



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2022

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Note	3rd quarter ended			Financial period ended		
		30 Sep 2022	30 Sep 2021	Variance	30 Sep 2022	30 Sep 2021	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1	4,595,244	4,444,996	3%	13,131,872	12,661,047	4%
Other operating income	2	148,110	135,111	10%	363,963	536,312	-32%
Inventories and consumables		(959,075)	(930,141)	-3%	(2,784,937)	(2,669,383)	-4%
Purchased and contracted services		(443,406)	(412,660)	-7%	(1,240,341)	(1,133,011)	-9%
Staff costs	3	(1,607,795)	(1,643,585)	2%	(4,651,055)	(4,587,812)	-1%
Depreciation and impairment of property, plant and equipment	4	(247,229)	(268,021)	8%	(738,325)	(887,522)	17%
Depreciation of right-of-use ("ROU") assets		(90,615)	(83,024)	-9%	(268,484)	(238,177)	-13%
Amortisation of intangible assets		(11,988)	(11,493)	-4%	(35,216)	(35,660)	1%
Operating lease expenses		(21,391)	(20,577)	-4%	(63,235)	(58,169)	-9%
Other operating expenses	5	(642,093)	(494,112)	-30%	(1,674,596)	(1,414,562)	-18%
Finance income	6	(68,454)	(18,973)	NM	107,374	169,976	-37%
Finance costs	6	(138,133)	(86,768)	-59%	(449,882)	(503,702)	11%
Net monetary (loss)/gain from hyperinflationary economies		(9,795)	-	-	285,747	-	-
Share of profits of associates (net of tax)		9,514	5,409	76%	28,428	23,740	20%
Share of profits of joint ventures (net of tax)	7	363	456	-20%	1,601	8,501	-81%
Profit before tax		513,257	616,618	-17%	2,012,914	1,871,578	8%
Income tax expense	8	(188,974)	59,040	NM	(384,202)	(216,949)	-77%
Profit for the period		324,283	675,658	-52%	1,628,712	1,654,629	-2%
Other comprehensive income, net of tax							
Items that are or may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	9	42,723	25,430	68%	147,102	3,626	NM
Realisation of FCTR ¹ upon disposal of a joint venture		-	-	-	-	22,148	-100%
Hyperinflationary restatement of non-monetary assets at 1 January 2022	10	126,952	-	-	750,267	-	-
Hedge of net investments in foreign operations	9	57,685	58,030	-1%	354,834	97,300	NM
Cash flow hedge		5,681	376	NM	17,594	8,802	100%
Cost of hedging reserve		664	(406)	NM	1,450	(36)	NM
		233,705	83,430	180%	1,271,247	131,840	NM
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of defined benefit liabilities		(4,095)	(310)	NM	(1,193)	849	NM
Total comprehensive income for the period		553,893	758,778	-27%	2,898,766	1,787,318	62%

NM: Not meaningful

Note:

1. Foreign currency translation reserve

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Note	3rd quarter ended			Financial period ended		
	30 Sep 2022	30 Sep 2021	Variance	30 Sep 2022	30 Sep 2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Profit attributable to:						
Owners of the Company	251,762	550,000	-54%	1,357,125	1,408,927	-4%
Non-controlling interests	72,521	125,658	-42%	271,587	245,702	11%
Profit for the period	324,283	675,658	-52%	1,628,712	1,654,629	-2%
Total comprehensive income attributable to:						
Owners of the Company	497,937	619,891	-20%	2,662,724	1,524,659	75%
Non-controlling interests	55,956	138,887	-60%	236,042	262,659	-10%
Total comprehensive income for the period	553,893	758,778	-27%	2,898,766	1,787,318	62%
Earnings per share (sen)						
Basic	2.78	6.01	-54%	14.82	15.30	-3%
Diluted	2.78	6.01	-54%	14.82	15.30	-3%

NM: Not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

SUPPLEMENTARY INFORMATION

	Note	3rd quarter ended			Financial period ended		
		30 Sep 2022 RM'000	30 Sep 2021 RM'000	Variance %	30 Sep 2022 RM'000	30 Sep 2021 RM'000	Variance %
Profit attributable to owners of the Company, excluding EI^{ix}		315,416	354,592	-11%	1,040,305	1,154,002	-10%
Add/(Less): Exceptional items ("EI")							
Remeasurement to fair value of interest in a joint venture ⁱ	2	-	409		-	86,177	
Gain on disposal of a joint venture ⁱⁱ	2	-	-		-	139,053	
Provision for loan taken by a joint venture ⁱⁱⁱ		-	(2,564)		-	(2,564)	
Impairment of assets (made)/reversed ^{iv}	4,5	(304)	(51,284)		15,923	(241,282)	
Deferred tax benefits ^v	8	(27,263)	248,196		125,445	248,196	
Change in fair value of cross currency swaps ^{vi}	6	(36,977)	(29,790)		12,802	125,193	
Exchange (loss)/gain on net borrowings ^{vii}	6	(6,532)	31,600		(100,920)	(126,328)	
Net monetary (loss)/gain from hyperinflationary economies ^{viii}		(9,795)	-		285,747	-	
		<u>(80,871)</u>	<u>196,567</u>		<u>338,997</u>	<u>228,445</u>	
Less: Tax effects on EI		10,007	(2,153)		20,267	284	
Less: Non-controlling interests' share of EI		7,210	994		(42,444)	26,196	
		<u>(63,654)</u>	<u>195,408</u>		<u>316,820</u>	<u>254,925</u>	
Profit attributable to owners of the Company		<u>251,762</u>	<u>550,000</u>	-54%	<u>1,357,125</u>	<u>1,408,927</u>	-4%
Earnings per share, excluding EI^{ix} (sen)							
Basic		3.50	3.78	-7%	11.23	12.40	-9%
Diluted		3.50	3.78	-7%	11.22	12.39	-9%

Note:

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

- i. Remeasurement to fair value of interests in DDRC SRL Diagnostics Private Limited ("DDRC SRL"), upon acquisition of controlling interest in DDRC SRL
- ii. Disposal of a joint venture – Apollo Gleneagles Hospital Ltd, net of realisation of FCTR of RM22.1 million loss
- iii. Provision for proportionate share of amounts owed by Khubchandani Hospitals on its loans, that is unlikely to be repaid
- iv. Reversal of impairment of assets of Gleneagles Chengdu Hospital ("GCD") (the Group's hospital that was operational in late 2019 whose ramp up was longer than expected and was hampered by the COVID-19 pandemic) upon receipt of recoverables (2021: Impairment of assets of GCD and Andaman Alliance Healthcare Limited (the Group's greenfield hospital project in Myanmar which has stalled))
- v. Deferred tax assets arising from the indexation of property, plant and equipment in the local tax books, as allowed by the Turkiye government to cushion the effects of higher inflation (2021: Deferred tax assets previously not recognised by Acibadem Holdings)
- vi. Change in fair value of cross-currency swaps which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
- vii. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 30 September 2022, Euro/TL=18.1395)
- viii. Net increase in purchasing power from the net monetary position of the Group's operations in Turkiye, upon the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* (refer to Section A1(b)(ii) and Section A4).
- ix. Exceptional items, net of tax and non-controlling interests

The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

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

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

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

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

These were partially offset by lower contribution from COVID-19 related-services rendered in QTD 2022 and YTD 2022, as well as the effects from disposal of Continental Hospitals Private Limited ("Continental Hospitals") on 14 December 2021, temporary closure of all clinics in China from March to May 2022 imposed as a result of spike in COVID-19 cases in Shanghai and the weakening TL on the Group's revenue from its operations in Turkiye.

2. YTD 2021 other operating income included gain on disposal of Apollo Gleneagles Hospital Ltd (a joint venture) of RM139.1 million, remeasurement to fair value of interest in DDRC SRL of RM86.2 million and valuation gains of RM65.2 million on investment properties. Excluding these, YTD 2022 other operating income was higher mainly due to higher foreign exchange gains.
3. YTD 2022 staff costs increased as the Group expands its capacity to cater for higher demand for its services. These were also driven by annual increments, partially offset by lower costs of contract employees following the reduction of COVID-19 related services rendered.
4. QTD 2021 and YTD 2021 depreciation and impairment of property, plant and equipment included impairment loss of RM32.4 million and RM179.1 million for Gleneagles Chengdu Hospital. As a result, there was no depreciation on Gleneagles Chengdu Hospital's impaired assets in QTD 2022 and YTD 2022. In addition, there was lower depreciation from GHK Hospital as some of its assets were fully depreciated.

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

5. Increase in QTD 2022 and YTD 2022 other operating expenses was mainly attributed to the higher level of activities as compared to the corresponding periods last year when several regions were in lockdown, as well as cost inflation especially in Turkiye.
6. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. Acibadem Holdings manages its foreign exchange exposures by entering into cross-currency swaps ("CCS").

The Group recognised a higher net loss of RM88.1 million in YTD 2022 as compared to net loss of RM1.1 million in YTD 2021. On the same basis, the Group recognised a net loss of RM43.5 million in QTD 2022 as compared to net gain of RM1.8 million in QTD 2021.

Excluding the above, net finance costs were lower in YTD 2022 due to higher fair value gains on derivative financial instruments, lower interest expense on loans and borrowings and lease liabilities as a result of repayment as well as higher interest income from bank deposits. On the other hand, net finance costs were higher in QTD 2022 due to lower fair value gains on derivative financial instruments and higher interest

expense on loans drawn down for redemption of perpetual securities.

