

**IHH HEALTHCARE BERHAD**  
Registration No. 201001018208 (901914-V)  
(Incorporated in Malaysia)

**MINUTES OF THE THIRTEENTH ANNUAL GENERAL MEETING OF IHH HEALTHCARE BERHAD (“IHH” OR “THE COMPANY”) HELD AT SENTRAL BALLROOM, LEVEL 6, HILTON KUALA LUMPUR, 3 JALAN STESEN SENTRAL, 50470 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA ON TUESDAY, 30 MAY 2023 AT 10.00 A.M. (“THE MEETING”)**

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**PRESENT:**

**DIRECTORS**

Tan Sri Mohammed Azlan bin Hashim (*Chairman and Independent Non-Executive Director*)  
Mr. Takeshi Akutsu (*Non-Independent Non-Executive Director*)  
Mr. Tomo Nagahiro (*Non-Independent Non-Executive Director*)  
Mr. Lim Tsin-Lin (*Non-Independent Non-Executive Director*)  
Mr. Mehmet Ali Aydinlar (*Non-Independent Non-Executive Director*)  
Mr. Mohd Shahazwan bin Mohd Harris (*Non-Independent Non-Executive Director*)  
Ms. Jill Margaret Watts (*Independent Non-Executive Director*)  
Dato’ Muthanna bin Abdullah (*Independent Non-Executive Director*)  
Ms. Ong Ai Lin (*Independent Non-Executive Director*)  
Mr. Satoshi Tanaka (*Independent Non-Executive Director*)  
Ms. Mok Jia Mei (*Non-Independent Non-Executive Director*) (*Alternate Director to Mr. Lim Tsin-Lin*)

**IN ATTENDANCE**

Ms. Ida Suryati binti Ab Rahim (*Group General Counsel and Company Secretary*)  
Ms. Seow Ching Voon (*Company Secretary*)

**1. CHAIRMAN**

Tan Sri Mohammed Azlan bin Hashim (“**Chairman**”) chaired the Meeting and welcomed the members to the Meeting.

The Chairman highlighted that the Thirteenth Annual General Meeting (“**13th AGM**”) of the Company is conducted on a virtual basis through Remote Participation and Electronic Voting (or known as RPEV) facilities. The use of technology, which is allowed under Section 327(2) of the Companies Act 2016 and Clause 78 of the Company’s Constitution, will facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue.

He introduced the members of the Board, Company Secretaries, Management team and the representative of the external auditors, Messrs KPMG PLT, who were participating at the Meeting from the broadcast venue.

**2. QUORUM**

The quorum for the Meeting as prescribed by Clause 89 of the Company’s Constitution is 2 members. The Company Secretary, Ms. Ida Suryati binti Ab Rahim confirmed that a quorum was present pursuant to the Company’s Constitution, represented by 36 members and 659 members were represented by proxies.

With the requisite quorum being present at the commencement of the Meeting, the Chairman declared the Meeting duly convened.

### 3. POLLING AND ADMINISTRATIVE DETAILS

Ms. Ida Suryati binti Ab Rahim (“**the Company Secretary**”) informed all present that pursuant to Paragraph 8.29A of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), all the resolutions to be tabled at the Meeting shall be voted by poll electronically.

The Company Secretary explained the poll voting which would be conducted via e-polling using the meeting platform of Boardroom Share Registrars Sdn Bhd (“**Boardroom**”). SKY Corporate Services Sdn Bhd has been appointed as the Independent Scrutineer for the poll vote.

By using the Boardroom’s virtual meeting platform, the remote participants would be able to:

- (a) view the live broadcast of the Meeting proceedings;
- (b) pose questions to the members of the Board and view all the questions posed by the members / proxies / corporate representatives present virtually; and
- (c) submit votes in real-time while the Meeting is in progress.

### 4. NOTICE OF MEETING

The Notice convening the Meeting (“**the Notice**”) has been circulated to all shareholders and advertised in The Star in Malaysia and the Singapore Straits Times on 28 April 2023 and was taken as read.

### 5. PRESENTATION BY GROUP CHIEF OPERATING OFFICER (“**GCOO**”)

At the invitation of the Chairman, Mr. Sim Heng Joo Joe (“**Mr. Joe Sim**”) presented a snapshot on the following:

- (i) a review of the Group’s operational and financial performance for 2022; and
- (ii) how IHH will continue to execute its corporate strategy to fortify growth with a focus to improve returns to create long-term value for the Company’s shareholders.

A copy of the presentation is annexed herein and marked as **Appendix I**.

### 6. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Reports of the Directors and of the Auditors thereon (“**2022 AFS**”).

The 2022 AFS, together with the Reports of the Directors and of the Auditors thereon have been circulated to all members within the prescribed period.

**7. ORDINARY RESOLUTION 1 – RE-ELECTION OF DIRECTOR**

The Chairman informed that Ordinary Resolutions 1 and 2 were in relation to the re-election of Directors who retire pursuant to Clause 113(1) of the Constitution of the Company.

Pursuant to Clause 113(1) of the Constitution of the Company, Ms. Jill Margaret Watts, is to retire as a Director of the Company and being eligible, has offered herself for re-election.

**8. ORDINARY RESOLUTION 2 – RE-ELECTION OF DIRECTOR**

Pursuant to Clause 113(1) of the Constitution of the Company, Dato' Muthanna bin Abdullah is to retire as a Director of the Company and being eligible, has offered himself for re-election.

**9. ORDINARY RESOLUTION 3 – RE-ELECTION OF DIRECTOR**

The Chairman informed that Ordinary Resolutions 3, 4 and 5 were in relation to the re-election of Directors who retire pursuant to Clause 120 of the Constitution of the Company.

Pursuant to Clause 120 of the Constitution of the Company, Mr. Tomo Nagahiro, who was appointed as a Non-Independent Non-Executive Director ("**NINED**") of the Company subsequent to the Twelfth Annual General Meeting of the Company held on 31 May 2022 ("**12<sup>th</sup> AGM**"), is to retire as a Director of the Company and being eligible, has offered himself for re-election.

**10. ORDINARY RESOLUTION 4 – RE-ELECTION OF DIRECTOR**

Pursuant to Clause 120 of the Constitution of the Company, Mr. Lim Tsin-Lin, who was appointed as a NINED of the Company subsequent to the 12<sup>th</sup> AGM, is to retire as a Director of the Company and being eligible, has offered himself for re-election.

**11. ORDINARY RESOLUTION 5 – RE-ELECTION OF DIRECTOR**

Pursuant to Clause 120 of the Constitution of the Company, Mr. Mohd Shahazwan bin Mohd Harris, who was appointed as a NINED of the Company subsequent to the 12<sup>th</sup> AGM, is to retire as a Director of the Company and being eligible, has offered himself for re-election.

**12. ORDINARY RESOLUTION 6 – PAYMENT OF DIRECTORS’ FEES AND ANY OTHER BENEFITS WITH EFFECT FROM 1 JULY 2023 UNTIL 30 JUNE 2024 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY BY THE COMPANY**

The Chairman informed that Ordinary Resolution 6 was in relation to the approval of the payment of Directors’ fees to the Non-Executive Directors by the Company as per the table appearing under Agenda 4 of the Notice at page 273 of the Company’s Annual Report 2022 and any other benefits to the Directors subject to a maximum amount equivalent to RM1,000,000 with effect from 1 July 2023 until 30 June 2024.

The resolution, if passed, will enable the Company to match the payment and services rendered by the Non-Executive Directors concurrently.

**13. ORDINARY RESOLUTION 7 – PAYMENT OF DIRECTORS’ FEES AND ANY OTHER BENEFITS TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY BY THE COMPANY’S SUBSIDIARIES**

The Chairman informed that Ordinary Resolution 7 was in relation to the approval of the payment of Directors’ fees as per the tables appearing under Agenda 5 of the Notice at page 274 of the Company’s Annual Report 2022 and any other benefits to the Directors of the Company by the Company’s subsidiaries subject to a maximum amount equivalent to RM300,000 with effect from the period as stated in the Notice of AGM.

The resolution, if passed, will enable the Company’s subsidiaries to match the payment and services rendered by the Non-Executive Directors concurrently.

**14. ORDINARY RESOLUTION 8 – RE-APPOINTMENT OF AUDITORS**

The Meeting was informed that the retiring Auditors, Messrs KPMG PLT, have indicated their willingness to continue in office and the Board of Directors has recommended the re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.

