



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 JUNE 2023

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Note	2nd quarter ended			Financial period ended		
		30 Jun 2023	30 Jun 2022	Variance	30 Jun 2023	30 Jun 2022	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1	4,673,898	4,373,570	7%	9,816,304	8,536,628	15%
Other operating income	2	115,289	116,385	-1%	1,219,730	215,853	NM
Inventories and consumables		(995,661)	(963,665)	-3%	(2,038,983)	(1,825,862)	-12%
Purchased and contracted services		(444,361)	(417,983)	-6%	(908,527)	(796,935)	-14%
Staff costs	3	(1,673,095)	(1,536,143)	-9%	(3,578,904)	(3,043,260)	-18%
Depreciation and impairment of property, plant and equipment	4	(240,295)	(268,552)	11%	(506,316)	(491,096)	-3%
Depreciation of right-of-use ("ROU") assets	4	(86,248)	(100,797)	14%	(178,501)	(177,869)	0%
Amortisation of intangible assets	4	(11,104)	(12,989)	15%	(22,245)	(23,228)	4%
Operating lease expenses		(24,773)	(21,779)	-14%	(52,280)	(41,844)	-25%
Other operating expenses	5	(615,256)	(537,212)	-15%	(1,285,116)	(1,032,503)	-24%
Finance income	6	182,764	125,595	46%	222,352	175,828	26%
Finance costs	6	(385,480)	(185,185)	-108%	(570,701)	(311,749)	-83%
Net monetary gain from hyperinflationary economy		41,012	295,542	-86%	205,770	295,542	-30%
Share of profits of associates (net of tax)		5,144	11,054	-53%	11,257	18,914	-40%
Share of profits of joint ventures (net of tax)		157	668	-76%	659	1,238	-47%
Profit before tax		541,991	878,509	-38%	2,334,499	1,499,657	56%
Income tax expense	7	(157,067)	(144,140)	-9%	(397,611)	(195,228)	-104%
Profit for the period		384,924	734,369	-48%	1,936,888	1,304,429	48%
Other comprehensive income, net of tax							
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences from foreign operations	8	909,423	321,037	183%	959,482	104,379	NM
Realisation of FCTR ¹ upon disposal of subsidiaries		424	-	-	11,150	-	-
Hyperinflationary adjustments		(745,492)	623,315	NM	(207,357)	623,315	-133%
Hedge of net investments in foreign operations	8	273,570	166,676	64%	595,646	297,149	100%
Cash flow hedge		582	4,007	-85%	(9,192)	11,913	-177%
Costs of hedging		(1,497)	15	NM	(1,927)	786	NM
		437,010	1,115,050	-61%	1,347,802	1,037,542	30%
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Remeasurement of defined benefit liabilities		(869)	1,620	-154%	(1,942)	2,902	-167%
Total other comprehensive income for the period, net of tax		436,141	1,116,670	-61%	1,345,860	1,040,444	29%
Total comprehensive income for the period		821,065	1,851,039	-56%	3,282,748	2,344,873	40%
Profit attributable to:							
Owners of the Company		301,832	612,104	-51%	1,692,351	1,105,363	53%
Non-controlling interests		83,092	122,265	-32%	244,537	199,066	23%
Profit for the period		384,924	734,369	-48%	1,936,888	1,304,429	48%
Total comprehensive income attributable to:							
Owners of the Company		612,913	1,697,900	-64%	2,852,523	2,164,787	32%
Non-controlling interests		208,152	153,139	36%	430,225	180,086	139%
Total comprehensive income for the period		821,065	1,851,039	-56%	3,282,748	2,344,873	40%
Earnings per share (sen)							
Basic		3.43	6.69	-49%	19.22	12.05	60%
Diluted		3.43	6.69	-49%	19.22	12.04	60%

NM: Not meaningful

Note:

1. Foreign currency translation reserve

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

SUPPLEMENTARY INFORMATION

	Note	2nd quarter ended			Financial period ended		
		30 Jun 2023	30 Jun 2022	Variance	30 Jun 2023	30 Jun 2022	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Profit attributable to owners of the Company, excluding EI^{viii}		315,008	317,466	-1%	644,874	724,889	-11%
Add/(Less): Exceptional items ("EI")							
Gain on disposal of subsidiaries ⁱ	2	3,785	-		985,202	-	
Impairment of assets reversed ⁱⁱ		-	11,825		-	16,227	
Reversal of lease payable upon project termination ⁱⁱⁱ	2	21,007	-		21,007	-	
Change in fair value of financial derivatives ^{iv}	6	171,230	31,078		162,153	49,779	
Exchange loss on net borrowings ^v	6	(263,843)	(64,801)		(247,618)	(94,388)	
Deferred tax benefits ^{vi}	7	-	51,571		-	152,708	
Net monetary gain from hyperinflationary economy ^{vii}		41,012	295,542		205,770	295,542	
		(26,809)	325,215		1,126,514	419,868	
Less: Tax effects on EI		21,302	7,538		19,658	10,260	
Less: Non-controlling interests' share of EI		(7,669)	(38,115)		(98,695)	(49,654)	
		(13,176)	294,638		1,047,477	380,474	
Profit attributable to owners of the Company		301,832	612,104	-51%	1,692,351	1,105,363	53%
Earnings per share, excluding EI^{vii} (sen)							
Basic		3.58	3.34	7%	7.32	7.72	-5%
Diluted		3.58	3.34	7%	7.32	7.72	-5%

Note:

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

- Gain on disposal of IMU Health Sdn Bhd and its subsidiaries (collectively, "IMU Health") of RM863.4 million, Gleneagles Chengdu Hospital Company Limited ("Gleneagles Chengdu Hospital") of RM119.3 million and Angsana Holdings Pte Ltd and its subsidiaries (collectively, "Angsana") of RM2.4 million.
- Reversal of impairment of assets of Gleneagles Chengdu Hospital upon receipt of recoverables.
- Reversal of lease payable upon termination of the Group's hospital project in Myanmar.
- Fair value changes of the financial derivatives which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings.
- Exchange differences arising from foreign currency denominated borrowings/lease liabilities/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings. (As at 30 June 2023, Euro/TL = 28.1540)
- Deferred tax assets arising from indexation of property, plant and equipment in statutory books as allowed by the Turkiye government due to spike in inflation.
- 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*
- 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 2022 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

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

The Group's Q2 2022 reported results included the 6-months effect of the application to the Group's entities in Turkiye of MFRS 129, *Financial Reporting in Hyperinflationary Economies* ("MFRS 129") when the Turkish economy was designated as a hyperinflationary economy starting April 2022. The Group's Q2 2023 reported results included the 3-months effect of the application of MFRS129. Refer to Section A1(c) and Section A4 for details.

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

1. Q2 2023 and YTD 2023 revenues were higher as compared to last year due to the strong recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The commencement of operations at Atasehir Hospital in September 2022, the continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi ("Ortopedia") on 9 August 2022 and Ozel Kent Saglik Hizmetleri ve Malzemeleri Sanayi Ticaret A.S. ("Kent") on 14 February 2023 also contributed to the increase.
2. Q2 2023 other operating income included a RM21.0 million reversal of lease payable upon termination of the Group's hospital project in Myanmar and gain on disposal of Angsana of RM2.4 million.

YTD 2023 other operating income included the gain on disposal of IMU Health of RM863.4 million, Gleneagles Chengdu Hospital of RM119.3 million and Angsana of RM2.4 million, as well as the above-mentioned reversal of lease payable.

3. Q2 2023 and YTD 2023 staff costs increased as the Group expands its capacity to cater for higher demand for its services and annual increments. In addition, the consolidation of staff costs of Ortopedia's and Kent's staff costs upon acquisition also contributed to the increase.
4. Q2 2023 depreciation, amortisation and impairment expense was lower as the Group recognised 3-months effects of MFRS 129 for the Group's subsidiaries in Turkiye in Q2 2023, as compared to the 6-months effects of MFRS 129 in Q2 2022 when the Turkish economy was designated as a hyperinflationary economy starting April 2022. With the application of MFRS 129, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets for the Group's subsidiaries in Turkiye were higher after reindexation, resulting in increased depreciation and amortisation.
5. Q2 2023 and YTD 2023 other operating expenses increased mainly attributed to the higher level of activities and higher cost of operations such as increased utilities costs, increased spend on repairs and maintenance as well as IT-related expenses. The Group incurred professional fees in relation to its acquisition and disposal of subsidiaries during the year.

In February 2023, Turkiye was struck by a massive earthquake and the Group mobilized on-the-ground medical treatment and emergency support through Acibadem Holdings' operations in Turkiye. It also donated about RM10.0 million in-cash and in-kind to support humanitarian efforts for the earthquake victims.

6. Acibadem Holdings recognised exchange differences arising from the translation of its non-TL denominated borrowings/lease liabilities/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") and foreign exchange forward contracts. The Group recognised a higher net loss of RM92.6 million in Q2 2023 as compared to a net loss of RM33.7 million in Q2 2022. On the same basis, the Group recognised a higher net loss of 85.5 million in YTD 2023 as compared to net loss of RM44.6 million in YTD 2022.

