

IHH Healthcare Berhad
(Registration No. 201001018208 (901914-V))
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the
year ended 31 December 2023**

IHH Healthcare Berhad

(Registration No. 201001018208 (901914-V))

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The principal activities of the Company are those relating to investment holding and the provision of consultancy and support services, whilst the principal activities of the subsidiaries are as stated in note 41 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in note 41 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	2,951,874	1,370,647
Non-controlling interests	439,081	-
	<u>3,390,955</u>	<u>1,370,647</u>

Reserves and provisions

Except as disclosed in the financial statements, there were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the Company paid a first and final single tier cash dividend of 7.0 sen per ordinary share amounting to RM616,489,000 for the financial year ended 31 December 2022 on 28 April 2023, a special cash dividend of 9.6 sen per ordinary share amounting to RM845,472,000 for the financial year ended 31 December 2023 on 30 June 2023 and an interim cash dividend of 3.5 sen per ordinary share amounting to RM308,244,000 for the financial year ended 31 December 2023 on 27 October 2023.

The Board of Directors has declared that a final cash dividend of 5.5 sen per ordinary share for the financial year ended 31 December 2023 to be paid on 26 April 2024 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn Bhd and The Central Depository (Pte) Limited ("CDP") at the close of business on 27 March 2024. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 27 March 2024 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Tan Sri Mohammed Azlan Bin Hashim	
Takeshi Akutsu	
Tomo Nagahiro	Appointed on 3 February 2023
Lim Tsin-Lin	Appointed on 16 February 2023
Mehmet Ali Aydinlar	
Mohd Shahazwan Bin Mohd Harris	Appointed on 29 March 2023
Jill Margaret Watts	
Dato' Sri Muthanna Bin Abdullah	
Ong Ai Lin	
Satoshi Tanaka	
Mok Jia Mei (Alternate Director to Lim Tsin-Lin)	Appointed on 16 February 2023
Takeshi Saito	Resigned on 27 January 2023
Dr. Farid Bin Mohamed Sani	Resigned on 10 February 2023
Dr. Kelvin Loh Chi-Keon	Resigned on 22 February 2023
Tunku Alizakri Bin Raja Muhammad Alias	Resigned on 16 March 2023
Mok Jia Mei (Alternate Director to Dr. Farid Bin Mohamed Sani)	Resigned on 10 February 2023
Tomo Nagahiro (Alternate Director to Takeshi Akutsu)	Resigned on 27 January 2023

By way of relief order granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Malaysian Companies Act 2016 have not been disclosed in this Report. Their names are set out in the respective subsidiaries' Directors' Report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

Directors' interests

The interests and deemed interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1 January 2023	Options exercised	Bought	Sold
Interests in the Company				
Mehmet Ali Aydinlar				
- Direct	411,323,132	948,000	-	(404,323,132)*
- Deemed	112,787,041	-	404,323,132*	-
				7,948,000
				517,110,173
Ong Ai Lin				
- Direct	10,000	-	-	-
				10,000

* Change of interest due to transfer of 157,000,000 shares in IHH Healthcare Berhad from Raffles Nominees (Pte) Limited (direct) to Raffles Nominees (Pte) Limited for SZA Gayrimenkul Yatirim Insaat ve Ticaret Anonim Sirketi (indirect) and transfer of 247,323,132 shares in IHH Healthcare Berhad from Citibank Nominees Singapore Private Limited, nominee of UBS Switzerland AG (direct) to Citigroup Nominees (Asing) Sdn Bhd, UBS Switzerland AG for SZA Gayrimenkul Yatirim Insaat ve Ticaret Anonim Sirketi (indirect).

Directors' interests (continued)

	Number of ordinary shares of TL1.00 each				
	At 1 January 2023	Options exercised	Bought	Sold	At 31 December 2023
Interests in subsidiaries					
Acibadem Saglik Yatirimlari Holding A.S. ("ASYH")					
Mehmet Ali Aydinlar					
- Direct	217,211,842	-	-	-	217,211,842
- Deemed	16,828,159	-	-	-	16,828,159
Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH")					
Mehmet Ali Aydinlar					
- Direct	1	-	-	-	1
- Deemed	1	-	-	-	1
Acibadem Proje Yonetimi A.S.					
Mehmet Ali Aydinlar					
- Direct	1	-	-	-	1
Aplus Hastane Otelcilik Hizmetleri A.S.					
Mehmet Ali Aydinlar					
- Direct	1	-	-	-	1
- Deemed	2	-	-	-	2

	Number of ordinary shares of TL2.00 each				
	At 1 January 2023	Options exercised	Bought	Sold	At 31 December 2023
Interests in a subsidiary					
International Hospital Istanbul A.S.					
Mehmet Ali Aydinlar					
- Direct	1	-	-	-	1
- Deemed	1	-	-	-	1

	Number of options over ordinary shares				
	At 1 January 2023	Granted	Exercised	Lapsed/ cancelled	At 31 December 2023
Interests in the Company					
Enterprise Option Scheme ("EOS")					
Mehmet Ali Aydinlar	948,000	-	(948,000)	-	-

Except as disclosed above, none of the other Directors holding office as at 31 December 2023 had any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in note 38 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of the vested EOS as disclosed in note 21 to the financial statements.

Issue of shares and debentures

During the financial year, the Company issued 948,000 new ordinary shares of RM5.79 per ordinary shares pursuant to the exercise of vested EOS units.

Upon completion of the above, the issued and fully paid number of shares of the Company increased from 8,806,043,463 to 8,806,991,463 as at 31 December 2023.

There were no other changes in the issued and paid-up capital of the Company, and no other debenture were issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of share options pursuant to the following scheme:

EOS

At an extraordinary general meeting held on 15 June 2015, the Company's shareholders approved the establishment of the EOS for granting of non-transferrable options to eligible employees of the Group any time during the existence of the scheme.

The salient features and the other terms of the EOS are, *inter alia*, as follows:

- (i) Eligible employees are executive directors and selected senior management employed by the Group who has been selected by the Board at its discretion, if as at the offer date, the employee:
 - has attained the age of 18 years;
 - is in the full time employment and payroll of the Group including contract employees or in the case of a director, is on the board of directors of the Group; and
 - falls within such other categories and criteria that the Board may from time to time at its absolute discretion determine.

Options granted over unissued shares (continued)

- (ii) The aggregate number of shares to be issued under the EOS shall not exceed 2% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company.
- (iii) The EOS shall be in force for a period of 10 years from 22 June 2015.
- (iv) The EOS options granted in each year will vest in the participants over a three-year period, in equal proportion (or substantially equal proportion) each year.
- (v) The exercise price for the EOS option granted shall be determined by the Board which shall be based on the 5-day weighted average market price of the underlying shares a day immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant regulatory from time to time (subject to the Board's discretion to grant the discount).
- (vi) Each EOS option gives a conditional right to the participant to receive 1 Share, upon exercise of the option and subject to the payment of the exercise price.
- (vii) The EOS options are granted if objective performance targets or such other objective conditions of exercise that the Board may determine from time to time on a yearly basis and which are met.
- (viii) The total number of EOS options which may be allocated to a participant who either singly or collectively with persons connected with him owns 20% or more of the issued and paid-up capital of the Company shall not exceed in aggregate 10% of the total number of Shares to be issued under the EOS.

Options granted but not yet vested and any unexercised options shall lapse with immediate effect and cease to be exercisable if the participant is no longer in employment with the Group, by way of termination, disqualification or resignation or in the case of a director, cease or disqualified to be a Director of the Group or the participant becomes a bankrupt, unless the Board determines otherwise. The options granted during the financial year is disclosed in note 21 to the financial statements.

Indemnity and insurance costs

During the financial year, the Company maintained a Directors' and Officers' Liability Insurance for the Group's directors and officers. The insurance premium incurred by the Company was RM877,000.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for those disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

Significant events during the financial year are as disclosed in notes 39 and 40 to the financial statements.

Subsequent event

Significant event subsequent to the end of the reporting period is as disclosed in note 45 to the financial statements.

Consolidation of subsidiaries with different financial year end

Pursuant to Section 247(7) of the Companies Act 2016, the Company has applied and has been granted approval by the Companies Commission of Malaysia for the following subsidiaries of the Company to continue to have or to adopt a financial year which does not coincide with the Company in relation to the financial year ended 31 December 2023:

- Parkway Healthcare India Private Limited
- Andaman Alliance Healthcare Limited
- Gleneagles Healthcare India Private Limited (formerly known as Ravindranath GE Medical Associates Private Limited) ("GHIPL") and its subsidiaries ("GHIPL Group")
- Fortis Healthcare Limited ("Fortis") and its subsidiaries ("Fortis Group")

The details of the subsidiaries of GHIPL and Fortis are disclosed in note 41 to the financial statements.

