	-
Remeasurement 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	-	-	-	-
	69,963	(11,091)	-	-	(16,180)	-	(49,464)	2,778	-	(566,783)	(570,777)	(2,158,358)	27,301	(2,701,834)
Changes in ownership interests in subsidiaries	-	-	-	-	(2)	-	(15,853)	-	(5)	-	(15,860)	-	(39,037)	(54,897)
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

The Consolidated Statement of Changes in Equity should be read in conjunction with the 2023 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 2023**

	Financial year ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Cash flows from operating activities		
Profit before tax	4,049,301	2,217,091
Adjustments for:		
Dividend income	(454)	(63)
Finance income	(102,764)	(113,383)
Finance costs	941,319	657,413
Depreciation and impairment of property, plant and equipment	1,072,505	1,374,475
Depreciation and impairment of ROU assets	390,645	357,893
Amortisation and impairment of intangible assets	47,720	58,452
Impairment loss made/(written back):		
- Goodwill	-	150,066
- Trade and other receivables	99,226	44,686
Write-off:		
- Property, plant and equipment	1,851	1,087
- Trade and other receivables	13,843	10,048
- Inventories	6,679	4,296
Gain on disposal of property, plant and equipment	(10,691)	(11,864)
Gain on disposal of subsidiaries	(991,480)	-
Gain on disposal of interests in associates	(3,723)	-
Gain on disposal of asset	(1,946)	-
Change in fair value of investment properties	(9,299)	(23,750)
Share of profits of associates (net of tax)	(24,784)	(36,836)
Share of profits of joint ventures (net of tax)	(1,466)	(2,035)
Equity-settled share-based payment	7,714	3,319
Net monetary gain arising from hyperinflationary economy	(703,941)	(462,512)
Operating profit before changes in working capital	4,780,255	4,228,383
Changes in working capital:		
Development properties	(2,325)	(2,609)
Inventories	(193,243)	(108,513)
Trade and other receivables	(550,151)	(579,931)
Trade and other payables	378,878	746,445
Cash generated from operations	4,413,414	4,283,775
Tax paid	(653,980)	(616,132)
Net cash from operating activities	3,759,434	3,667,643
Cash flows from investing activities		
Interest received	91,020	85,597
Acquisition of a subsidiary/businesses, net of cash and cash equivalents acquired	(294,104)	(50,125)
Purchase of other financial assets	(1,690,234)	(77,668)
Increase in investments in joint ventures	(27)	-
Net withdrawal/(placement) of fixed deposits with tenor of more than 3 months	79,705	(85,012)
Purchase of property, plant and equipment	(1,870,649)	(1,668,399)
Cost capitalised and purchase of investment properties	(76,747)	(206,941)
Development and purchase of intangible assets	(72,978)	(47,848)
Net cash inflow from disposal of subsidiaries	1,180,500	-
Proceeds from disposal of interests in associates	18,289	-
Proceeds from disposal of other financial assets	1,554,503	136,608
Proceeds from disposal of property, plant and equipment	30,545	35,017
Proceeds from disposal of asset	82,543	-
Dividends received from associates and joint ventures	31,343	24,877
Net cash used in investing activities	(936,291)	(1,853,894)

**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Financial year ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Cash flows from financing activities		
Finance costs paid	(462,181)	(293,706)
Proceeds from loans and borrowings	6,925,751	4,061,286
Repayment of loans and borrowings	(7,395,718)	(3,632,316)
Proceeds from issuance of fixed rate notes	109,667	348,535
Redemption of fixed rate notes	(175,312)	(94,711)
Payment of lease liabilities	(256,617)	(337,144)
Payment of perpetual securities distribution and redemption	-	(2,257,728)
Dividends paid to owners of the Company	(1,770,205)	(528,162)
Dividends paid to non-controlling interests	(266,759)	(184,854)
Proceeds from exercise of share options	5,489	55,742
Repurchase of shares from non-controlling interests	(303,528)	(56,795)
Acquisition of non-controlling interests	(419,111)	-
Proceeds from capital injection by non-controlling interests	9,943	-
Net cash used in financing activities	(3,998,581)	(2,919,853)
Net decrease in cash and cash equivalents	(1,175,438)	(1,106,104)
Effect of exchange rate fluctuations on cash and cash equivalents held	(185,676)	(371,069)
Hyperinflationary restatement of cash and cash equivalents at beginning of the period	-	146,074
Cash and cash equivalents at beginning of the year	3,662,352	4,993,451
Cash and cash equivalents at end of the year	2,301,238	3,662,352

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 2023 RM'000	31 Dec 2022 RM'000
Cash and bank balances	1,036,117	1,345,870
Fixed deposits with tenor of 3 months or less	1,323,342	482,774
Deposits placed in escrow account	19,010	1,834,246
Restricted cash	654	621
Cash and cash equivalents in the statement of financial position	2,379,123	3,663,511
Add:		
- Cash and cash equivalents included in assets classified as held for sale	-	42,976
Less:		
- Bank overdrafts	(77,885)	(44,135)
Cash and cash equivalents in the statement of cash flows	2,301,238	3,662,352

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. In December 2023, approximately RM1,815.2 million placed in the escrow account was replaced by a bankers’ guarantee.

The Consolidated Statement of Cash Flows should be read in conjunction with the 2023 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 2023**

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 2023 (“2023 Audited Financial Statements”).

The 2023 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 2023 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.

Hyperinflationary adjustments are based on available data for changes in the Consumer Price Index published by the Turkish Statistical Institute.

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.

**A NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

A2 AUDIT REPORT IN THE ANNUAL FINANCIAL STATEMENTS

The 2023 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 2023**

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 31 December 2023, other than the effects of the application to the Group's entities in Turkiye of MFRS 129 below and the disposal of IMU Health as disclosed in Section A11.

Effects of application of MFRS129

	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
<u>Statement of profit or loss</u>			
Revenue	21,255,282	(320,445)	20,934,837
Other operating income	1,412,521	910	1,413,431
Inventories and consumables	(4,377,951)	38,401	(4,339,550)
Purchased and contracted services	(1,902,160)	4,448	(1,897,712)
Staff costs	(7,745,413)	113,179	(7,632,234)
Depreciation and impairment of property, plant and equipment	(910,526)	(161,979)	(1,072,505)
Depreciation of right-of-use ("ROU") assets	(324,015)	(66,630)	(390,645)
Amortisation of intangible assets	(36,300)	(11,420)	(47,720)
Operating lease expenses	(115,552)	2,762	(112,790)
Other operating expenses	(2,714,172)	16,725	(2,697,447)
Finance income	102,302	462	102,764
Finance costs	(911,719)	(29,600)	(941,319)
Net monetary gain from hyperinflationary economy	-	703,941	703,941
Share of profits of associates (net of tax)	24,784	-	24,784
Share of profits of joint ventures (net of tax)	1,466	-	1,466
Profit before tax	3,758,547	290,754	4,049,301
Income tax expense	(260,341)	(398,005)	(658,346)
Profit for the period	3,498,206	(107,251)	3,390,955
Profit attributable to:			
Owners of the Company	3,048,113	(96,239)	2,951,874
Non-controlling interests	450,093	(11,012)	439,081
Profit for the period	3,498,206	(107,251)	3,390,955

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

<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	11,704,237	1,709,704	13,413,941
Right-of-use assets	6,572,693	546,373	7,119,066
Goodwill on consolidation	12,952,934	1,343,017	14,295,951
Other intangible assets	2,058,564	904,447	2,963,011
Trade and other receivables	128,739	101	128,840
Deferred tax assets	766,588	(254,093)	512,495
Current assets			
Inventories	618,062	21,775	639,837
Trade and other receivables	3,084,027	-	3,084,027
Equity			
Other reserves	(1,823,893)	3,397,775	1,573,882
Retained earnings	7,865,001	(24,974)	7,840,027
Non-controlling interests	2,839,357	413,754	3,253,111
Non-current liabilities			
Deferred tax liabilities	1,178,581	484,768	1,663,349

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 2023 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

Between 1 January 2023 to 31 December 2023, the Company issued 948,000 new ordinary shares pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units.