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

Note:

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

	30 Sep 2022	30 Sep 2021
1 SGD	3.1539	3.0842
1 TL	0.2491	0.5114

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	30 Sep 2022 RM'000	31 Dec 2021 RM'000
Assets			
Property, plant and equipment	1	12,236,956	10,840,572
Right-of-use assets		6,908,808	6,529,336
Investment properties		3,826,145	3,875,123
Goodwill on consolidation		13,322,579	12,170,705
Intangible assets		2,765,092	2,022,627
Interests in associates	2	125,078	157,613
Interests in joint ventures		6,720	6,307
Other financial assets	3	139,361	76,345
Trade and other receivables	4	112,539	131,425
Tax recoverables	4	388,614	302,224
Derivative assets		277,131	297,208
Deferred tax assets	5	688,666	567,731
Total non-current assets		40,797,689	36,977,216
Development properties		76,471	73,862
Inventories	6	522,802	455,065
Trade and other receivables	7	2,422,348	2,497,529
Tax recoverables	4	69,861	18,373
Other financial assets	3	260,114	340,733
Derivative assets		148,514	127,967
Cash and cash equivalents		3,416,604	5,017,680
		6,916,714	8,531,209
Assets classified as held for sale	8	646,635	1,844
Total current assets		7,563,349	8,533,053
Total assets		48,361,038	45,510,269

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	30 Sep 2022 RM'000	31 Dec 2021 RM'000
Equity			
Share capital		19,684,881	19,614,918
Other reserves		(32,384)	(2,846,392)
Retained earnings		6,473,545	5,656,406
Total equity attributable to owners of the Company		26,126,042	22,424,932
Perpetual securities	9	-	2,158,358
Non-controlling interests		3,202,543	2,693,541
Total equity		29,328,585	27,276,831
Liabilities			
Loans and borrowings	10	7,917,486	7,609,491
Lease liabilities		1,714,138	1,783,904
Employee benefits		169,326	135,225
Trade and other payables	11	1,295,893	1,420,424
Derivative liabilities		47	471
Deferred tax liabilities		1,644,928	1,234,665
Total non-current liabilities		12,741,818	12,184,180
Bank overdrafts		63,064	24,229
Loans and borrowings	10	1,263,519	1,237,427
Lease liabilities		243,881	218,630
Employee benefits		149,616	165,127
Trade and other payables		3,970,546	4,052,574
Tax payable		370,248	351,271
		6,060,874	6,049,258
Liabilities directly associated with assets classified as held for sale	8	229,761	-
Total current liabilities		6,290,635	6,049,258
Total liabilities		19,032,453	18,233,438
Total equity and liabilities		48,361,038	45,510,269
Net assets per share attributable to owners of the Company ¹ (RM)		2.97	2.55

¹ Based on 8,806.0 million and 8,796.7 million shares issued as at 30 September 2022 and 31 December 2021 respectively.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position was impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL as at 30 September 2022 as compared to 31 December 2021.

In addition, the Group's reported results as at 30 September 2022 included the application to the Group's entities in Turkiye of MFRS 129, as detailed in Section A1(b)(ii) and Section A4.

1. Increase in property, plant and equipment was largely due to newly opened Acibadem Atasehir Hospital and Headquarter Office in Turkiye. This was partially offset by the transfer of property, plant and equipment of IMU Health Sdn. Bhd. ("IMUH") and its subsidiaries ("IMU Group") to assets classified as held for sale.
2. Decrease in interest in associates was mainly attributed to lower carrying value of Lanka Hospitals Corporation Plc as a result of the depreciation of the Sri Lankan Rupee.
3. Non-current other financial assets increased mainly due to RM16.1 million investment in convertible notes issued by Lucence Life Sciences Pte. Ltd and RM23.1 million investment in preference shares issued by EKO.AI Pte Ltd. Current other financial assets decreased due to full redemption of money market funds and transfer of fixed deposits with tenor of more than 3 months held by IMU Group to assets classified as held for sale, partially offset by placement of fixed deposits.
4. Tax recoverables increased as a result of tax paid by the Group's subsidiaries.
5. Deferred tax assets increased mainly due to indexation relating to property, plant and equipment, as well as investment incentives, in the local tax books as allowed by the Turkiye government to cushion the effects of higher inflation.
6. The increase in inventories was mainly due to higher business volumes and cost inflation, especially in Turkiye.
7. The drop in current trade and other receivables was mainly due to collections relating to COVID-19 related services rendered and transfer to assets classified as held for sale for IMU Group.
8. The Group plans to divest its investment in IMUH (a 100% owned subsidiary) in the near term. Accordingly, the assets and liabilities of IMUH and its subsidiaries were transferred to assets and liabilities classified as held for sale as at 30 September 2022.
9. On 27 July 2022, Parkway Pantai Limited has completed the redemption of its US\$500 million 4.25% Senior Perpetual Securities ("Securities"), issued under its US\$2.0 billion Multicurrency Medium Term Note Programme. Following the redemption, all of the outstanding Securities have been cancelled and delisted from the Singapore Exchange Securities Trading Limited.
10. Loans and borrowings increased due to loans drawn down for redemption of perpetual securities in July 2022, partially offset by repayment of loans mainly by Integrated Healthcare Turkey Yatirimlari Limited.
11. Non-current trade and other payables decreased mainly due to a decrease in the fair value of a put option liability relating to SRL Diagnostics Private Limited.

Note:

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

	30 Sep 2022	31 Dec 2021
1 SGD	3.2103	3.0817
1 TL	0.2491	0.3122

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Attributable to owners of the Company							Non-distributable					Distributable	Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000		
At 1 January 2022	19,614,918	33,874	83,434	16,587	332	(4,451,467)	57,814	1,413,034	5,656,406	22,424,932	2,158,358	2,693,541	27,276,831	
Hyperinflationary restatement to 1 January 2022	-	-	-	-	-	421,267	(26,450)	1,064,261	59,161	1,518,239	-	259,758	1,777,997	
	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	-	-	-	-	-	-	-	423,261	-	423,261	-	(276,159)	147,102	
Hyperinflationary restatement of non-monetary assets at 1 January 2022	-	-	-	-	-	74,505	2,165	705,420	(32,174)	749,916	-	351	750,267	
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	126,134	-	126,134	-	228,700	354,834	
Cash flow hedge	-	-	-	6,254	-	-	-	-	-	6,254	-	11,340	17,594	
Cost of hedging reserve	-	-	-	-	515	-	-	-	-	515	-	935	1,450	
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(481)	(481)	-	(712)	(1,193)	
Total other comprehensive income for the period	-	-	-	6,254	515	74,505	2,165	1,254,815	(32,655)	1,305,599	-	(35,545)	1,270,054	
Profit for the period	-	-	-	-	-	-	-	-	1,357,125	1,357,125	-	271,587	1,628,712	
Total comprehensive income for the period	-	-	-	6,254	515	74,505	2,165	1,254,815	1,324,470	2,662,724	-	236,042	2,898,766	
<i>Contributions by and distributions to owners</i>														
Share-based payment transactions	-	1,067	-	-	-	-	-	-	-	1,067	-	-	1,067	
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)	-	(165,795)	(693,957)	
Redemption and payment of coupon on perpetual securities	-	-	-	-	-	(47,158)	-	-	-	(47,158)	(2,210,570)	-	(2,257,728)	
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(52,212)	(52,212)	52,212	-	-	
Changes in ownership interests in subsidiaries	-	-	-	(2)	-	(15,853)	-	(5)	-	(15,860)	-	(39,037)	(54,897)	
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	106,730	-	-	-	106,730	-	218,034	324,764	
Transfer per statutory requirements	-	-	-	-	-	-	2,487	-	(2,487)	-	-	-	-	
Transfer from hedge reserve to retained earnings	-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-	
Total transactions with owners	69,963	(13,343)	-	(16,182)	-	43,719	2,487	(5)	(566,492)	(479,853)	(2,158,358)	13,202	(2,625,009)	
At 30 September 2022	19,684,881	20,531	83,434	6,659	847	(3,911,976)	36,016	3,732,105	6,473,545	26,126,042	-	3,202,543	29,328,585	

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Attributable to owners of the Company							Non-distributable					Distributable	Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000		
At 1 January 2021	19,473,364	80,168	83,434	12,454	408	(3,777,228)	55,590	1,556,893	4,254,736	21,739,819	2,158,061	3,137,489	27,035,369	
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	55,130	-	55,130	-	(51,504)	3,626	
Realisation of FCTR upon disposal of a joint venture	-	-	-	-	-	-	-	22,148	-	22,148	-	-	22,148	
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	34,609	-	34,609	-	62,691	97,300	
Cash flow hedge	-	-	-	3,131	-	-	-	-	-	3,131	-	5,671	8,802	
Cost of hedging reserve	-	-	-	-	(13)	-	-	-	-	(13)	-	(23)	(36)	
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	727	727	-	122	849	
Total other comprehensive income for the period	-	-	-	3,131	(13)	-	-	111,887	727	115,732	-	16,957	132,689	
Profit for the period	-	-	-	-	-	-	-	-	1,408,927	1,408,927	-	245,702	1,654,629	
Total comprehensive income for the period	-	-	-	3,131	(13)	-	-	111,887	1,409,654	1,524,659	-	262,659	1,787,318	
<i>Contributions by and distributions to owners</i>														
Share-based payment transactions	-	5,381	-	-	-	10	-	-	-	5,391	-	22	5,413	
Transfer to share capital for share options exercised	43,679	(18,987)	-	-	-	-	-	-	-	24,692	-	-	24,692	
Cancellation of vested share options	-	(13,860)	-	-	-	-	-	-	13,860	-	-	-	-	
Dividends declared	-	-	-	-	-	-	-	-	(351,163)	(351,163)	-	(150,108)	(501,271)	
Payment of coupon on perpetual securities	-	-	-	-	-	344	-	-	-	344	(88,003)	-	(87,659)	
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(65,834)	(65,834)	65,834	-	-	
Changes in ownership interests in subsidiaries	-	-	-	1	-	(6,276)	-	(6)	-	(6,281)	-	(45,316)	(51,597)	
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	477	477	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,532	2,532	
Changes in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(255,391)	-	-	-	(255,391)	-	(247,425)	(502,816)	
Transfer per statutory requirements	-	-	-	-	-	-	2,532	-	(2,532)	-	-	-	-	
Total transactions with owners	43,679	(27,466)	-	1	-	(261,313)	2,532	(6)	(405,669)	(648,242)	(22,169)	(439,818)	(1,110,229)	
At 30 September 2021	19,517,043	52,702	83,434	15,586	395	(4,038,541)	58,122	1,668,774	5,258,721	22,616,236	2,135,892	2,960,330	27,712,458	