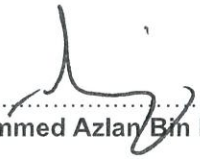
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Auditors


The auditors, KPMG PLT have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in note 28 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Tan Sri Mohammed Azlan Bin Hashim
Director



.....
Ong Ai Lin
Director

Date: 29 FEB 2024

IHH Healthcare Berhad

(Registration No. 201001018208 (901914-V))

(Incorporated in Malaysia)

and its subsidiaries

Statements of financial position as at 31 December 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	13,413,941	11,882,760	169	195
Right-of-use assets	4	7,119,066	6,685,030	294	1,293
Investment properties	5	4,105,768	3,938,335	-	-
Goodwill on consolidation	6	14,295,951	13,209,372	-	-
Other intangible assets	6	2,963,011	2,737,840	-	-
Investments in subsidiaries	7	-	-	20,434,404	20,743,073
Interests in associates	8	139,761	133,076	-	-
Interests in joint ventures	9	6,813	6,751	-	-
Other financial assets	10	233,393	127,620	-	-
Trade and other receivables	14	128,840	196,563	-	2,771
Tax recoverables		422,193	374,905	-	-
Derivative assets	24	138,018	258,970	-	-
Deferred tax assets	11	512,495	633,943	1,100	1,433
Total non-current assets		<u>43,479,250</u>	<u>40,185,165</u>	<u>20,435,967</u>	<u>20,748,765</u>
Development properties	12	79,579	76,471	-	-
Inventories	13	639,837	519,431	-	-
Trade and other receivables	14	3,084,027	2,625,424	94,915	30,534
Tax recoverables		31,244	73,641	-	-
Other financial assets	10	286,008	249,717	172	-
Derivative assets	24	212,898	149,816	-	-
Cash and cash equivalents	15	2,379,123	3,663,511	7,888	154,512
		6,712,716	7,358,011	102,975	185,046
Assets classified as held for sale	16	194	924,311	-	-
Total current assets		<u>6,712,910</u>	<u>8,282,322</u>	<u>102,975</u>	<u>185,046</u>
Total assets		<u>50,192,160</u>	<u>48,467,487</u>	<u>20,538,942</u>	<u>20,933,811</u>

Statements of financial position as at 31 December 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Equity					
Share capital	17	19,691,630	19,684,881	19,691,630	19,684,881
Other reserves	18	1,573,882	(158,140)	26,666	23,294
Retained earnings		7,840,027	6,665,236	788,741	1,184,127
Total equity attributable to owners of the Company		29,105,539	26,191,977	20,507,037	20,892,302
Non-controlling interests	7	3,253,111	2,967,080	-	-
Total equity		32,358,650	29,159,057	20,507,037	20,892,302
Liabilities					
Loans and borrowings	20	6,650,567	7,565,989	-	-
Lease liabilities		1,412,669	1,407,923	31	298
Employee benefits	21	182,950	172,261	2,575	9,730
Trade and other payables	23	454,222	1,255,005	-	-
Derivative liabilities	24	12,936	-	-	-
Deferred tax liabilities	11	1,663,349	1,648,525	-	-
Total non-current liabilities		10,376,693	12,049,703	2,606	10,028
Bank overdrafts	15	77,885	44,135	-	-
Loans and borrowings	20	1,660,820	1,592,791	-	-
Lease liabilities		247,822	223,118	267	1,008
Employee benefits	21	158,354	148,470	5,527	4,032
Trade and other payables	23	4,951,735	4,208,470	22,614	24,761
Derivative liabilities	24	7,159	4,379	-	-
Tax payable		353,042	378,637	891	1,680
		7,456,817	6,600,000	29,299	31,481
Liabilities directly associated with assets classified as held for sale	16	-	658,727	-	-
Total current liabilities		7,456,817	7,258,727	29,299	31,481
Total liabilities		17,833,510	19,308,430	31,905	41,509
Total equity and liabilities		50,192,160	48,467,487	20,538,942	20,933,811

The notes on pages 20 to 139 are an integral part of these financial statements.

IHH Healthcare Berhad

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and its subsidiaries

Statements of profit or loss and other comprehensive income for the year ended 31 December 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	25	20,934,837	17,988,687	640,394	340,436
Other operating income		1,413,431	497,786	831,535	31,471
Inventories and consumables		(4,339,550)	(3,796,895)	-	-
Purchases and contracted services		(1,897,712)	(1,700,658)	-	-
Staff costs	26	(7,632,234)	(6,319,461)	(71,464)	(54,689)
Depreciation and impairment of property, plant and equipment	3	(1,072,505)	(1,374,475)	(127)	(233)
Depreciation and impairment of right-of-use assets	4	(390,645)	(357,893)	(999)	(1,000)
Amortisation and impairment of intangible assets	6	(47,720)	(58,452)	-	-
Operating lease expenses	4c	(112,790)	(87,955)	(166)	(709)
Net loss on impairment of financial instruments		(99,226)	(44,686)	-	(8,567)
Other operating expenses		(2,598,221)	(2,486,260)	(33,387)	(38,235)
Finance income	27	102,764	113,383	8,238	13,968
Finance costs	27	(941,319)	(657,413)	(10)	(317)
Net monetary gain arising from hyperinflationary economy		703,941	462,512	-	-
Share of profits of associates (net of tax)		24,784	36,836	-	-
Share of profits of joint ventures (net of tax)		1,466	2,035	-	-
Profit before tax	28	4,049,301	2,217,091	1,374,014	282,125
Income tax expense	31	(658,346)	(571,949)	(3,367)	(3,198)
Profit for the year		<u>3,390,955</u>	<u>1,645,142</u>	<u>1,370,647</u>	<u>278,927</u>
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences from foreign operations		1,488,181	224,633	1,090	586
Realisation of foreign currency translation reserve ("FCTR") upon disposal of subsidiaries		11,150	-	-	-
Hyperinflationary adjustments		413,852	669,372	-	-
Hedge of net investments in foreign operations		198,273	313,681	-	-
Cash flow hedge		(84,136)	22,137	-	-
Cost of hedging		(2,082)	1,292	-	-
	29	<u>2,025,238</u>	<u>1,231,115</u>	<u>1,090</u>	<u>586</u>

Statements of profit or loss and other comprehensive income for the year ended 31 December 2023 (continued)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liabilities		(29,701)	(15,297)	-	-
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")		47,395	-	-	-
Total other comprehensive income for the year, net of tax	29	<u>2,042,932</u>	<u>1,215,818</u>	<u>1,090</u>	<u>586</u>
Total comprehensive income for the year		<u>5,433,887</u>	<u>2,860,960</u>	<u>1,371,737</u>	<u>279,513</u>
Profit attributable to:					
Owners of the Company		2,951,874	1,548,398	1,370,647	278,927
Non-controlling interests	7	<u>439,081</u>	<u>96,744</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>3,390,955</u>	<u>1,645,142</u>	<u>1,370,647</u>	<u>278,927</u>
Total comprehensive income attributable to:					
Owners of the Company		4,804,799	2,835,443	1,371,737	279,513
Non-controlling interests		<u>629,088</u>	<u>25,517</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>5,433,887</u>	<u>2,860,960</u>	<u>1,371,737</u>	<u>279,513</u>
Earnings per ordinary share (sen):					
Basic	32	<u>33.52</u>	<u>17.00</u>		
Diluted	32	<u>33.52</u>	<u>16.99</u>		

The notes on pages 20 to 139 are an integral part of these financial statements.

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Statements of changes in equity for the year ended 31 December 2023

Attributable to owners of the Company														
Non-distributable														
Distributable														
Group	Note	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	(4,030,200)	31,364	2,477,295	5,715,567	23,943,171	2,158,358	2,953,299	29,054,828
Foreign currency translation differences from foreign operations		-	-	-	-	-	-	-	489,854	-	489,854	-	(265,221)	224,633
Hyperinflationary adjustments		-	-	-	-	-	96,694	2,238	610,368	(20,308)	688,992	-	(19,620)	669,372
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	111,509	-	111,509	-	202,172	313,681
Cash flow hedge		-	-	-	7,869	-	-	-	-	-	7,869	-	14,268	22,137
Costs of hedging		-	-	-	-	459	-	-	-	-	459	-	833	1,292
Remeasurement of defined benefit liabilities		-	-	-	-	-	-	-	-	(11,638)	(11,638)	-	(3,659)	(15,297)
Total other comprehensive income for the year	29	-	-	-	7,869	459	96,694	2,238	1,211,731	(31,946)	1,287,045	-	(71,227)	1,215,818
Profit for the year		-	-	-	-	-	-	-	-	1,548,398	1,548,398	-	96,744	1,645,142
Total comprehensive income for the year		-	-	-	7,869	459	96,694	2,238	1,211,731	1,516,452	2,835,443	-	25,517	2,860,960
Contributions by and distributions to owners														
Share-based payment transactions		-	3,319	-	-	-	-	-	-	-	3,319	-	-	3,319
Transfer to share capital on share options exercised		69,963	(14,221)	-	-	-	-	-	-	-	55,742	-	-	55,742
Cancellation of vested share options		-	(189)	-	-	-	-	-	-	189	-	-	-	-
Dividends to owners of the Company	33	-	-	-	-	-	-	-	-	(528,162)	(528,162)	-	-	(528,162)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(184,854)	(184,854)
Redemption and payment of coupon on perpetual securities		-	-	-	-	-	(47,158)	-	-	-	(47,158)	(2,210,570)	-	(2,257,728)
Accrued perpetual securities distribution	19	-	-	-	-	-	-	-	-	(52,212)	(52,212)	52,212	-	-
Remeasurement of liabilities on put options granted to non-controlling interests		-	-	-	-	-	(2,306)	-	-	-	(2,306)	-	212,155	209,849
Transfer per statutory requirements		-	-	-	-	-	-	2,778	-	(2,778)	-	-	-	-
Others		-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-
Changes in ownership interests in subsidiaries		69,963	(11,091)	-	(16,180)	-	(49,464)	2,778	-	(566,783)	(570,777)	(2,158,358)	27,301	(2,701,834)
		-	-	-	(2)	-	(15,853)	-	(5)	-	(15,860)	-	(39,037)	(54,897)
Total transactions with owners		69,963	(11,091)	-	(16,182)	-	(65,317)	2,778	(5)	(566,783)	(586,637)	(2,158,358)	(11,736)	(2,756,731)
At 31 December 2022		19,684,881	22,783	83,434	8,274	791	(3,998,823)	36,380	3,689,021	6,665,236	26,191,977	-	2,967,080	29,159,057