**15. ORDINARY RESOLUTION 9 – AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Meeting was informed that Ordinary Resolution 9 was to authorise the Directors to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016. Pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors would have to call for a general meeting to approve the issuance of new shares even though the number of shares involved is less than 10% of the total number of issued shares. In order to avoid any delay and costs involved in convening separate general meetings, it is considered appropriate to seek the shareholders’ approval for the Directors to issue shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company for the time being. If approved, this authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company. The shareholders / proxies / corporate representatives present were referred to the Explanatory Notes on Special Business in the Notice at page 278 of the Company’s Annual Report 2022 for the rationale of this resolution.

**16. ORDINARY RESOLUTION 10 – PROPOSED RENEWAL OF AUTHORITY FOR IHH TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

The Meeting was informed that Ordinary Resolution 10 was to seek the shareholders' approval to authorise the Company to purchase its own shares through Bursa Securities of up to ten percent (10%) of the prevailing total number of issued shares of the Company. If approved, this authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next annual general meeting of the Company. The details of the Proposed Renewal of Share Buy-Back Authority are set out in the Statement to Shareholders dated 28 April 2023, which was issued together with the Company's Annual Report 2022.

**17. QUESTIONS AND ANSWERS SESSION**

Upon tabling all the resolutions, the Chairman proceeded with the Questions & Answers session.

**17.1 Minority Shareholders Watch Group (“MSWG”)**

MSWG had on 22 May 2023 written to the Company seeking clarification/information on several matters covering areas in relation to operational and financial matters as well as corporate governance and sustainability matters of the Group.

All the questions posed by MSWG and the corresponding responses by the Company were read out and displayed on the screen during the Meeting.

The presentation slides on MSWG's questions and the corresponding answers are attached herein and marked as **Appendix II**.

**17.2 Others**

The Chairman invited the Management team to address the questions submitted by the shareholders / proxies / corporate representatives through the Boardroom's virtual meeting platform. The questions raised by the shareholders / proxies / corporate representatives which were made visible to all the participants during the Meeting and the corresponding responses were as follows:

- (i) Ms. Koh Chooi Peng (“**Ms. Koh**”), a shareholder
  - (a) Ms. Koh highlighted that the Greater China's Loss before Tax has increased further to RM897.6 million in FY2022 which was attributed mainly to the huge depreciation and impairment charges of RM506.5 million (page 218 of the Company's Annual Report 2022). She enquired on the reason(s) for the impairment charges.

Ms. Koh also sought clarification whether the Earnings Before Interest, Taxes, Depreciation, and Amortization (“**EBITDA**”) for the Greater China segment will turn positive with the disposal of the Gleneagles Chengdu Hospital (“**GCD**”).

Mr. Joerg Ayrle (“**Mr. Ayrle**”), the Group Chief Financial Officer (“**GCFO**”), responded that the Company is constantly evaluating the portfolio in the

Greater China. The China's zero-COVID policy with strict restrictions and several lockdowns have inevitably affected the Group's operations in Shanghai. The Company has taken a cautious look on the performance of Greater China segment and viewed that it will take a longer period for the Greater China segment to achieve a positive EBITDA. Hence, the Company had re-evaluated the carrying value of its assets in Greater China particularly with the ramp up of Parkway Shanghai Hospital ("**PSH**"), and made the relevant impairment. Mr. Ayrle added that although the sale of GCD has been completed and improvements recorded in the primary care clinics in Shanghai have mitigated the losses, it would take a longer time to achieve an EBITDA positive position with the ramp up of PSH.

- (b) Ms. Koh highlighted that the Group had recorded a net monetary gain arising from hyperinflationary economy of RM462.512 million in the Statements of Profit & Loss ("**P&L**") and Other Comprehensive Income. The Group had also recorded a hyperinflationary restatement of cash and cash equivalents at beginning of the period of RM146.074 million in the Statement of Cash Flows to arrive at the Cash and Cash Equivalent amount as at 31 December 2022. She enquired as to how the hyperinflationary economy in Turkiye has impacted the Group's P&L and Cash Flows.

Mr. Ayrle explained that the net monetary gain arising from hyperinflationary economy was a result of the revaluation of the Group's assets in Turkiye to be in line with the application of the hyperinflation accounting. In the Statement of Cash Flows, the net monetary gain of approximately RM462 million was a non-cash item and the restatement amount of approximately RM146 million was a revaluation of the opening cash balance.

- (c) Ms. Koh highlighted that as stated in the Statement of Cash Flow, the Group had reported the purchase of property, plant and equipment amounted to RM1.668 billion in FY2022. She enquired the top 3 capital expenditure ("**CAPEX**") incurred out of the RM1.668 billion and the budgeted CAPEX for FY2023.

Mr. Ayrle responded that the 3 largest CAPEX spent were on (i) PSH which commenced operation in February 2023; (ii) International Medical University Hospital which was built in Malaysia and subsequently divested from the Group; and (iii) Acibadem Atasehir Hospital in Istanbul, Turkiye which has since ramped up in the first quarter of 2023.

Mr. Ayrle also informed that the Group was contemplating some renovations at several of its hospitals in Singapore and the expected CAPEX outlay was around RM2 billion for FY2023.

- (d) Ms. Koh commented on the high borrowing costs for IHH Group of 15.92% which was due to the hyperinflation experienced in Turkiye (pages 200 to 201 of the Company's Annual Report 2022). She enquired whether the borrowing costs in Turkiye remained high as reported in the 2022 AFS and the steps/actions taken by Management to mitigate such high borrowing costs from FY2023 onwards.

Mr. Ayrle replied that the borrowing costs in Turkiye had increased substantially as a result of hyperinflationary economy. However, the Group had put in place appropriate financial hedges to protect the Company's cash flow against hyperinflation and the rising cost of capital. The Group's borrowing costs stood

at 3.5% in FY2022 and will likely increase in 2023 with the rising interest rate. The Company supported the operations in Turkiye via the Group's internally generated fund and lower cost of funding through IHH Group's financial services entity. Operationally, the Group is driving and increasing foreign income derived from its European and Turkish operations with foreign currency revenue (in USD and/or Euro), which made up nearly 50% of the revenue by the Group's Turkish and European operations collectively. Besides that, with the hedging ratio of more than 90% of the Group's financial exposure, the Company was confident that the Group will be able to mitigate the financial exposure and inflationary risks in Turkiye.

- (e) Ms. Koh enquired on the rationale for the sale of IMU Health Sdn Bhd ("**IMU**") Group despite it being transacted at a very attractive valuation as most healthcare groups could benefit from the teaching facilities such as IMU.

Mr. Joe Sim responded that IMU was considered as IHH's non-core asset and IHH's key strategy was to focus on its core healthcare delivery services business. He added that IHH's plan was to focus on enhancing capital growth alongside with the Return on Equity growth. The divestment of IMU was in line with IHH's key strategy.

- (ii) Mr. Teh Peng Tin, a shareholder  
Mr. Goh Chun Meng, a shareholder  
Ms. Leong Wai Leng, a shareholder

The shareholders named above had requested for a printed copy of the Company's Annual Report 2022.

The Chairman replied that the Company would arrange for a printed copy of the Company's Annual Report 2022 to be delivered to them accordingly.

- (iii) Mr. Mohd Ridzuan bin Mohd Noor ("**Mr. Mohd Ridzuan**"), a shareholder

Mr. Mohd Ridzuan enquired which healthcare operator is the local fastest growing group and whether it poses threat to IHH's growth.

Mr. Joe Sim responded that IHH does not comment on its competitors and competition will continue given the underlying strong demand for private healthcare services. IHH believed that competition is healthy for business as it could pave the way for more opportunities for collaborations and to motivate the Group to continue providing better services for the patients and staying ahead of its competitors.

- (iv) Ms. Lee Suan Bee, a shareholder  
Mr. Cheah Yew Boon, a shareholder  
Mr. Lim San Kim, a shareholder  
Mr. Teh Peng Tin, a shareholder  
Ms. Sim Siew Ean, a shareholder  
Mr. Goh Chun Meng, a shareholder  
Ms. Heng Ah Mui, a shareholder  
Ms. Leong Wai Leng, a shareholder

The shareholders named above had requested for IHH to provide door gifts/ e-voucher/ e-wallet/ and/ or the likes to meeting attendees.