Excluding the above, Q2 2023 and YTD 2023 net finance costs increased mainly due to higher prevailing interest rates during 2023. In addition, in Q2 2022, the Group recognised fair value gains on foreign exchange forward contracts which was entered into in anticipation of the redemption of perpetual securities in July 2022.

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

Parkway Life Real Estate Investment Trust ("PLife REIT") hedges its interest in the net assets of its Japanese operations. The effective portion of the hedge was recognised as a hedge of net investments in the statement of other comprehensive income, which offsets the foreign currency translation differences from the translation of the net assets of its Japanese operations.

Note:

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

	30 Jun 2023	30 Jun 2022
1 SGD	3.3322	3.1281
1 TL	0.1857	0.2648

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 Jun 2023 RM'000	31 Dec 2022 RM'000
Assets			
Property, plant and equipment		12,268,787	11,882,760
Right-of-use assets		6,882,194	6,685,030
Investment properties		4,021,797	3,938,335
Goodwill on consolidation	1	14,197,467	13,209,372
Other intangible assets		2,703,683	2,737,840
Interests in associates		142,728	133,076
Interests in joint ventures		7,062	6,751
Other financial assets		171,186	127,620
Trade and other receivables	2	151,388	196,563
Tax recoverables		425,599	374,905
Derivative assets	3	234,281	258,970
Deferred tax assets		528,403	633,943
Total non-current assets		41,734,575	40,185,165
Development properties		78,675	76,471
Inventories		590,196	519,431
Trade and other receivables	2	3,084,702	2,625,424
Tax recoverables		40,026	73,641
Other financial assets		191,776	249,717
Derivative assets	3	318,008	149,816
Cash and cash equivalents		3,599,096	3,663,511
		7,902,479	7,358,011
Assets classified as held for sale	4	146,558	924,311
Total current assets		8,049,037	8,282,322
Total assets		49,783,612	48,467,487

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 Jun 2023 RM'000	31 Dec 2022 RM'000
Equity			
Share capital		19,691,630	19,684,881
Other reserves		947,240	(158,140)
Retained earnings		6,872,986	6,665,236
Total equity attributable to owners of the Company		27,511,856	26,191,977
Non-controlling interests		3,393,796	2,967,080
Total equity		30,905,652	29,159,057
Liabilities			
Loans and borrowings	5	7,021,582	7,565,989
Lease liabilities		1,315,838	1,407,923
Employee benefits		162,938	172,261
Trade and other payables	6	424,121	1,255,005
Deferred tax liabilities		1,689,907	1,648,525
Total non-current liabilities		10,614,386	12,049,703
Bank overdrafts		86,900	44,135
Loans and borrowings	5	2,212,398	1,592,791
Lease liabilities		245,547	223,118
Employee benefits		146,940	148,470
Trade and other payables	6	5,120,270	4,208,470
Derivative liabilities		88	4,379
Tax payable		387,143	378,637
		8,199,286	6,600,000
Liabilities directly associated with assets classified as held for sale	4	64,288	658,727
Total current liabilities		8,263,574	7,258,727
Total liabilities		18,877,960	19,308,430
Total equity and liabilities		49,783,612	48,467,487
Net assets per share attributable to owners of the Company ¹ (RM)		3.12	2.97

¹ Based on 8,807.0 million and 8,806.0 million shares issued as at 30 June 2023 and 31 December 2022 respectively.

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

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position was impacted by the relative movements in RM against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL as at 30 June 2023 as compared to 31 December 2022.

In addition, the Group's reported results included the application to the Group's entities in Turkiye of MFRS 129, as detailed in Section A1(c) and Section A4.

1. Goodwill increased mainly due to acquisition of Kent on 14 February 2023 which resulted in goodwill on acquisition of RM254.3 million, translational effects from a strengthened SGD against RM during in the period, and from MFRS 129 effects.
2. Trade and other receivables increased mainly due to higher revenue and acquisition of Kent.
3. Derivative assets increased mainly due to the increase in the fair value of the Group's foreign exchange forward contracts and cross currency swaps.
4. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale decreased upon the completion of the divestment of Gleneagles Chengdu Hospital and IMU Health during the year. Remaining balances relates to Fortis' Arcot Road Hospital which was divested in July 2023.
5. Loans and borrowings increased due to loans drawn down for capital expenditure and working capital purpose.
6. Current trade and other payables increased due to reclass from non-current payables during the period.

Note:

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

	30 Jun 2023	31 Dec 2022
1 SGD	3.4710	3.2468
TL	0.1857	0.2325

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	Attributable to owners of the Company												
	Non-distributable						Distributable						
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023	19,684,881	22,783	83,434	8,274	791	(3,998,823)	36,380	3,689,021	6,665,236	26,191,977	-	2,967,080	29,159,057
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	1,116,964	-	1,116,964	-	(157,482)	959,482
Realisation of FCTR upon disposal of subsidiaries	-	-	-	-	-	-	-	11,150	-	11,150	-	-	11,150
Hyperinflationary adjustments	-	-	-	-	-	81,656	(375)	(222,626)	(33,730)	(175,075)	-	(32,282)	(207,357)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	211,639	-	211,639	-	384,007	595,646
Cash flow hedge	-	-	-	(3,267)	-	-	-	-	-	(3,267)	-	(5,925)	(9,192)
Costs of hedging	-	-	-	-	(685)	-	-	-	-	(685)	-	(1,242)	(1,927)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(554)	(554)	-	(1,388)	(1,942)
Total other comprehensive income for the period	-	-	-	(3,267)	(685)	81,656	(375)	1,117,127	(34,284)	1,160,172	-	185,688	1,345,860
Profit for the period	-	-	-	-	-	-	-	-	1,692,351	1,692,351	-	244,537	1,936,888
Total comprehensive income for the period	-	-	-	(3,267)	(685)	81,656	(375)	1,117,127	1,658,067	2,852,523	-	430,225	3,282,748
Contributions by and distributions to owners													
Share-based payment transactions	-	4,395	-	-	-	-	-	-	-	4,395	-	-	4,395
Transfer to share capital for share options exercised	6,749	(1,260)	-	-	-	-	-	-	-	5,489	-	-	5,489
Cancellation of vested share options	-	(1,632)	-	-	-	-	-	-	1,632	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	-	(1,461,961)	(1,461,961)	-	(122,408)	(1,584,369)
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	9,943	9,943
Remeasurement of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(77,691)	-	-	-	(77,691)	-	51,710	(25,981)
Transfer per statutory requirements	-	-	-	-	-	-	7,329	-	(7,437)	(108)	-	108	-
	6,749	1,503	-	-	-	(77,691)	7,329	-	(1,467,766)	(1,529,876)	-	(60,647)	(1,590,523)
Changes in ownership interests in subsidiaries	-	-	-	(3)	-	(244)	-	1	-	(246)	-	697	451
Disposal of subsidiaries	-	-	-	-	-	(19,971)	-	-	17,449	(2,522)	-	56,441	53,919
Total transactions with owners	6,749	1,503	-	(3)	-	(97,906)	7,329	1	(1,450,317)	(1,532,644)	-	(3,509)	(1,536,153)
At 30 June 2023	19,691,630	24,286	83,434	5,004	106	(4,015,073)	43,334	4,806,149	6,872,986	27,511,856	-	3,393,796	30,905,652

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	Attributable to owners of the Company												
	Non-distributable						Distributable						
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000	Total equity 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	-	-	-	-	-	-	-	322,994	-	322,994	-	(218,615)	104,379
Hyperinflationary adjustments	-	-	-	-	-	53,618	2,082	600,659	(30,889)	625,470	-	(2,155)	623,315
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	105,633	-	105,633	-	191,516	297,149
Cash flow hedge	-	-	-	4,235	-	-	-	-	-	4,235	-	7,678	11,913
Costs of hedging	-	-	-	-	279	-	-	-	-	279	-	507	786
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	813	813	-	2,089	2,902
Total other comprehensive income for the period	-	-	-	4,235	279	53,618	2,082	1,029,286	(30,076)	1,059,424	-	(18,980)	1,040,444
Profit for the period	-	-	-	-	-	-	-	-	1,105,363	1,105,363	-	199,066	1,304,429
Total comprehensive income for the period	-	-	-	4,235	279	53,618	2,082	1,029,286	1,075,287	2,164,787	-	180,086	2,344,873
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	1,066	-	-	-	-	-	-	-	1,066	-	-	1,066
Transfer to share capital for share options exercised	46,737	(9,882)	-	-	-	-	-	-	-	36,855	-	-	36,855
Cancellation of vested share options	-	(189)	-	-	-	-	-	-	189	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	-	(528,162)	(528,162)	-	(61,813)	(589,975)
Payment of coupon on perpetual securities	-	-	-	-	-	(428)	-	-	-	(428)	(44,590)	-	(45,018)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(45,229)	(45,229)	45,229	-	-
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	8,741	-	-	-	8,741	-	158,309	167,050
Transfer per statutory requirements	-	-	-	-	-	-	2,733	-	(2,733)	-	-	-	-
Others	-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-
	46,737	(9,005)	-	(16,180)	-	8,313	2,733	-	(559,755)	(527,157)	639	96,496	(430,022)
Changes in ownership interests in subsidiaries	-	-	-	(2)	-	1,495	-	(5)	-	1,488	-	410	1,898
Total transactions with owners	46,737	(9,005)	-	(16,182)	-	9,808	2,733	(5)	(559,755)	(525,669)	639	96,906	(428,124)
At 30 June 2022	19,661,655	24,869	83,434	4,640	611	(3,966,774)	36,179	3,506,576	6,231,099	25,582,289	2,158,997	3,230,291	30,971,577