The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Financial period ended	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000
Cash flows from operating activities		
Profit before tax	2,012,914	1,871,578
Adjustments for:		
Dividend income	(63)	(1,935)
Finance income	(107,374)	(169,976)
Finance costs	449,882	503,702
Depreciation and impairment of property, plant and equipment	738,325	887,522
Depreciation of ROU assets	268,484	238,177
Amortisation of intangible assets	35,216	35,660
Impairment loss made/(written back):		
- Trade and other receivables	28,048	86,220
- Inventories	(118)	(369)
Write-off:		
- Property, plant and equipment	873	1,246
- Trade and other receivables	5,356	8,982
- Inventories	3,235	2,551
Gain on disposal of property, plant and equipment	(8,893)	(3,921)
Gain on disposal of an investment property	-	(16,339)
Gain on disposal of a joint venture	-	(139,053)
Change in fair value of investment properties	4,030	(65,184)
Remeasurement to fair value of interest in a joint venture	-	(86,177)
Provision for loan taken by a joint venture	-	2,564
Share of profits of associates (net of tax)	(28,428)	(23,740)
Share of profits of joint ventures (net of tax)	(1,601)	(8,501)
Equity-settled share-based payment	1,067	5,413
Net monetary gain from hyperinflationary economies	(285,747)	-
Operating profit before changes in working capital	3,115,206	3,128,420
Changes in working capital:		
Development properties	(2,609)	(3,514)
Inventories	(79,853)	(70,775)
Trade and other receivables	(253,439)	(719,499)
Trade and other payables	525,002	373,640
Cash generated from operations	3,304,307	2,708,272
Tax paid	(501,461)	(318,652)
Net cash from operating activities	2,802,846	2,389,620
Cash flows from investing activities		
Interest received	77,301	40,265
Acquisition of a subsidiary/business, net of cash and cash equivalents acquired	(50,125)	(221,761)
Acquisition of investments	(50,596)	(12,722)
Net placement of fixed deposits with tenor of more than 3 months	(106,430)	(15,058)
Purchase of property, plant and equipment	(1,258,533)	(659,286)
Purchase of investment properties	(199,291)	(179,157)
Development and purchase of intangible assets	(31,068)	(16,768)
Proceeds from disposal of a joint venture	-	225,080
Proceeds from disposal of investments	123,482	-
Proceeds from disposal of property, plant and equipment	18,616	10,634
Proceeds from disposal of an investment property	-	111,326
Proceeds from disposal of intangible assets	-	3,487
Dividends received from associates and joint ventures	23,579	30,940
Repayment by a joint venture	-	9,684
Net cash used in investing activities	(1,453,065)	(673,336)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Financial period ended	
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Cash flows from financing activities		
Finance costs paid	(235,918)	(221,058)
Proceeds from loans and borrowings	3,366,420	1,345,360
Repayment of loans and borrowings	(2,788,561)	(2,204,258)
Payment of lease liabilities	(298,625)	(289,522)
Payment of perpetual securities distribution and redemption	(2,257,728)	(87,659)
Dividends paid	(693,957)	(501,271)
Proceeds from exercise of share options	55,742	24,692
Repurchase of shares from non-controlling interests	(56,795)	-
Proceeds from issue of shares by subsidiaries to non-controlling interests	-	846
Net cash used in financing activities (restated)	(2,909,422)	(1,932,870)
Net decrease in cash and cash equivalents (restated)	(1,559,641)	(216,586)
Effect of exchange rate fluctuations on cash and cash equivalents held (restated)	(196,129)	39,753
Hyperinflationary restatement of cash and cash equivalents at beginning of the period	146,074	-
Cash and cash equivalents at beginning of the period (restated)	4,993,451	4,172,312
Cash and cash equivalents at end of the period (restated)	3,383,755	3,995,479

Cash and cash equivalents

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

	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Cash and bank balances	1,126,338	1,221,701
Fixed deposits with tenor of 3 months or less	396,241	891,058
Deposits placed in escrow account	1,893,380	1,905,992
Restricted cash	645	8,728
Cash and cash equivalents in the statement of financial position	3,416,604	4,027,479
Add:		
- Cash and cash equivalents included in assets classified as held for sale	30,215	-
Less:		
- Bank overdrafts	(63,064)	(32,000)
Cash and cash equivalents in the statement of cash flows (restated)	3,383,755	3,995,479

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 and Fortis Malar Hospitals Limited respectively (see Section A14). These amounts can only be released in the manner prescribed in Clause 17(10) of the SEBI (SAST) Regulations.

The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

A1 BASIS OF PREPARATION

a) Basis of accounting

These consolidated interim financial report are prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134, *Interim Financial Reporting* in Malaysia and IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (“2021 Audited Financial Statements”).

The 2021 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards (“MFRSs”).

b) Significant accounting policies

The accounting policies and presentation adopted for this unaudited consolidated interim financial report are consistent with those adopted for the 2021 Audited Financial Statements, except for the following:

- (i) the adoption of the new, revised and amendments to MFRS as issued by the Malaysian Accounting Standards Board, as follows:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

- (ii) the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* for component entities whose functional currency is the Turkish Lira.

The Turkish economy was designated as hyperinflationary for reporting periods ending on or after 30 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.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

The application of MFRS 129 includes:

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

Price index

The financial statements of component entities, of which their functional currency is denominated in Turkish Lira, have been restated to reflect the price index and the exchange rate at 30 September 2022 in accordance with MFRS 129 requirements. Hyperinflationary adjustments are based on available data for changes in the Consumer Price Index published by the Turkish Statistical Institute (“TURKSTAT”). Based on this price index, the hyperinflation closing price index as at 30 September 2022 was 1,046.9 (30 June 2022: 977.9; 1 January 2022: 687.0).

Net monetary gain/(loss) arising from hyperinflationary economies

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

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

(iii) Comparative figures

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

	As per previously reported RM’000	Effects of reclassification RM’000	As restated RM’000
<u>Financial period ended 30 September 2022</u>			
Cash and cash equivalents at beginning of the period	3,089,870	1,903,581	4,993,451
<u>Financial period ended 30 September 2021</u>			
Change in restricted cash	5,651	(5,651)	-
Net cash used in financing activities	(1,927,219)	(5,651)	(1,932,870)
Net decrease in cash and cash equivalents	(210,935)	(5,651)	(216,586)
Effect of exchange rate fluctuations on cash and cash equivalents held	27,647	12,106	39,753
Cash and cash equivalents at beginning of the period	2,264,047	1,908,265	4,172,312
Cash and cash equivalents at end of the period	2,080,759	1,914,720	3,995,479

**A NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The 2021 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2022, other than the COVID-19 pandemic impact on the performance of the Group, and the effects of the application to the Group's entities in Turkiye of MFRS 129.

Effects of application of MFRS129

	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
<u>Statement of profit or loss</u>			
Revenue	13,121,141	10,731	13,131,872
Other operating income	365,731	(1,768)	363,963
Inventories and consumables	(2,725,935)	(59,002)	(2,784,937)
Purchased and contracted services	(1,233,763)	(6,578)	(1,240,341)
Staff costs	(4,645,610)	(5,445)	(4,651,055)
Depreciation and impairment of property, plant and equipment	(649,288)	(89,037)	(738,325)
Depreciation of right-of-use ("ROU") assets	(231,543)	(36,941)	(268,484)
Amortisation of intangible assets	(30,361)	(4,855)	(35,216)
Operating lease expenses	(63,649)	414	(63,235)
Other operating expenses	(1,679,032)	4,436	(1,674,596)
Finance income	111,167	(3,793)	107,374
Finance costs	(451,435)	1,553	(449,882)
Net monetary gain from hyperinflationary economies	-	285,747	285,747
Share of profits of associates (net of tax)	28,428	-	28,428
Share of profits of joint ventures (net of tax)	1,601	-	1,601
Profit before tax	1,917,452	95,462	2,012,914
Income tax expense	(241,724)	(142,478)	(384,202)
Profit for the period	1,675,728	(47,016)	1,628,712
Profit attributable to:			
Owners of the Company	1,397,514	(40,389)	1,357,125
Non-controlling interests	278,214	(6,627)	271,587
Profit for the period	1,675,728	(47,016)	1,628,712

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

<u>Statement of financial position</u>	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
Non-current assets			
Property, plant and equipment	11,133,041	1,103,915	12,236,956
Right-of-use assets	6,549,325	359,483	6,908,808
Goodwill on consolidation	12,290,683	1,031,896	13,322,579
Intangible assets	2,067,066	698,026	2,765,092
Trade and other receivables	111,265	1,274	112,539
Deferred tax assets	686,017	2,649	688,666
Curent assets			
Inventories	514,510	8,292	522,802
Trade and other receivables	2,401,420	20,928	2,422,348
Equity			
Other reserves	(2,497,030)	2,464,646	(32,384)
Retained earnings	6,486,763	(13,218)	6,473,545
Non-controlling interests	2,872,324	330,219	3,202,543
Non-current liabilities			
Deferred tax liabilities	1,200,111	444,817	1,644,928

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 period.

In preparing the unaudited 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 2021 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

Between 1 January 2022 to 30 September 2022, IHH issued 9,326,000 new ordinary shares pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units.

Except as disclosed above, there were no other issuance of shares, share buy-backs and repayments of debt and equity securities by IHH during the financial period 1 January 2022 to 30 September 2022.