The Chairman responded that, historically, IHH did not embrace the practice of giving door gifts and/or vouchers at the general meetings but instead, IHH is focused on rewarding and creating value for all shareholders through continuous growth by paying higher dividend payout. He added that these have been evidenced by the dividend payout of 7.0 sen per share for FY2022 which was paid in April 2023 and a special cash dividend of 9.6 sen per share for FY2023 which was declared payable in June 2023 following the gains arising from the disposal of IMU Group.

(v) Mr. Lim San Kim ("**Mr. Lim**"), a shareholder

(a) Mr. Lim commented that there was no necessity for IHH to appoint external auditors which charge high fees and neither IHH should incur unnecessary costs for printing the annual reports and holding long virtual general meeting which involve all Board members at the broadcast venue. He also commented that there was no necessity for company which is performing and pay dividend to its shareholders to hold a yearly general meeting. The cost savings can be channelled towards rewarding the shareholders instead.

The Chairman responded that the appointment of auditors, the printing of the hardcopies of the annual reports and the mode of general meeting were decided upon based on absolute necessity and in compliance with the requirements of various laws and regulations. There is also cost saving from conducting a virtual general meeting as compared to a physical / hybrid meeting. On these, the Chairman urged the shareholders' understanding of the relevant requirements as well as the Company's situation and the Board continues to look forward to the continuous engagement with the shareholders at future general meetings.

(b) Mr. Lim enquired on the profit made by the Company for the FY2022 and the expected date of dividend payout.

Mr. Ayrle informed that the Group had recorded a profit of approximately RM1.5 billion for FY2022. The first and final single tier dividend of 7.0 sen per ordinary share for FY2022 was paid on 28 April 2023 and a special dividend of 9.6 sen per ordinary share for FY2023 will be paid out by the end of June 2023.

As no further questions were raised, the Chairman thanked the shareholders for their questions. He then declared the Questions and Answers session closed.

## **18. POLLING PROCESS**

The Company Secretary highlighted that the voting has started since the commencement of the Meeting. The shareholders / proxies / corporate representatives were allocated another 10 minutes to cast their votes electronically.

## **19. ANNOUNCEMENT OF POLL RESULTS**

The Meeting resumed at 11:35 a.m. The following results of the poll voting were flashed on the screen. The Chairman informed that the results of the poll were verified by the Independent Scrutineer, SKY Corporate Services Sdn Bhd.

All the following resolutions tabled at the Meeting and voted upon by poll were duly passed by the shareholders / proxies / corporate representatives who were present virtually and casted their votes electronically:

Resolutions	Voted in Favour			Voted Against		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
<b><u>Ordinary Resolution 1</u></b> Re-election of Jill Margaret Watts	849	7,879,907,140	99.7334	71	21,060,775	0.2666
<b><u>Ordinary Resolution 2</u></b> Re-election of Dato' Muthanna bin Abdullah	761	6,909,963,505	98.8300	140	81,801,759	1.1700
<b><u>Ordinary Resolution 3</u></b> Re-election of Tomo Nagahiro	824	7,881,672,615	99.7565	95	19,239,402	0.2435
<b><u>Ordinary Resolution 4</u></b> Re-election of Lim Tsin-Lin	779	7,834,692,512	99.1618	143	66,226,506	0.8382
<b><u>Ordinary Resolution 5</u></b> Re-election of Mohd Shahazwan bin Mohd Harris	752	7,826,107,017	99.0531	170	74,810,501	0.9469
<b><u>Ordinary Resolution 6</u></b> Approval of payment of Directors' fees and other benefits to the Directors of the Company by the Company	837	7,375,814,034	99.9989	77	84,212	0.0011
<b><u>Ordinary Resolution 7</u></b> Approval of payment of Directors' fees and other benefits to the Directors of the Company by the Company's subsidiaries	725	7,229,240,461	98.0116	200	146,663,785	1.9884
<b><u>Ordinary Resolution 8</u></b> Re-appointment of Messrs KPMG PLT as Auditors of the Company and authority to the Directors to fix their remuneration	818	7,874,345,454	99.6631	108	26,615,964	0.3369

Resolutions	Voted in Favour			Voted Against		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
<b>Ordinary Resolution 9</b> Authority to allot shares pursuant to Sections 75 76 of the Companies Act 2016	828	5,224,563,663	66.1257	89	2,676,399,755	33.8743
<b>Ordinary Resolution 10</b> Proposed Renewal of Authority for IHH to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of IHH	850	6,677,504,209	88.0619	52	905,234,510	11.9381

Based on the results of the poll voting, the Chairman declared the following resolutions as **CARRIED**:

**ORDINARY RESOLUTION 1**

“THAT Ms. Jill Margaret Watts be and is hereby re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 2**

“THAT Dato’ Muthanna bin Abdullah be and is hereby re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 3**

“THAT Mr. Tomo Nagahiro be and is hereby re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 4**

“THAT Mr. Lim Tsin-Lin be and is hereby re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 5**

“THAT Mr. Mohd Shahazwan bin Mohd Harris be and is hereby re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 6**

“THAT the Directors’ fees payable to the Non-Executive Directors in respect of their directorship and committee membership in the Company with effect from 1 July 2023 until 30 June 2024 as per the table below be and are hereby approved for payment:

Structure	Chairman (RM per annum)	Member (RM per annum)
Board of Directors	660,000	313,500

<b>Structure</b>	<b>Chairman (RM per annum)</b>	<b>Member (RM per annum)</b>
Audit Committee	175,000	100,000
Risk Management Committee	175,000	100,000
Nomination and Remuneration Committee	175,000	100,000
Steering Committee	350,000	100,000

THAT any other benefits provided to the Directors of the Company by the Company with effect from 1 July 2023 until 30 June 2024, subject to a maximum amount equivalent to RM1,000,000 be and are hereby approved.”

#### **ORDINARY RESOLUTION 7**

“THAT the Directors’ fees (or its equivalent amount in Ringgit Malaysia as converted using the middle rate of Bank Negara Malaysia foreign exchange on the payment dates, where applicable) to the Non-Executive Directors of the Company who are holding directorship and committee membership in the following Company’s subsidiaries, be and are hereby approved for payment:

- (i) Fortis Healthcare Limited (for the period with effect from 1 July 2023 to 30 June 2024)

<b>Structure</b>	<b>Chairman / Member (INR per meeting attended)</b>
Board of Directors	100,000
Audit Committee	100,000
Risk Management Committee	100,000
Nomination and Remuneration Committee	100,000
Corporate Social Responsibility Committee	100,000
Stakeholders Relationship Committee	100,000
Independent Directors	100,000

- (ii) Parkway Trust Management Limited (for the period with effect from 1 January 2023 to 30 June 2024)

<b>Structure</b>	<b>Chairman (SGD per annum)</b>	<b>Member (SGD per annum)</b>
Board of Directors	110,000	55,000
Audit and Risk Committee	38,000	16,000
Nominating and Remuneration Committee	28,000	12,000

- (iii) (a) Acibadem Saglik Yatirimlari Holding A.S. (“**ASYH**”) Group (for the period with effect from 1 July 2023 to 30 June 2024)

<b>Structure</b>	<b>Chairman (USD per annum)</b>	<b>Member (USD per annum)</b>
Board of Directors	-	40,000
Nomination and Remuneration Committee	25,000	10,000

- (b) ASYH (for the period with effect from 1 July 2023 to 30 June 2024)

The Board fee of USD513,000 per annum payable to Mehmet Ali Aydinlar as the Board Chairman and Director in ASYH Group.

THAT any other benefits provided to the Directors of the Company by the Company's subsidiaries with effect from 1 July 2023 until 30 June 2024, subject to a maximum amount equivalent to RM300,000, be and are hereby approved."

#### **ORDINARY RESOLUTION 8**

"THAT the retiring Auditors, Messrs KPMG PLT be hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be fixed by the Directors."

#### **SPECIAL BUSINESS**

#### **ORDINARY RESOLUTION 9**

- **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"THAT subject to the Companies Act 2016 (the Act), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution in any one financial year does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.

AND THAT pursuant to Section 85 of the Act, read together with the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act."