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Financial period ended	
	30 Jun 2023	30 Jun 2022
	RM'000	RM'000
		(Restated)
Cash flows from operating activities		
Profit before tax	2,334,499	1,499,657
Adjustments for:		
Dividend income	(204)	(63)
Finance income	(222,352)	(175,828)
Finance costs	570,701	311,749
Depreciation and impairment of property, plant and equipment	506,316	491,096
Depreciation of ROU assets	178,501	177,869
Amortisation of intangible assets	22,245	23,228
Impairment loss made/(written back):		
- Trade and other receivables	51,441	6,861
- Inventories	-	(134)
Write-off:		
- Property, plant and equipment	155	274
- Trade and other receivables	3,919	3,867
- Inventories	4,266	2,487
Gain on disposal of property, plant and equipment	(5,598)	(9,708)
Gain on disposal of subsidiaries	(985,202)	-
Change in fair value of investment properties	1,579	3,621
Share of profits of associates (net of tax)	(11,257)	(18,914)
Share of profits of joint ventures (net of tax)	(659)	(1,238)
Equity-settled share-based payment	4,395	1,066
Net monetary gain from hyperinflationary economy	(205,770)	(295,542)
Operating profit before changes in working capital	2,246,975	2,020,348
Changes in working capital:		
Development properties	(2,204)	(2,609)
Inventories	(116,843)	(56,356)
Trade and other receivables	(376,432)	(56,323)
Trade and other payables	28,165	96,413
Cash generated from operations	1,779,661	2,001,473
Tax paid	(320,105)	(306,105)
Net cash from operating activities	1,459,556	1,695,368
Cash flows from investing activities		
Interest received	41,956	58,293
Acquisition of a subsidiary/businesses, net of cash and cash equivalents acquired	(255,451)	-
Acquisition of investments	(1,474,328)	(39,381)
Net withdrawal/(placement) of fixed deposits with tenor of more than 3 months	117,013	(9,554)
Purchase of property, plant and equipment	(648,085)	(780,371)
Cost capitalised and purchase of investment properties	(5,127)	(9,860)
Development and purchase of intangible assets	(8,902)	(7,216)
Net cash inflow from disposal of subsidiaries	1,174,207	-
Proceeds from disposal and redemption of investments	1,409,350	112,099
Proceeds from disposal of property, plant and equipment	23,321	15,282
Dividends received from associates and joint ventures	28,533	21,567
Net cash from/(used in) investing activities	402,487	(639,141)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Financial period ended	
	30 Jun 2023	30 Jun 2022
	RM'000	RM'000
		(Restated)
Cash flows from financing activities		
Finance costs paid	(163,441)	(133,720)
Proceeds from loans and borrowings	3,029,333	1,272,381
Repayment of loans and borrowings	(3,100,132)	(2,049,010)
Redemption of fixed rate notes	(64,645)	-
Payment of lease liabilities	(189,451)	(178,589)
Payment of perpetual securities distribution	-	(45,018)
Dividends paid	(1,573,048)	(589,975)
Proceeds from exercise of share options	5,489	36,855
Capital injection by non-controlling interests	9,943	-
Net cash used in financing activities	(2,045,952)	(1,687,076)
Net decrease in cash and cash equivalents	(183,909)	(630,849)
Effect of exchange rate fluctuations on cash and cash equivalents held	33,766	(22,804)
Cash and cash equivalents at beginning of the period	3,662,352	4,993,451
Cash and cash equivalents at end of the period	3,512,209	4,339,798

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 Jun 2023	30 Jun 2022
	RM'000	RM'000
		(Restated)
Cash and bank balances	1,378,684	1,497,319
Fixed deposits with tenor of 3 months or less	414,931	905,573
Deposits placed in escrow account	1,804,834	1,887,861
Restricted cash	647	3,292
Cash and cash equivalents in the statement of financial position	3,599,096	4,294,045
- Cash and cash equivalents included in assets classified as held for sale	13	100,579
Less:		
- Bank overdrafts	(86,900)	(54,826)
Cash and cash equivalents in the statement of cash flows	3,512,209	4,339,798

Deposits placed in escrow account

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

A1 BASIS OF PREPARATION

a) Basis of accounting

These unaudited consolidated interim financial report are prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134, *Interim Financial Reporting* in Malaysia and IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 (“2022 Audited Financial Statements”).

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

b) Significant accounting policies

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

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

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

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

The application of MFRS 129 includes:

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

Price index

The financial statements of component entities, of which their functional currency is denominated in Turkish Lira, have been restated to reflect the price index and the exchange rate at 30 June 2023 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”).

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

Net monetary gain/(loss) arising from hyperinflationary economies

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

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

d) Comparative figures

Following the issuance of IFRIC Agenda Decision in FY2022 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 Jun 2022</u>			
Effect of exchange rate fluctuations on cash and cash equivalents held	(10,376)	(12,428)	(22,804)
Cash and cash equivalents at beginning of the period	3,089,870	1,903,581	4,993,451
Cash and cash equivalents at end of the period	2,448,645	1,891,153	4,339,798

A2 AUDIT REPORT IN THE ANNUAL FINANCIAL STATEMENTS

The 2022 Audited Financial Statements were not subjected to any qualification.

A3 SEASONALITY OF OPERATIONS

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 June 2023, other than the effects of the application to the Group's entities in Turkiye of MFRS 129 below and the disposal of IMU Health as disclosed in Section A11.

Effects of application of MFRS129

	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
<u>Statement of profit or loss</u>			
Revenue	10,218,455	(402,151)	9,816,304
Other operating income	1,223,991	(4,261)	1,219,730
Inventories and consumables	(2,100,945)	61,962	(2,038,983)
Purchased and contracted services	(924,322)	15,795	(908,527)
Staff costs	(3,762,151)	183,247	(3,578,904)
Depreciation and impairment of property, plant and equipment	(448,770)	(57,546)	(506,316)
Depreciation of right-of-use ("ROU") assets	(156,653)	(21,848)	(178,501)
Amortisation of intangible assets	(20,038)	(2,207)	(22,245)
Operating lease expenses	(54,605)	2,325	(52,280)
Other operating expenses	(1,321,867)	36,751	(1,285,116)
Finance income	264,555	(42,203)	222,352
Finance costs	(630,843)	60,142	(570,701)
Net monetary gain from hyperinflationary economy	-	205,770	205,770
Share of profits of associates (net of tax)	11,257	-	11,257
Share of profits of joint ventures (net of tax)	659	-	659
Profit before tax	2,298,723	35,776	2,334,499
Income tax expense	(333,810)	(63,801)	(397,611)
Profit for the period	1,964,913	(28,025)	1,936,888
Profit attributable to:			
Owners of the Company	1,713,666	(21,315)	1,692,351
Non-controlling interests	251,247	(6,710)	244,537
Profit for the period	1,964,913	(28,025)	1,936,888

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
<u>State ment of financial position</u>			
Non-current assets			
Property, plant and equipment	11,043,974	1,224,813	12,268,787
Right-of-use assets	6,489,562	392,632	6,882,194
Goodwill on consolidation	13,129,110	1,068,357	14,197,467
Other intangible assets	1,991,983	711,700	2,703,683
Deferred tax assets	526,428	1,975	528,403
Curent assets			
Inventories	578,512	11,684	590,196
Trade and other receivables	3,082,090	2,612	3,084,702
Equity			
Other reserves	(1,626,047)	2,573,287	947,240
Retained earnings	6,857,375	15,611	6,872,986
Non-controlling interests	3,041,752	352,044	3,393,796
Non-current liabilities			
Deferred tax liabilities	1,217,077	472,830	1,689,907

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 2022 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

Between 1 January 2023 to 30 June 2023, IHH issued 948,000 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 2023 to 30 June 2023.

As at 30 June 2023, the issued share capital of IHH comprised of 8,806,991,463 ordinary shares.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

A7 DIVIDENDS PAID

	Sen per ordinary share	Total amount RM'000	Date of payment
First and final single tier cash dividend for financial year ended 31 December 2022	7.00	616,489	28-Apr-23
Special cash dividend for the financial year ending 31 December 2023	9.60	845,472	30-Jun-23

A8 SEGMENT REPORTING

Since 1 January 2023, the Group's segment reporting has been changed to reflect the Group's new reporting structure that includes Laboratories ("Labs") as a separate segment. The results for the comparative year have been restated on the same basis.