As at 30 September 2022, the issued share capital of IHH comprised of 8,806,043,463 ordinary shares.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

A7 DIVIDENDS PAID

	Sen per ordinary share	Total amount RM'000	Date of payment
First and final single tier cash dividend for financial year ended 31 December 2021	6.00	528,162	29-Apr-22

A8 SEGMENT REPORTING

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

The Group's reportable segments comprise:

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

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

A8 SEGMENT REPORTING

Financial period ended 30 September 2022

	Hospital and Healthcare						IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkiye and Europe RM'000	Southeast Asia RM'000					
<i>Revenue and expenses</i>											
Revenue from external customers	3,799,166	2,304,692	2,855,944	712,317	3,153,792	-	190,767	111,828	3,366	-	13,131,872
Inter-segment revenue	458	761	-	1	2,128	-	978	168,089	402,630	(575,045)	-
Total segment revenue	3,799,624	2,305,453	2,855,944	712,318	3,155,920	-	191,745	279,917	405,996	(575,045)	13,131,872
EBITDA	1,178,671	664,837	480,850	(47,884)	674,388	(318)	65,427	217,601	216,989	(472,545)	2,978,016
Depreciation and impairment of property, plant and equipment	(136,306)	(161,740)	(114,872)	(92,264)	(208,237)	-	(5,279)	(18,245)	(1,382)	-	(738,325)
Depreciation of ROU assets	(222,536)	(19,903)	(27,771)	(57,011)	(85,993)	-	(1,235)	(9,633)	(4,492)	160,090	(268,484)
Amortisation of intangible assets	-	(1,317)	(22,113)	(3,019)	(8,512)	-	(255)	-	(6,870)	6,870	(35,216)
Foreign exchange differences	(275)	(1,287)	16,469	750	1,665	(5,222)	(12)	9,668	67,915	-	89,671
Net monetary gain from hyperinflationary economies	-	-	-	-	285,747	-	-	-	-	-	285,747
Finance income	167	5,192	9,923	2,511	53,903	15	2,303	24,589	16,126	(7,355)	107,374
Finance costs	(20,362)	(5,171)	(67,120)	(63,553)	(287,237)	-	(663)	(11,560)	(20,226)	26,010	(449,882)
Share of profits of associates (net of tax)	1,313	-	13,322	-	-	13,793	-	-	-	-	28,428
Share of profits of joint ventures (net of tax)	1,201	-	400	-	-	-	-	-	-	-	1,601
Others	-	-	-	13,984	-	-	-	-	-	-	13,984
Profit/(Loss) before tax	801,873	480,611	289,088	(246,486)	425,724	8,268	60,286	212,420	268,060	(286,930)	2,012,914
Income tax expense	(150,409)	(132,309)	(68,595)	(1,944)	11,756	-	(12,879)	(13,450)	(16,372)	-	(384,202)
Profit/(Loss) for the period	651,464	348,302	220,493	(248,430)	437,480	8,268	47,407	198,970	251,688	(286,930)	1,628,712
<i>Assets and liabilities</i>											
Cash and cash equivalents	157,311	330,138	1,978,611	274,057	254,998	7,262	-	107,181	307,046	-	3,416,604
Other assets	19,368,742	6,323,962	7,754,562	3,880,101	8,177,940	53,245	645,857	5,070,291	3,746,771	(10,077,037)	44,944,434
Segment assets as at 30 September 2022	19,526,053	6,654,100	9,733,173	4,154,158	8,432,938	60,507	645,857	5,177,472	4,053,817	(10,077,037)	48,361,038
Loans and borrowings	-	45,000	604,232	3,549,393	1,118,328	-	-	2,571,556	1,292,496	-	9,181,005
Other liabilities	9,485,565	959,570	2,783,689	1,043,495	2,751,635	22,001	229,761	392,745	2,194,910	(10,011,923)	9,851,448
Segment liabilities as at 30 September 2022	9,485,565	1,004,570	3,387,921	4,592,888	3,869,963	22,001	229,761	2,964,301	3,487,406	(10,011,923)	19,032,453

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

Financial period ended 30 September 2021

	Hospital and Healthcare										
	Singapore	Malaysia	India	Greater China	Turkiye and Europe	Southeast Asia	IMU Health	PLife REIT	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue and expenses</u>											
Revenue from external customers	3,736,160	1,984,210	2,780,501	639,449	3,212,721	-	187,654	114,500	5,852	-	12,661,047
Inter-segment revenue	706	750	-	11	-	-	1,869	162,610	79,612	(245,558)	-
Total segment revenue	<u>3,736,866</u>	<u>1,984,960</u>	<u>2,780,501</u>	<u>639,460</u>	<u>3,212,721</u>	<u>-</u>	<u>189,523</u>	<u>277,110</u>	<u>85,464</u>	<u>(245,558)</u>	<u>12,661,047</u>
EBITDA	1,208,525	536,934	483,324	(59,190)	880,603	(350)	69,791	299,601	329,344	(583,174)	3,165,408
Depreciation and impairment of property, plant and equipment	(126,011)	(159,171)	(115,385)	(311,201)	(147,970)	(7)	(9,677)	(17,800)	(300)	-	(887,522)
Depreciation of ROU assets	(212,947)	(19,257)	(25,514)	(56,315)	(63,803)	-	(3,222)	(9,534)	(2,346)	154,761	(238,177)
Amortisation of intangible assets	-	(2,434)	(20,020)	(2,962)	(9,763)	-	(481)	-	(8,211)	8,211	(35,660)
Foreign exchange differences	(261)	(62)	2,604	573	154	(97)	-	5,164	412	-	8,487
Finance income	227	7,523	10,202	3,821	138,022	1	1,838	7,343	2,122	(1,123)	169,976
Finance costs	(7,133)	(618)	(94,601)	(50,552)	(332,330)	-	(5)	(10,027)	(15,079)	6,643	(503,702)
Share of profits of associates (net of tax)	693	-	8,036	-	-	15,011	-	-	-	-	23,740
Share of profits of joint ventures (net of tax)	620	-	7,881	-	-	-	-	-	-	-	8,501
Others	-	-	222,666	(18,767)	-	(43,372)	-	-	-	-	160,527
Profit/(Loss) before tax	863,713	362,915	479,193	(494,593)	464,913	(28,814)	58,244	274,747	305,942	(414,682)	1,871,578
Income tax expense	(158,961)	(87,145)	(91,704)	(2,499)	170,108	-	(16,285)	(17,817)	(12,646)	-	(216,949)
Profit/(Loss) for the period	<u>704,752</u>	<u>275,770</u>	<u>387,489</u>	<u>(497,092)</u>	<u>635,021</u>	<u>(28,814)</u>	<u>41,959</u>	<u>256,930</u>	<u>293,296</u>	<u>(414,682)</u>	<u>1,654,629</u>
<u>Assets and liabilities</u>											
Cash and cash equivalents	217,980	681,543	1,972,009	336,725	251,545	6,495	29,311	114,459	417,412	-	4,027,479
Other assets	13,146,071	6,079,845	7,642,428	3,771,272	5,056,849	52,482	613,520	4,977,642	2,548,793	(2,636,859)	41,252,043
Segment assets as at 30 September 2021	<u>13,364,051</u>	<u>6,761,388</u>	<u>9,614,437</u>	<u>4,107,997</u>	<u>5,308,394</u>	<u>58,977</u>	<u>642,831</u>	<u>5,092,101</u>	<u>2,966,205</u>	<u>(2,636,859)</u>	<u>45,279,522</u>
Loans and borrowings	-	-	873,431	3,132,109	1,797,723	-	33,399	2,501,779	368,025	-	8,706,466
Other liabilities	4,012,642	803,203	2,748,073	994,572	2,054,234	19,172	178,342	378,255	223,038	(2,550,933)	8,860,598
Segment liabilities as at 30 September 2021	<u>4,012,642</u>	<u>803,203</u>	<u>3,621,504</u>	<u>4,126,681</u>	<u>3,851,957</u>	<u>19,172</u>	<u>211,741</u>	<u>2,880,034</u>	<u>591,063</u>	<u>(2,550,933)</u>	<u>17,567,064</u>

**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 period ended	
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	264	213
- Purchase and consumption of services	(9,843)	(9,513)
<hr/>		
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	3,016	2,013
- Purchase and consumption of services	(52,426)	(51,962)
<hr/>		

A11 CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 5 April 2022, Parkway Trust Management Limited (“PTM”) transferred 123,500 Parkway Life Real Estate Investment Trust (“PLife REIT”) units that it owned to its eligible employees in accordance to PTM’s long term incentive plan. Consequential thereto, IHH Group’s effective interest in PLife REIT was diluted from 35.60% to 35.58%.
- (b) On 25 May 2022, a sole proprietorship named Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd (“Marija Mirkovic”) has been established pursuant to the Consultancy Agreement entered into by General Hospital Acibadem Bel Medic (*formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)*) (“ABM”) with the sole proprietor. ABM has control power over Marija Mirkovic and has consolidated the financial statements of Marija Mirkovic into ABM’s financial statements under IFRS 10 *Consolidated Financial Statements*. Accordingly, Marija Mirkovic is regarded as indirect subsidiary of IHH pursuant to IFRS10 *Consolidated Financial Statements*. The principal activity of Marija Mirkovic is provision of laboratory business.
- (c) On 2 June 2022, IHH established a wholly-owned subsidiary, IHH Laboratories Holdings Sdn Bhd (“IHH Laboratories Holdings”) in Malaysia. The initial capital of IHH Laboratories Holdings is RM1 and its intended principal activity is investment holding.
- (d) On 3 June 2022, IHH established a wholly-owned subsidiary, IHH Treasury Services Pte Ltd (now known as IHH Financial Services Pte Ltd (“IHH Financial Services”) after it changed its name on 6 July 2022) in Singapore. The initial capital of IHH Financial Services is SGD1.0 million (equivalent to RM3.2 million) and its intended principal activity is provision of treasury services.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (e) On 9 June 2022, IMU Health Sdn Bhd (“IMUH”) established a wholly-owned subsidiary, IMU Omega Sdn Bhd (“IMU Omega”) in Malaysia. The initial capital of IMU Omega is RM2 and its intended principal activity is provision of medical, surgical and hospital services.
- (f) On 28 June 2022, IHH Laboratories Holdings established a wholly-owned subsidiary, IHH Laboratories Pte Ltd (“IHH Laboratories”) in Singapore. The initial capital of IHH Laboratories is SGD1 (equivalent to RM3) and its intended principal activities are investment holding and provision of services for medical diagnostic laboratory tests.
- (g) On 6 July 2022, Parkway Group Healthcare Pte Ltd acquired 100% equity interest in IHH Technology Sdn Bhd (formerly known as POEM Corporate Health Services Sdn Bhd) from Pantai Group Resources Sdn Bhd at a total consideration of RM635,000.
- (h) On 14 July 2022, Parkway HK Holdings Limited established a 60%-owned subsidiary, Parkway Medical Services (Hong Kong) Limited (“Parkway Medical”) in Hong Kong. The remaining 40% equity stake in Parkway Medical is owned by Media Year Investments Limited. The initial capital of Parkway Medical is HKD10 (equivalent to RM6) and its intended principal activity is provision of healthcare services.
- (i) On 9 August 2022, Acibadem Sağlık Hizmetleri ve Ticaret A.S. (“ASH”), acquired 100% equity interest in Ortopedia Özel Sağlık Hizmetleri Anonim Şirketi (“Ortopedia”) for a total consideration of TL200.0 million (equivalent to RM50.1 million). Ortopedia is a private healthcare operator in Adana, Türkiye and it currently operates a 52 bedded hospital specifically for orthopedics. Post completion of the acquisition, Ortopedia has become a direct subsidiary of ASH.
- (j) On 13 September 2022, Parkway Life Japan4 Pte Ltd (“TK Investor”), an indirect subsidiary, entered into a Tokumei Kumiai agreement (or silent partnership agreement, the “TK Agreement”) with Godo Kaisha Samurai 17 (the “TK Operator”). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY2.6 billion (equivalent to RM81.2 million) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of three nursing homes by the TK Operator.