#### **ORDINARY RESOLUTION 10**

- **PROPOSED RENEWAL OF AUTHORITY FOR IHH TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"THAT subject to the Companies Act 2016 (the Act), rules, regulations and orders made pursuant to the Act, the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements) and the approvals of all relevant governmental and/or relevant authorities, the Company be and is hereby authorised, to the extent permitted by law, to purchase and/or hold such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- (i) the aggregate number of shares which may be purchased (Purchased Shares) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten percent (10%) of the prevailing total number of issued shares of the Company at the point of purchase;
- (ii) the maximum funds to be allocated for the Company to purchase its own shares pursuant to the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company;
- (iii) upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares in the following manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force:
  - (a) cancel all or part of the Purchased Shares; and/or
  - (b) retain all or part of the Purchased Shares as treasury shares (as defined in Section 127 of the Act); and/or
  - (c) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
  - (d) distribute the treasury shares as share dividends to the shareholders of the Company; and/or
  - (e) transfer the treasury shares for the purposes of or under the employees' share scheme established by the Company; and/or
  - (f) transfer the treasury shares as purchase consideration; and/or
  - (g) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe,

or in any other manner as may be prescribed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by the Directors.

THAT the authority conferred by this ordinary resolution shall be effective immediately upon passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (AGM) of the Company at which time the authority shall lapse unless by ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

AND THAT the Directors of the Company be and are hereby empowered to do all acts and things (including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991) and to take all such steps and to enter into and execute all declarations, commitments, transactions, deeds,

agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations (if any) as may be imposed by the relevant authorities.”

**CONCLUSION**

There being no other business to be transacted, the Chairman concluded the Meeting at 11:40 a.m. and thanked all present for their attendance.



# Care. For Good.

Build | Innovate | Transform

13<sup>th</sup> Annual General Meeting

30 May 2023

We have the size, scale, skills and reach no one else does

83

Hospitals

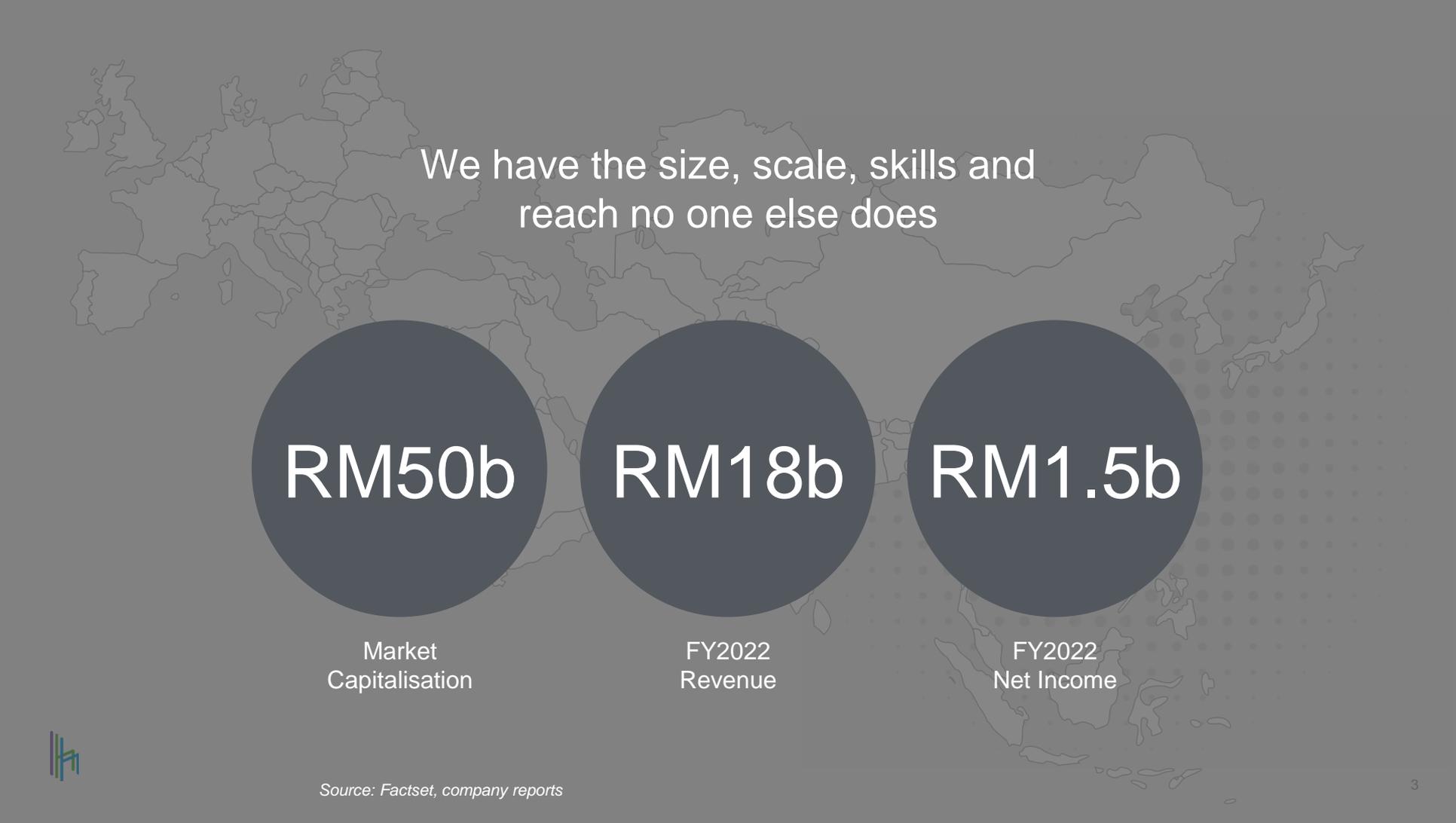
10

Countries

7

Trusted brands





We have the size, scale, skills and reach no one else does

**RM50b**

Market  
Capitalisation

**RM18b**

FY2022  
Revenue

**RM1.5b**

FY2022  
Net Income



# Declared Dividend

## 5-Year Dividend Trend



### Dividend for FY2022

Dividend per share: 7 sen (MYR)  
2.11 cents (SGD)

Ex-Dividend Date 30 March 2023

Record Date 31 March 2023

Payment Date 28 April 2023

IHH Healthcare dividend policy: Not less than 20% of the Group's profit after tax and minority interests, excluding exceptional items, in respect of any financial year shall be distributed to its shareholders



Source: Factset

# Performance, Best Practices & Good Governance Recognised

## AsiaMoney

Most Outstanding Company  
in Malaysia –  
Healthcare Sector



## The Edge

### Billion Ringgit Awards

Highest Growth in PAT over 3 years  
(companies with >RM40bn mkt cap)



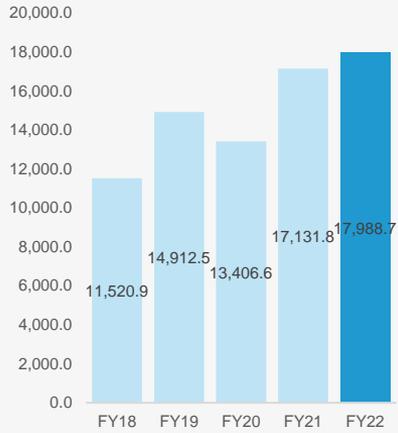
## Forbes

**2022 World's Best Employers**  
No. 2 Globally in Healthcare &  
Social Industry



# Strong Financial Performance in FY2022

### Revenue (RM)



27% ↑

**RM18.0 b (↑ 5% vs FY21)**

### EBITDA (RM)



22% ↑

**RM4.1 b (↓ 5% vs FY21)**

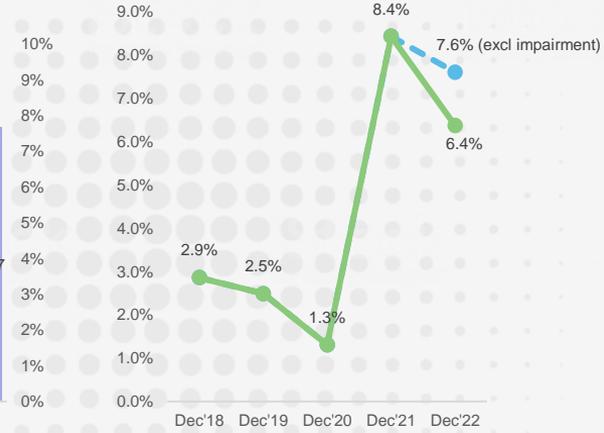
### Net Operating Income (RM)