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Statements of changes in equity for the year ended 31 December 2023 (continued)

Group	Note	Attributable to owners of the Company										Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000		
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	-	29,159,057
Foreign currency translation differences from foreign operations		-	-	-	-	-	-	-	-	1,404,075	-	1,404,075	-	1,488,181
Realisation of FCTR upon disposal of subsidiaries		-	-	-	-	-	-	-	-	11,150	-	11,150	-	11,150
Hyperinflationary adjustments		-	-	-	-	-	-	117,433	2,386	291,393	(1,841)	409,371	-	413,852
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	-	70,493	-	70,493	-	198,273
Cash flow hedge		-	-	-	-	(63,245)	-	-	-	-	-	(63,245)	-	(84,136)
Costs of hedging		-	-	-	-	-	(740)	-	-	-	-	(740)	-	(2,082)
Change in fair value of financial assets at FVOCI		-	-	-	47,395	-	-	-	-	-	-	47,395	-	47,395
Remeasurement of defined benefit liabilities		-	-	-	-	-	-	-	-	-	(25,574)	(25,574)	-	(29,701)
Total other comprehensive income for the year	29	-	-	-	47,395	(63,245)	(740)	117,433	2,386	1,777,111	(27,415)	1,852,925	-	2,042,932
Profit for the year		-	-	-	-	-	-	-	-	-	2,951,874	2,951,874	-	3,390,955
Total comprehensive income for the year		-	-	-	47,395	(63,245)	(740)	117,433	2,386	1,777,111	2,924,459	4,804,799	-	5,433,887
<i>Contributions by and distributions to owners</i>														
Share-based payment transactions		-	7,714	-	-	-	-	-	-	-	-	7,714	-	7,714
Transfer to share capital on share options exercised		6,749	(1,260)	-	-	-	-	-	-	-	-	5,489	-	5,489
Cancellation of vested share options		-	(4,172)	-	-	-	-	-	-	-	4,172	-	-	-
Dividends to owners of the Company	33	-	-	-	-	-	-	-	-	-	(1,770,205)	(1,770,205)	-	(1,770,205)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(266,759)	(266,759)
Issue of shares by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	9,943	9,943
Remeasurement of liabilities on put options granted to non-controlling interests		-	-	-	-	-	-	410,672	-	-	-	410,672	27,725	438,397
Transfer per statutory requirements		-	-	-	-	-	-	-	8,160	-	(8,283)	(123)	123	-
Others		-	-	-	-	-	-	-	-	-	7,199	7,199	800	7,999
Changes in ownership interests in subsidiaries		6,749	2,282	-	-	-	-	410,672	8,160	-	(1,767,117)	(1,339,254)	-	(1,567,422)
Total transactions with owners		6,749	2,282	-	-	(3)	-	(549,459)	8,160	1	(1,767,117)	(1,888,715)	-	(2,288,213)
Disposal of subsidiaries		-	-	-	-	-	-	(19,971)	-	-	17,449	(2,522)	-	53,919
At 31 December 2023		19,691,630	25,065	83,434	47,395	(54,974)	51	(4,040,148)	46,926	5,466,133	7,840,027	29,105,539	-	32,358,650

Statements of changes in equity for the year ended 31 December 2023 (continued)

/----- Attributable to owners of the Company -----/					
/----- Non-distributable -----/			Distributable		
Note	Share capital RM'000	Share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 January 2022	19,614,918	33,874	(75)	1,433,173	21,081,890
Foreign currency translation differences from foreign operations, representing total other comprehensive income for the year	-	-	586	-	586
Profit for the year	-	-	-	278,927	278,927
Total comprehensive income for the year	-	-	586	278,927	279,513
<i>Contributions by and distributions to owners of the Company</i>					
Share-based payment transactions	-	3,319	-	-	3,319
Transfer to share capital on share options exercised	69,963	(14,221)	-	-	55,742
Cancellation of vested share options	-	(189)	-	189	-
Dividends to owners of the Company	-	-	-	(528,162)	(528,162)
Total transactions with owners of the Company	69,963	(11,091)	-	(527,973)	(469,101)
At 31 December 2022	19,684,881	22,783	511	1,184,127	20,892,302

Statements of changes in equity for the year ended 31 December 2023 (continued)

/----- Attributable to owners of the Company -----/					
/----- Non-distributable -----/			Distributable		
Note	Share capital RM'000	Share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 January 2023	19,684,881	22,783	511	1,184,127	20,892,302
Foreign currency translation differences from foreign operations, representing total other comprehensive income for the year	-	-	1,090	-	1,090
Profit for the year	-	-	-	1,370,647	1,370,647
Total comprehensive income for the year	-	-	1,090	1,370,647	1,371,737
<i>Contributions by and distributions to owners of the Company</i>					
Share-based payment transactions	-	7,714	-	-	7,714
Transfer to share capital on share options exercised	6,749	(1,260)	-	-	5,489
Cancellation of vested share options	-	(4,172)	-	4,172	-
Dividends to owners of the Company	-	-	-	(1,770,205)	(1,770,205)
Total transactions with owners of the Company	6,749	2,282	-	(1,766,033)	(1,757,002)
At 31 December 2023	19,691,630	25,065	1,601	788,741	20,507,037

The notes on pages 20 to 139 are an integral part of these financial statements.

IHH Healthcare Berhad

(Registration No. 201001018208 (901914-V))

(Incorporated in Malaysia)

and its subsidiaries

Statements of cash flows for the year ended 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		4,049,301	2,217,091	1,374,014	282,125
<i>Adjustments for:</i>					
Dividend income	25	(454)	(63)	(620,995)	(340,436)
Finance income	27	(102,764)	(113,383)	(8,238)	(13,968)
Finance costs	27	941,319	657,413	10	317
Depreciation and impairment of property, plant and equipment	3	1,072,505	1,374,475	127	233
Depreciation and impairment of right-of-use assets	4	390,645	357,893	999	1,000
Amortisation and impairment of intangible assets	6	47,720	58,452	-	-
Impairment loss made:					
- Goodwill	28	-	150,066	-	-
- Trade and other receivables	28	99,226	44,686	-	8,567
Write-off:					
- Property, plant and equipment	28	1,851	1,087	-	-
- Trade and other receivables	28	13,843	10,048	-	-
- Inventories	28	6,679	4,296	-	-
Gain on disposal of property, plant and equipment	28	(10,691)	(11,864)	-	-
Gain on disposal of subsidiaries	28	(991,480)	-	(827,545)	-
Gain on disposal of interests in associates	28	(3,723)	-	-	-
Gain on disposal of assets		(1,946)	-	-	-
Change in fair value of investment properties	28	(9,299)	(23,750)	-	-
Share of profits of associates (net of tax)		(24,784)	(36,836)	-	-
Share of profits of joint ventures (net of tax)		(1,466)	(2,035)	-	-
Equity-settled share-based payments		7,714	3,319	3,227	1,353
Net monetary gain arising from hyperinflationary economy		(703,941)	(462,512)	-	-
Operating profit/(loss) before changes in working capital		4,780,255	4,228,383	(78,401)	(60,809)
Changes in working capital:					
Development properties		(2,325)	(2,609)	-	-
Inventories		(193,243)	(108,513)	-	-
Trade and other receivables		(550,151)	(579,931)	(49,546)	77,506
Trade and other payables		378,878	746,445	(31,528)	(799,733)
Cash generated from/(used in) operations		4,413,414	4,283,775	(159,475)	(783,036)
Tax paid		(653,980)	(616,132)	(3,816)	(3,001)
Net cash from/(used in) operating activities		3,759,434	3,667,643	(163,291)	(786,037)

Statements of cash flows for the year ended 31 December 2023 (continued)

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Interest received		91,020	85,597	5,560	13,340
Acquisitions of subsidiaries/businesses, net of cash and cash equivalents acquired		(294,104)	(50,125)	-	-
Investment in subsidiaries		-	-	-	(268,582)
Increase in investments in joint ventures		(27)	-	-	-
Purchase of other financial assets		(1,690,234)	(77,668)	(1,476,823)	-
Net withdrawal/(placement) of fixed deposits with tenor of more than 3 months		79,705	(85,012)	-	-
Purchase of property, plant and equipment		(1,870,649)	(1,668,399)	(100)	(97)
Cost capitalised and purchase of investment properties		(76,747)	(206,941)	-	-
Development and purchase of intangible assets		(72,978)	(47,848)	-	-
Net cash inflow from disposal of subsidiaries		1,180,500	-	1,152,508	-
Proceeds from disposal of interests in associates		18,289	-	-	-
Proceeds from disposal of other financial assets		1,554,503	136,608	1,479,612	112,099
Proceeds from disposal of property, plant and equipment		30,545	35,017	-	-
Proceeds from disposal of asset		82,543	-	-	-
Dividends received from subsidiaries	25	-	-	620,615	340,372
Dividends received from associates		29,678	23,457	-	-
Dividends received from joint ventures		1,665	1,420	-	-
Net cash (used in)/from investing activities		(936,291)	(1,853,894)	1,781,372	197,132
Cash flows from financing activities					
Finance costs paid		(462,181)	(293,706)	-	-
Proceeds from loans and borrowings		6,925,751	4,061,286	-	-
Repayment of loans and borrowings		(7,395,718)	(3,632,316)	-	-
Payment of lease liabilities	4c	(256,617)	(337,144)	(1,018)	(1,019)
Payment of perpetual securities distribution and redemption		-	(2,257,728)	-	-
Dividends paid to owners of the Company		(1,770,205)	(528,162)	(1,770,205)	(528,162)
Dividends paid to non-controlling interests		(266,759)	(184,854)	-	-
Proceeds from exercise of share options		5,489	55,742	5,489	55,742
Repurchase of shares from non-controlling interests		(303,528)	(56,795)	-	-
Acquisition of non-controlling interests		(419,111)	-	-	-
Capital injection by non-controlling interests		9,943	-	-	-
Proceeds from issuance of fixed rate notes		109,667	348,535	-	-
Redemption of fixed rate notes		(175,312)	(94,711)	-	-
Net cash used in financing activities		(3,998,581)	(2,919,853)	(1,765,734)	(473,439)