On 31 July 2023, the Company granted a total of 15,725,000 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 the Company during the financial year 1 January 2023 to 31 December 2023.

As at 31 December 2023, the issued share capital of the Company comprised of 8,806,991,463 ordinary shares.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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 2022	7.00	616,489	28-Apr-23
Special single tier cash dividend for the financial year ended 31 December 2023	9.60	845,472	30-Jun-23
Interim single tier cash dividend for the financial year ended 31 December 2023	3.50	308,244	27-Oct-23
	<u>20.10</u>	<u>1,770,205</u>	

A8 SEGMENT REPORTING

Since 1 January 2023, the Group's segment reporting has been changed to reflect the Group's new reporting structure that includes Laboratories ("Labs") as a separate segment. 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
- Labs
- PLife REIT
- Others

Except for IMU Health, Labs 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, Labs is a diagnostic laboratory 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 2023**

A8 SEGMENT REPORTING

Financial year ended 31 December 2023

	Hospital and Healthcare											
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkiye and Europe RM'000	Southeast Asia RM'000	IMU Health RM'000	Labs RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<i>Revenue and expenses</i>												
Revenue from external customers	5,573,002	3,683,572	3,554,500	1,306,798	5,621,724	-	53,899	982,613	153,070	5,659	-	20,934,837
Inter-segment revenue	8,750	7,936	-	-	21,279	-	635	685,422	254,737	1,492,603	(2,471,362)	-
Total segment revenue	<u>5,581,752</u>	<u>3,691,508</u>	<u>3,554,500</u>	<u>1,306,798</u>	<u>5,643,003</u>	<u>-</u>	<u>54,534</u>	<u>1,668,035</u>	<u>407,807</u>	<u>1,498,262</u>	<u>(2,471,362)</u>	<u>20,934,837</u>
EBITDA	1,626,721	937,251	600,406	74,501	1,102,581	(1,830)	13,029	349,833	325,765	1,209,007	(1,593,305)	4,643,959
Depreciation and impairment of property, plant and equipment	(173,979)	(220,015)	(131,261)	(116,427)	(358,396)	-	-	(39,753)	(27,442)	(5,232)	-	(1,072,505)
Depreciation of right-of-use assets	(325,278)	(24,892)	(24,094)	(68,141)	(136,582)	-	-	(35,230)	(13,276)	(6,890)	243,738	(390,645)
Amortisation of intangible assets	-	(293)	(11,424)	(1,983)	(12,382)	-	-	(22,425)	-	(9,826)	10,613	(47,720)
Foreign exchange differences	(492)	(2,878)	(34,322)	(426)	16,070	32	(1)	381	25,463	(3,214)	-	613
Finance income	14,427	11,260	8,983	661	41,155	189	1,014	15,829	4,094	46,905	(41,753)	102,764
Finance costs	(177,087)	-	(88,063)	(211,685)	(554,850)	-	(738)	(6,890)	(36,555)	(81,937)	216,486	(941,319)
Net monetary gain arising from hyperinflationary economy	-	-	-	-	701,631	-	-	2,310	-	-	-	703,941
Share of profits of associates (net of tax)	1,616	-	3,913	-	-	19,255	-	-	-	-	-	24,784
Share of profits/(losses) of joint ventures (net of tax)	1,344	-	231	-	-	-	-	(109)	-	-	-	1,466
Others	5,482	-	1,946	116,536	5,283	21,332	-	-	-	873,384	-	1,023,963
Profit/(Loss) before tax	<u>972,754</u>	<u>700,433</u>	<u>326,315</u>	<u>(206,964)</u>	<u>804,510</u>	<u>38,978</u>	<u>13,304</u>	<u>263,946</u>	<u>278,049</u>	<u>2,022,197</u>	<u>(1,164,221)</u>	<u>4,049,301</u>
Income tax expense	(177,427)	(130,970)	(86,262)	(15,485)	(147,784)	-	(2,500)	(54,177)	(23,614)	(20,127)	-	(658,346)
Profit/(Loss) for the year	<u>795,327</u>	<u>569,463</u>	<u>240,053</u>	<u>(222,449)</u>	<u>656,726</u>	<u>38,978</u>	<u>10,804</u>	<u>209,769</u>	<u>254,435</u>	<u>2,002,070</u>	<u>(1,164,221)</u>	<u>3,390,955</u>
<i>Assets and liabilities</i>												
Cash and cash equivalents	155,102	224,454	40,694	124,606	394,424	7,566	-	56,072	99,717	1,276,488	-	2,379,123
Other assets	20,613,107	6,606,460	8,457,026	3,091,715	9,557,633	55,023	-	2,270,944	5,579,722	5,355,550	(13,774,143)	47,813,037
Segment assets as at 31 December 2023	<u>20,768,209</u>	<u>6,830,914</u>	<u>8,497,720</u>	<u>3,216,321</u>	<u>9,952,057</u>	<u>62,589</u>	<u>-</u>	<u>2,327,016</u>	<u>5,679,439</u>	<u>6,632,038</u>	<u>(13,774,143)</u>	<u>50,192,160</u>
Loans and borrowings	-	-	551,012	3,682,839	755,088	-	-	7,941	2,891,484	423,023	-	8,311,387
Other liabilities	10,478,235	1,032,694	2,768,378	796,795	3,522,026	2,260	-	464,614	465,432	3,927,732	(13,936,043)	9,522,123
Segment liabilities as at 31 December 2023	<u>10,478,235</u>	<u>1,032,694</u>	<u>3,319,390</u>	<u>4,479,634</u>	<u>4,277,114</u>	<u>2,260</u>	<u>-</u>	<u>472,555</u>	<u>3,356,916</u>	<u>4,350,755</u>	<u>(13,936,043)</u>	<u>17,833,510</u>

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Financial year ended 31 December 2022