The Group's reportable segments comprise:

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

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

A8 SEGMENT REPORTING

Financial period ended 30 June 2023

	Hospital and Healthcare											
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkiye and Europe RM'000	Southeast Asia RM'000	IMU Health RM'000	Labs RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>Revenue and expenses</u>												
Revenue from external customers	2,663,863	1,751,723	1,691,018	626,579	2,480,687	-	53,899	467,761	78,033	2,741	-	9,816,304
Inter-segment revenue	4,800	3,949	-	-	2,418	-	635	330,747	125,433	696,194	(1,164,176)	-
Total segment revenue	2,668,663	1,755,672	1,691,018	626,579	2,483,105	-	54,534	798,508	203,466	698,935	(1,164,176)	9,816,304
EBITDA	786,338	468,650	249,106	41,165	466,686	(79)	13,029	178,099	157,523	562,473	(769,161)	2,153,829
Depreciation and impairment of property, plant and equipment	(84,330)	(107,787)	(64,256)	(55,241)	(161,214)	-	-	(18,780)	(13,474)	(1,234)	-	(506,316)
Depreciation of right-of-use assets	(158,417)	(12,247)	(11,968)	(33,512)	(56,910)	-	-	(15,634)	(6,590)	(3,299)	120,076	(178,501)
Amortisation of intangible assets	-	(293)	(5,717)	(992)	(5,370)	-	-	(10,660)	-	(4,838)	5,625	(22,245)
Foreign exchange differences	(171)	(2,132)	(3,568)	(107)	14,645	1	(1)	172	11,927	(8,580)	-	12,186
Net monetary gain from hyperinflationary economy	-	-	-	-	208,129	-	-	(2,359)	-	-	-	205,770
Finance income	2,231	5,179	4,602	496	176,687	84	1,014	7,633	17,311	17,473	(10,358)	222,352
Finance costs	(87,075)	-	(39,609)	(96,253)	(380,172)	-	(738)	(6,232)	(16,979)	(40,468)	96,825	(570,701)
Share of profits of associates (net of tax)	862	-	659	-	-	9,736	-	-	-	-	-	11,257
Share of profits of joint ventures (net of tax)	684	-	(86)	-	-	-	-	61	-	-	-	659
Others	-	-	-	119,326	(3,508)	21,007	-	3,508	-	865,876	-	1,006,209
Profit/(Loss) before tax	460,122	351,370	129,163	(25,118)	258,973	30,749	13,304	135,808	149,718	1,387,403	(556,993)	2,334,499
Income tax expense	(86,827)	(85,182)	(37,723)	(6,705)	(126,208)	-	(2,500)	(29,976)	(10,392)	(12,098)	-	(397,611)
Profit/(Loss) for the period	373,295	266,188	91,440	(31,823)	132,765	30,749	10,804	105,832	139,326	1,375,305	(556,993)	1,936,888
<u>Assets and liabilities</u>												
Cash and cash equivalents	27,666	305,925	1,967,626	165,310	320,590	7,607	-	86,445	111,465	606,462	-	3,599,096
Other assets	20,530,569	6,345,301	6,390,472	3,110,016	8,615,552	46,748	-	2,211,635	5,447,043	4,535,895	(11,048,715)	46,184,516
Segment assets as at 30 June 2023	20,558,235	6,651,226	8,358,098	3,275,326	8,936,142	54,355	-	2,298,080	5,558,508	5,142,357	(11,048,715)	49,783,612
Loans and borrowings	-	35,000	468,198	3,610,845	957,377	-	-	9,584	2,795,113	1,357,863	-	9,233,980
Other liabilities	10,309,773	927,968	2,600,987	730,685	3,373,568	956	-	426,272	408,057	1,955,530	(11,089,816)	9,643,980
Segment liabilities as at 30 June 2023	10,309,773	962,968	3,069,185	4,341,530	4,330,945	956	-	435,856	3,203,170	3,313,393	(11,089,816)	18,877,960

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

Financial period ended 30 June 2022*

	Hospital and Healthcare						IMU					
	Singapore	Malaysia	India	Greater	Turkiye	Southeast	Health	Labs	PLife REIT	Others	Eliminations	Total
	RM'000	RM'000	RM'000	China	and Europe	Asia	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue and expenses</u>												
Revenue from external customers	2,382,603	1,401,240	1,471,915	446,905	2,048,031	-	131,143	576,239	76,189	2,363	-	8,536,628
Inter-segment revenue	3,259	3,748	-	1	2,178	-	626	284,250	111,465	94,929	(500,456)	-
Total segment revenue	2,385,862	1,404,988	1,471,915	446,906	2,050,209	-	131,769	860,489	187,654	97,292	(500,456)	8,536,628
EBITDA	753,784	382,434	224,960	(40,337)	447,032	(283)	49,864	181,901	144,571	(19,633)	(148,856)	1,975,437
Depreciation and impairment of property, plant and equipment	(84,567)	(105,085)	(66,138)	(61,565)	(135,087)	-	(5,279)	(20,363)	(12,107)	(905)	-	(491,096)
Depreciation of ROU assets	(144,772)	(12,284)	(10,316)	(38,829)	(54,308)	-	(1,235)	(14,817)	(6,397)	(2,975)	108,064	(177,869)
Amortisation of intangible assets	-	(878)	(6,895)	(2,016)	(5,766)	-	(255)	(7,418)	-	(4,542)	4,542	(23,228)
Foreign exchange differences	(146)	(773)	5,243	376	454	(3,321)	(9)	557	5,338	14,638	-	22,357
Net monetary gain from hyperinflationary economy	-	-	-	-	289,576	-	-	5,966	-	-	-	295,542
Finance income	106	2,759	1,821	1,974	81,255	4	1,535	4,865	20,790	63,239	(2,520)	175,828
Finance costs	(2,098)	(4,160)	(40,575)	(37,049)	(211,538)	-	-	(2,665)	(7,070)	(10,968)	4,374	(311,749)
Share of profits of associates (net of tax)	619	-	9,196	-	-	9,099	-	-	-	-	-	18,914
Share of profits of joint ventures (net of tax)	921	-	372	-	-	-	-	(55)	-	-	-	1,238
Others	-	-	-	14,283	-	-	-	-	-	-	-	14,283
Profit/(Loss) before tax	523,847	262,013	117,668	(163,163)	411,618	5,499	44,621	147,971	145,125	38,854	(34,396)	1,499,657
Income tax expense/(credit)	(98,562)	(78,715)	(28,796)	889	70,584	-	(11,431)	(33,376)	(8,718)	(7,104)	-	(195,228)
Profit/(Loss) for the period	425,285	183,298	88,872	(162,274)	482,202	5,499	33,190	114,595	136,407	31,750	(34,396)	1,304,429
<u>Assets and liabilities</u>												
Cash and cash equivalents	287,470	381,008	1,870,320	212,551	332,955	7,551	-	120,366	129,903	321,387	-	3,663,511
Other assets	18,642,961	6,287,281	6,023,249	3,233,926	8,350,388	60,042	640,710	2,000,837	5,308,363	3,931,608	(9,675,389)	44,803,976
Segment assets as at 31 December 2022	18,930,431	6,668,289	7,893,569	3,446,477	8,683,343	67,593	640,710	2,121,203	5,438,266	4,252,995	(9,675,389)	48,467,487
Loans and borrowings	-	-	537,531	3,446,473	1,079,663	-	-	5,133	2,759,055	1,330,925	-	9,158,780
Other liabilities	9,730,773	957,659	2,517,986	1,079,894	3,041,060	21,841	210,149	425,113	407,974	1,394,128	(9,636,927)	10,149,650
Segment liabilities as at 31 December 2022	9,730,773	957,659	3,055,517	4,526,367	4,120,723	21,841	210,149	430,246	3,167,029	2,725,053	(9,636,927)	19,308,430

*: Segment information on Assets and Liabilities is based on the last financial year-end.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

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 Jun 2023	30 Jun 2022
	RM'000	RM'000
Transactions with substantial shareholders*		
- Sales and provision of services	96	75
- Purchase and consumption of services	(8,732)	(5,919)
	<hr/>	<hr/>
Transactions with key management personnel*		
- Sales and provision of services	5,079	1,717
- Purchase and consumption of services	(63,805)	(31,671)
	<hr/>	<hr/>

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

A11 CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 14 February 2023, Acibadem Saglik Hizmetleri ve Ticaret A.S. (“ASH”) acquired the entire equity stake in Ozel Kent Saglik Hizmetleri ve Malzemeleri Sanayi Ticaret A.S. (“Kent”) for a total consideration of EUR55.0 million (equivalent to RM235.8 million). Kent is a private healthcare operator in Izmir, Turkiye and it currently operates a 340-bedded Kent Hospital and 2 medical centres. Post completion of the acquisition, Kent became a direct subsidiary of ASH, while Alsancak Ozel Kent Tıp Merkezi A.S. and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. became indirect wholly-owned subsidiaries of ASH.