PLife REIT does not have any direct or indirect equity in the TK Operator. However due to the nature of the arrangements under the TK Agreement, the TK Operator is under established terms that impose strict limitations on decision making powers of the TK Operator’s management, resulting in PLife REIT receiving the majority of the benefits relating to the TK Operator’s operations and net assets, being exposed to the majority of the risks incident to the TK Operator’s activities and retaining the majority of the residual or ownership risks related to the TK Operator and its assets. As such the TK Operator is regarded as indirect subsidiary of IHH pursuant to MFRS10 *Consolidated Financial Statements*.

- (k) On 20 September 2022, Parkway Life Japan4 Pte Ltd (“TK Investor”) entered into a Tokumei Kumiai agreement (or silent partnership agreement, the “TK Agreement”) with Godo Kaisha Samurai 18 (the “TK Operator”). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY2.88 billion (equivalent to RM91.4 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

**A NOTES TO THE INTERIM FINANCIAL REPORT
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Operator is regarded as indirect subsidiary of IHH pursuant to MFRS10 *Consolidated Financial Statements*.

- (l) On 23 September 2022, Acibadem City Clinic B.V. (“ACC BV”), an indirect subsidiary, repurchased 41,533 of its own shares at a consideration of EUR12.6 million (equivalent to RM56.8 million). The shares were retained as treasury shares. Consequential thereto, ASH’s effective interest in ACC BV has increased from 64.05% to 66.71%.

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

On 3 October 2022, the Company granted a total of 16,580,000 EOS options to eligible employees of the Group.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 29 November 2022, there were no material changes in contingent liabilities or contingent assets from those disclosed in the 2021 Audited Financial Statements.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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A14 CAPITAL COMMITMENTS

	30 Sep 2022	31 Dec 2021
	RM'000	RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for	669,578	541,431
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,889,233	1,896,122
Maximum amount committed for Malar Open Offer ¹	16,012	16,070
	<u>1,905,245</u>	<u>1,912,192</u>

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

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

- (i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of INR10 each in Fortis, representing additional 26% of the Expanded Voting Share Capital (as defined in Section B6(1)) of Fortis, at a price of not less than INR170 per share (“Fortis Open Offer”) or such higher price as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (ii) In light of the acquisition of the controlling stake of Fortis, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each in Malar, representing 26% of the paid-up equity shares of Malar at a price of INR58 per share (“Malar Open Offer”). The Malar Open Offer is subject to the completion of the Fortis Open Offer.

In light of the 14 December 2018 status quo Order, and the 15 November 2019 Judgment mentioned in Section B6(1), the Fortis Open Offer as well as the Malar Open Offer (which is subject to the completion of the Fortis Open Offer) were put on hold.

On 16 November 2022, SEBI had advised that the Fortis Open Offer and the Malar Open Offer should be proceeded with after obtaining an appropriate order in this regard from the Delhi High Court. In view of the aforementioned, IHH is obtaining advice from legal counsel on next steps.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>30 September 2022</u>				
Assets				
Unquoted shares at FVOCI	-	-	99,323	99,323
Foreign exchange forward contracts	-	46,343	-	46,343
Interest rate caps	-	5,616	-	5,616
Cross currency interest rate swaps	-	65,945	-	65,945
Cross currency swaps	-	307,741	-	307,741
	-	425,645	99,323	524,968
Liabilities				
Liabilities on put options granted to non-controlling interest ¹	-	-	(1,519,789)	(1,519,789)
Interest rate swaps	-	(47)	-	(47)
	-	(47)	(1,519,789)	(1,519,836)
<u>31 December 2021</u>				
Assets				
Unquoted shares at FVOCI	-	-	72,581	72,581
Money market funds at FVTPL	-	111,394	-	111,394
Foreign exchange forward contracts	-	21,451	-	21,451
Interest rate caps	-	2,143	-	2,143
Cross currency interest rate swaps	-	27,199	-	27,199
Cross currency swaps	-	374,382	-	374,382
	-	536,569	72,581	609,150
Liabilities				
Liabilities on put options granted to non-controlling interest ¹	-	-	(1,938,448)	(1,938,448)
Interest rate swaps	-	(471)	-	(471)
	-	(471)	(1,938,448)	(1,938,919)

¹ Liabilities on put options granted to non-controlling interests are stated at fair value based on the subsidiary's equity value and the discounted cash flow method based on present value of expected payment discounted using a risk-adjusted discount rate.

Refer to Section B14 for fair value gain/(loss) recognised in the statement of profit or loss.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

A16 UPDATE ON INVESTIGATIONS BY SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) AND SERIOUS FRAUD INVESTIGATION OFFICE (“SFIO”) ON FORTIS

SEBI issued a show cause notice (“SCN”) dated 20 November 2020 to Fortis and Fortis Hospitals Limited (“FHsL”) in furtherance of the SEBI investigation. In response to the SCN, a joint representation was filed by Fortis and FHsL on 28 December 2020 submitting reasons as to why the SCN ought to be quashed.

SEBI has passed an order dated 19 April 2022 with regards to the SCN directing Fortis and FHsL to pursue the measures already taken to recover the amount of approximately INR3,971.2 million (equivalent to RM219.6 million) along with the interest thereon from the Erstwhile Promoters, and for the Audit Committee of Fortis to regularly monitor progress of such measures and report the same to the Board of Directors of Fortis. SEBI has imposed a penalty of INR5.0 million (equivalent to RM0.3 million) and INR10.0 million (equivalent to RM0.6 million) on FHsL and Fortis respectively. Thereafter, Fortis and FHsL had filed an appeal before Securities Appellate Tribunal, Mumbai (“SAT”) and the next hearing is on 5 January 2023.

On 9 April 2021, SEBI issued another SCN (“EHIRCL SCN”) to various noticees including Escorts Heart Institute and Research Centre Limited (“EHIRCL”), a subsidiary of Fortis in furtherance of the SEBI investigation. In response thereto, a representation was filed by EHIRCL on 11 June 2021 submitting reasons as to why the EHIRCL SCN ought to be quashed.

SEBI has passed an order dated 18 May 2022 with regards to the EHIRCL SCN and has imposed a penalty of INR10.0 million (equivalent to RM0.6 million) on EHIRCL. Thereafter, EHIRCL had filed an appeal before SAT and the next hearing is on 5 January 2023.

As at 29 November 2022, there were no further developments in the ongoing investigation on Fortis by the SFIO, Ministry of Corporate Affairs of India, from that disclosed in Note 46 of the 2021 Audited Financial Statements.

A17 UPDATE ON THE SUO-MOTO CONTEMPT NOTICE TO FORTIS ON 15TH NOVEMBER 2019

Please refer to section B6(1) for details.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	3rd quarter ended			Financial period ended		
	30 Sep 2022	30 Sep 2021	Variance	30 Sep 2022	30 Sep 2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
<u>REVENUE</u>¹						
Singapore	1,276,792	1,318,815	-3%	3,799,166	3,736,160	2%
Malaysia	840,244	709,923	18%	2,304,692	1,984,210	16%
India	1,032,034	977,192	6%	2,855,944	2,780,501	3%
Greater China	265,412	233,271	14%	712,317	639,449	11%
Turkiye and Europe	1,110,199	1,098,924	1%	3,143,060	3,212,721	-2%
Hospital and Healthcare	4,524,681	4,338,125	4%	12,815,179	12,353,041	4%
IMU Health	59,624	65,598	-9%	190,767	187,654	2%
Others [^]	1,003	1,673	-40%	3,366	5,852	-42%
Group (Excluding PLife REIT)	4,585,308	4,405,396	4%	13,009,312	12,546,547	4%
PLife REIT total revenue	92,263	94,395	-2%	279,917	277,110	1%
Less: PLife REIT inter-segment revenue	(56,624)	(54,795)	-3%	(168,089)	(162,610)	-3%
PLife REIT	35,639	39,600	-10%	111,828	114,500	-2%
	4,620,947	4,444,996	4%	13,121,140	12,661,047	4%
Adjustment for hyperinflationary economies ⁴	(25,703)	-	-	10,732	-	-
Group	4,595,244	4,444,996	3%	13,131,872	12,661,047	4%
<u>EBITDA</u>²						
Singapore	374,641	363,133	3%	1,178,671	1,208,525	-2%
Malaysia	248,200	200,802	24%	664,837	536,934	24%
India	179,291	180,282	-1%	480,850	483,324	-1%
Greater China	(7,547)	(9,110)	17%	(47,884)	(59,190)	19%
Turkiye and Europe	230,853	300,218	-23%	731,599	880,603	-17%
Southeast Asia	(35)	(157)	78%	(318)	(350)	9%
Hospital and Healthcare	1,025,403	1,035,168	-1%	3,007,755	3,049,846	-1%
IMU Health	15,563	25,038	-38%	65,427	69,791	-6%
Others [^]	(35,619)	(46,271)	23%	(92,950)	(90,501)	-3%
Group (Excluding PLife REIT)	1,005,347	1,013,935	-1%	2,980,232	3,029,136	-2%
PLife REIT	73,030	137,207	-47%	217,601	299,601	-27%
Eliminations ³	(54,698)	(55,014)	1%	(162,606)	(163,329)	0%
	1,023,679	1,096,128	-7%	3,035,227	3,165,408	-4%
Adjustment for hyperinflationary economies ⁴	(21,100)	-	-	(57,211)	-	-
Group	1,002,579	1,096,128	-9%	2,978,016	3,165,408	-6%

¹: Relates to external revenue only

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

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

⁴: Arises from the application of MFRS 129

[^]: "Others" comprise mainly corporate office as well as other investment holding entities

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Q3 2022 vs Q3 2021

The Group's Q3 2022 revenue increased 3% over Q3 2021 while its Q3 2022 EBITDA decreased 9%. Excluding effects of MFRS 129, the Group's Q3 2022 revenue increased 4% over Q3 2021 while its Q3 2022 EBITDA decreased 7%.