	Hospital and Healthcare						IMU Health RM'000	Labs 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	4,912,786	3,073,667	3,175,119	998,378	4,348,578	-	260,772	1,064,862	149,531	4,994	-	17,988,687
Inter-segment revenue	7,059	7,620	-	1	4,869	-	1,489	602,632	226,668	1,539,019	(2,389,357)	-
Total segment revenue	4,919,845	3,081,287	3,175,119	998,379	4,353,447	-	262,261	1,667,494	376,199	1,544,013	(2,389,357)	17,988,687
EBITDA	1,483,917	846,761	492,286	(60,291)	974,304	(346)	84,750	347,007	278,442	1,251,634	(1,647,337)	4,051,127
Depreciation and impairment of property, plant and equipment	(163,469)	(209,888)	(132,929)	(506,554)	(290,014)	-	(5,279)	(40,015)	(24,475)	(1,852)	-	(1,374,475)
Depreciation of ROU assets	(298,171)	(24,532)	(22,415)	(71,763)	(114,756)	-	(1,235)	(29,018)	(12,894)	(6,178)	223,069	(357,893)
Amortisation of intangible assets	-	(1,756)	(13,276)	(12,962)	(10,977)	-	(255)	(18,456)	-	(9,237)	8,467	(58,452)
Foreign exchange differences	(391)	(1,465)	6,232	(336)	(2,203)	(5,158)	(12)	1,722	10,810	83,327	-	92,526
Finance income	226	7,599	5,351	2,916	57,725	47	2,836	10,414	16,413	18,295	(8,439)	113,383
Finance costs	(62,091)	(4,897)	(83,158)	(112,318)	(403,726)	-	(1,527)	(6,441)	(18,296)	(34,716)	69,757	(657,413)
Net monetary gain arising from hyperinflationary economy	-	-	-	-	448,006	-	-	14,506	-	-	-	462,512
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)	1,420	-	543	-	-	-	-	72	-	-	-	2,035
Others	43,224	(8,045)	-	(136,319)	-	-	-	48	-	(13,583)	21,580	(93,095)
Profit/(Loss) before tax	1,006,666	603,777	267,483	(897,627)	658,359	14,529	79,278	279,839	250,000	1,287,690	(1,332,903)	2,217,091
Income tax expense/(credit)	(166,211)	(169,819)	(69,643)	(2,518)	(44,545)	-	(18,833)	(63,121)	(19,692)	(17,578)	10	(571,949)
Profit/(Loss) for the period	840,455	433,958	197,840	(900,145)	613,814	14,529	60,445	216,718	230,308	1,270,112	(1,332,893)	1,645,142
<i>Assets and liabilities</i>												
Cash and cash equivalents	287,470	381,008	1,870,320	212,551 *	332,955	7,551	- *	120,366	129,903	321,387	-	3,663,511
Other assets	18,642,961	6,287,281	6,023,249	3,233,926	8,350,388	60,042	640,710	2,000,837	5,308,363	3,931,608	(9,675,389)	44,803,976
Segment assets as at 31 December 2022	18,930,431	6,668,289	7,893,569	3,446,477	8,683,343	67,593	640,710	2,121,203	5,438,266	4,252,995	(9,675,389)	48,467,487
Loans and borrowings	-	-	537,531	3,446,473 *	1,079,663	-	- *	5,133	2,759,055	1,330,925	-	9,158,780
Other liabilities	9,730,773	957,659	2,517,986	1,079,894	3,041,060	21,841	210,149	425,113	407,974	1,394,128	(9,636,927)	10,149,650
Segment liabilities as at 31 December 2022	9,730,773	957,659	3,055,517	4,526,367	4,120,723	21,841	210,149	430,246	3,167,029	2,725,053	(9,636,927)	19,308,430

*: 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
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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 2023	31 Dec 2022
	RM'000	RM'000
Transactions with substantial shareholders*		
- Sales and provision of services	539	456
- Purchase and consumption of services	(23,340)	(12,607)
	<u> </u>	<u> </u>
Transactions with key management personnel*		
- Sales and provision of services	8,649	4,613
- Purchase and consumption of services	(120,084)	(74,628)
	<u> </u>	<u> </u>

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
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A11 CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 14 February 2023, Acibadem Saglik Hizmetleri ve Ticaret A.S. (“ASH”, an indirect subsidiary of IHH) 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 RM235.8 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 and its subsidiaries, namely Alsancak Ozel Kent Tıp Merkezi A.S. (“Kent Tıp Merkezi”) and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. (“Kent Radyoloji”) became indirect subsidiaries of IHH.

The effects of the acquisition are as follows:

	RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	196,487
Right-of-use assets	6,202
Intangible assets	81,800
Tax recoverables	1,071
Inventories	7,679
Trade and other receivables	29,989
Cash and cash equivalents	5,996
Loans and borrowings	(51,080)
Employee benefits	(8,371)
Trade and other payables	(54,453)
Deferred tax liabilities	(38,902)
Fair value of net identifiable assets acquired	<u>176,418</u>
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration in cash and cash equivalents	235,773
Less: cash and cash equivalents acquired	(5,996)
	<u>229,777</u>
Goodwill	
Total purchase consideration	235,773
Fair value of net identifiable assets acquired	(176,418)
Goodwill	<u>59,355</u>

As at 31 December 2023, the Group had completed the purchase price allocation (“PPA”) for the acquisition of Kent.

- (b) On 27 February 2023, M&P Investments Pte. Ltd., an indirect wholly-owned subsidiary of IHH, completed the disposal of its 70% equity interest in Gleneagles Chengdu Hospital Company Limited to Perennial Healthcare Pte. Ltd.
- (c) On 28 March 2023, General Hospital Acibadem Bel Medic, an indirect subsidiary of IHH, established a wholly-owned subsidiary, Acibadem Bel Medic Logistics D.O.O. Beograd (“ABML”) in Serbia. The initial capital of ABML is Serbian Dinar 1,000 (equivalent to RM41) and its intended principal activity is wholesale trade of medical devices and medical materials.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (d) On 31 March 2023, Parkway Trust Management Limited (“PTM”, an indirect wholly-owned subsidiary of IHH), transferred 133,400 Parkway Life Real Estate Investment Trust (“PLife REIT”, an indirect subsidiary of IHH) units that it owned to its eligible employees in accordance to PTM’s long term incentive plan. Consequential thereto, the IHH’s effective interest in PLife REIT was diluted from 35.58% to 35.56%.
- (e) On 31 March 2023, IHH completed the disposal of the entire issued ordinary share capital of IMU Health Sdn. Bhd. (“IMU Health”) to Inbound Education Holdings Sdn. Bhd. Post completion of the disposal, IMU Health and its subsidiaries, namely IMU Education Sdn. Bhd., IMU Healthcare Sdn. Bhd., IMC Education Sdn. Bhd., IMU Dialysis Sdn. Bhd. and IMU Omega Sdn. Bhd. ceased to be subsidiaries of IHH on 31 March 2023. The disposals were completed for a total cash consideration of approximately RM1,403 million[^]. For the financial year ended 31 December 2023, the Group recognised a gain on disposal amounting to RM872.5 million.
- (f) On 2 May 2023, Ortopedia merged with ASH. All assets and liabilities of Ortopedia were transferred to ASH and Ortopedia was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the Acibadem Group structure and management.
- (g) On 5 May 2023, Parkway Pantai Limited (“PPL”, an indirect wholly-owned subsidiary of IHH), acquired an additional 10% equity stake comprising 928,154 ordinary shares in Angsana Holdings Pte. Ltd. (“AHPL”, a direct subsidiary of PPL and an indirect subsidiary of IHH). Consequential thereto, the IHH’s effective interest in AHPL increased from 55% to 65%.