50% ↑

**RM1.4 b (↓ 13% vs FY21)**

### Return On Equity (ROE)

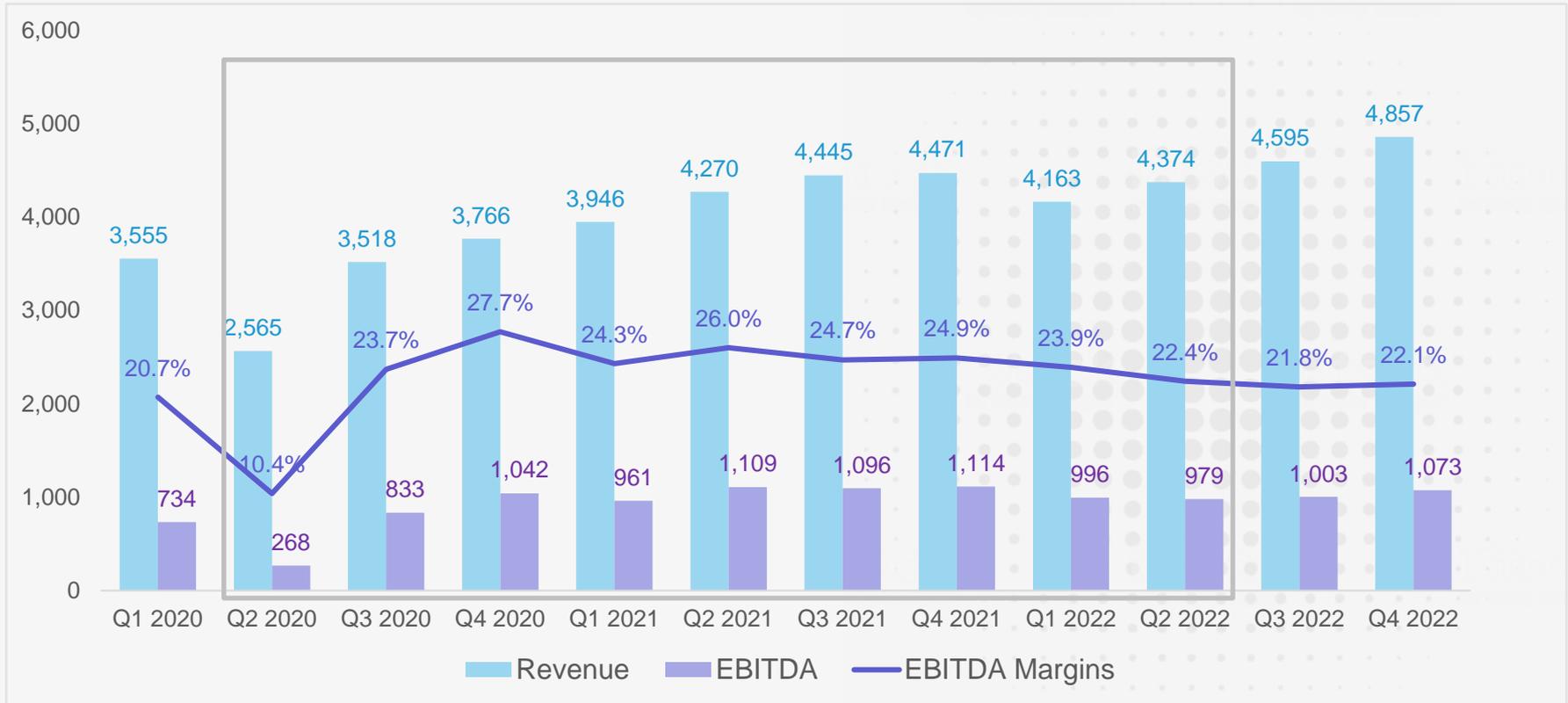


**ROE 6.4% (vs 8.4 % Dec 2021)**

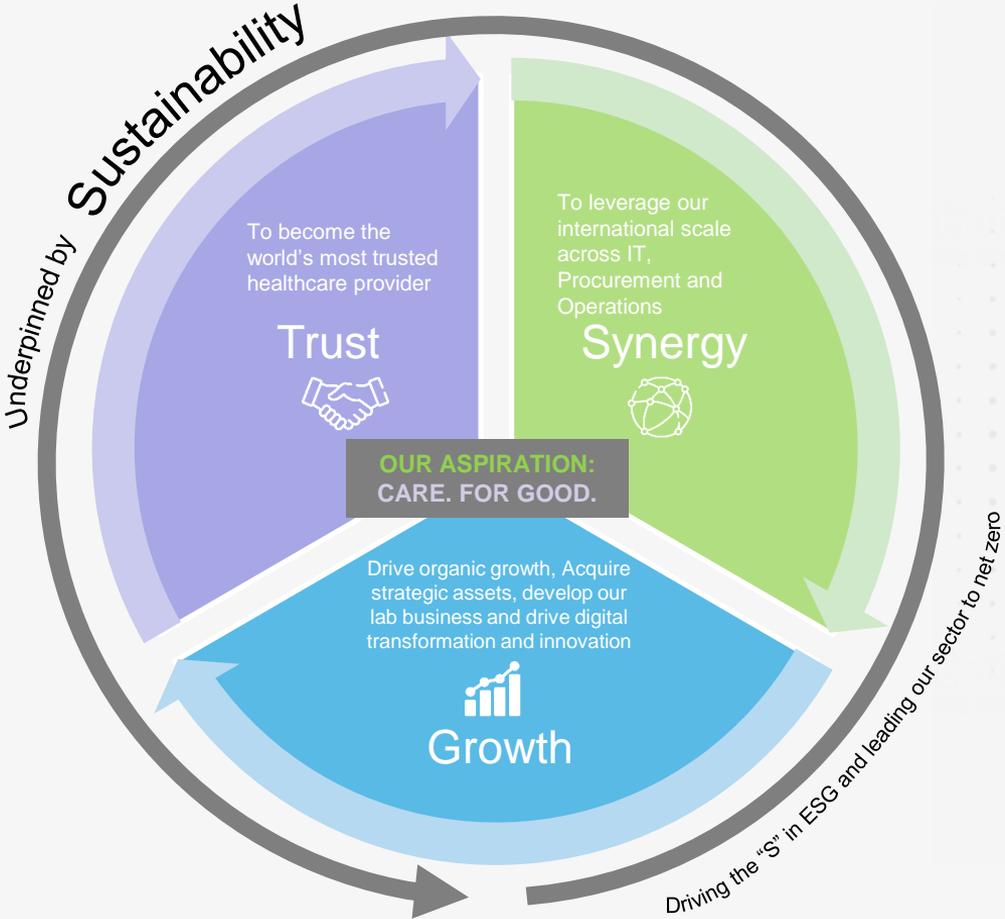
●—● Margin (%)



# Financial Performance from Q1'20 to Q4'22



# IHH Strategy Framework



## Changing the Face of Healthcare for



# Organic and Inorganic Growth

## Organic

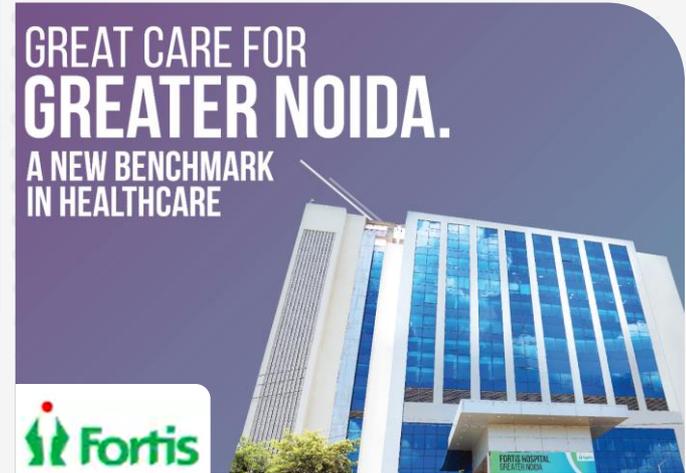
1. Improve bed occupancy
2. Expand capacity
  - a) Malaysia
    - Pantai Hospital Penang (7-storey medical block)
  - b) Türkiye
    - Acibadem Ataşehir Hospital (300-bed)
  - c) India
    - Fortis Hospital, Greater Noida (200-bed)

## Inorganic

### Acquisitions:

- a) Türkiye
  - Ortopedia Hospital in Adana (50-bed)
  - Kent Hospital in Izmir (340-bed)
- b) India
  - Fortis: Medeor hospital in Gurugram (350-bed)

Acibadem Ataşehir



# Synergies: Leverage International Scale



## IT

- Develop proprietary hospital information system, Cerebral Plus
- Centralised global IT services