The decrease in EBITDA was mainly due to a higher base in Q3 2021 with valuation gains on investment properties of RM65.2 million recorded and decline in contribution from the Group's operations in Turkiye due to a weakening TL during Q3 2022. In addition, there was a debit adjustment of RM21.1 million in Q3 2022 relating to the application of MFRS 129.

The Group's Q3 2022 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 11% to RM315.4 million as a result of lower EBITDA, coupled with higher net finance costs and a debit adjustment of RM58.8 million in Q3 2022 relating to the application of MFRS 129 which mainly resulted from higher depreciation and amortisation on reindexation. These were partially offset by lower depreciation expenses on non-reindexed assets and higher net exchange gains.

Hospital and Healthcare

Hospital and Healthcare's Q3 2022 revenue increased 4% to RM4,524.7 million whilst its Q3 2022 EBITDA decreased 1% to RM1,025.4 million. The growth in revenue was mainly due to the strong recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital and acquisitions of Bel Medic on 20 July 2021 and Ortopedia on 9 August 2022 also contributed to the increase. These were partially offset by lower contribution from COVID-19 related-services rendered in Q3 2022, as well as the disposal of Continental Hospitals on 14 December 2021 and partial lockdown in China. The weakening TL also eroded the revenue and EBITDA growth of the Group's operations in Turkiye.

Singapore hospital inpatient admissions decreased 4% to 15,396 in Q3 2022 while its revenue per inpatient admission increased 32% to RM48,082 with a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 57% to 57,444 in Q3 2022 while its revenue per inpatient admission decreased 16% to RM9,266. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in Q3 2022 as compared to Q3 2021 when the Movement Control Order was in place in Malaysia. India hospital inpatient admissions increased 6% to 89,096 in Q3 2022 while its revenue per inpatient admission increased 8% to RM8,500. This was despite the loss of patients from disposal of Continental Hospitals in December 2021. Turkiye and Europe hospital inpatient admissions decreased 1% to 53,727 in Q3 2022 while its revenue per inpatient admission increased 45% to RM10,101 with price adjustments to counter inflation.

Q3 2022 saw strong recovery of foreign patient volumes for Singapore and Malaysia as border controls were eased in the two countries.

The decrease in Hospital and Healthcare's Q3 2022 EBITDA was mainly due to the decline in contribution from the Group's operations in Turkiye as a result of the translation effects from a weakened TL against RM.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

IMU Health

IMU Health's Q3 2022 revenue decreased 9% to RM59.6 million and its Q3 2022 EBITDA decreased 38% to RM15.6 million. The decrease in revenue was mainly due to a lower student population while expenses increased as there were more campus activities with students returning to campus for face-to-face learning post pandemic lockdown.

PLife REIT

PLife REIT's Q3 2022 external revenue was 10% lower than Q3 2021 while its EBITDA decreased 47%. The lower revenue was mainly attributed to lower revenue contribution from its properties in Japan with the depreciation of the Japanese Yen. EBITDA decreased mainly due to a higher base in Q3 2021 with valuation gains on investment properties of RM65.2 million recorded.

Others

Q3 2022 revenue decreased 40% to RM1.0 million mainly due to lower dividends received from investments in Money Market Funds ("MMF") following partial redemption made in December 2021 and full redemption in April 2022.

Q3 2022 EBITDA losses decreased 23% mainly due to lower staff costs.

YTD 2022 vs YTD 2021

The Group's YTD 2022 revenue increased by 4% over YTD 2021 while its YTD 2022 EBITDA decreased 6%. Excluding effects of MFRS 129, the Group's YTD 2022 revenue increased by 4% over YTD 2021 while its YTD 2022 EBITDA decreased 4%.

The decrease in EBITDA was mainly due to a higher base in Q3 2021 with RM15.7 million gain on divestment of P-Life Matsudo and valuation gains on investment properties of RM65.2 million recorded, as well as decline in contribution from the Group's operations in Turkiye due to a weakening TL during YTD 2022. In addition, there was a debit adjustment of RM57.2 million in YTD 2022 relating to the application of MFRS 129.

The Group's YTD 2022 PATMI (Excl EI) decreased 10% to RM1,040.3 million as a result of lower EBITDA and a debit adjustment of RM189.0 million relating to the application of MFRS 129 in YTD 2022 which mainly resulted from higher depreciation and amortisation on reindexation. These were partially offset by lower depreciation expenses on non-reindexed assets, lower net finance costs and higher net exchange gains.

Hospital and Healthcare

Hospital and Healthcare's YTD 2022 revenue increased 4% to RM12,815.2 million while its YTD 2022 EBITDA decreased 1% to RM3,007.8 million.

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

also eroded the revenue and EBITDA growth of the Group's operations in Turkiye.

Singapore hospital inpatient admissions decreased 3% to 46,941 in YTD 2022 as beds were allocated to COVID-19 patients in YTD 2021, while its revenue per inpatient admission increased 25% to RM46,841 with a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 36% to 148,253 in YTD 2022 while its revenue per inpatient admission decreased 9% to RM9,517. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in YTD 2022 as compared to YTD 2021 when the Movement Control Order was in place in Malaysia. India hospital inpatient admissions increased 6% to 249,316 in YTD 2022 while its revenue per inpatient admission increased 1% to RM8,205. Turkiye and Europe hospital inpatient admissions increased 7% to 170,522 in YTD 2022 while its revenue per inpatient admission increased 26% to RM8,679 with price adjustments to counter inflation.

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

The decrease in Hospital and Healthcare's YTD 2022 EBITDA was mainly due to decline in contribution from the Group's operations in Turkiye as a result of the translation effects from a weakened TL against RM.

IMU Health

IMU Health's YTD 2022 revenue increased 2% to RM190.8 million and its YTD 2022 EBITDA decreased 6% to RM65.4 million as expenses increased since there were more campus activities with students returning to campus for physical classes post pandemic lockdown.

PLife REIT

PLife REIT's YTD 2022 external revenue was 2% lower than YTD 2021 while its EBITDA decreased 27%. The lower revenue was attributed to lower revenue contribution from its properties in Japan with the depreciation of the Japanese Yen. The lower EBITDA was mainly due to a higher base in YTD 2021 with RM15.7 million gain on divestment of P-Life Matsudo and valuation gains on investment properties of RM65.2 million, compared to valuation loss of RM4.0 million in YTD 2022.

Others

YTD 2022 revenue dropped 42% to RM3.4 million due to lower dividends received from investments in MMF following partial redemption made in December 2021 and full redemption in April 2022. In addition, there was lower management fee income from Gleneagles JPMC Sdn Bhd.

YTD 2022 EBITDA losses increased 3% mainly due to higher other operating expenses, including professional fees, project costs, travel expenses and recruitment expenses, offset by lower staff costs.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	3rd quarter ended 30 Sep 2022 RM'000	2nd quarter ended 30 Jun 2022 RM'000	Variance %
<u>REVENUE</u>¹			
Singapore	1,276,792	1,271,881	0%
Malaysia	840,244	759,854	11%
India	1,032,034	953,741	8%
Greater China	265,412	226,241	17%
Turkiye and Europe	1,110,199	1,018,528	9%
Hospital and Healthcare	4,524,681	4,230,245	7%
IMU Health	59,624	68,967	-14%
Others[^]	1,003	1,208	-17%
Group (Excluding PLife REIT)	4,585,308	4,300,420	7%
PLife REIT total revenue	92,263	92,944	-1%
Less: PLife REIT inter-segment revenue	(56,624)	(56,229)	-1%
PLife REIT	35,639	36,715	-3%
	4,620,947	4,337,135	7%
Adjustment for hyperinflationary economies ⁴	(25,703)	36,435	-171%
Group	4,595,244	4,373,570	5%
<u>EBITDA</u>²			
Singapore	374,641	408,346	-8%
Malaysia	248,200	223,062	11%
India	179,291	167,402	7%
Greater China	(7,547)	(22,061)	66%
Turkiye and Europe	230,853	231,599	0%
Southeast Asia	(35)	(44)	20%
Hospital and Healthcare	1,025,403	1,008,304	2%
IMU Health	15,563	27,947	-44%
Others[^]	(35,619)	(40,523)	12%
Group (Excluding PLife REIT)	1,005,347	995,728	1%
PLife REIT	73,030	71,768	2%
Eliminations³	(54,698)	(52,418)	-4%
	1,023,679	1,015,078	1%
Adjustment for hyperinflationary economies ⁴	(21,100)	(36,111)	42%
Group	1,002,579	978,967	2%

¹: Relates to external revenue only

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

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

⁴: Arises from the application of MFRS 129

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

[^]: "Others" comprise mainly corporate office as well as other investment holding entities

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Q3 2022 vs Q2 2022

The Group recorded a 5% quarter-on-quarter increase in revenue while EBITDA increased 2% quarter-on-quarter. Excluding effects of MFRS 129, the Group recorded a 7% quarter-on-quarter increase in revenue and 1% quarter-on-quarter increase in EBITDA.