The effects of the acquisition are as follows:

	Provisional RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	35,111
Right-of-use assets	6,202
Intangible assets	632
Tax recoverables	1,071
Inventories	7,679
Trade and other receivables	29,989
Cash and cash equivalents	5,996
Loans and borrowings	(51,080)
Employee benefits	(740)
Trade and other payables	(53,436)
Book value of net identifiable liabilities acquired	<u>(18,576)</u>
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration in cash and cash equivalents	235,772
Less: cash and cash equivalents acquired	<u>(5,996)</u>
	<u>229,776</u>
Goodwill	
Total purchase consideration	235,772
Book value of net identifiable liabilities acquired	<u>18,576</u>
Goodwill	<u>254,348</u>

As at 30 June 2023, the Group is in the midst of performing a purchase price allocation (“PPA”) for the acquisition of Kent, and would adjust goodwill accordingly upon the completion of the PPA.

- (b) On 27 February 2023, M&P Investments Pte. Ltd., an indirect wholly-owned subsidiary, completed the disposal of its 70% equity interest in Gleneagles Chengdu Hospital Company Limited to Perennial Healthcare Pte. Ltd.
- (c) On 28 March 2023, General Hospital Acibadem Bel Medic, an indirect subsidiary, established a wholly-owned subsidiary, Acibadem Bel Medic Logistics D.O.O. Beograd (“ABML”) in Serbia. The initial capital of ABML is Serbian Dinar 1,000 (equivalent to RM41) and its intended principal activity is wholesale trade of medical devices and medical materials.
- (d) On 31 March 2023, Parkway Trust Management Limited (“PTM”), an indirect wholly-owned subsidiary, transferred 133,400 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 35.58% to 35.55%.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (e) On 31 March 2023, IHH completed the disposal of the entire issued ordinary share capital of IMU Health Sdn. Bhd. (“IMUH”) to Inbound Education Holdings Sdn. Bhd. Post completion of the disposal, IMUH and its subsidiaries, namely IMU Education Sdn. Bhd., IMU Healthcare Sdn. Bhd., IMC Education Sdn. Bhd., IMU Dialysis Sdn. Bhd. and IMU Omega Sdn. Bhd. ceased to be subsidiaries of IHH on 31 March 2023. The disposals were completed for a total cash consideration of approximately RM1,394 million. For the financial period ended 30 June 2023, the Group recognised a gain on disposal amounting to RM863.4 million.
- (f) On 2 May 2023, Ortopedia merged with ASH. All assets and liabilities of Ortopedia were transferred to ASH and Ortopedia was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the Acibadem Group structure and management.
- (g) On 5 May 2023, Parkway Pantai Limited (“PPL”), an indirect wholly-owned subsidiary, acquired an additional 10% equity stake comprising 928,154 ordinary shares in Angsana Holdings Pte. Ltd. (“AHPL”), a direct subsidiary of PPL. Post completion of the acquisition, PPL’s shareholding in AHPL increased from 55% to 65%.

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

- (h) On 24 May 2023, all shares in Alsancak Ozel Kent Tıp Merkezi A.S. and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. were transferred to Acibadem Poliklinikleri A.S., a direct wholly-owned subsidiary of ASH. Post completion of the transfer, Alsancak Ozel Kent Tıp Merkezi A.S. and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. remained as indirect wholly-owned subsidiaries of ASH.
- (i) On 12 June 2023, the amalgamation between Fortis Asia Healthcare Pte Ltd (“FAHPL”) and Fortis Healthcare International Pte Ltd (“FHIPL”) was completed. Post completion of the amalgamation, FHIPL was dissolved and its direct subsidiary, namely Mena Healthcare Investment Company Limited, became a direct subsidiary of FAHPL.

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.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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A12 SUBSEQUENT EVENTS

- (a) On 31 July 2023, IHH granted a total of 15,725,000 EOS options to eligible employees of the Group.
- (b) On 10 August 2023, Pantai Holdings Sdn. Bhd., an indirect wholly-owned subsidiary of the IHH, entered into a share purchase agreement (“SPA”) with Saravita Holdings Sdn. Bhd. and 9 individual founders to acquire the entire equity interest in Bedrock Healthcare Sdn. Bhd. (“Bedrock”) for a total consideration of RM245.0 million on a cash free debt free basis (“Acquisition”), subject to closing adjustments, to be fully satisfied in cash. Bedrock, through its wholly-owned subsidiaries, operates an 82-bed hospital, namely Timberland Medical Centre in Kuching, Sarawak and has earmarked a vacant land in central Kuching for the construction of a 200-bed hospital. The Acquisition is expected to be completed by the first half of 2024, subject to regulatory approvals and satisfaction of conditions precedent in accordance with the SPA. Upon completion of the Acquisition, Bedrock and its subsidiaries will be consolidated as subsidiaries of IHH.

Refer to IHH’s announcement dated 10 August 2023 for details.

- (c) On 25 August 2023, Gleneagles Development Pte. Ltd. (“GDPL”, an indirect wholly-owned subsidiary of IHH), entered into sale and purchase agreements (“SPAs”) to acquire from the minority shareholders of Ravindranath GE Medical Associates Private Limited (“RGE”, an indirect subsidiary of IHH), namely, Dr Ravindranath Kancherla and his persons connected (collectively, “Dr Ravi Group”) of the entire stake held by Dr Ravi Group in RGE, for a total consideration of approximately INR7.4 billion (equivalent to RM415.0 million) (“RGE Shares Acquisition”). The RGE Shares Acquisition is expected to be completed by the fourth quarter of 2023. Upon completion of the RGE Shares Acquisition, IHH’s effective interest in RGE would increase from 73.64%* to 98.17%.

In addition to the RGE Shares Acquisition, the following ancillary transactions (“Ancillary Transactions”) were entered into with Dr Ravi Group:

- (i) Global Clinical Research Services Private Limited (“GCRS”, a direct subsidiary of RGE) Share Acquisition

Purchase by GDPL of 0.32% equity stake in GCRS for a total consideration of approximately INR72,000 (equivalent to approximately RM4,000). Upon completion of the GCRS Share Acquisition, IHH’s effective interest in GCRS would increase from 99.68% to 100.00%.

- (ii) Chennai Properties Transaction

Purchase by RGE of a parcel of land and existing building in Chennai, India, that is used for RGE’s hospital operations (“Chennai Properties”), for a total consideration of INR305.5 million (equivalent to approximately RM17.1 million), including payment of a one-time fee for the historical usage of the Chennai Properties.

The Ancillary Transactions is expected to be completed by the fourth quarter of 2023.

Refer to IHH’s announcement dated 25 August 2023 for details.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
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A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at 29 August 2023.

A14 CAPITAL COMMITMENTS

	30 Jun 2023	31 Dec 2022
	RM'000	RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for	1,240,703	1,152,671
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,917,119	1,830,228
Maximum amount committed for Malar Open Offer ¹	16,248	15,511
	<u>1,933,367</u>	<u>1,845,739</u>

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

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

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

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

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
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On 22 September 2022, the Supreme Court pronounced the final order and on 23 September 2022, the written judgment was made available. The Supreme Court held, among others, that:

- (i) The Special Leave Petition (Civil) No. 20417 of 2017, the Original Contempt Petition (in which the Interim Status Quo Order was passed) and the Fortis Contempt Petition are disposed of.
- (ii) The Delhi High Court may consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between Fortis and RHT Health Trust and other related transactions.
- (iii) It will be open to the Delhi High Court to pass such directions as the facts and circumstances presented before it may justify.

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

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
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A15 FAIR VALUE HIERARCHY

Fair value hierarchy

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

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

	Level 1 RM'000	Fair value Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
30 June 2023					
Financial assets					
Unquoted shares at FVOCI	-	-	149,640	149,640	149,640
Foreign exchange forward contracts	-	157,200	-	157,200	157,200
Cross currency swaps	-	310,359	-	310,359	310,359
Cross currency interest rate swaps	-	81,367	-	81,367	81,367
Interest rate caps	-	3,363	-	3,363	3,363
Financial liabilities					
Interest rate swaps	-	(88)	-	(88)	(88)
Fixed rate medium term notes	-	(580,633)	-	(580,633)	(583,204)
Liabilities on put options granted to non-controlling interest	-	-	(1,597,797)	(1,597,797)	(1,597,797)
31 December 2022					
Financial assets					
Unquoted shares at FVOCI	-	-	114,573	114,573	114,573
Foreign exchange forward contracts	-	42,475	-	42,475	42,475
Cross currency swaps	-	291,978	-	291,978	291,978
Cross currency interest rate swaps	-	61,410	-	61,410	61,410
Interest rate caps	-	12,799	-	12,799	12,799
Interest rate swaps	-	124	-	124	124
Financial liabilities					
Foreign exchange forward contracts	-	(4,379)	-	(4,379)	(4,379)
Fixed rate medium term notes	-	(647,919)	-	(647,919)	(654,440)
Liabilities on put options granted to non-controlling interest	-	-	(1,592,665)	(1,592,665)	(1,592,665)

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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