On 28 June 2023, PPL had disposed its entire 65% equity stake comprising 6,033,003 ordinary shares in AHPL to a minority shareholder of AHPL. Consequential thereto, AHPL and its subsidiaries namely, Angsana Molecular & Diagnostics Laboratory Pte. Ltd., Angsana Molecular and Diagnostics Laboratory (HK) Limited and Angsana Molecular and Diagnostics Laboratory Sdn. Bhd. ceased to be direct subsidiaries of PPL and indirect subsidiaries of IHH.

- (h) On 24 May 2023, all shares in Kent Tip Merkezi and Kent Radyoloji were transferred to Acibadem Poliklinikleri Anonim Şirketi (“POL”, an indirect subsidiary of IHH). Post completion of the transfer, Kent Tip Merkezi and Kent Radyoloji remain as indirect subsidiaries of IHH.
- (i) On 12 June 2023, the amalgamation between Fortis Asia Healthcare Pte Ltd (“FAHPL”, an indirect subsidiary of IHH) and Fortis Healthcare International Pte Ltd (“FHIPL”, an indirect subsidiary of IHH) was completed. Post completion of the amalgamation, FHIPL was dissolved and its direct subsidiary, namely Mena Healthcare Investment Company Limited, became a direct subsidiary of FAHPL and an indirect subsidiary of IHH.
- (j) On 31 August 2023, Kent Tip Merkezi and Kent Radyoloji merged with POL. All assets and liabilities of Kent Tip Merkezi and Kent Radyoloji were transferred to POL and these companies were subsequently dissolved. The internal reorganisation was undertaken in order to streamline the group structure and management of Acibadem Holdings.
- (k) On 31 August 2023, Kent merged with ASH. All assets and liabilities of Kent were transferred to ASH and Kent was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the group structure and management of Acibadem Holdings.

[^]: Including dividends of RM138 million paid by IMUH and its subsidiaries to the Group since 7 June 2022 and after deducting an amount of approximately RM64 million that has been applied by IMU Education Sdn. Bhd. towards prepayment of its existing bank loan as of 31 March 2023.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (l) On 25 September 2023, Gleneagles Development Pte Ltd (“GDPL”, an indirect wholly-owned subsidiary of IHH), completed the acquisition of the entire 24.53% shareholding held by Dr. Ravindranath Kancharla and his persons connected (collectively “Dr. Ravi Group”) in Gleneagles Healthcare India Private Limited (formerly known as Ravindranath GE Medical Associates Private Limited) (“GHIPL”) for a total consideration of approximately INR7.4 billion (equivalent to RM415.0 million). Consequential thereto, the IHH’s effective interest in GHIPL increased from 73.64%* to 98.17%.

On 25 September 2023, GDPL completed the acquisition of a 0.32% equity stake in Global Clinical Research Services Private Limited (“GCRS”, a direct subsidiary of GHIPL and an indirect subsidiary of IHH) for a total consideration of approximately INR72,000 (equivalent to RM4,000). Consequential thereto, the IHH’s effective interest in GCRS increased from 99.68% to 100.00%.

- (m) On 6 October 2023, the entire equity shares of Acibadem Sistina Medikal Kompani DOO Skopje (“Medikal”) had been transferred to Clinical Hospital Acibadem Sistina Skopje (“Sistina”, an indirect subsidiary of IHH), at nominal value. Consequential thereto, Medikal has become a direct wholly-owned subsidiary of Sistina and an indirect subsidiary of IHH.
- (n) On 18 October 2023, Parkway Life Japan2 Pte Ltd (“TK Investor”) entered into a Tokumei Kumiai agreement (or silent partnership agreement, the “TK Agreement”) with Godo Kaisha Samurai 19 (the “TK Operator”). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY1,766.4 million (equivalent to RM55.8 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 Operator is regarded as indirect subsidiary of the Group pursuant to MFRS10: *Consolidated Financial Statements*.

- (o) On 31 October 2023, Matsudo Investment Pte Ltd (“Matsudo”, an indirect subsidiary of IHH) was dissolved pursuant to Member’s voluntary liquidation. Consequential thereto, Matsudo ceased to be an indirect subsidiary of IHH.
- (p) On 8 November 2023, Fortis acquired 9,990 equity shares representing 99.9% of the paid-up equity share capital of Artistry Properties Private Limited (“Artistry”) for a purchase consideration of INR99,900 (equivalent to RM5,594). On 16 November 2023, Artistry has allotted 32 million equity shares of INR10 each by way of rights issue for consideration of INR320 million (equivalent to RM17.9 million). Artistry’s principal activity is acquiring, maintaining, improving, developing, and managing land. Consequent thereto, Artistry has become a direct subsidiary of Fortis, and an indirect subsidiary of IHH.

*: Based on the shareholdings, on a fully diluted basis, immediately prior to the completion for the GHIPL Shares Acquisition, in accordance with the SPAs, following the conversion of certain compulsorily convertible preference shares held by Dr. Ravi Group into equity shares.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (q) On 19 December 2023, ACC BV completed the acquisition of 15.65% equity stake held by International Finance Corporation in ACC BV. Consequent thereto, IHH's effective interest in ACC BV has increased from 60.0% to 71.13%.

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 21 February 2024, certain subsidiaries of Fortis completed the divestment of Fortis Malar Hospital, Chennai ("Malar Hospital") and related assets for an aggregate consideration of approximately INR1.3 billion (equivalent to RM71.9 million). Refer to Section B6 for details.
- (b) On 29 February 2024, Pantai Holdings Sdn. Bhd. ("PHSB", an indirect wholly-owned subsidiary of IHH), completed the acquisition of the entire equity interest in Bedrock Healthcare Sdn. Bhd. ("BHSB") for a total consideration of RM245.0 million on a cash free debt free basis, subject to closing adjustments. BHSB, through its wholly-owned subsidiaries, operates an 82-bed hospital, namely Timberland Medical Centre in Kuching, Sarawak. Consequent thereto, BHSB and its subsidiaries, namely Mestika Unik Sdn Bhd and Eminent Rock Sdn Bhd will be consolidated as subsidiaries of IHH. Refer to Section B6 for details.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at 29 February 2024.

A14 CAPITAL COMMITMENTS

	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for	1,272,246	1,152,671
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,884,497	1,830,228
Maximum amount committed for Malar Open Offer ¹	15,971	15,511
	<u>1,900,468</u>	<u>1,845,739</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 NTK, an indirect wholly-owned subsidiary of IHH. 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.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (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 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.
- (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. Based on advice from legal counsel, NTK has made further representations to SEBI in relation to proceeding with the Fortis Open Offer and Malar Open Offer.

*: 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.