Statements of cash flows for the year ended 31 December 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net decrease in cash and cash equivalents		(1,175,438)	(1,106,104)	(147,653)	(1,062,344)
Effect of exchange rate fluctuations on cash held		(185,676)	(371,069)	1,029	1,976
Hyperinflationary restatement of cash and cash equivalents at beginning of the period		-	146,074	-	-
Cash and cash equivalents at 1 January		3,662,352	4,993,451	154,512	1,214,880
Cash and cash equivalents at 31 December		2,301,238	3,662,352	7,888	154,512

The notes on pages 20 to 139 are an integral part of these financial statements.

IHH Healthcare Berhad

(Registration No. 201001018208 (901914-V))

(Incorporated in Malaysia)

and its subsidiaries

Notes to the financial statements

IHH Healthcare Berhad is a company incorporated and domiciled in Malaysia. It is listed on Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited. The address of the Company's principal place of business and registered office is as follows:

Level 11, Block A
Pantai Hospital Kuala Lumpur
8 Jalan Bukit Pantai
59100 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" or "IHH Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures.

The principal activities of the Company are those relating to investment holding and the provision of consultancy and support services, whilst the principal activities of the subsidiaries are as stated in note 41 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 29 February 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendment that is effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement basis stated below:

- Derivative financial instruments
- Non-derivative financial instruments at fair value through profit or loss (“FVTPL”)
- Investment properties
- Equity securities at fair value through other comprehensive income (“FVOCI”)

Application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* for Group entities whose functional currency is the Turkish Lira

The Turkish economy was designated as hyperinflationary for reporting periods ending on or after 30 April 2022. As a result, MFRS 129, *Financial Reporting in Hyperinflationary Economies* has been applied for Group entities whose functional currency is the Turkish Lira.

1. Basis of preparation (continued)

(b) Basis of measurement (continued)

Application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* for Group entities whose functional currency is the Turkish Lira (continued)

The assets, liabilities, equity items, income and expenses of the Group's foreign operations in Türkiye are translated to Ringgit Malaysia ("RM") at the exchange rate at the reporting date. Prior to that, 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 reporting date.

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 reporting date;
- Adjustment of the income and expenses for inflation during the reporting period;
- The income and expenses are translated at the foreign exchange rate at the reporting date instead of an average rate; and
- Adjustment of the income and expenses to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

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

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

(c) Functional and presentation currencies

These financial statements are presented in RM, which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - measurement of the recoverable amounts of property, plant and equipment
- Note 5 - measurement of the fair value of investment properties
- Note 6 - measurement of the recoverable amounts of cash-generating units
- Note 23 - measurement of liabilities on put options granted to non-controlling interests
- Note 39 - measurement of fair value of assets acquired and liabilities assumed in a business combination
- Note 44 - assessment on whether the risk of loss is remote, possible or probable required significant judgement given the complexities involved

As at 31 December 2023, the Group's net current liabilities is RM743,907,000. In the preparation of the financial statements on a going concern basis, the Group has considered the future operating results and the availability of unutilised banking facilities to fulfil its obligations as and when they fall due.

2. Material accounting policies

Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to MFRS112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of MFRS 112. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 11).

2. Material accounting policies (continued)

Changes in material accounting policies (continued)

Global minimum top-up tax

The Amendments to MFRS112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (“OECD”), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group’s consolidated financial statements

Material accounting policy information

The Group adopted Amendments to MFRS101, *Presentation of Financial Statements – Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

The accounting policies set out in note 2(a) to (m) have been applied consistently to all periods presented in these financial statements, except as explained above, which addresses changes in material accounting policies.

(a) Basis of consolidation

(i) Subsidiaries

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less accumulated impairment losses.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

2. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

2. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Investments in associates and joint ventures are accounted for under the equity method. The cost of the investment includes transaction costs, adjusted for hyperinflationary effects as described in note 1(b), where applicable. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not translated at the end of the reporting date, except for those that are measured at fair value which are translated to the functional currency at the exchange rate at the date that the fair value was determined, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Foreign currency differences arising on translation are generally recognised in profit or loss, except for foreign currency differences arising from the translation of the following items which are recognised in other comprehensive income:

- equity instruments designated as fair value through other comprehensive income;
- financial liabilities designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2. Material accounting policies (continued)

(b) Foreign currency (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding the Group's foreign operations in Turkiye which is a hyperinflationary economy, are translated to RM at exchange rates at the dates of the transactions.

The income and expenses of the Group's foreign operations in Turkiye are translated to RM at exchange rates at the end of the reporting period.

(c) Financial instruments

(i) Liabilities on put options granted to non-controlling interests

The Group granted put options to the non-controlling interests in certain subsidiaries over their equity interests in those subsidiaries which provide for settlement in cash by the Group. The Group recognises a liability for the present value of the exercise price of the options. Subsequent to initial recognition, the Group recognises the changes in the carrying amount of the financial liabilities in equity.

(ii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the profit or loss, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(a) *Cash flow hedges*

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in the profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derivative financial instruments and hedge accounting (continued)

(a) Cash flow hedges (continued)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(b) Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

In a net investment hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on disposal of the foreign operation.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

(ii) Depreciation

Depreciation is based on the cost of an asset, adjusted for hyperinflationary effects as described in note 1(b), where applicable, less its residual value.

2. Material accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction (construction-in-progress) are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	5 - 60 years
• Hospital and medical equipment, renovations, furniture and fittings and equipment	3 - 25 years
• Laboratory and teaching equipment	2 - 10 years
• Motor vehicles	4 - 8 years

(e) Leases

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Group has elected not to recognise right-of-use assets ("ROU assets) and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(f) Goodwill on consolidation

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

2. Material accounting policies (continued)

(g) Intangible assets

(i) Recognition and measurement

Intangible assets that have finite useful lives include customer relationships that are acquired by the Group, capitalised development cost and brand use rights. These are measured at cost less accumulated amortisation and accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Intangible assets that have indefinite lives include brand names and hospital licences that are acquired by the Group. These, and other intangible assets that are not yet available for use, are stated at cost less any accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated based on the cost of an asset less its residual value, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|---------------------------------|-----------------------------|
| • Customer relationships | 5 - 20 years |
| • Capitalised development costs | 5 - 10 years |
| • Brand use rights | remaining term of the right |
| • Other intangibles | 2 - 10 years |

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

2. Material accounting policies (continued)

(h) Investment properties

Investment properties which are owned are measured initially at cost, which includes capitalised borrowing costs. Investment properties which are ROU asset held under a lease contract are initially measured similarly as other ROU assets.

Subsequent to initial recognition, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

(i) Development properties and inventories

Development properties and inventories are measured at the lower of cost and net realisable value, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

The cost of inventories is calculated using the weighted average method.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to defined contribution plans are expensed as the related service is provided by the employee.

(ii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase share option reserve in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

2. Material accounting policies (continued)

(j) Employee benefits (continued)

(ii) Share-based payment transactions (continued)

The fair value of the employee share options is measured using the trinomial option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average cost of capital, earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA") multiples, expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not considered in determining fair value.

(k) Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) Finance income and costs

Finance income comprises interest income from bank deposits and debt securities, net fair value gain of financial instruments that are recognised in profit or loss and net exchange gain from foreign currency denominated interest-bearing borrowings and lending.

Finance costs comprises interest expense on borrowings, lease liabilities and bonds, amortisation of borrowing transaction costs, bank charges, net fair value losses on financial instruments that are recognised in profit or loss and net exchange losses from foreign currency denominated interest-bearing borrowings and lending.