	2nd quarter ended			Financial period ended		
	30 Jun 2023	30 Jun 2022	Variance	30 Jun 2023	30 Jun 2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE¹						
Singapore	1,346,526	1,221,161	10%	2,663,863	2,382,603	12%
Malaysia	876,755	735,289	19%	1,751,723	1,401,240	25%
India	875,614	787,160	11%	1,691,018	1,471,915	15%
Greater China	327,946	226,241	45%	626,579	446,905	40%
Turkiye and Europe	1,417,311	1,009,796	40%	2,873,400	2,016,766	42%
Hospital and Healthcare	4,844,152	3,979,647	22%	9,606,583	7,719,429	24%
IMU Health	-	68,967	-100%	53,899	131,143	-59%
Labs total revenue	400,675	391,622	2%	807,946	855,320	-6%
Less: Labs inter-segment revenue	(162,769)	(141,024)	-15%	(330,747)	(284,250)	-16%
Labs	237,906	250,599	-5%	477,199	571,070	-16%
Others[^]	1,310	1,208	8%	2,741	2,363	16%
Group (Excluding PLife REIT)	5,083,368	4,300,420	18%	10,140,422	8,424,004	20%
PLife REIT total revenue	102,494	92,944	10%	203,466	187,654	8%
Less: PLife REIT inter-segment revenue	(63,499)	(56,229)	-13%	(125,433)	(111,465)	-13%
PLife REIT	38,995	36,715	6%	78,033	76,189	2%
	5,122,363	4,337,135	18%	10,218,455	8,500,193	20%
Adjustment for hyperinflationary economy ⁴	(448,465)	36,435	NM	(402,151)	36,435	NM
Group	4,673,898	4,373,570	7%	9,816,304	8,536,628	15%
EBITDA²						
Singapore	395,466	384,220	3%	786,338	753,784	4%
Malaysia	220,376	209,193	5%	468,650	382,434	23%
India	125,734	134,056	-6%	249,106	224,960	11%
Greater China	32,108	(22,061)	NM	41,165	(40,337)	NM
Turkiye and Europe	270,165	225,289	20%	566,997	483,137	17%
Southeast Asia	(46)	(44)	-5%	(79)	(283)	72%
Hospital and Healthcare	1,043,803	930,653	12%	2,112,177	1,803,695	17%
IMU Health	-	27,947	-100%	13,029	49,864	-74%
Labs	90,946	79,471	14%	184,119	181,907	1%
Others[^]	(35,337)	(40,523)	13%	(76,747)	(57,331)	-34%
Group (Excluding PLife REIT)	1,099,412	997,548	10%	2,232,578	1,978,135	13%
PLife REIT	78,939	71,768	10%	157,523	144,571	9%
Eliminations³	(65,753)	(54,238)	-21%	(129,941)	(111,158)	-17%
	1,112,598	1,015,078	10%	2,260,160	2,011,548	12%
Adjustment for hyperinflationary economy ⁴	(108,226)	(36,111)	-200%	(106,331)	(36,111)	-194%
Group	1,004,372	978,967	3%	2,153,829	1,975,437	9%

¹: Relates to external revenue only.

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

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

⁴: Arises from the application of MFRS 129.

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
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Q2 2023 vs Q2 2022

The Group's Q2 2023 revenue increased 7% over Q2 2022 while its Q2 2023 EBITDA increased 3%. Excluding effects of MFRS 129, the Group's Q2 2023 revenue and EBITDA increased 18% and 10% respectively over Q2 2022.

The increase in EBITDA was mainly driven by higher revenue offset by higher cost of operations, and translational effects from a weakened TL against RM during the quarter and a higher debit adjustment in Q2 2023 relating to the application of MFRS 129.

The Group's Q2 2023 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 1% to RM315.0 million mainly due to higher net finance costs. It was partially offset by a lower debit adjustment in Q2 2023 relating to the application of MFRS 129 as Q2 2022's reported results included the 6-months effect of higher depreciation and amortisation on reindexation, and deferred tax recognised on the uplifted carrying value of the reindexed assets, as compared to 3-months effect in Q2 2023.

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

Hospital and Healthcare

Hospital and Healthcare's Q2 2023 revenue increased 22% to RM4,844.2 million while its Q2 2023 EBITDA increased 12% to RM1,043.8 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 commencement of operations at Atasehir Hospital in September 2022, the continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of Ortopedia on 9 August 2022 and Kent on 14 February 2023 also contributed to the increase.

Singapore hospital inpatient admissions decreased 4% to 15,133 in Q2 2023 while its revenue per inpatient admission increased 11% to RM57,723 with a case-mix of more acute patients seeking treatment at the Singapore hospitals and price adjustments. Malaysia hospital inpatient admissions increased 16% to 56,767 in Q2 2023 while its revenue per inpatient admission increased 4% to RM10,007. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in Q2 2023. India hospital inpatient admissions decreased 1% to 84,142 in Q2 2023 while its revenue per inpatient admission increased 15% to RM9,382. Turkiye and Europe hospital inpatient admissions increased 2% to 60,333 in Q2 2023 while its revenue per inpatient admission increased 47% to RM11,480 with price adjustments to counter inflation.

The increase in Hospital and Healthcare's Q2 2023 EBITDA was mainly driven by higher revenue offset by higher staff cost and other operating expenses, as well as translational effects from a weakened TL against RM in Q2 2023.

IMU Health

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

Labs

Labs' Q2 2023 total revenue increased 2% to RM400.7 million while its Q2 2023 EBITDA increased 14% to RM90.9 million. Labs' Q2 2023 total test volumes increased 3% to 22.6 million, notwithstanding that there were more COVID-related tests undertaken Q2 2022. Labs' Q2 2023 non-COVID revenues increased 13% compared to Q2 2022.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
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PLife REIT

PLife REIT's Q2 2023 external revenue increased 6% to RM39.0 million while EBITDA increased 10% to RM78.9 million. EBITDA increased mainly due to contribution from five nursing homes acquired in September 2022 and higher inter-segment rental income from the hospitals in Singapore.

Others

Q2 2023 revenue increased 8% to RM1.3 million while EBITDA losses decreased 13% to RM35.3 million. EBITDA losses decreased mainly due to reversal of over-provision of bonus and lower professional fee expense.

YTD 2023 vs YTD 2022

The Group's YTD 2023 revenue increased 15% over YTD 2022 while its YTD 2023 EBITDA increased 9%. Excluding effects of MFRS 129, the Group's YTD 2023 revenue and EBITDA increased 20% and 12% respectively over YTD 2022.

The increase in EBITDA was mainly driven by higher revenue offset by higher cost of operations, and translational effects from a weakened TL against RM during the period and a higher debit adjustment in YTD 2023 relating to the application of MFRS 129.

The Group's YTD 2023 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 11% to RM644.9 million mainly due to higher net finance costs. In addition, there was a higher debit adjustment in YTD 2023 relating to the application of MFRS 129 which mainly resulted from higher depreciation and amortisation on reindexation, deferred tax recognised on the uplifted carrying value of the reindexed assets and translational effects from a weakened TL against RM during the period.

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

Hospital and Healthcare

Hospital and Healthcare's YTD 2023 revenue increased 24% to RM9,606.6 million while its YTD 2023 EBITDA increased 17% to RM2,112.2 million. The growth in revenue was mainly due to the strong recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The commencement of operations at Atasehir Hospital in September 2022, the continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of Ortopedia on 9 August 2022 and Kent on 14 February 2023 also contributed to the increase.

Singapore hospital inpatient admissions decreased 3% to 30,697 in YTD 2023 while its revenue per inpatient admission increased 13% to RM56,665 with a case-mix of more acute patients seeking treatment at the Singapore hospitals and price adjustments. Malaysia hospital inpatient admissions increased 27% to 115,706 in YTD 2023 while its revenue per inpatient admission increased 2% to RM9,846. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in YTD 2023. India hospital inpatient admissions increased 4% to 166,173 in YTD 2023 while its revenue per inpatient admission increased 15% to RM9,374. Turkiye and Europe hospital inpatient admissions increased 8% to 125,903 in YTD 2023 while its revenue per inpatient admission increased 43% to RM10,675 with price adjustments to counter inflation.

The increase in Hospital and Healthcare's YTD 2023 EBITDA was mainly driven by higher revenue

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
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offset by higher staff cost and other operating expenses, as well as translational effects from a weakened TL against RM in YTD 2023.

IMU Health

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

Labs

Labs' YTD 2023 total revenue decreased 6% to RM807.9 million while its YTD 2023 EBITDA increased 1% to RM184.1 million. Labs' YTD 2023 total test volumes increased 2% to 45.9 million, notwithstanding that there were more COVID-related tests undertaken in YTD 2022. Labs' YTD 2023 non-COVID revenues increased 19% compared to YTD 2022.

PLife REIT

PLife REIT's YTD 2023 external revenue increased 2% to RM78.0 million while EBITDA increased 9% to RM157.5 million. EBITDA increased mainly due to contribution from five nursing homes acquired in September 2022 and higher inter-segment rental income from the hospitals in Singapore.