## Procurement

- Purchasing advantages of global scale
- Drive best practices in inventory management and utilisation



## Operations

- Share best practices internationally
- Redefine business and operating models locally

# IHH Laboratories Segment:

Already industry leaders, we will develop this new growth peak



65  
labs



1,802  
staff



52m  
tests (FY2022)

Directly owned labs in Malaysia, Singapore, Türkiye



403  
labs

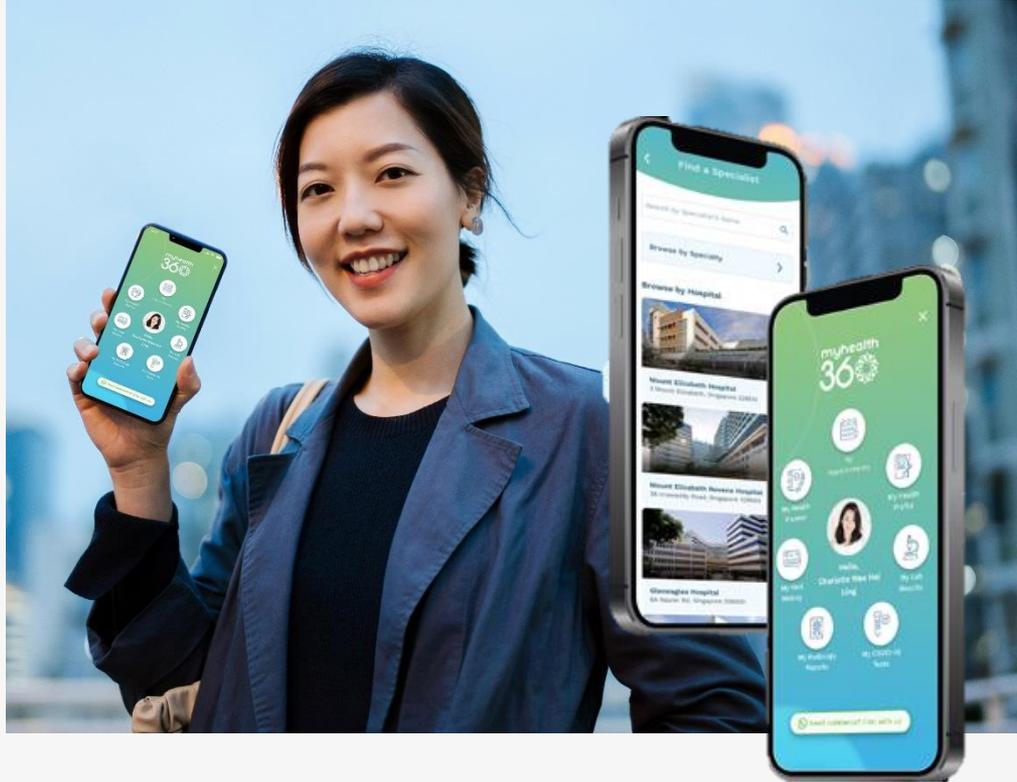
6,874  
staff

40m  
tests (FY2022)

Indirectly owned through Fortis, India



# Innovation and Digital Transformation



## BUILD

### **MyHealth360**

One-stop mobile app developed in-house to provide seamless and holistic suite of services for IHH patients

### **AI billing**

One of the first healthcare groups to use AI to estimate hospital bills; award-winning system developed in-house has ~80% estimate accuracy for inpatient bills

### **Telemedicine**

Rolled out virtual consultation in the heart of the pandemic across all key markets globally

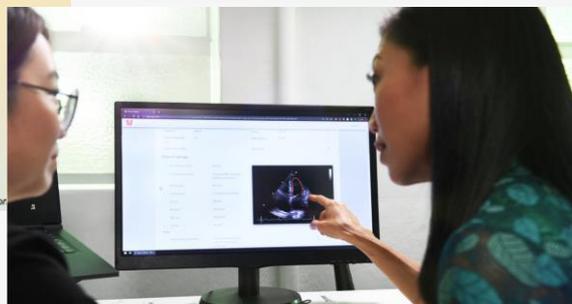
# Innovation and Digital Transformation

**Got ctRNA?** What are you missing with your liquid biopsy?

- 1 Detecting Fusions that ctDNA Misses<sup>1</sup>
- 2 Enhancing Detection of Cancer Variants<sup>1</sup>
- 3 Profiling the Circulating Tumor Immune Microenvironment

**LUCENCE**  
LiquidHALLMARK<sup>®</sup>  
liquid biopsy

References [1] Lucence Health data on file. \*ctRNA detection is investigational



## INVEST & PARTNER

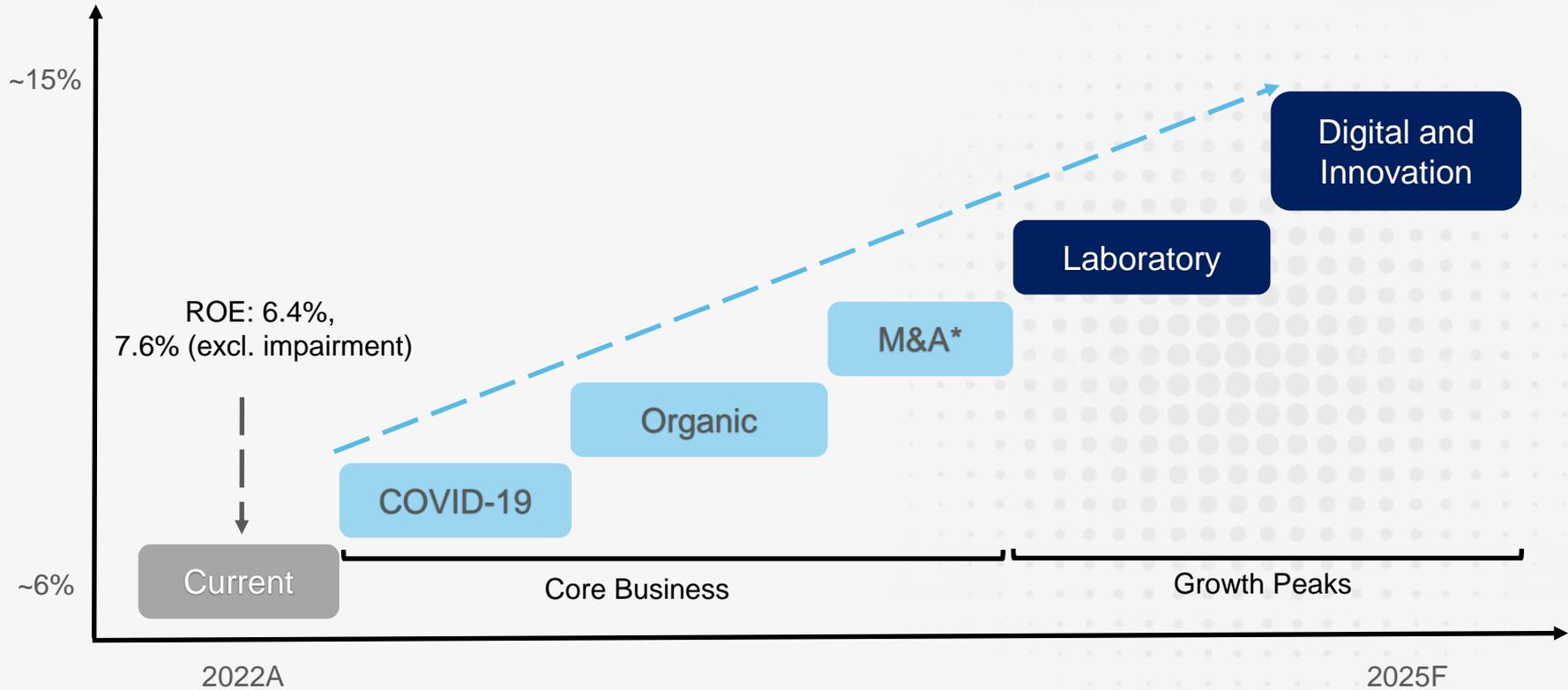
### Strategic Investments

Invested in Series B and C funding for Asian Digi health platform Doctor Anywhere

Co-led Series A investment into MedTech developer Us2.ai behind AI echocardiography software