Interest income and expense are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

2. Material accounting policies (continued)

(m) Income tax

Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of MFRS 112 *Income Taxes*. The Group has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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3. Property, plant and equipment

Group	Note	Freehold land RM'000	Buildings RM'000	Hospital and medical equipment, renovations, furniture and fittings and equipment RM'000	Laboratory and other teaching equipment RM'000	Motor vehicles RM'000	Construction - in-progress RM'000	Total RM'000
Cost								
At 1 January 2022		1,307,743	7,017,607	10,019,104	78,257	58,486	1,367,739	19,848,936
Acquisitions through business combinations		-	1,014	845	-	-	-	1,859
Additions		-	50,566	663,367	9,188	6,078	945,784	1,674,983
Disposals		-	(5,524)	(149,407)	-	(4,418)	(10,049)	(169,398)
Write off		-	-	(18,323)	(1,375)	-	-	(19,698)
Reclassification		-	49,101	620,047	1,744	3,310	(674,202)	-
Transfer to intangible assets	6	-	-	-	-	-	(41,188)	(41,188)
Transfer to assets classified as held for sale	16	(28,267)	(103,218)	(268,601)	(88,019)	(2,344)	(140,773)	(631,222)
Hyperinflationary adjustments		24,040	11,543	877,834	-	4,735	(50,665)	867,487
Translation differences		(21,082)	214,837	239,430	205	750	(26,008)	408,132
At 31 December 2022/1 January 2023		1,282,434	7,235,926	11,984,296	-	66,597	1,370,638	21,939,891
Acquisitions through business combinations		-	208,888	9,303	-	48	10	218,249
Disposal of subsidiaries		-	-	(7,777)	-	-	-	(7,777)
Additions		14,443	137,917	587,931	915	12,838	1,012,121	1,766,165
Disposals		-	(63,837)	(227,126)	-	(8,676)	(929)	(300,568)
Write off		-	-	(47,802)	(127)	(326)	-	(48,255)
Reclassification		376	679,370	805,789	-	6,640	(1,492,175)	-
Transfer to development properties		-	-	(783)	-	-	-	(783)
Transfer (to)/from ROU assets	4	-	-	(113)	-	272	(12,703)	(12,544)
Transfer to assets classified as held for sale		-	(194)	(714)	(788)	-	(17,761)	(19,457)
Hyperinflationary adjustments		6,443	(130,012)	218,018	-	2,516	118,937	215,902
Translation differences		32,912	407,241	601,046	-	3,080	53,671	1,097,950
At 31 December 2023		1,336,608	8,475,299	13,922,068	-	82,989	1,031,809	24,848,773

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3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Hospital and medical equipment, renovations, furniture and fittings and equipment RM'000	Laboratory and other teaching equipment RM'000	Motor vehicles RM'000	Construction - in-progress RM'000	Total RM'000
Accumulated depreciation and impairment losses								
At 1 January 2022		-	1,701,941	6,706,157	55,336	46,564	1,556	8,511,554
Depreciation charge for the year		-	154,662	826,122	3,108	6,281	-	990,173
Impairment loss		-	18	31,290	-	-	352,994	384,302
Disposals		-	(2,197)	(141,258)	-	(4,046)	-	(147,501)
Write off		-	-	(17,257)	(1,354)	-	-	(18,611)
Reclassification		-	357	(1,193)	836	-	-	-
Transfer to assets classified as held for sale	16	-	(41,688)	(237,538)	(57,922)	(2,062)	(1,466)	(340,676)
Hyperinflationary adjustments		-	18,113	442,285	-	2,211	-	462,609
Translation differences		-	33,106	174,376	(4)	546	7,257	215,281
At 31 December 2022/1 January 2023		-	1,864,312	7,782,984	-	49,494	360,341	10,057,131
Depreciation charge for the year		-	160,319	903,271	-	7,993	-	1,071,583
Disposal of subsidiaries		-	-	(7,687)	-	-	-	(7,687)
Impairment loss		-	-	922	-	-	-	922
Disposals		-	(11,957)	(177,630)	6,878	(8,290)	-	(190,999)
Write off		-	-	(45,959)	(119)	(326)	-	(46,404)
Reclassification		-	345,896	1,990	-	-	(347,886)	-
Transfer to assets classified as held for sale		-	-	-	(6,759)	-	-	(6,759)
Hyperinflationary adjustments		-	(26,307)	99,868	-	1,361	-	74,922
Translation differences		-	100,252	392,261	-	2,065	(12,455)	482,123
At 31 December 2023		-	2,432,515	8,950,020	-	52,297	-	11,434,832

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3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Hospital and medical equipment, renovations, furniture and fittings and equipment RM'000	Laboratory and other teaching equipment RM'000	Motor vehicles RM'000	Construction - in-progress RM'000	Total RM'000
Net carrying amount								
At 1 January 2022		1,307,743	5,315,666	3,312,947	22,921	11,922	1,366,183	11,337,382
At 31 December 2022/1 January 2023		1,282,434	5,371,614	4,201,312	-	17,103	1,010,297	11,882,760
At 31 December 2023		1,336,608	6,042,784	4,972,048	-	30,692	1,031,809	13,413,941

3. Property, plant and equipment (continued)

Securities

As at 31 December 2023, property, plant and equipment of the Group with carrying amounts of RM2,533,273,000 (2022: of RM2,085,246,000) were charged to licensed financial institutions for credit facilities and term loans granted to the Group.

Borrowing costs

In 2023, the Group capitalised borrowing costs at 7.05% (2022: 5.06%), amounting to RM5,874,000 (2022: RM26,131,000).

Impairment loss

The Group recognised the following material impairment loss:

2022

Parkway Shanghai Hospital ("PSH"), a part of the China healthcare services operating segment, was planned to be operational in 2022. However, its construction and preparation for opening was longer than expected and was hampered by the COVID-19 pandemic. The Group performed an assessment of the recoverable amount of PSH's property, plant and equipment, using the value in use approach, and determined it to be lower than the carrying amount. The value in use calculations applied a discounted cash flow model using cash flow projections based on the approved financial budgets for 2022 and 10 years business plans with a perpetual terminal value. PSH's operations was assumed to ramp up to reach a steady-state revenue growth of 20% year-on-year and EBITDA margins of about 20%. A pre-tax discount rate of 14.7% and perpetual growth rate of 3% was used to estimate the terminal value. Accordingly, in 2022, an impairment loss of RM353,000,000 was recognised in 'depreciation and impairment of property, plant and equipment' in the statement of profit or loss.

4. Leases

The Group leases certain land and buildings, building space, offices, equipment and vehicles. The leases are between more than 1 year and 99 years and may have options to renew after expiry. Lease payments are renegotiated at the end of lease terms or periodically to reflect market rentals.

(a) Right-of-use assets

		Land and buildings	Equipment	Motor vehicles	Total
	Note	RM'000	RM'000	RM'000	RM'000
Group					
At 1 January 2022		6,608,702	64,824	9,487	6,683,013
Acquisitions through business combinations		-	-	64	64
Additions		213,885	25,068	-	238,953
Modification/reassessment		100,156	(355)	104	99,905
Depreciation charge for the year		(333,445)	(24,459)	(5,512)	(363,416)
Reversal of impairment loss		1,934	-	-	1,934
Transfer to assets classified as held for sale	16	(264,314)	(769)	-	(265,083)
Hyperinflationary adjustments		6,607	99,904	(3,907)	102,604
Translation differences		184,443	2,613	-	187,056
At 31 December 2022/ 1 January 2023		6,517,968	166,826	236	6,685,030
Acquisitions through business combinations		37,496	-	-	37,496
Disposal		(38,938)	-	-	(38,938)
Additions		181,073	29,184	422	210,679
Modification/reassessment		155,923	346	88	156,357
Depreciation charge for the year		(362,501)	(23,389)	(4,755)	(390,645)
Transfer to assets classified as held for sale		-	(668)	-	(668)
Transfer from/(to) property, plant and equipment	3	12,701	2	(159)	12,544
Hyperinflationary adjustments		(42,120)	95,994	4,595	58,469
Translation differences		383,535	5,207	-	388,742
At 31 December 2023		6,845,137	273,502	427	7,119,066

4. Leases (continued)

(a) Right-of-use assets (continued)

Extension options

Some properties, equipment and motor vehicles leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(b) Leases as lessor

Operating lease

The Group leases out investment properties and certain properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following were recognised in profit or loss:

	Group	
	2023	2022
	RM'000	RM'000
Rental income from:		
- investment properties	198,304	195,803
- others	72,701	73,546
Variable rental income that do not depend on an index or rate	1,932	1,352
Direct operating expenses:		
- income generating investment properties	(27,982)	(25,138)
- non-income generating investment properties	(1,629)	(1,201)
	<u>243,326</u>	<u>244,362</u>

4. Leases (continued)

(b) Leases as lessor (continued)

Operating lease (continued)

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease receivables after the end of the financial year:

	Group	
	2023	2022
	RM'000	RM'000
Less than one year	227,155	214,353
One to two years	168,729	183,245
Two to three years	168,729	131,897
Three to four years	101,132	109,341
Four to five years	95,803	94,306
More than five years	444,460	504,662
Total	1,206,008	1,237,804

(c) Cash outflows for leases as lessee

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Included in net cash used in operating activities				
Payment relating to short-term leases	(88,095)	(68,219)	(166)	(709)
Payment relating to leases of low-value assets	(10,754)	(6,003)	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	(13,941)	(13,733)	-	-
	(112,790)	(87,955)	(166)	(709)
Included in net cash used in financing activities				
Payment of lease liabilities	(256,617)	(337,144)	(1,018)	(1,019)
Total cash outflows for leases	(369,407)	(425,099)	(1,184)	(1,728)

5. Investment properties

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	3,938,335	3,875,123
Additions	79,837	204,229
Change in fair value recognised in profit or loss	9,299	23,750
Modification/Reassessment	100	-
Translation differences	78,197	(164,767)
At 31 December	4,105,768	3,938,335

Investment properties include land, retail units and medical suites within hospitals and nursing homes with care services leased or intended to be leased to external parties.

Change in fair value is recognised as a gain or loss in profit or loss and is respectively included in 'other operating income' or 'other operating expenses' in the statement of profit or loss and other comprehensive income. All gains or losses are unrealised.