Others

YTD 2023 revenue increased 16% to RM2.7 million while EBITDA losses increased 34% to RM76.7 million. EBITDA losses increased mainly due to higher staff cost from annual increment, completion bonus recognised upon the successful divestment of IMU, as well as higher IT and travel expenses.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	2nd quarter ended 30 Jun 2023 RM'000	1st quarter ended 31 Mar 2023 RM'000	Variance %
<u>REVENUE¹</u>			
Singapore	1,346,526	1,317,337	2%
Malaysia	876,755	874,968	0%
India	875,614	815,404	7%
Greater China	327,946	298,633	10%
Turkiye and Europe	1,417,311	1,456,089	-3%
Hospital and Healthcare	4,844,152	4,762,431	2%
IMU Health	-	53,899	-100%
Labs total revenue	400,675	407,271	-2%
Less: Labs inter-segment revenue	(162,769)	(167,978)	3%
Labs	237,906	239,293	-1%
Others[^]	1,310	1,431	-8%
Group (Excluding PLife REIT)	5,083,368	5,057,054	1%
PLife REIT total revenue	102,494	100,972	2%
Less: PLife REIT inter-segment revenue	(63,499)	(61,934)	-3%
PLife REIT	38,995	39,038	0%
	5,122,363	5,096,092	1%
Adjustment for hyperinflationary economy ⁴	(448,465)	46,314	NM
Group	4,673,898	5,142,406	-9%
<u>EBITDA²</u>			
Singapore	395,466	390,872	1%
Malaysia	220,376	248,274	-11%
India	125,734	123,372	2%
Greater China	32,108	9,057	NM
Turkiye and Europe	270,165	296,832	-9%
Southeast Asia	(46)	(33)	-39%
Hospital and Healthcare	1,043,803	1,068,374	-2%
IMU Health	-	13,029	-100%
Labs	90,946	93,173	-2%
Others[^]	(35,337)	(41,410)	15%
Group (Excluding PLife REIT)	1,099,412	1,133,166	-3%
PLife REIT	78,939	78,584	0%
Eliminations³	(65,753)	(64,188)	-2%
	1,112,598	1,147,562	-3%
Adjustment for hyperinflationary economy ⁴	(108,226)	1,895	NM
Group	1,004,372	1,149,457	-13%

¹: Relates to external revenue only.

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

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

⁴: Arises from the application of MFRS 129.

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

Q2 2023 vs Q1 2023

The Group's quarter-on-quarter revenue and EBITDA decreased 9% and 13% respectively. Excluding effects of MFRS 129, the Group's quarter-on-quarter revenue increased 1% while EBITDA decreased 3%.

EBITDA decreased quarter-on-quarter on the back of a lower revenue, higher cost of operations and a higher debit adjustment in Q2 2023 relating to the application of MFRS 129.

The Group's PATMI (Excl EI) decreased 5% quarter-on-quarter. Excluding effects of MFRS 129, the Group's quarter-on-quarter PATMI (Excl EI) decreased 11%.

Hospital and Healthcare

Hospital and Healthcare recorded a 2% quarter-on-quarter increase in revenue, while its EBITDA decreased 2% quarter-on-quarter.

Singapore hospital inpatient admissions decreased 3% quarter-on-quarter, while its revenue per inpatient admission increased 4%. Malaysia hospital inpatient admissions decreased 4% quarter-on-quarter, while its revenue per inpatient admission increased 3%. India hospital inpatient admissions increased 3% quarter-on-quarter, while its revenue per inpatient admission remained flat. Turkiye and Europe hospital inpatient admissions decreased 8% quarter-on-quarter, while its revenue per inpatient increased 7%.

EBITDA decreased 2% quarter-on-quarter as higher revenue was offset by higher cost of operations.

IMU Health

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

Labs

Labs total revenue and EBITDA both decreased 2% quarter-on-quarter.

PLife REIT

PLife REIT's external revenue and EBITDA were both flat quarter-on-quarter.

Others

Revenue decreased 8% quarter-on-quarter while EBITDA losses decreased 15%. EBITDA losses decreased mainly due to reversal of over-provision of bonus in Q2 2023 and completion bonus recognised upon the successful divestment of IMU in Q1 2023.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

B3 CURRENT YEAR FINANCIAL PROSPECTS

The Group saw an increasing demand for quality healthcare services with the return of local and foreign patients to its hospitals, and especially with an ageing population in the regions that the Group operates. This has put the Group on an accelerated path of operational recovery with inpatient admission expected to exceed pre-COVID times across its markets. To meet the growing healthcare needs and demand both locally and from the region, the Group will continue with its organic growth path by expanding bed capacity by about 25% over the next three years across Malaysia (600 additional beds), India (1,400 additional beds), Turkiye (380 additional beds) and Europe (200 additional beds), while exploring strategic opportunities across Asia and Europe.

In May 2023, the Group opened its new Proton Therapy Centre at Mount Elizabeth Hospital in Singapore. The state-of-the art facility in first of its kind among private hospitals in Southeast Asia, providing adult and pediatric patients in Singapore and within the region with access to one of the most advanced forms of precision cancer treatments available.

Notwithstanding the strong underlying demand for quality healthcare services, the Group expects cost pressures from elevated inflation, and rising interest rates. The Group will maintain a tight rein on costs and leverage synergies from its international network to achieve cost savings, while at the same time, delivering appropriate care and value to its patients.

Besides pursuing operational growth, the Group continues to seek earnings-accretive opportunities to acquire strategic assets across Asia and Europe, backed by its healthy balance sheet. On 14 February 2023, the Group expanded into Turkiye's third largest city of Izmir with the acquisition of 100% of Kent, which operates the largest private hospital in Izmir. The Group will expand its footprint to Kuching, Sarawak, upon the completion of the acquisition of Bedrock Healthcare Sdn Bhd ("Bedrock") in first half of 2024, and plans scale up the existing 82-bed hospital to a 200-bed hospital with a further investment of approximately RM400.0 million, to serve the local needs in East Malaysia as well as the fast-growing medical tourism market from the region.

The Group continually reviews its asset portfolio and will divest any non-core and/or under-performing assets at an appropriate time. In 2023, the Group completed the divestment of Gleneagles Chengdu Hospital, IMU Health and Fortis Arcot Road Hospital.

The Group is confident of its long-term growth trajectory, underpinned by megatrends in healthcare as well as expansion of its existing facilities, new hospitals, improving utilisation, case mix and patient mix.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	2nd quarter ended		Financial period ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense	147,729	168,722	265,830	300,594
Deferred tax expense/(credit)	9,338	(24,582)	131,781	(105,366)
	<u>157,067</u>	<u>144,140</u>	<u>397,611</u>	<u>195,228</u>

Q2 2023 and YTD 2023 effective tax rates* were 29.3% and 17.1% respectively. Q2 2022 and YTD 2022 effective tax rates* were 16.6% and 13.2% respectively. The Group's effective tax rates differ from the Malaysia statutory tax rate mainly due to certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items), as well as unrecognised tax losses arising from some subsidiaries' operations and hospitals that are under construction or in a start-up phase.

In 2022, Acibadem Holdings recognised RM252.6 million deferred tax assets relating to the effect of prior period's indexation of property, plant and equipment in the local tax books, as allowed by the Turkiye government to cushion the effects of higher inflation, 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, Q2 2022 and YTD 2022 effective tax rates* would be 25.2% and 25.1% respectively.

* 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 August 2023:

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

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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

On 10 August 2023, Pantai Holdings Sdn. Bhd., an indirect wholly-owned subsidiary of the IHH, entered into a share purchase agreement ("SPA") with Saravita Holdings Sdn. Bhd. and 9 individual founders to acquire the entire equity interest in Bedrock Healthcare Sdn. Bhd. ("Bedrock") for a total consideration of RM245.0 million on a cash free debt free basis ("Acquisition"), subject to closing adjustments, to be fully satisfied in cash. Bedrock, through its wholly-owned subsidiaries, operates an 82-bed hospital, namely Timberland Medical Centre in Kuching, Sarawak and has earmarked a vacant land in central Kuching for the construction of a 200-bed hospital. The Acquisition is expected to be completed by the first half of 2024, subject to regulatory approvals and satisfaction of conditions precedent in accordance with the SPA. Upon completion of the Acquisition, Bedrock and its subsidiaries will be consolidated as subsidiaries of IHH.

Refer to IHH's announcement dated 10 August 2023 for details.

3. Entry into agreements for the proposed RGE Shares Acquisition by GDPL and other Ancillary Transactions

On 25 August 2023, Gleneagles Development Pte. Ltd. ("GDPL", an indirect wholly-owned subsidiary of IHH), entered into sale and purchase agreements ("SPAs") to acquire from the minority shareholders of Ravindranath GE Medical Associates Private Limited ("RGE", an indirect subsidiary of IHH), namely, Dr Ravindranath Kancharla and his persons connected (collectively, "Dr Ravi Group") of the entire stake held by Dr Ravi Group in RGE, for a total consideration of approximately INR7.4 billion (equivalent to RM415.0 million) ("RGE Shares Acquisition"). The RGE Shares Acquisition is expected to be completed by the fourth quarter of 2023. Upon completion of the RGE Shares Acquisition, IHH's effective interest in RGE would increase from 73.64%* to 98.17%.