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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

	Level 1 RM'000	Fair value Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
31 December 2023					
Financial assets					
Unquoted shares at FVOCI	-	-	206,391	206,391	206,391
Money market funds	-	120,409	-	120,409	120,409
Foreign exchange forward contracts	-	70,184	-	70,184	70,184
Cross currency swaps	-	193,140	-	193,140	193,140
Cross currency interest rate swaps	-	83,227	-	83,227	83,227
Interest rate caps	-	4,365	-	4,365	4,365
Financial liabilities					
Foreign exchange forward contracts	-	(9,998)	-	(9,998)	(9,998)
Interest rate swaps	-	(9,120)	-	(9,120)	(9,120)
Cross currency swaps	-	(977)	-	(977)	(977)
Fixed rate medium term notes	-	569,441	-	569,441	(579,622)
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)

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

	4th quarter ended			Financial year ended		
	31 Dec 2023	31 Dec 2022	Variance	31 Dec 2023	31 Dec 2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE¹						
Singapore	1,441,941	1,298,772	11%	5,573,002	4,912,786	13%
Malaysia	964,092	854,432	13%	3,683,572	3,073,667	20%
India	911,934	843,792	8%	3,554,500	3,175,119	12%
Greater China	352,214	286,061	23%	1,306,798	998,378	31%
Turkiye and Europe	1,564,495	1,334,438	17%	5,945,265	4,455,358	33%
Hospital and Healthcare	5,234,676	4,617,495	13%	20,063,137	16,615,308	21%
IMU Health	-	70,005	-100%	53,899	260,772	-79%
Labs total revenue	420,203	406,776	3%	1,664,938	1,661,998	0%
Less: Labs inter-segment revenue	(176,594)	(164,776)	-7%	(685,422)	(602,632)	-14%
Labs	243,609	242,000	1%	979,516	1,059,366	-8%
Others ^	1,394	1,628	-14%	5,659	4,994	13%
Group (Excluding PLife REIT)	5,479,679	4,931,127	11%	21,102,211	17,940,439	18%
PLife REIT total revenue	102,147	96,282	6%	407,807	376,199	8%
Less: PLife REIT inter-segment revenue	(64,756)	(58,579)	-11%	(254,737)	(226,668)	-12%
PLife REIT	37,391	37,703	-1%	153,070	149,531	2%
	5,517,070	4,968,830	11%	21,255,281	18,089,970	17%
Adjustment for hyperinflationary economy ⁴	(224,427)	(112,015)	-100%	(320,444)	(101,283)	NM
Group	5,292,643	4,856,815	9%	20,934,837	17,988,687	16%
EBITDA²						
Singapore	412,437	378,492	9%	1,626,721	1,483,917	10%
Malaysia	211,257	229,997	-8%	937,251	846,761	11%
India	144,307	125,172	15%	600,406	492,286	22%
Greater China	24,236	(12,407)	NM	74,501	(60,291)	NM
Turkiye and Europe	384,019	350,628	10%	1,249,190	1,058,238	18%
Southeast Asia	(77)	(28)	-175%	(1,830)	(346)	NM
Hospital and Healthcare	1,176,179	1,071,854	10%	4,486,239	3,820,565	17%
IMU Health	-	19,323	-100%	13,029	84,750	-85%
Labs	73,925	105,333	-30%	345,420	369,297	-6%
Others ^	(38,911)	(77,694)	50%	(120,551)	(170,644)	29%
Eliminations³	22	2,965	-99%	(98)	9,197	-101%
Group (Excluding PLife REIT)	1,211,215	1,121,781	8%	4,724,039	4,113,165	15%
PLife REIT	87,720	60,841	44%	325,765	278,442	17%
Eliminations³	(66,977)	(60,498)	-11%	(263,649)	(234,256)	-13%
	1,231,958	1,122,124	10%	4,786,155	4,157,351	15%
Adjustment for hyperinflationary economy ⁴	(162,313)	(49,013)	NM	(142,196)	(106,224)	-34%
Group	1,069,645	1,073,111	0%	4,643,959	4,051,127	15%

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 MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

Q4 2023 vs Q4 2022

The Group's Q4 2023 revenue increased 9% while EBITDA was flat over Q4 2022. Excluding effects of MFRS 129, the Group's Q4 2023 revenue and EBITDA increased 11% and 10% respectively over Q4 2022.

The Group's Q4 2023 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 22% to RM265.5 million as a result of foreign exchange loss recognised and higher net finance costs. In addition, the Group's Q4 2023 PATMI (Excl EI) was eroded by higher depreciation and amortisation on reindexation of assets in Turkiye under MFRS 129 and translational effects from a weakened TL against RM during the period. Excluding effects of MFRS 129, the Group's Q4 2023 PATMI (Excl EI) increased 20% over Q4 2022.

The divestment of IMU Health was completed on 31 March 2023, upon which, IMU Health ceased to contribute to the Group's results.

Hospital and Healthcare

Hospital and Healthcare's Q4 2023 revenue increased 13% to RM5,234.7 million while its Q4 2023 EBITDA increased 10% to RM1,176.2 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, a case-mix of more acute patients and price adjustments to counter inflation. The ramp up of operations at Atasehir Hospital which opened in September 2022, the continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of Ortopedia on 9 August 2022 and Kent on 14 February 2023 also contributed to the increase.

Singapore hospital inpatient admissions was flat at 14,997 in Q4 2023 while its revenue per inpatient admission increased 8% to RM62,665. Malaysia hospital inpatient admissions increased 8% to 61,638 in Q4 2023 while its revenue per inpatient admission increased 4% to RM10,151. India hospital inpatient admissions increased 1% to 73,505 in Q4 2023 while its revenue per inpatient admission increased 8% to RM10,929. Turkiye and Europe hospital inpatient admissions increased 2% to 65,691 in Q4 2023 while its revenue per inpatient admission increased 36% to RM11,593 with price adjustments, especially in Turkiye, to counter hyperinflation.

The increase in Hospital and Healthcare's Q4 2023 EBITDA was mainly driven by higher revenue, offset by higher staff cost and other operating expense such as utilities, as well as translational effects from a weakened TL against RM during the period.

IMU Health

The divestment of IMU Health was completed on 31 March 2023, upon which, IMU Health ceased to contribute to the Group's results.

Labs

Labs' Q4 2023 total revenue increased 3% to RM420.2 million while its Q4 2023 EBITDA decreased 30% to RM73.9 million. Labs' Q4 2023 total test volumes increased 10% to 25.8 million. EBITDA decreased mainly due to costs incurred for the rebranding of the diagnostics business in India to "Agilus Diagnostics" as well as higher provision for doubtful debts.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

PLife REIT

PLife REIT's Q4 2023 external revenue decreased 1% to RM37.4 million while EBITDA increased 44% to RM87.7 million. EBITDA increased mainly due to contribution from two nursing homes acquired in October 2023, valuation gain of RM5.8 million on investment properties compared to a valuation loss of RM15.4 million in Q4 2022 and higher inter-segment rental income from the hospitals in Singapore.

Others

Q4 2023 revenue decreased 14% to RM1.4 million while EBITDA losses decreased 50% to RM38.9 million. EBITDA losses decreased mainly due to higher inter-segment management fee income from the other business units, lower staff costs and professional fee expenses.