Fair value hierarchy

The fair values of investment properties are categorised as follows:

	Level 3	
	2023	2022
	RM'000	RM'000
Land and buildings	4,105,768	3,938,335

Determination of fair value

The fair values of investment properties were determined by external, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

Valuation processes

In determining the fair value, the valuers have used valuation methods which involved certain estimates. In assessing the fair value measurements, the Group reviewed the valuation methodologies and evaluated the assessments made by the valuers. The Group exercised its judgement and was satisfied that the valuation methods and estimates were reflective of the current market conditions. The valuation reports were prepared in accordance with recognised appraisal and valuation standards.

5. Investment properties (continued)

Valuation processes (continued)

The following table shows the valuation techniques used in the determination of fair values of investment properties, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow approach: The method involves the estimation and the projection of an income stream over a period and discounting the income stream with an appropriate rate of return.	<ul style="list-style-type: none"> • Risk-adjusted discount rates range from 4.0% to 7.0% (2022: 4.2% to 7.0%) • Terminal yield rates range from 4.3% to 6.5% (2022: 4.5% to 6.6%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • the risk-adjusted discount rates were lower/(higher); or • the terminal yield rates were higher/(lower).
Direct comparison approach: The method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	<ul style="list-style-type: none"> • Premium made for differences in type of development (including design, use and proximity to complementary businesses) range from 0% to 30% (2022: 0% to 30%) 	<p>The estimated fair value would increase/(decrease) if premium made for differences in type of development was higher/(lower).</p>
Direct capitalisation approach: The method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.	<ul style="list-style-type: none"> • Capitalisation rates range from 4.2% to 6.4% (2022: 4.4% to 6.5%) 	<p>The estimated fair value would increase/(decrease) if the capitalisation rates were lower/(higher).</p>

6. Goodwill on consolidation and intangible assets

Group Cost	Note	Brand names RM'000	Hospital licences RM'000	Customer relationships RM'000	Other intangibles* RM'000	Total intangible assets RM'000	Goodwill on consolidation RM'000	Total intangible assets and goodwill RM'000
At 1 January 2022		1,778,344	263,178	391,246	558,956	2,991,724	13,260,026	16,251,750
Acquisitions through business combinations		-	-	-	4,865	4,865	50,332	55,197
Additions		-	-	-	81,670	81,670	-	81,670
Disposals		-	-	-	(4,646)	(4,646)	-	(4,646)
Transfer from property, plant and equipment	3	-	-	-	41,188	41,188	-	41,188
Transfer to assets classified as held for sale	16	-	-	-	(6,715)	(6,715)	(224,976)	(231,691)
Hyperinflationary adjustments		187,413	47,393	63,111	40,617	338,534	458,895	797,429
Translation differences		4,183	21,202	(5,178)	721	20,928	394,460	415,388
At 31 December 2022/1 January 2023		1,969,940	331,773	449,179	716,656	3,467,548	13,938,737	17,406,285
Acquisitions through business combinations		-	61,486	-	32,438	93,924	83,058	176,982
Disposal of subsidiaries		-	-	-	-	-	(15,815)	(15,815)
Additions		-	-	-	67,998	67,998	-	67,998
Disposals		-	-	-	(3,269)	(3,269)	-	(3,269)
Hyperinflationary adjustments		51,329	(6,887)	21,248	(9,528)	56,162	123,113	179,275
Translation differences		7,353	37,271	4,338	49,397	98,359	908,334	1,006,693
At 31 December 2023		2,028,622	423,643	474,765	853,692	3,780,722	15,037,427	18,818,149

*: Other intangibles include capitalised development costs and brand use rights.

6. Goodwill on consolidation and intangible assets (continued)

Group	Note	Brand names RM'000	Hospital licences RM'000	Customer relationships RM'000	Other intangibles* RM'000	Total intangible assets RM'000	Goodwill on consolidation RM'000	Total intangible assets and goodwill RM'000
Accumulated amortisation and impairment losses								
At 1 January 2022		-	-	320,145	279,376	599,521	607,157	1,206,678
Amortisation charge for the year		-	-	8,091	41,418	49,509	-	49,509
Impairment loss		-	-	8,943	-	8,943	150,066	159,009
Disposal		-	-	-	(4,514)	(4,514)	-	(4,514)
Transfer to assets classified as held for sale	16	-	-	-	(5,323)	(5,323)	-	(5,323)
Hyperinflationary adjustments		-	-	62,594	23,840	86,434	-	86,434
Translation differences		-	-	(3,202)	(1,660)	(4,862)	(27,858)	(32,720)
At 31 December 2022/1 January 2023		-	-	396,571	333,137	729,708	729,365	1,459,073
Amortisation charge for the year		-	-	5,190	42,530	47,720	-	47,720
Disposal of subsidiaries		-	-	-	-	-	(15,815)	(15,815)
Disposal		-	-	-	(1,350)	(1,350)	-	(1,350)
Hyperinflationary adjustments		-	-	21,248	(2,083)	19,165	-	19,165
Translation differences		-	-	2,846	19,622	22,468	27,926	50,394
At 31 December 2023		-	-	425,855	391,856	817,711	741,476	1,559,187

*: Other intangibles include capitalised development costs and brand use rights.

6. Goodwill on consolidation and intangible assets (continued)

Group Net carrying amount	Brand names RM'000	Hospital licences RM'000	Customer relationships RM'000	Other intangibles* RM'000	Total intangible assets RM'000	Goodwill on consolidation RM'000	Total intangible assets and goodwill RM'000
At 1 January 2022	1,778,344	263,178	71,101	279,580	2,392,203	12,652,869	15,045,072
At 31 December 2022/1 January 2023	1,969,940	331,773	52,608	383,519	2,737,840	13,209,372	15,947,212
At 31 December 2023	2,028,622	423,643	48,910	461,836	2,963,011	14,295,951	17,258,962

*: Other intangibles include capitalised development costs and brand use rights.

6. Goodwill on consolidation and intangible assets (continued)

Goodwill, brand names and hospital licences are allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill, brand names and hospital licences are monitored for internal management purposes.

Brand names and hospital licences were acquired as part of business combinations and the economic benefits from utilising them is expected to continue indefinitely without significant costs.

The aggregate carrying amounts of goodwill, brand names and hospital licences allocated to each operating unit were as follows:

	Goodwill		Brand names		Hospital licences	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Singapore healthcare services	6,800,109	6,274,846	1,145,173	1,145,173	-	-
Malaysia healthcare services	2,466,551	2,324,601	151,500	151,500	12,310	12,310
India healthcare services						
- Fortis Group	1,941,902	2,627,833	-	-	-	-
China clinics healthcare services	40,850	42,338	-	-	-	-
Turkiye and Europe healthcare services	1,997,909	1,775,456	731,949	673,267	411,333	319,463
PLife REIT [#]	179,408	164,298	-	-	-	-
Labs services	869,222	- [^]	-	-	-	-
	<u>14,295,951</u>	<u>13,209,372</u>	<u>2,028,622</u>	<u>1,969,940</u>	<u>423,643</u>	<u>331,773</u>

[#] Parkway Life Real Estate Investment Trust ("PLife REIT").

[^] Goodwill relating to Labs services was classified as part of Singapore healthcare services and India healthcare services.

Amortisation

The amortisation of customer relationships, capitalised development costs and brand use rights were recognised in 'amortisation and impairment of intangible assets' in the statements of profit or loss and other comprehensive income.

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences

(a) Healthcare services and Labs services CGUs

Key assumptions used in determining recoverable amount

For the purpose of impairment testing, the carrying amounts are allocated to the Group's operating divisions which are the cash-generating units ("CGU"). Recoverable amount of each CGU, except for PLife REIT, is estimated based on its value in use. The value in use calculations apply a discounted cash flow model using cash flow projections based on past experience, actual operating results, approved financial budgets for 2024 and 5 years business plans with a perpetual terminal value.

6. Goodwill on consolidation and intangible assets (continued)

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences (continued)

(a) Healthcare services and Labs CGUs (continued)

Key assumptions used in determining recoverable amount (continued)

The key assumptions for the computation of value in use of goodwill, brand names and hospital licences included the following:

- (i) Anticipated annual revenue growth rates for 2024 to 2028 (2022: 2023 to 2027):

	2023 Per annum	2022 Per annum
Singapore healthcare services	4% - 8%	2% - 9%
Malaysia healthcare services	11% - 12%	8% - 9%
India healthcare services		
- Fortis Group	10% - 14%	9% - 12%
China clinics healthcare services	16% - 45%	14% - 91%
Turkiye and Europe healthcare services	13% - 71%	25% - 54%
Labs services		
- India	9% - 12%	-
- Singapore	8% - 9%	-

- (ii) EBITDA margins assumptions:

	2023	2022
Singapore healthcare services	28% - 29%	26% - 30%
Malaysia healthcare services	26% - 28%	26% - 28%
India healthcare services		
- Fortis Group	20% - 25%	20% - 24%
China clinics healthcare services	1% - 23%	1% - 20%
Turkiye and Europe healthcare services	23% - 24%	24% - 26%
Labs services		
- India	18% - 23%	-
- Singapore	27% - 32%	-

The projections were in line with the proposed expansion plans for the respective CGUs.