EBITDA increased quarter-on-quarter on the back of a higher revenue and a lower debit adjustment relating to the application of MFRS 129. It was partially offset by higher staff costs and higher other operating expenses.

The Group's PATMI (Excl EI) decreased 1% quarter-on-quarter due to higher net finance cost arising from rising interest rates, drawdown of bank loans for redemption of perpetual securities in July 2022 and neutralization of fair value gains on financial derivatives recorded in Q2 2022 upon settlement in Q3 2022. It was partially offset by a higher EBITDA, higher net foreign exchange gains and a lower debit adjustment relating to the application of MFRS 129.

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

Hospital and Healthcare

Hospital and Healthcare recorded a 7% quarter-on-quarter increase in revenue and 2% quarter-on-quarter increase in EBITDA.

While contribution from COVID-19 related services declined quarter-on-quarter, the impact was compensated for by the strong recovery of core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals.

Since April 2022, the Group observed significant return of foreign patients in both Singapore and Malaysia, as both countries started opening their borders to international travelers.

Singapore hospital inpatient admissions decreased 2% quarter-on-quarter, while its revenue per inpatient admission remained flat. Malaysia hospital inpatient admissions increased 17% quarter-on-quarter, while its revenue per inpatient admission decreased 3%. India hospital inpatient admissions increased 5% quarter-on-quarter, while its revenue per inpatient admission increased 5% quarter-on-quarter. Turkiye and Europe hospital inpatient admissions decreased 9% quarter-on-quarter while its revenue per inpatient increased 25%.

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

IMU Health

IMU Health's revenue decreased 14% quarter-on-quarter mainly due to students' withdrawal and deferment for certain courses while its EBITDA decreased 44% quarter-on-quarter as a result of lower revenue in Q3 2022 coupled with higher expenses as a result of increased activities in campus.

PLife REIT

PLife REIT's external revenue was 3% lower quarter-on-quarter due to lower revenue contribution from its properties in Japan with the depreciation of the Japanese Yen.

EBITDA was 2% higher quarter-on-quarter as the decrease in revenue was more than compensated by

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

lower fair value loss on investment properties and lower professional fees incurred.

Others

Q3 2022 revenue was marginally lower quarter-on-quarter while Q3 2022 EBITDA losses decreased 12% quarter-on-quarter as a result of lower project-related expense.

B3 CURRENT YEAR FINANCIAL PROSPECTS

As the Group moves into a post-COVID phase, it expects non-COVID business to grow with improvements in patient volume and bed occupancy rates. Foreign patient volume has recovered close to pre-pandemic levels, thus mitigating the effects of lower revenues from COVID-19 related services, which has largely dissipated.

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

Notwithstanding that the Group is managing the effects of rising inflation on its operations, Turkiye is classified as a hyperinflationary economy under MFRS 129. The Group has applied MFRS 129 to its Turkish operations when reporting its financial performance from last quarter onwards.

The Group is rolling out its digital transformation initiatives to innovate and digitalise more of its operations.

As the Group pivots its strategy towards growth, it continues to seek opportunities to acquire strategic assets. It will also focus on improving its returns on equity. The Group will continue to improve on group-wide synergies and operational efficiencies. In addition, the Group is building distinct platforms where it sees strong growth potential, such as its laboratory businesses.

On 24 November 2022, the Group has signed an equity transfer agreement with Perennial Health to divest its effective 49% stake in Gleneagles Chengdu Hospital Company Limited. The Group expects challenges with its operations and investments in China, and will review its asset portfolio to minimise ongoing losses.

Whilst the Group is optimistic of the firm recovery in its core business post-pandemic, it expects some near-term headwinds as mentioned above. However, the Group is confident of its long-term growth trajectory, underpinned by megatrends in healthcare as well as its operational resilience and strong financial position. The Group expects its Return of Equity enhancement strategy via its cluster strategy, coupled with the strong pent-up demand for private healthcare, to drive growth.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	3rd quarter ended		Financial period ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense	126,086	167,979	426,680	414,485
Deferred tax (credit)/expense	62,888	(227,019)	(42,478)	(197,536)
	<u>188,974</u>	<u>(59,040)</u>	<u>384,202</u>	<u>216,949</u>

Q3 2022 and YTD 2022 effective tax rates* were 37.5% and 19.4% respectively. Excluding the effects of MFRS 129, Q3 2022 and YTD 2022 effective tax rates* were 28.8% and 12.8% respectively. These were different from the Malaysia statutory tax rate as a result of Acibadem Holding’s recognition of RM241.4 million deferred tax assets relating to the effect of prior period’s indexation of property, plant and equipment in the local tax books in current period, as allowed by the Turkiye government to cushion the effects of higher inflation, as well as investment incentives granted by the Turkiye government which increased when the underlying investments was being indexed. Excluding these deferred tax assets recognised, Q3 2022 and YTD 2022 effective tax rates* would be 26.8% and 25.6% respectively.

Q3 2021 and YTD 2021 effective tax rates* were -9.7% and 11.8% respectively. These were lower than the Malaysia statutory tax rate due to Acibadem Holding’s recognition of deferred tax assets that were previously unrecognised and certain non-taxable income and non-tax deductible expenses (refer to page 3 for list of exceptional items).

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

B6 STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at 29 November 2022:

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”).

On 13 July 2018, pursuant to a board resolution passed by the Board of Directors of Fortis, NTK, as subscriber, entered into a share subscription agreement (“Fortis SSA”) with Fortis, as issuer, where

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

NTK agreed to subscribe to 235,294,117 new equity shares of Fortis with a face value of INR10 each ("Subscription Shares"), constituting approximately 31.17% of the total voting equity share capital of Fortis on a fully diluted basis ("Expanded Voting Share Capital") for a total consideration of INR4,000 crore and Fortis agreed to issue and allot the Subscription Shares by way of preferential allotment in accordance with the terms of the Fortis SSA ("Subscription"). The Subscription was completed in accordance with the terms of the Fortis SSA on 13 November 2018 and NTK has become the controlling shareholder of Fortis.

As a consequence of the Subscription, NTK was 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 26.10% 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 ("SEBI (SAST) Regulations").

On 13 July 2018, NTK, together with IHH and Parkway Pantai Limited, in the capacity as the persons acting in concert with NTK (collectively, the "PACs"), pursuant to the terms of Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, have made the Fortis Open Offer by filing of the public announcement dated 13 July 2018 ("Fortis Public Announcement") to all the shareholders of Fortis who are eligible to tender their shares in the Fortis Open Offer, excluding NTK and the PACs and persons deemed to be acting in concert with NTK and the PACs. Save and except for the PACs, no other person is acting in concert with NTK for the purpose of the Fortis Open Offer at the time of the Fortis Public Announcement being released.

- (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 26.11% of the fully diluted voting equity share capital 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 the PACs pursuant to the terms of Regulations 3(1), 4 and 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations, have made the Malar Open Offer by filing of the public announcement dated 13 July 2018 ("Malar Public Announcement") to all the public shareholders of Malar excluding the promoter and promoter group of Malar, NTK and the PACs and persons deemed to be acting in concert with NTK and the PACs. Save and except for the PACs, no other person is acting in concert with NTK for the purpose of the Malar Open Offer at the time of the Malar Public Announcement being released.

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 to Malaysian IHH Healthcare Berhad be maintained" ("Interim Status Quo Order"). Pursuant thereto, decision was taken not to proceed with 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 directed its Registry to register a fresh contempt petition in regard to alleged violation of the Interim Status Quo Order ("Fortis Contempt Petition" or "Suo Motu Contempt"). In this respect, the Supreme Court sought an enquiry into:

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

- (i) Whether the subscription by NTK for the Shares of Fortis was undertaken after the Interim Status Quo Order, and accordingly if such subscription was in violation of the Interim Status Quo Order; and
- (ii) Whether the consummation of the acquisition of healthcare assets from RHT Health Trust by Fortis was undertaken in violation of the Interim Status Quo Order.

On 5 March 2020, Fortis filed a detailed reply to the Sua-Moto Contempt, praying inter alia, that the Sua Moto Contempt proceedings be dropped and Interim Status Quo Order be modified/vacated such that the open offers may proceed.

Pursuant to the issuance of the Judgment, several parties had, inter alia, filed applications before the Supreme Court, for seeking various remedies, which are briefly enumerated below (where relevant to IHH or Fortis):

- (i) Anshuman Khanna, a minority shareholder of Fortis ("Minority Shareholder") had sought resumption of the Fortis Open Offer but had asked that IHH to pay interest at 10% (ten percent) to the public shareholders of Fortis who are eligible to tender shares in the Fortis Open Offer due to the delay since IHH is earning interest on the 100% of the consideration payable under the Fortis Open Offer that has been deposited in the escrow account.
- (ii) Daiichi Sankyo Co. Ltd ("Daiichi") had sought permission to implead itself in the Sua Moto Contempt and present its case stating that its rights are impacted by orders that may be passed in the Fortis Contempt Petition.
- (iii) SEBI had sought resumption of the Fortis Open Offer citing larger public interest at stake.

On 5 March 2020, NTK had through its legal counsel, filed applications to intervene in the aforementioned Supreme Court Proceedings, as follows:

- (i) intervention applications in the Original Contempt Petition and the Fortis Contempt Petition, respectively, and to enable NTK to be heard in the Supreme Court Proceedings before any further orders were passed by the Supreme Court; and
- (ii) an application to vacate the Interim Status Quo Order that continued to stay the Fortis Open Offer so as to be able to consummate the Fortis Open Offer; and support SEBI's ask of resuming the same.

On 14 August 2020 Fortis has submitted an application to the Supreme Court of India seeking approval to undertake a change in the company name, brand and logo for Fortis and its subsidiaries ("Fortis Rebranding Application").