FY 2023 vs FY 2022

The Group's FY 2023 revenue and EBITDA increased 16% and 15% respectively over FY 2022. Excluding effects of MFRS 129, the Group's FY 2023 revenue and EBITDA increased 17% and 15% respectively over FY 2022.

The Group's FY 2023 PATMI (Excl EI) decreased 7% to RM1,279.2 million as a result of higher net finance costs and lower exchange gain. In addition, the Group's FY 2023 PATMI (Excl EI) was eroded by higher depreciation and amortisation on reindexation of assets in Turkiye under MFRS 129, deferred tax recognised on the uplifted carrying value of the reindexed assets and translational effects from a weakened TL against RM during the year. Excluding effects of MFRS 129, the Group's FY 2023 PATMI (Excl EI) increased 17% over FY 2022.

The divestment of IMU Health was completed on 31 March 2023, upon which, IMU Health ceased to contribute to the Group's results.

Hospital and Healthcare

Hospital and Healthcare's FY 2023 revenue increased 21% to RM20,063.1 million while its FY 2023 EBITDA increased 17% to RM4,486.2 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, a case-mix of more acute patients and price adjustments to counter inflation. The ramp up of operations at Atasehir Hospital which opened in September 2022, the continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of Ortopedia on 9 August 2022 and Kent on 14 February 2023 also contributed to the increase.

Singapore hospital inpatient admissions decreased 1% to 61,197 in FY 2023 while its revenue per inpatient admission increased 13% to RM59,529. Malaysia hospital inpatient admissions increased 17% to 241,123 in FY 2023 while its revenue per inpatient admission increased 4% to RM9,925. India hospital inpatient admissions was flat in FY 2023 at 299,506 while its revenue per inpatient admission increased 14% to RM10,596. Turkiye and Europe hospital inpatient admissions increased 6% to 249,829 in FY 2023 while its revenue per inpatient admission increased 38% to RM10,703 with price adjustments, especially in Turkiye, to counter hyperinflation.

The increase in Hospital and Healthcare's FY 2023 EBITDA was mainly driven by higher revenue, offset by higher staff cost and other operating expenses such as utilities, as well as translational effects from a weakened TL against RM during the year.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

IMU Health

The divestment of IMU Health was completed on 31 March 2023, upon which, IMU Health ceased to contribute to the Group's results.

Labs

Labs' FY 2023 total revenue was flat at RM1,664.9 million while its FY 2023 EBITDA decreased 6% to RM345.4 million. Labs' FY 2023 total test volumes increased 6% to 97.5 million. EBITDA decreased mainly due to costs incurred for the rebranding of the diagnostics business in India to "Agilus Diagnostics" as well as higher provision for doubtful debts.

PLife REIT

PLife REIT's FY 2023 external revenue increased 2% to RM153.1 million while EBITDA increased 17% to RM325.8 million. EBITDA increased mainly due to full-year contribution from the five nursing homes acquired in September 2022, two-month contribution from two nursing homes acquired in October 2023, valuation gain of RM3.8 million on investment properties compared to a valuation loss of RM19.4 million in FY 2022 and higher inter-segment rental income from the hospitals in Singapore.

Others

FY 2023 revenue increased 13% to RM5.7 million while EBITDA losses decreased 29% to RM120.6 million. EBITDA losses decreased mainly due to higher intersegment management fee income from the other business units, lower professional fees and acquisition-related fees, and partially offset by completion bonus recognised upon the successful divestment of IMU Health.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2023 RM'000	3rd quarter ended 30 Sep 2023 RM'000	Variance %
<u>REVENUE¹</u>			
Singapore	1,441,941	1,467,198	-2%
Malaysia	964,092	967,757	0%
India	911,934	951,548	-4%
Greater China	352,214	328,005	7%
Turkiye and Europe	1,564,495	1,507,370	4%
Hospital and Healthcare	5,234,676	5,221,878	0%
IMU Health	-	-	-
Labs total revenue	420,203	436,789	-4%
Less: Labs inter-segment revenue	(176,594)	(178,081)	1%
Labs	243,609	258,708	-6%
Others ^	1,394	1,524	-9%
Group (Excluding PLife REIT)	5,479,679	5,482,110	0%
PLife REIT total revenue	102,147	102,194	0%
Less: PLife REIT inter-segment revenue	(64,756)	(64,548)	0%
PLife REIT	37,391	37,646	-1%
	5,517,070	5,519,756	0%
Adjustment for hyperinflationary economy ⁴	(224,427)	306,134	-173%
Group	5,292,643	5,825,890	-9%
<u>EBITDA²</u>			
Singapore	412,437	427,946	-4%
Malaysia	211,257	257,344	-18%
India	144,307	206,993	-30%
Greater China	24,236	9,100	166%
Turkiye and Europe	384,019	298,174	29%
Southeast Asia	(77)	(1,674)	95%
Hospital and Healthcare	1,176,179	1,197,883	-2%
IMU Health	-	-	-
Labs	73,925	87,376	-15%
Others ^	(38,911)	(4,893)	NM
Eliminations³	22	(65)	134%
Group (Excluding PLife REIT)	1,211,215	1,280,301	-5%
PLife REIT	87,720	80,522	9%
Eliminations³	(66,977)	(66,786)	0%
	1,231,958	1,294,037	-5%
Adjustment for hyperinflationary economy ⁴	(162,313)	126,448	NM
Group	1,069,645	1,420,485	-25%

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 MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

Q4 2023 vs Q3 2023

The Group's quarter-on-quarter revenue and EBITDA decreased 9% and 25% respectively. Excluding effects of MFRS 129, the Group's quarter-on-quarter revenue was flat, while EBITDA decreased 5%.

EBITDA decreased quarter-on-quarter on the back of lower revenues and patient volumes due to the holiday and festive season, and a high base in Q3 2023 where a credit adjustment relating to the application of MFRS 129 was recorded.

The Group's PATMI (Excl EI) decreased 28% quarter-on-quarter. Excluding effects of MFRS 129, the Group's quarter-on-quarter PATMI (Excl EI) decreased 11%.

Hospital and Healthcare

Hospital and Healthcare quarter-on-quarter revenue was flat, while EBITDA decreased 2%.

Singapore hospital inpatient admissions decreased 3% quarter-on-quarter, while its revenue per inpatient admission increased 2%. Malaysia hospital inpatient admissions decreased 3% quarter-on-quarter, while its revenue per inpatient admission increased 3%. India hospital inpatient admissions decreased 8% quarter-on-quarter, while its revenue per inpatient admission increased 4%. Turkiye and Europe hospital inpatient admissions increased 13% quarter-on-quarter, while its revenue per inpatient admission decreased 1%.

EBITDA decreased 2% quarter-on-quarter on the back of lower revenue and patient volumes.

IMU Health

The divestment of IMU Health was completed on 31 March 2023, upon which, IMU Health ceased to contribute to the Group's results.

Labs

Labs total revenue decreased 4% quarter-on-quarter while EBITDA decreased 15%. EBITDA decreased quarter-on-quarter on lower revenues and higher provision for doubtful debts, offset by lower quarter-on-quarter costs incurred for the rebranding of the diagnostics business in India to "Agilus Diagnostics".