6. Goodwill on consolidation and intangible assets (continued)

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences (continued)

(a) Healthcare services and Labs services CGUs (continued)

Key assumptions used in determining recoverable amount (continued)

(iii) Terminal value was estimated using the perpetuity growth model:

	2023	2022
Singapore healthcare services	1.0%	1.0%
Malaysia healthcare services	3.0%	3.0%
India healthcare services		
- Fortis Group	4.6%	4.6%
China clinics healthcare services	3.0%	3.0%
Turkiye and Europe healthcare services	7.0%	7.0%
Labs services		
- India	4.6%	-
- Singapore	1.0%	-

The terminal values were applied to steady-state estimated earnings at the end of the projected period.

(iv) Pre-tax discount rates for the respective CGUs at date of assessment:

	2023	2022
Singapore healthcare services	7.3%	6.0%
Malaysia healthcare services	7.9%	7.9%
India healthcare services		
- Fortis Group	8.0%	11.5%
China clinics healthcare services	15.9%	14.7%
Turkiye and Europe healthcare services	11.2% - 38.4%	39.5%
Labs services		
- India	9.1%	-
- Singapore	7.4%	-

(v) There will be no significant changes in government policies and regulations which will directly affect the CGUs' businesses. With the exception of Turkiye healthcare services, inflation for operating expenses is in line with estimated gross domestic product growth rates for the respective countries based on past trends.

6. Goodwill on consolidation and intangible assets (continued)

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences (continued)

(a) *Healthcare services and Labs services CGUs (continued)*

Key assumptions used in determining recoverable amount (continued)

The values assigned to the key assumptions represent the Group's assessment of future trends in the healthcare market and are based on both external sources and internal sources (historical data).

In 2022, the China clinics healthcare services CGU continued to incur operating losses arising from challenges faced in its business operations, especially in the midst of the COVID-19 pandemic. The Group performed an assessment of recoverable amount using the value in use approach and determined the recoverable amount of the CGU was lower than its carrying amount. Accordingly, an impairment loss of RM150,066,000 on goodwill over China healthcare services CGU was recognised in 'other operating expenses' in the statement of profit or loss.

Except as mentioned above, the Group believes there are no reasonably foreseeable changes in the above key assumptions that would cause the carrying values of the remaining CGUs to materially exceed their recoverable amounts, other than changes in prevailing operating environments, of which the impact is not ascertainable.

(b) *PLife REIT*

The recoverable amount of PLife REIT is based on fair value less cost to sell, using the open market price of PLife REIT as at the end of the financial year.

7. Investments in subsidiaries

	Company	
	2023	2022
	RM'000	RM'000
Cost of investment		
Unquoted shares in Malaysia	22,727,119	23,035,788
Unquoted shares outside Malaysia	3,206	3,206
	22,730,325	23,038,994
Allowance for impairment loss	(2,295,921)	(2,295,921)
	<u>20,434,404</u>	<u>20,743,073</u>

Details of the subsidiaries are as disclosed in note 41.

Although the Group owns less than half of the ownership interest in the following entities, the Group consolidated them as subsidiaries in accordance with MFRS 10, *Consolidated Financial Statements*, on the following basis:

(a) Fortis

The Group controls majority of Fortis' board by virtue of the share subscription agreement with Fortis.

(b) PLife REIT

The Group has *de facto* control over PLife REIT, on the basis that the remaining voting rights in PLife REIT are widely dispersed and there is no indication all other shareholders exercise their votes collectively.

The Group, via PLife REIT, does not hold any ownership interest in the special purpose entities ("SPEs") listed in note 41. Notwithstanding that the Group does not have any direct or indirect shareholdings in these SPEs, the Group has accounted for the SPEs as subsidiaries in accordance with MFRS 10, *Consolidated Financial Statements*, as PLife REIT receives substantially all of the returns related to the SPEs' operations and net assets and has the current ability to direct these SPEs' activities that most significantly affect their returns based on the terms of agreements under which these SPEs were established.

7. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	/----- Material NCI -----/			Other individually immaterial subsidiaries	Total
	PLife REIT RM'000	Fortis Group RM'000	GHK ⁽ⁱ⁾ RM'000	RM'000	RM'000
2023					
NCI percentage of ownership interest and voting interest	64.44%	68.83%	40.00%		
Carrying amount of NCI	1,374,314	2,457,613 ⁽ⁱⁱ⁾	(1,111,158)	532,342	3,253,111
Profit/(loss) allocated to NCI	163,812	212,177 ⁽ⁱⁱⁱ⁾	(90,136)	153,228	439,081

Summarised financial information before intra-group elimination

As at 31 December

Non-current assets	5,455,873	6,242,572	2,208,530
Current assets	223,567	695,592	234,078
Non-current liabilities	(3,054,107)	(863,462)	(4,697,767)
Current liabilities	(302,808)	(1,685,785)	(543,037)
Net assets/(liabilities)	2,322,524	4,388,917 ⁽ⁱⁱⁱ⁾	(2,798,195)

Year ended 31 December

Revenue	407,806	3,691,453	1,161,023
Profit/(loss) for the year	254,435	300,519 ⁽ⁱⁱⁱ⁾	(225,534)
Total comprehensive income/(expense)	227,354	130,712	(284,686)

Cash flows from operating activities	367,777	495,256	154,749
Cash flows used in investing activities	(167,689)	(371,925)	(40,504)
Cash flows used in financing activities	(229,821)	(169,157)	(85,504)
Net (decrease)/increase in cash and cash equivalents	(29,733)	(45,826)	28,741
Dividends paid to NCI	93,367	34,170	-

(i) GHK Hospital Limited ("GHK").

(ii) Includes net assets of RM496,963,000 attributable to NCIs within Fortis Group which are individually immaterial.

(iii) Includes total profit of RM16,476,000 attributable to NCIs within Fortis Group which are individually immaterial.

7. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

	/----- Material NCI -----/			Other individually immaterial subsidiaries	Total
	PLife REIT RM'000	Fortis Group RM'000	GHK ⁽ⁱ⁾ RM'000	RM'000	RM'000
2022					
NCI percentage of ownership interest and voting interest	64.42%	68.83%	40.00%		
Carrying amount of NCI	1,354,170	2,147,775 ⁽ⁱⁱ⁾	(974,868)	440,003	2,967,080
Profit/(loss) allocated to NCI	147,914	213,344 ⁽ⁱⁱⁱ⁾	(84,723)	(179,791)	96,744

Summarised financial information before intra-group elimination

As at 31 December

Non-current assets	5,196,157	5,707,481	2,166,890
Current assets	242,109	673,250	164,409
Non-current liabilities	(2,903,491)	(1,729,721)	(4,581,935)
Current liabilities	(263,538)	(730,698)	(186,231)
Net assets/(liabilities)	2,271,237	3,920,312 ⁽ⁱⁱⁱ⁾	(2,436,867)

Year ended 31 December

Revenue	376,199	3,374,257	868,697
Profit/(loss) for the year	230,308	294,494 ⁽ⁱⁱⁱ⁾	(211,809)
Total comprehensive income/(expense)	227,418	(83,636)	(214,874)

Cash flows from/(used in) operating activities	300,983	384,391	(10,235)
Cash flows used in investing activities	(398,155)	(213,955)	(49,458)
Cash flows from/(used in) financing activities	151,881	(204,176)	34,166
Net increase/(decrease) in cash and cash equivalents	54,709	(33,740)	(25,527)
Dividends paid to NCI	131,841	-	-

⁽ⁱ⁾ GHK Hospital Limited ("GHK").

⁽ⁱⁱ⁾ Includes net assets of RM472,197,000 attributable to NCIs within Fortis Group which are individually immaterial.

⁽ⁱⁱⁱ⁾ Includes total profit of RM33,562,000 attributable to NCIs within Fortis Group which are individually immaterial.

7. Investments in subsidiaries (continued)

Significant restrictions

PLife REIT

The Group does not have significant restrictions on its ability to access or use the assets and settle the liabilities of PLife REIT other than those resulting from the regulatory framework within which the subsidiary operates. PLife REIT is regulated by the Monetary Authority of Singapore ("MAS") and is supervised by the Singapore Exchange Securities Trading Limited ("SGX-ST") for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with PLife REIT are either subject to review by PLife REIT's Trustee or must be approved by a majority of votes by the remaining holders of Units in PLife REIT ("Unitholders") at a meeting of Unitholders.

The assets of PLife REIT are held in trust by a Trustee for the Unitholders.

8. Interests in associates

	Group	
	2023	2022
	RM'000	RM'000
Investment in shares		
Unquoted shares	39,046	50,260
Quoted shares	404,545	392,895
Share of post-acquisition reserves	(303,830)	(310,079)
	<u>139,761</u>	<u>133,076</u>
Fair value of quoted shares		
Level 1	<u>126,372</u>	<u>90,532</u>

The Group does not have any material associates.

Details of the associates are disclosed in note 42.

9. Interests in joint ventures

	Group	
	2023	2022
	RM'000	RM'000
Investment in unquoted shares	216,540	202,519
Share of post-acquisition reserves	(86,821)	(76,129)
	<u>129,719</u>	<u>126,390</u>
Allowance for impairment loss	(122,906)	(119,639)
	<u>6,813</u>	<u>6,751</u>

The Group does not have any material joint ventures.

Details of the joint ventures are disclosed in note 43.