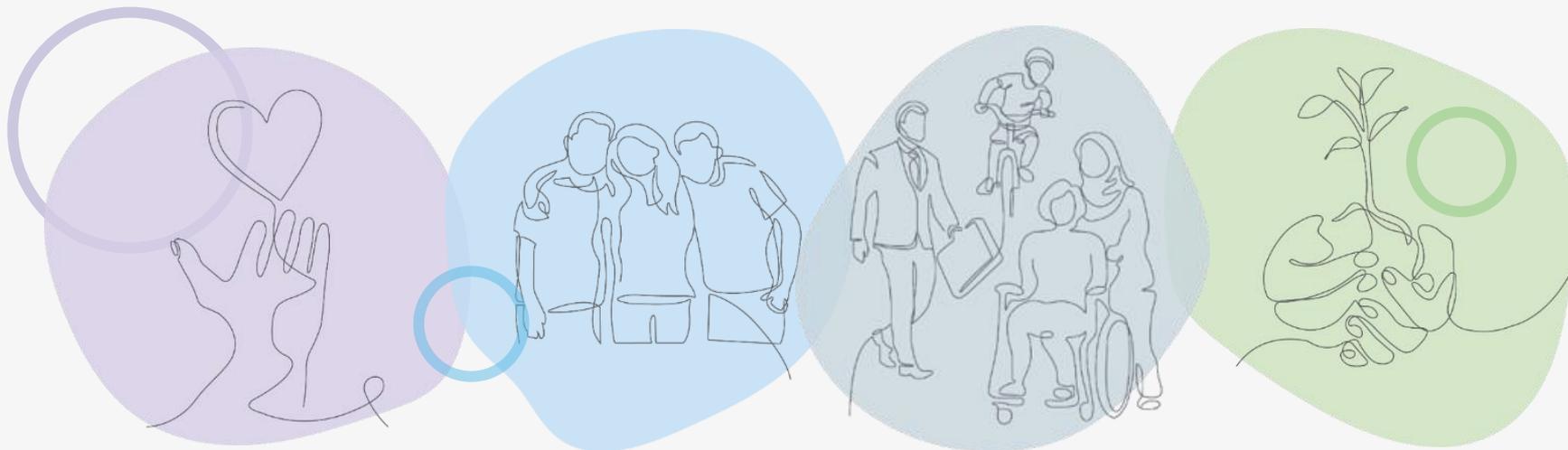
Invested in Series A funding for genomic medicine company Lucence Diagnostics

# ROE Enhancement Strategy



Note: \*Acquire strategic assets

# Driving the “S” in ESG + leading our sector to net zero



## Patients

Earning the trust of our patients

Goal: To be the most trusted private healthcare provider in all our markets by 2025

## People

Shaping the best place to work for

Goal: To be the employer of choice in private healthcare in all our markets by 2025

## Public

Nurturing a healthier society

Goal: To touch 5 million lives for healthier communities by 2025

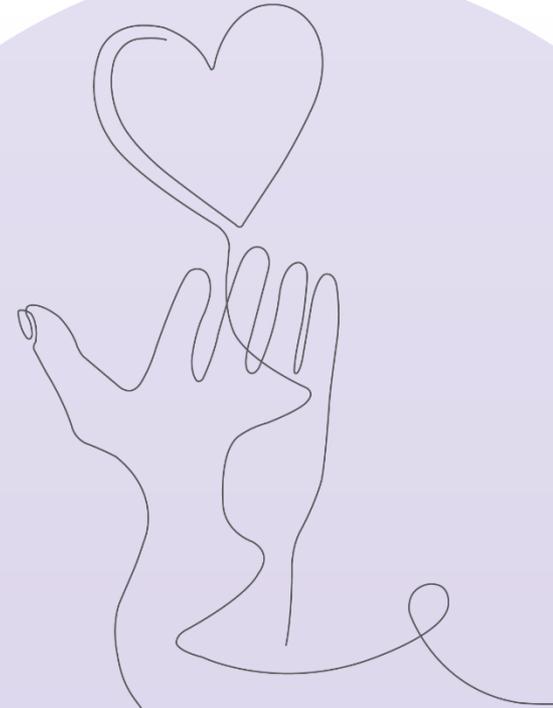
## Planet

Protecting our planet

Goal: To cap carbon growth by 2025 and achieve carbon net zero by 2050

**Goal:** To be the most trusted private healthcare provider in all our markets by 2025

1. Flatten the curve on medical inflation through **VDO** and price transparency
2. Provide 'always-on' healthcare by **driving digitalisation and innovation**
3. **AI-powered predictive analytics** and early detection through technology
4. Deliver best-in-class patient and staff experiences



Care For  
**Patients**

# Tackling medical inflation and earning trust:

Value-Driven Outcomes (VDO)



Patient



**Goal:** To touch 5 million lives  
for healthier communities by 2025

1. Implement **antimicrobial resistance interventions** in line with CDC, WHO and national guidelines by 2025
2. Reduce disease burden on cancer and cardiovascular diseases through outreach and engagement initiatives
3. Establish public corporate responsibility programmes to reach more of the underserved by end-2023



Care For  
**Public**

# Build | Innovate | Transform

1

The world needs a new healthcare model;  
We aim to transform healthcare from Asia

2

We will transform to become a healthcare platform;  
Have an “always-on” relationship with patients

3

Make our healthcare platform sustainable and drive strong, sustainable growth



IHH Healthcare

Care.  
For good.



IHH Healthcare

# Thank You

13<sup>th</sup> Annual General Meeting

30 May 2023

**IHH HEALTHCARE BERHAD 13TH  
ANNUAL GENERAL MEETING  
30 MAY 2023**



# **Questions from MSWG Operational and Financial Matters**

# QUESTION FROM MSWG

1. Medical inflation is a global challenge faced by all healthcare providers, and one which IHH is tackling quickly. IHH will do so through delivering Value-Driven Outcomes (VDO), which provides better or similar medical clinical outcomes at a lower cost. This is done through measuring activities, consumables and time spent on each procedure and eliminating any superfluous elements to reduce bill size for patients. (Page 29 of AR 2022)

What are the key indicators under the VDO? What level of success has been achieved particularly in terms of reducing bill size for patients which may also enhance IHH's competitiveness (provide some supporting data)?



## RESPONSE FROM IHH (1 of 2)

Each VDO condition has its set of outcome indicators which have been decided in conjunction with our doctors. For example, for our total knee replacement VDO project, we use indicators such as length of stay, incidence of post-operative complications and re-admission rates following the procedure. In the case of our elective cardiac stenting VDO, we use indicators such as post procedure mortality, complications post stenting and whether patients were discharged with appropriate medication. These are benchmarked against international standards from the US, UK, Australia, Malaysia and Singapore based on medical literature and official data sources. As such, the bar we set is very high.



## RESPONSE FROM IHH (2 of 2)

We measure the percentage of indicators which met or exceeded these standards as well as the percentage of patients who meet all the indicators for each condition. To date, 95% of the conditions we measure met or exceed these standards. While it is very good achievements, we continue to push for even better results. Since 2021, we have demonstrated an increase in the number of indicators meeting international benchmarks as well as an increase in the % of patients who meet all the indicators at the condition level.

As mentioned, another goal of VDO is to eliminate superfluous elements when treating our patients. Thanks to these efforts, despite a global average inflation rate of 8%, many of our bills for the conditions covered by the VDO conditions have remained the same and for those that have increased, the rate has been less than the global average inflation rate.





## QUESTION FROM MSWG

2. With the long-drawn pandemic a push factor, many healthcare professionals around the world experienced burnout and consequently left the industry. There is now a tight labour supply, particularly in nursing. This has resulted in rising cost of recruitment and retention of healthcare staff.  
(Page 30 of AR 2022)

Does IHH face any shortage of healthcare professionals? How does it address or mitigate the problem?



## RESPONSE FROM IHH

We do not face any issues with doctors. In fact, we are the preferred choice for doctors joining the private sector in the core markets we operate in.

Nursing shortage is a global issue and is not unique to IHH. We are able to manage it across our markets. For example, we are leveraging our global presence to recruit nurses locally and overseas. We have also introduced many measures to allow our nurses to practise at the top of their license by removing non-nursing tasks with the hiring of patient care associates.



## QUESTION FROM MSWG

3. IHH aims to be the world's top medical laboratory services provider. Its brands are well recognised in markets like Malaysia, Singapore, India and Türkiye, and it will leverage its leading position to further grow this segment in the coming years. (Page 36 of AR 2022)

How is the segment currently performing? What growth rate is the Management expecting in FY 2023?