In addition to the RGE Shares Acquisition, the following ancillary transactions ("Ancillary Transactions") were entered into with Dr Ravi Group:

(iii) Global Clinical Research Services Private Limited ("GCRS", a direct subsidiary of RGE) Share Acquisition

Purchase by GDPL of 0.32% equity stake in GCRS for a total consideration of approximately INR72,000 (equivalent to approximately RM4,000). Upon completion of the GCRS Share Acquisition, IHH's effective interest in GCRS would increase from 99.68% to 100.00%.

(iv) Chennai Properties Transaction

Purchase by RGE of a parcel of land and existing building in Chennai, India, that is used for RGE's hospital operations ("Chennai Properties"), for a total consideration of INR305.5 million (equivalent to approximately RM17.1 million), including payment of a one-time fee for the historical usage of the Chennai Properties.

The Ancillary Transactions is expected to be completed by the fourth quarter of 2023.

Refer to IHH's announcement dated 25 August 2023 for details.

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	30 Jun 2023	31 Dec 2022
	RM'000	RM'000
Non-current		
Secured		
Bank loans	430,299	522,857
Loans from corporates	3,702	2,792
Unsecured		
Bank loans	5,155,975	5,534,248
Fixed rate medium term notes	468,657	588,418
Loans from corporates*	962,949	917,674
	<u>7,021,582</u>	<u>7,565,989</u>
Current		
Secured		
Bank overdrafts	86,900	44,135
Bank loans	672,410	634,656
Loans from corporates	2,041	1,533
Unsecured		
Bank loans	1,422,324	889,896
Fixed rate medium term notes	114,547	66,022
Loans from corporates	1,076	684
	<u>2,299,298</u>	<u>1,636,926</u>
Total	<u><u>9,320,880</u></u>	<u><u>9,202,915</u></u>

* Includes loans from non-controlling interests of RM962,470,000 (2022: RM916,992,000)

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

	30 Jun 2023	31 Dec 2022
	RM'000	RM'000
Hong Kong Dollar	3,068,903	2,928,559
Japanese Yen	2,051,739	2,084,418
Singapore Dollar	1,819,936	2,005,562
Euro	871,321	669,559
Indian Rupees	555,172	581,761
Renminbi	541,942	517,914
Turkish Lira	348,898	388,075
Ringgit Malaysia	35,000	-
Macedonian Denar	26,412	25,698
Others	1,557	1,369
	<u>9,320,880</u>	<u>9,202,915</u>

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 30 June 2023:

	Notional amount as at 30 Jun 2023 RM'000	Fair value amount as at 30 Jun 2023 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	410,120	111,336
- Between 1 - 3 years	192,473	31,086
- More than 3 years	111,320	14,778
	<u>713,913</u>	<u>157,200</u>
Interest rate caps		
- Between 1 - 3 years	771,813	984
- More than 3 years	363,528	2,379
	<u>1,135,341</u>	<u>3,363</u>
Cross currency interest rate swaps		
- Between 1 - 3 years	284,190	81,367
Cross currency swaps		
- Within 1 year	68,561	206,672
- Between 1 - 3 years	34,427	103,687
	<u>102,988</u>	<u>310,359</u>
	<u>2,236,432</u>	<u>552,289</u>
Derivative liabilities		
Interest rate swaps		
- Within 1 year	144,019	(88)
Call option granted to non-controlling interests		
- Within 1 year	28,619	-
	<u>172,638</u>	<u>(88)</u>

Foreign exchange forward contracts

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

Interest rate caps

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

Cross currency interest rate swaps and cross currency swaps

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

Interest rate swaps

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

Call option granted to non-controlling interests

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

There are no changes to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Refer to Section B13 for the fair value gain/loss recognised in the statement of profit or loss.

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

Other than as disclosed in Section A15 the Group does not remeasure its financial liabilities and derivatives at reporting date. The changes in fair value recognised through profit or loss are disclosed in Section B13.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B10 MATERIAL LITIGATIONS

The following are the material litigations of the Group:

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

- (a) The Delhi Development Authority ("DDA") had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. The matter is currently pending before the High Court of Delhi. Consequent to the termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Supreme Court of India. The Supreme Court of India, vide its order dated 14 November 2019, has quashed the show cause notice for eviction proceedings. Based on external legal counsel advice, EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the financial statements.
- (b) In relation to the judgement of the High Court of Delhi relating to provision of free treatment/beds to patients of the economically weaker sections of society, the Directorate of Health Services ("DoHS"), Government of NCT of Delhi, appointed a firm to calculate "unwarranted profits" arising to EHIRCL due to alleged non-compliance. Following various hearings and appeals between 2014 and 2018, DoHS in May 2018, passed an order imposing a demand of INR5.0 billion (equivalent to RM286.0 million) which was challenged by EHIRCL before the High Court of Delhi. Through an order dated 1 June 2018, the High Court of Delhi has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of INR50.0 million (equivalent to RM2.9 million) before the DoHS. EHIRCL deposited INR50.0 million (equivalent to RM2.9 million) on 20 June 2018. Matter is sub judice before the High Court of Delhi. Based on its internal assessment and advice from its counsel, on the basis of the documents available, EHIRCL believes that it is in compliance of the conditions of free treatment and free beds to patients of economic weaker sections, has a good case of success. and expects the demand to be set aside.

B11 DIVIDENDS

The Board of Directors have declared that a interim cash dividend of 3.5 sen per ordinary share for the financial year ending 31 December 2023 to be paid on 27 October 2023 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn. Bhd. and The Central Depository (Pte) Limited ("CDP") at the close of business on 29 September 2023. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 29 September 2023 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

For details of the dividends paid by the Company during the financial period ended 30 June 2023, please refer to Section A7.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B12 EARNINGS PER SHARE ("EPS")

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

	2nd quarter ended		Financial period ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
i) <u>Net profit attributable to ordinary shareholders</u>				
Profit after tax and non-controlling interests	301,832	612,104	1,692,351	1,105,363
Perpetual securities distribution accrued	-	(23,206)	-	(45,229)
	<u>301,832</u>	<u>588,898</u>	<u>1,692,351</u>	<u>1,060,134</u>
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>				
Profit after tax and non-controlling interests (excluding EI)	315,008	317,466	644,874	724,889
Perpetual securities distribution accrued	-	(23,206)	-	(45,229)
	<u>315,008</u>	<u>294,260</u>	<u>644,874</u>	<u>679,660</u>
Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	<u>8,806,991</u>	<u>8,802,736</u>	<u>8,806,604</u>	<u>8,801,112</u>
	sen	sen	sen	sen
Basic EPS	3.43	6.69	19.22	12.05
Basic EPS (excluding EI)	<u>3.58</u>	<u>3.34</u>	<u>7.32</u>	<u>7.72</u>

Diluted earnings per share

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

	2nd quarter ended		Financial period ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,806,991	8,802,736	8,806,604	8,801,112
Weighted number of unissued ordinary shares from share options under EOS	4	4,504	39	1,628
Weighted average number of dilutive ordinary shares for computation of diluted EPS	<u>8,806,996</u>	<u>8,807,239</u>	<u>8,806,643</u>	<u>8,802,740</u>
	sen	sen	sen	sen
Diluted EPS	3.43	6.69	19.22	12.04
Diluted EPS (excluding EI)	<u>3.58</u>	<u>3.34</u>	<u>7.32</u>	<u>7.72</u>

At 30 June 2023, 1,504,000 (30 June 2022: 3,339,000) outstanding EOS options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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

	2nd quarter ended		Financial period ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	RM'000	RM'000	RM'000	RM'000
Dividend income	204	16	204	63
Other operating income	71,969	79,707	176,377	169,507
Foreign exchange differences	6,877	24,325	12,186	22,357
Impairment loss (made)/written back:				
- Property, plant and equipment	(2)	57	(114)	34
- Trade and other receivables	(17,371)	2,606	(51,441)	(6,861)
- Inventories	-	404	-	134
Write off:				
- Property, plant and equipment	(60)	(151)	(155)	(274)
- Trade and other receivables	(2,794)	(2,048)	(3,919)	(3,867)
- Inventories	(2,807)	(1,651)	(4,266)	(2,487)
Change in fair value of investment properties	(787)	(1,728)	(1,579)	(3,621)
Gain on disposal of property, plant and equipment	2,112	8,844	5,598	9,708
Gain on disposal of subsidiaries	3,785	-	985,202	-
Finance income				
Interest income	23,607	29,825	42,136	50,861
Exchange loss on net borrowings	(16,225)	-	-	-
Fair value gain on financial instruments	175,382	95,770	180,216	124,967
	182,764	125,595	222,352	175,828
Finance costs				
Interest on loans and borrowings	(107,708)	(63,308)	(220,686)	(117,360)
Interest on lease liabilities	(32,886)	(35,300)	(76,296)	(69,554)
Exchange loss on net borrowings	(247,618)	(64,801)	(247,618)	(94,388)
Fair value gain/(loss) on financial instruments	14,753	(520)	-	(1,305)
Other finance costs	(12,021)	(21,256)	(26,101)	(29,142)
	(385,480)	(185,185)	(570,701)	(311,749)