The Fortis Contempt Petition, the Interim Status Quo Order, the Original Contempt Petition, the Judgement and the applications filed by the Minority Shareholder, Daiichi and SEBI, and the Fortis Rebranding Application, respectively, are collectively referred to as "Supreme Court Proceedings".

Fortis had filed an additional affidavit responding to the queries put forth by Supreme Court. Hearings in the Supreme Court Proceedings concluded on 12 May 2021.

On 22 September 2022, the Supreme Court pronounced the 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 and the Fortis Contempt Petition are disposed of.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

- (ii) The Delhi High Court may consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between Fortis and RHT 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.

On 16 October 2022, Daiichi had filed an affidavit before the 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. A hearing was held in the Delhi High Court on 18 October 2022 in which Daiichi was directed to file an application defining the contours of the forensic audit sought, which could thereafter be considered by the Delhi High Court. The next hearing before the Delhi High Court is scheduled on 6 December 2022.

On 16 November 2022, SEBI had advised that the Fortis Open Offer and the Malar Open Offer should be proceeded with after obtaining an appropriate order in this regard from the Delhi High Court. In view of the aforementioned, IHH is obtaining advice from legal counsel on next steps.

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

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

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

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

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

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

B7 OTHER MATTERS

On 16 June 2020, Emqore Envesecure Private Capital Trust ("Emqore") filed a suit against, among others, IHH. IHH was served on 26 July 2021 with Emqore's original complaint and Emqore's Motion to Amend its original complaint ("Motion to Amend"). The Motion to Amend was pending adjudication before the United States Federal District Court for the District of New Jersey ("US District Court") until 30 November 2021 when Emqore's amended complaint was allowed at the US District Court ("Amended Complaint"). Emqore subsequently filed its Amended Complaint on 3 December 2021. The Amended Complaint is now an operative pleading.

Pursuant to the Amended Complaint, Emqore is seeking for, among others, damages in excess of USD 6.5 billion comprising compensatory damages plus treble damages and attorneys' fees pursuant to the U.S. Racketeer, Influenced and Corrupt Organizations Act, against 28 named defendants and 20 non-party defendants.

Emqore's claim against IHH essentially arises from and/or relates to allegations relating to the issuance of the shares of Fortis Healthcare Ltd. ("Fortis") to IHH's subsidiary in/or around 2018. Emqore broadly alleges that it has purportedly suffered losses as the defendants had allegedly conspired to frustrate a proposed share acquisition transaction between Fortis and Emqore's supposed predecessors.

On 28 January 2022, IHH has filed a motion to dismiss Emqore's Amended Complaint for lack of personal jurisdiction, failure to state a claim, and the forum non conveniens and international abstention doctrines ("Motion to Dismiss").

On 5 April 2022, IHH has filed a reply brief to respond to Emqore's memorandum in opposition dated 7 March 2022 and in support of its Motion to Dismiss.

On 7 September 2022, the US District Court granted IHH's Motion to Dismiss subject to the right of the parties upon good cause shown to reopen this action if there is a failure to comply with the following conditions:

- (i) Defendants consent to the jurisdiction of Indian courts and agree to accept service of process in India in any civil action timely filed by Emqore on their claims in this matter;
 - (ii) Defendants consent to waive any statute of limitations defenses that would not have applied as of the date of filing of this action.
- (collectively known as the "US Court Order").

Emqore has not filed an appeal of the US Court Order, and the 30-day period to file a timely appeal of the US Court Order has expired.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

B8 LOANS, BORROWINGS AND OVERDRAFTS

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

	30 Sep 2022	31 Dec 2021
	RM'000	RM'000
Non-current		
Secured		
Bank loans	1,063,360	1,079,929
Loans from corporates	2,522	2,221
Unsecured		
Bank loans	5,629,593	5,162,308
Fixed rate medium term notes	217,661	431,713
Loans from corporates*	1,004,350	933,320
	<u>7,917,486</u>	<u>7,609,491</u>
Current		
Secured		
Bank overdrafts	63,064	24,229
Bank loans	130,592	179,823
Loans from corporates	1,398	1,008
Unsecured		
Bank loans	970,656	1,055,928
Fixed rate medium term notes	160,167	-
Loans from corporates	706	668
	<u>1,326,583</u>	<u>1,261,656</u>
Total	<u>9,244,069</u>	<u>8,871,147</u>

* Includes loans from non-controlling interests of RM941,792,000 (2021: RM869,305,000)

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

	30 Sep 2022	31 Dec 2021
	RM'000	RM'000
Hong Kong Dollar	2,992,495	2,689,200
Japanese Yen	2,005,426	2,027,290
Singapore Dollar	1,858,625	1,546,758
Euro	696,307	977,658
Indian Rupees	665,886	712,460
Renminbi	556,898	512,686
Turkish Lira	405,174	47,499
Ringgit Malaysia	45,000	338,025
Macedonian Denar	16,847	18,257
Others	1,411	1,314
	<u>9,244,069</u>	<u>8,871,147</u>

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

B9 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 30 September 2022:

	Notional amount as at 30 Sep 2022 RM'000	Fair value amount as at 30 Sep 2022 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	31,912	4,081
- Between 1 - 3 years	196,518	28,281
- More than 3 years	31,130	13,981
	<hr/> 259,560	<hr/> 46,343
Interest rate caps		
- Between 1 - 3 years	387,109	2,074
- More than 3 years	757,595	3,542
	<hr/> 1,144,704	<hr/> 5,616
Cross currency interest rate swaps		
- More than 3 years	262,841	65,945
Cross currency swaps		
- Within 1 year	91,584	144,433
- Between 1 - 3 years	104,506	163,308
	<hr/> 196,090	<hr/> 307,741
	<hr/> <hr/> 1,863,195	<hr/> <hr/> 425,645
Derivative liabilities		
Interest rate swaps		
- Between 1 - 3 years	140,970	(47)
Call option granted to non-controlling interests		
- Within 1 year	28,202	-
	<hr/> 169,172	<hr/> (47)

Foreign exchange forward contracts

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

Interest rate caps

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Cross currency interest rate swaps and cross currency swaps

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

Interest rate swaps

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

Call option granted to non-controlling interests

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

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

B10 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 B14.

B11 MATERIAL LITIGATIONS

Except as mentioned in Section A13, there were no other material changes in the contingent material litigations as at 29 November 2022 from that disclosed in the 2021 Audited Financials Statements.

B12 DIVIDENDS

No dividends were declared by the Company during the period ended 30 September 2022.

For details of the dividends paid by the Company during the financial period ended 30 September 2022, please refer to Section A7.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

B13 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.

	3rd quarter ended		Financial period ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
i) <u>Net profit attributable to ordinary shareholders</u>				
Profit after tax and non-controlling interests	251,762	550,000	1,357,125	1,408,927
Perpetual securities distribution accrued	(6,983)	(22,549)	(52,212)	(65,834)
	<u>244,779</u>	<u>527,451</u>	<u>1,304,913</u>	<u>1,343,093</u>
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>				
Profit after tax and non-controlling interests (excluding EI)	315,416	354,592	1,040,305	1,154,002
Perpetual securities distribution accrued	(6,983)	(22,549)	(52,212)	(65,834)
	<u>308,433</u>	<u>332,043</u>	<u>988,093</u>	<u>1,088,168</u>
(a) Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	8,805,541	8,780,112	8,802,604	8,778,955
	sen	sen	sen	sen
Basic EPS	2.78	6.01	14.82	15.30
Basic EPS (excluding EI)	3.50	3.78	11.23	12.40

(b) Diluted earnings per share

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

	3rd quarter ended		Financial period ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,805,541	8,780,112	8,802,604	8,778,955
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	-	-	-	613
Weighted number of unissued ordinary shares from share options under EOS	97	-	1,118	-
Weighted average number of dilutive ordinary shares for computation of diluted EPS	<u>8,805,638</u>	<u>8,780,112</u>	<u>8,803,722</u>	<u>8,779,568</u>
	sen	sen	sen	sen
Diluted EPS	2.78	6.01	14.82	15.30
Diluted EPS (excluding EI)	3.50	3.78	11.22	12.39

At 30 September 2022, 3,339,000 (2021: 35,139,000) outstanding EOS options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Unaudited		Unaudited	
	3rd quarter ended		Financial period ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	647	63	1,935
Other operating income	73,635	63,288	243,142	214,816
Foreign exchange differences	67,314	3,960	89,671	8,487
Impairment loss (made)/written back:				
- Trade and other receivables	(21,187)	(24,770)	(28,048)	(86,220)
- Inventories	(16)	210	118	369
Write off:				
- Property, plant and equipment	(599)	(330)	(873)	(1,246)
- Trade and other receivables	(1,489)	(2,418)	(5,356)	(8,982)
- Inventories	(748)	(747)	(3,235)	(2,551)
Change in fair value of investment properties	(409)	65,184	(4,030)	65,184
Remeasurement to fair value of interest in a joint venture	-	409	-	86,177
(Loss)/Gain on disposal of property, plant and equipment	(815)	2,432	8,893	3,921
Gain on disposal of an investment property	-	617	-	16,339
Gain on disposal of a joint venture	-	-	-	139,053
Provision for loan taken by a joint venture	-	(2,564)	-	(2,564)
Net monetary (loss)/gain from hyperinflationary economies	(9,795)	-	285,747	-
Finance income				
Interest income	18,104	12,152	68,965	36,481
Fair value (loss)/gain on financial instruments	(86,558)	(31,125)	38,409	133,495
	(68,454)	(18,973)	107,374	169,976
Finance costs				
Interest on loans and borrowings	(86,931)	(65,633)	(204,291)	(228,086)
Interest on lease liabilities	(39,590)	(40,425)	(109,144)	(120,280)
Exchange (loss)/gain on net borrowings	(6,532)	31,600	(100,920)	(126,328)
Fair value gain/(loss) on financial instruments	243	-	(1,062)	-
Other finance costs	(5,323)	(12,310)	(34,465)	(29,008)
	(138,133)	(86,768)	(449,882)	(503,702)