PLife REIT

Plife REIT's external revenue decreased 1% quarter-on-quarter as a weakening Japanese Yen against RM eroded the revenue earned from the Japanese properties. EBITDA increased 9% quarter-on-quarter mainly due to valuation gains on investment properties of RM5.8 million recognised.

Others

Revenue decreased 9% quarter-on-quarter while EBITDA losses increased. EBITDA losses increased quarter-on-quarter mainly due to lower inter-segment management fees income from the other business units.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA’S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

B3 NEXT YEAR FINANCIAL PROSPECTS

The Group is committed to deliver value for all its stakeholders, guided by its “ACE” Framework to Align, Challenge and Empower its people, processes and operations. It is strategically poised to meet the increasing demand for quality healthcare services, and will broaden its reach and enhance its offerings across key regions it operates.

To meet the growing healthcare needs and demand both locally and from the region, the Group’s organic growth trajectory is marked to be enhanced by a significant increase in bed capacity of more than 30%, or close to 4,000 beds, over the next five years. This increase would see the addition of new beds across Malaysia, India, Turkiye and Europe, alongside strategic exploration for further growth opportunities across Asia and Europe. The capacity expansion will also encompass facelifts and renovations to existing facilities, building of extensions, new constructions and relocating some of its complementary ancillary services to alternative sites near the hospitals to avail more space for inpatient admissions. On 29 February 2024, the Group completed its acquisition of Timberland Medical Centre in Kuching, Sarawak, strengthening the Group’s position as a leading healthcare provider across Malaysia. Additionally, the Gleneagles Global Hospitals in India will undergo a rebranding to become “Gleneagles India” in March 2024.

Besides capacity expansion, the Group is growing its portfolio across the healthcare continuum, from primary care and ambulatory to tertiary hospital services, to provide comprehensive patient care. The broadening of services is complemented by investment in new growth areas, including laboratory and diagnostic business, digital health services and innovative technologies, aimed at enhancing patient care and operational efficiency.

Despite the strong underlying demand for quality healthcare services, the Group is cognisant of the cost pressures arising from sustained inflation. The Group continues to maintain a tight rein on costs and leverage operational synergies from its international network to achieve cost savings to mitigate these pressure, while at the same time, ensuring the delivery of high quality care and value to its patients. The Group is transforming some of its workflows and processes to streamline and optimise operations for greater efficiency.

Meanwhile, the Group continually reviews and strategically re-calibrates its asset portfolio. It will also take steps to turn around the performance of underperforming assets to enable these assets to reach its full potential.

Whilst the Group is mindful of global economic and geo-political headwinds, it is confident of its long-term growth trajectory that is underpinned by its strong fundamentals, driven by its robust expansion initiatives and fueled by healthcare megatrends.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	4th quarter ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense	298,851	124,474	564,681	551,154
Deferred tax expense/(credit)	(413,503)	63,273	93,665	20,795
	<u>(114,652)</u>	<u>187,747</u>	<u>658,346</u>	<u>571,949</u>

Q4 2023 and FY 2023 effective tax rates* were -16.5% and 16.4% respectively. Q4 2022 and FY 2022 effective tax rates* were 96.1% and 26.3% 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 that are under construction or in a start-up phase.

In Q4 2023 and FY 2023, Acibadem Holdings recognised RM255.8 million deferred tax credit relating to an exemption allowed by the Turkiye government to increase the tax base of the assets in the local tax books. Excluding these deferred tax credit recognised, Q4 2023 and FY 2023 effective tax rates* would be 20.4% and 22.7% respectively.

In FY 2022, Acibadem Holdings recognised RM104.4 million deferred tax credit relating to the effect of prior period's indexation of property, plant and equipment in the local tax books, as allowed by the Turkiye government to cushion the effects of higher inflation. Excluding these deferred tax credit recognised, FY 2022 effective tax rates* would be 31.1%.

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

B6 STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at 29 February 2024:

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.

2. Acquisition of Bedrock Healthcare Sdn Bhd by Pantai Holdings Sdn Bhd

On 10 August 2023, PHSB entered into a share purchase agreement ("SPA") with Saravita Holdings Sdn. Bhd. and 9 individual founders to acquire the entire equity interest in BHSB for a total consideration of RM245.0 million on a cash free debt free basis ("Acquisition"), subject to closing adjustments, to be fully satisfied in cash.

BHSB, through its wholly-owned subsidiaries, operates an 82-bed hospital, namely Timberland Medical Centre in Kuching, Sarawak, and has earmarked a vacant land in central Kuching for the construction of a 200-bed hospital.

On 29 February 2024, the Acquisition was completed.

Refer to IHH's announcement dated 10 August 2023, 2 February 2024 and 29 February 2024 for details.

3. Proposed Divestment of Fortis Malar Hospital, Chennai by Fortis Healthcare Limited

On 24 November 2023, certain subsidiaries of Fortis have entered into definitive agreements with MGM Healthcare Private Limited ("MGM Healthcare"), in relation to the sale and divestment of Fortis Malar Hospital, Chennai ("Malar Hospital") and related assets to MGM Healthcare ("Proposed Divestment"). The Proposed Divestment will be undertaken for an aggregate consideration of approximately INR1.3 billion (equivalent to RM71.9 million) (subject to customary closing adjustments as agreed in the definitive agreements). The consummation of the Proposed Divestment is subject to fulfilment of certain conditions precedent and closing conditions, as agreed under the terms of the respective agreements specifically, the consummation of the Proposed Divestment is subject to the receipt of approval of the shareholders of Fortis and Malar.

On 21 February 2024, the Proposed Divestment was completed.

Refer to IHH's announcement dated 24 November 2023, 2 February 2024 and 22 February 2024 for details.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
Non-current		
Secured		
Bank loans	1,086,112	522,857
Loans from corporates	4,240	2,792
Unsecured		
Bank loans	4,003,420	5,534,248
Fixed rate medium term notes	579,622	588,418
Loans from corporates*	977,173	917,674
	<u>6,650,567</u>	<u>7,565,989</u>
Current		
Secured		
Bank overdrafts	77,885	44,135
Bank loans	135,096	634,656
Loans from corporates	2,328	1,533
Unsecured		
Bank loans	1,522,316	889,896
Fixed rate medium term notes	-	66,022
Loans from corporates	1,080	684
	<u>1,738,705</u>	<u>1,636,926</u>
Total	<u><u>8,389,272</u></u>	<u><u>9,202,915</u></u>

* Includes loans from non-controlling interests of RM976,695,000 (2022: RM916,992,000)

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

	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
Hong Kong Dollar	3,093,530	2,928,559
Japanese Yen	2,102,207	2,084,418
Euro	839,328	669,559
Singapore Dollar	789,278	2,005,562
Indian Rupees	629,507	581,761
Renminbi	602,395	517,914
Turkish Lira	306,535	388,075
Macedonian Denar	24,935	25,698
Others	1,557	1,369
	<u>8,389,272</u>	<u>9,202,915</u>

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 December 2023:

	Notional amount as at 31 Dec 2023 RM'000	Fair value amount as at 31 Dec 2023 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	1,664,361	19,758
- Between 1 - 3 years	258,153	42,670
- More than 3 years	54,292	7,756
	<u>1,976,806</u>	<u>70,184</u>
Interest rate caps		
- Between 1 - 3 years	767,299	939
- More than 3 years	361,402	3,426
	<u>1,128,701</u>	<u>4,365</u>
Cross currency interest rate swaps		
- Between 1 - 3 years	286,477	83,227
Cross currency swaps		
- Within 1 year	29,060	193,140
	<u>3,421,044</u>	<u>350,916</u>
Derivative liabilities		
Interest rate swaps		
- Within 1 year	213,156	(267)
- Between 1 - 3 years	244,927	(2,791)
- More than 3 years	534,568	(6,062)
	<u>992,651</u>	<u>(9,120)</u>
Foreign exchange forward contracts		
- Within 1 year	174,948	(6,354)
- More than 3 years	146,402	(3,644)
	<u>321,350</u>	<u>(9,998)</u>
Cross currency swaps		
- Within 1 year	313,565	(538)
- Between 1 - 3 years	30,745	(439)
	<u>344,310</u>	<u>(977)</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 MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.

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 MALAYIA'S LISTING REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

B10 MATERIAL LITIGATIONS

The following are the material litigations of the Group:

1) In respect of Escorts Heart Institute and Research Centre Limited (“EHIRCL”), an indirect subsidiary of IHH:

(a) The Delhi Development Authority (“DDA”) had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. The matter is currently pending before the High Court of Delhi. Consequent to the termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Supreme Court of India. 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, EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the financial statements.

(b) In relation to the judgement of the High Court of Delhi relating to provision of free treatment/beds to patients of the economically weaker sections of society, 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. Following various hearings and appeals between 2014 and 2018, DoHS in May 2018, passed an order imposing a demand of INR5.0 billion (equivalent to RM286.0 million) which was challenged by EHIRCL before the High Court of Delhi. Through an order dated 1 June 2018, the High Court of Delhi has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of INR50.0 million (equivalent to RM2.9 million) before the DoHS. EHIRCL deposited INR50.0 million (equivalent to RM2.9 million) on 20 June 2018. Matter is sub judice before the High Court of Delhi. Based on its internal assessment and advice from its counsel, on the basis of 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, has a good case of success. and expects the demand to be set aside.

2) In respect of Northern TK Venture Pte Ltd (“NTK”), an indirect wholly-owned subsidiary of IHH:

(a) On 16 October 2023, NTK had filed a claim against Daiichi in the Tokyo District Court (“Court”) in Japan (“Claim”). NTK’s position is that Daiichi has caused losses to NTK by preventing NTK from proceeding with the Fortis Open Offer and the Malar Open Offer. The Claims filed by NTK against Daiichi are tort claims premised on Daiichi’s unlawful interference with NTK’s trade or business, conspiracy of Daiichi and other persons, malicious falsehood and defamation under the applicable substantive laws. NTK is seeking inter alia the following reliefs from Daiichi in accordance with the applicable substantive laws: (i) JPY 20 billion as damages to NTK; (ii) an injunction to refrain Daiichi from defaming NTK in the future; and (iii) Daiichi to publish a statement its website, and to deliver a statement to SEBI, to vindicate NTK’s reputation. NTK has expressly reserved its rights to amend and/or supplement the reliefs it is seeking from Daiichi. Hearings before the court took place on 26 December 2023 and 22 February 2024. The next hearing is scheduled for 14 May 2024. The parties are in the process of submitting preparatory briefs according to the Court’s directions.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

B11 DIVIDENDS

The Board of Directors have declared that a second and final single tier cash dividend of 5.5 sen per ordinary share for the financial year ended 31 December 2023 to be paid on 26 April 2024 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 27 March 2024. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 27 March 2024 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 2023, please refer to Section A7.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 period.

	4th quarter ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	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	727,453	191,273	2,951,874	1,548,398
Perpetual securities distribution accrued	-	-	-	(52,212)
	<u>727,453</u>	<u>191,273</u>	<u>2,951,874</u>	<u>1,496,186</u>
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>				
Profit after tax and non-controlling interests (excluding EI)	265,455	340,371	1,279,244	1,380,676
Perpetual securities distribution accrued	-	-	-	(52,212)
	<u>265,455</u>	<u>340,371</u>	<u>1,279,244</u>	<u>1,328,464</u>
Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	<u>8,806,991</u>	<u>8,806,043</u>	<u>8,806,799</u>	<u>8,803,471</u>
	sen	sen	sen	sen
Basic EPS	8.26	2.17	33.52	17.00
Basic EPS (excluding EI)	<u>3.01</u>	<u>3.87</u>	<u>14.53</u>	<u>15.09</u>

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 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,806,991	8,806,043	8,806,799	8,803,471
Weighted number of unissued ordinary shares from share options under EOS	48	100	47	834
Weighted average number of dilutive ordinary shares for computation of diluted EPS	<u>8,807,039</u>	<u>8,806,143</u>	<u>8,806,846</u>	<u>8,804,305</u>
	sen	sen	sen	sen
Diluted EPS	8.26	2.17	33.52	16.99
Diluted EPS (excluding EI)	<u>3.01</u>	<u>3.87</u>	<u>14.53</u>	<u>15.09</u>

At 31 December 2023, 2,955,000 (2022: 18,759,000) 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 MALAYIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

	4th quarter ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Dividend income	109	-	454	63
Other operating income	71,696	80,512	325,145	323,654
Foreign exchange differences	(12,751)	2,855	613	92,526
Impairment loss made				
- Property, plant and equipment	(807)	(384,336)	(922)	(384,302)
- Intangible assets	-	(8,943)	-	(8,943)
- Goodwill	-	(150,066)	-	(150,066)
- Trade and other receivables	(28,864)	(16,638)	(99,226)	(44,686)
Write off:				
- Property, plant and equipment	(1,247)	(214)	(1,851)	(1,087)
- Trade and other receivables	(7,998)	(4,692)	(13,843)	(10,048)
- Inventories	(1,445)	(1,061)	(6,679)	(4,296)
Change in fair value of investment properties	11,351	27,780	9,299	23,750
Gain on disposal of property, plant and equipment	1,769	2,971	10,691	11,864
Gain on disposal of subsidiaries	(8)	-	991,480	-
Gain on disposal of interests in associates	3,723	-	3,723	-
Finance income				
Interest income	16,139	8,621	87,619	77,586
Fair value (loss)/gain on financial instruments	(28,678)	(2,612)	15,145	35,797
	(12,539)	6,009	102,764	113,383
Finance costs				
Interest on loans and borrowings	(162,215)	(114,509)	(523,678)	(318,800)
Interest on lease liabilities	(42,162)	(43,719)	(165,062)	(152,863)
Exchange loss on net borrowings	(24,098)	(43,274)	(193,940)	(144,194)
Fair value gain on financial instruments	208	1,062	-	-
Other finance costs	(18,653)	(7,091)	(58,639)	(41,556)
	(246,920)	(207,531)	(941,319)	(657,413)