## RESPONSE FROM IHH

Overall, COVID-19 volumes have tapered off as expected starting the second half of 2022. As a result, the laboratory segment has gradually seen a decrease in revenues, driven mainly by decreases in COVID test revenues. However, we are encouraged to see that non-COVID revenues have grown 11% in Q4 2022 as compared to Q4 2021 and continue to see momentum in growth. This will provide a growing base for our laboratory business.

The laboratory industry has seen growth in recent years driven by major themes such as wellness and digitalisation. There is also a heightened desire by the healthcare consumer to understand more about their health. These changes are systemic and will drive long-term growth. Therefore, IHH intends to develop this segment as a core business and place focus to realise its vision to become a global laboratory service provider with deep clinical knowhow and capabilities.

We do not provide forward guidance the growth rate for the business. However, we expect to see continued double digit growth in the underlying (i.e., non-COVID-19) business and will focus on extracting operational synergies and driving digital transformation across the Group.



## QUESTION FROM MSWG

4. By ramping up capacities and capabilities, IHH is able to swiftly capitalise on the rebound in medical tourism, which is expected to grow beyond pre-pandemic levels. (Page 49 of AR 2022)

What is the expected growth rate in medical tourism in FY 2023? What is the expected contribution (%) of medical tourism to the Group revenue in FY 2023 as compared to pre-pandemic level?

# RESPONSE FROM IHH

We do not provide forward guidance on the expected growth rate in medical tourism for FY2023. Suffice to say, with the borders re-opening, we are seeing robust recovery of local and foreign patient volumes returning to IHH network of hospitals in our key markets of Malaysia, Singapore, and India.

Based on our Q4 2022 financial disclosures, foreign patient revenue contribution in the various key markets was:

- IHH Singapore: Foreign patient revenue contribution was about 23%.
- IHH Malaysia: Foreign patient revenue contribution was about 4%.
- IHH Türkiye: Foreign patient revenue contribution was about 22%.
- IHH India: Foreign patient revenue contribution was under 10%.



## QUESTION FROM MSWG

5. Some ground-breaking solutions IHH introduced this fiscal year included CAR T-cell therapy in Singapore, a targeted cancer treatment with better results than chemotherapy. (Page 50 of AR 2022)

How has been the response to CAR T-cell therapy? Is IHH planning to introduce it in other countries which it operates?



## RESPONSE FROM IHH

Car T-cell therapy is a very specialised form of chemotherapy that is used to treat the most advanced blood and lymph node cancer. It was introduced in 2022. For the patients treated with Car T-cell therapy at Parkway Cancer Center, 66% have survived over a year. Without Car T-Cell therapy, it is unlikely these patients would have survived the year.

Due to the nature of Car T-Cell, it requires specialised expertise to produce and treat patients, in addition, strict local government regulations as well as manufacturer regulations need to be followed. We are working to avail the treatment to other markets. It is currently available in Malaysia and Türkiye.





## QUESTION FROM MSWG

6. Impairment loss made on property, plant and equipment at Group level rose significantly to RM384.3 million in FY 2022 from RM167.4 million in FY 2021. (page 212 of AR 2022)

What were the major reasons for such a substantial impairment and the significant increase? Is there any probability of further impairment in FY 2023?

## RESPONSE FROM IHH (1 of 3)

The Group recognised the following material impairment loss on property, plant and equipment in 2022 and 2021 respectively:

### 2022

Parkway Shanghai Hospital (“PSH”), a part of the China healthcare services operating segment, was planned to be operational in 2022. However, its construction and preparation for opening was longer than expected and was hampered by the COVID-19 pandemic. The Group performed an assessment of the recoverable amount of PSH’s property, plant and equipment, using the value in use approach, and determined it to be lower than the carrying amount. Accordingly, in 2022, an impairment loss of RM353,000,000 was recognised in ‘depreciation and impairment of property, plant and equipment’ in the statement of profit or loss.

## RESPONSE FROM IHH (2 of 3)

### 2021

Gleneagles Chengdu Hospital (“GCD”), a part of the China healthcare services operating segment, was operational in late 2019. However, its ramp up was longer than expected and was hampered by the COVID-19 pandemic. The Group performed an assessment of the recoverable amount of the property, plant and equipment of GCD and determined it to be lower than the carrying amount. The recoverable amount was estimated, using a market-comparison approach, based on its fair value less costs of disposal, where majority of the property, plant and equipment (except for certain medical equipment) were written down to nil. Accordingly, in 2021, an impairment loss of RM166,074,000 was recognised in ‘depreciation and impairment of property, plant and equipment’ in the statement of profit or loss.

## RESPONSE FROM IHH (3 of 3)

The Group would review the carrying amounts of property, plant and equipment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The Group would recognise an impairment loss if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

As to the possibility of further impairment in FY2023, it would depend on various factors including, but not limited to, the performance of the Group's cash-generating units ("CGU"), market conditions in which CGU operates in, and significant changes in government policies and regulations which will directly affect the CGUs' businesses.

## QUESTION FROM MSWG

7. Under the segment reporting, Greater China registered losses in the last two financial years (FY 2022: RM900.1 million; FY 2021: RM597.9 million). (Page 218 of AR 2022)

What were the major reasons for Greater China to register losses?

What measures have been taken to turn it around? Is it expected to turn profitable in FY 2023?



## RESPONSE FROM IHH

With the adoption of a zero-COVID policy, the pandemic has hampered the ramp up of our hospitals and clinic services in China, especially in Shanghai since December 2019. Our clinics and hospitals (especially those in Shanghai) have to be closed for prolonged period.

IHH constantly reviews and assesses the strategic direction of IHH Group's investments. In relation to IHH Group's investments in China, there have been discussions on the strategic directions. With that, we have divested our effective stake in Gleneagles Chengdu Hospital in November 2022. As we move forward, we will continue to review our China portfolio with an aim to minimise on-going losses.





**Questions from MSWG  
Corporate Governance and  
Sustainability Matters**



## QUESTION FROM MSWG

1. Practice 5.9 - The board comprises at least 30% women directors.

*IHH's response: As at the end of the financial year, the Board has two women Directors, representing 18% of the Board composition (excluding Alternate Directors). The Board consistently ensures that women candidates are shortlisted and considered for all available positions on the Board. Nevertheless, the decision of the Board on potential Board candidates are subject to other factors such as the Directors' existing skillsets and any gaps which need to be addressed. (Page 43 of CGR 2022)*

MSWG's comment: The Company is still far from achieving at least 30% women directors on its Board. Being a large company, IHH should attempt to apply the Practice 5.9 soonest possible and set a reasonable timeframe to do so.

## RESPONSE FROM IHH

- a) As at the end of the financial year, the Board has two women Directors, representing 18% of the Board composition (excluding Alternate Directors).
- b) Gender diversity is one component of diversity hence, notwithstanding that there are less than 30% women directors, the Board comprises Directors who contribute to other diversity requirements of the Board in terms of diverse backgrounds, international expertise, experience and culture. All of these diversity components found on the Board contribute to the diverse perspectives and insights on Board decisions.
- c) The Board will actively work towards having at least 30% women representation on the Board depending on the availability of the right candidates.
- d) The Board consistently ensures that women candidates are shortlisted and considered for all available positions on the Board. Nevertheless, the decision of the Board on potential Board candidates are subject to other factors such as the Directors' existing skillsets and any gaps which need to be addressed.
- e) Timeframe: Subject to availability of the right candidates.



## QUESTION FROM MSWG

2. One of the 4 pillars under IHH's Sustainability Framework is to empower its patients. For this, 17 clinical quality indicators were set and tracked against international benchmarks based on published medical literature. (Page 66 of AR 2022)

Under the 17 clinical quality indicators, what are the key indicators, the targets and achievements for FY 2022?



## RESPONSE FROM IHH

All the 17 indicators are key indicators as they measure different aspects of healthcare from excellent clinical outcomes (i.e., our heart attack and renal transplant survival rates), to timeliness of care (i.e., how fast critical results and laboratory tests are completed and reported), to patient safety indicators such as our rates of surgical site infections and inpatient fall rates.

The targets are determined by referencing international benchmarks e.g., the CDC in the US, the NHS in the UK as well as published medical literature in top medical journals. An example of these targets are 0.8 surgical site infections per 100 surgeries done which is line with the CDC standard.

For FY2022, four of our business units (excluding Fortis) met 100% of the clinical quality indicators targets. For the remaining two business units, they met 94% and 88% of the clinical quality indicators targets.