10. Other financial assets

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Investments at fair value through other comprehensive income ("FVOCI")				
- Unquoted shares	206,391	114,573	-	-
Investments at amortised cost				
- Fixed deposits with tenor of more than 12 months	17,159	12,688	-	-
- Others	9,843	359	-	-
	<u>233,393</u>	<u>127,620</u>	<u>-</u>	<u>-</u>
Current				
Investments at fair value through profit or loss ("FVTPL")				
- Money market funds	120,409	-	172	-
Investments at amortised cost				
- Fixed deposits with tenor of more than 3 months	165,599	232,972	-	-
- Others	-	16,745	-	-
	<u>286,008</u>	<u>249,717</u>	<u>172</u>	<u>-</u>

Equity investments designated as fair value through other comprehensive income

The Group designated the investments in unquoted shares as fair value through other comprehensive income because these investments represents investments that the Group intends to hold for long-term strategic purposes.

11. Deferred tax assets and liabilities

The amounts included in the statements of financial position after appropriate offsetting are as follows:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Unutilised tax losses	164,970	169,436	-	-	164,970	169,436
Investment tax allowances	107,737	165,969	-	-	107,737	165,969
Receivables/payables	174,618	163,679	(9,291)	(37,880)	165,327	125,799
Property, plant and equipment	46,402	190,161	(765,860)	(828,360)	(719,458)	(638,199)
Investment properties	-	-	(129,297)	(118,891)	(129,297)	(118,891)
Intangible assets	-	-	(579,890)	(550,741)	(579,890)	(550,741)
Right-of-use assets	-	-	(1,240,623)	(1,221,794)	(1,240,623)	(1,221,794)
Lease liabilities	1,066,682	1,040,024	-	-	1,066,682	1,040,024
Others	13,889	15,002	(191)	(1,187)	13,698	13,815
	1,574,298	1,744,271	(2,725,152)	(2,758,853)	(1,150,854)	(1,014,582)
Set off	(1,061,803)	(1,110,328)	1,061,803	1,110,328	-	-
	<u>512,495</u>	<u>633,943</u>	<u>(1,663,349)</u>	<u>(1,648,525)</u>	<u>(1,150,854)</u>	<u>(1,014,582)</u>

11. Deferred tax assets and liabilities (continued)

Group	Note	Unutilised tax losses RM'000	Investment tax allowances RM'000	Receivables/ payables RM'000	Property, plant and equipment RM'000	Investment properties RM'000	Intangible assets RM'000	Right-of- use assets RM'000	Lease liabilities RM'000	Others RM'000	Total RM'000
At 1 January 2022		198,231	161,137	209,739	(635,101)	(120,891)	(532,810)	(284,168)	103,121	10,968	(889,774)
Recognised in profit or loss	31	(137,965)	159,775	(52,602)	(29,648)	(9,602)	46,560	(922,212)	922,008	2,891	(20,795)
Recognised in other comprehensive income	29	-	-	2,816	-	-	-	-	-	-	2,816
Transfer to assets classified as held for sale and liabilities directly associated with assets classified as held for sale	16	-	-	(16,085)	33,202	-	-	(242)	13	(11)	16,877
Hyperinflationary adjustments		93,171	(132,732)	(16,265)	(2,421)	-	(68,674)	904	(1,356)	(726)	(128,099)
Translation differences		15,999	(22,211)	(1,804)	(4,231)	11,602	4,183	(16,076)	16,238	693	4,393
At 31 December 2022/ 1 January 2023		169,436	165,969	125,799	(638,199)	(118,891)	(550,741)	(1,221,794)	1,040,024	13,815	(1,014,582)
Recognised in profit or loss	31	(9,265)	(6,193)	5,619	(64,966)	(12,093)	3,426	(47,533)	38,746	(1,406)	(93,665)
Recognised in other comprehensive income	29	-	-	30,386	-	-	-	-	-	-	30,386
Transfer to assets classified as held for sale and liabilities directly associated with assets classified as held for sale		-	-	(10,144)	1	-	-	-	-	-	(10,143)
Acquired in business combinations		-	-	1,729	(27,536)	-	(17,427)	-	-	-	(43,234)
Disposal of subsidiaries		-	-	(5)	1	-	-	15,458	(17,876)	-	(2,422)
Reclassification		-	-	-	(390)	-	-	(2,532)	2,922	-	-
Hyperinflationary adjustments		(22)	(52,039)	8,535	34,721	-	(9,496)	76,190	(59,149)	(1,142)	(2,402)
Translation differences		4,821	-	3,408	(23,090)	1,687	(5,652)	(60,412)	62,015	2,431	(14,792)
At 31 December 2023		164,970	107,737	165,327	(719,458)	(129,297)	(579,890)	(1,240,623)	1,066,682	13,698	(1,150,854)

11. Deferred tax assets and liabilities (continued)

Deferred tax assets and liabilities are offset where there is legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2023	2022
	RM'000	RM'000
Deductible temporary difference	867,073	1,127,545
Unutilised tax losses	<u>3,825,520</u>	<u>3,881,375</u>
	<u>4,692,593</u>	<u>5,008,920</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the respective subsidiaries can utilise the benefits therefrom. Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the countries in which the subsidiaries operate.

The unutilised tax losses carried forward do not expire under current tax legislations, except for the amount of RM1,418,573,000 (2022: RM1,487,783,000) which will expire in the next 1 to 8 years.

12. Development properties

	Group	
	2023	2022
	RM'000	RM'000
Medical suites	<u>79,579</u>	<u>76,471</u>

13. Inventories

	Group	
	2023	2022
	RM'000	RM'000
Pharmaceuticals, surgical and medical supplies	<u>639,837</u>	<u>519,431</u>

At 31 December 2023, there was floating charge over inventories with carrying amount of RM68,624,000 (2022: RM66,167,000) made to financial institutions as securities for credit facilities granted to certain subsidiaries.

14. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Other receivables	17,900	14,344	-	-
Interest receivables	44	59	-	-
Deposits	43,129	36,990	-	-
Financial assets, at amortised cost	61,073	51,393	-	-
Prepayments	67,767	145,170	-	2,771
	<u>128,840</u>	<u>196,563</u>	<u>-</u>	<u>2,771</u>
Current				
Trade receivables	2,531,764	2,197,441	-	-
Trade amounts due from:				
- Associates	5,239	5,052	-	-
- Joint ventures	5,615	4,445	-	-
	<u>2,542,618</u>	<u>2,206,938</u>	<u>-</u>	<u>-</u>
Other receivables	134,126	131,273	-	151
Non-trade amounts due from:				
- Subsidiaries	-	-	94,083	23,466
- Associates	27	32	-	-
- Joint ventures	1,692	1,523	-	-
Interest receivables	3,083	5,344	19	77
Deposits	118,835	91,489	30	5
Financial assets, at amortised cost	2,800,381	2,436,599	94,132	23,699
Prepayments	283,646	188,825	783	6,835
	<u>3,084,027</u>	<u>2,625,424</u>	<u>94,915</u>	<u>30,534</u>

Amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

15. Cash and cash equivalents

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances		1,036,117	1,345,870	7,888	154,512
Fixed deposits with tenor of 3 months or less		1,323,342	482,774	-	-
Deposits placed in escrow account		19,010	1,834,246	-	-
Restricted cash		654	621	-	-
Cash and cash equivalents in the statements of financial position		2,379,123	3,663,511	7,888	154,512
Add:					
Cash and cash equivalents included in assets classified as held for sale	16	-	42,976	-	-
Less:					
Secured bank overdrafts		(77,885)	(44,135)	-	-
Cash and cash equivalents in the statements of cash flows		2,301,238	3,662,352	7,888	154,512

Deposits placed in escrow account

These are the amounts deposited in accordance with the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations) ("SEBI (SAST) Regulations") relating to the Group's Mandatory Open Offer ("Offer") to acquire up to an additional 197,025,660 and 4,894,308 equity shares of Fortis and Fortis Malar Hospitals Limited respectively (see note 37). These amounts can only be released in the manner prescribed in Clause 17(10) of the SEBI (SAST) Regulations.

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

16. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

	Group	
	2023	2022
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	194	290,546
Right-of-use assets	-	265,083
Goodwill on consolidation	-	224,976
Intangible assets	-	1,392
Other financial assets	-	66,145
Trade and other receivables	-	29,633
Tax recoverables	-	1,489
Deferred tax assets	-	38
Inventories	-	2,033
Cash and cash equivalents	-	42,976
	<u>194</u>	<u>924,311</u>
Liabilities directly associated with assets classified as held for sale		
Loan and borrowings	-	138,354
Lease liabilities	-	358,169
Employee benefits	-	3,784
Trade and other payables	-	141,427
Deferred tax liabilities	-	16,915
Tax payable	-	78
	<u>-</u>	<u>658,727</u>

In 2022, the Group planned to divest its investments in IMU Health Sdn. Bhd. ("IMUH", a wholly owned subsidiary), and Gleneagles Chengdu Hospital Company Limited ("GCD", a 49.07% owned subsidiary), in the near term. Accordingly, the assets and liabilities of IMUH and its subsidiaries and GCD were transferred to assets classified as held for sale and liabilities directly associated with assets classified as held for sale.

The divestments of GCD and IMUH were completed on 27 February 2023 and 31 March 2023 respectively.

17. Share capital

	Group and Company			
	Number of shares 2023 '000	Amount 2023 RM'000	Number of shares 2022 '000	Amount 2022 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	8,806,043	19,684,881	8,796,717	19,614,918
Issued pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units	948	6,749	9,326	69,963
At 31 December	<u>8,806,991</u>	<u>19,691,630</u>	<u>8,806,043</u>	<u>19,684,881</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

18. Other reserves

The movement in each category of the other reserves are disclosed in the consolidated statements of changes in equity.

The nature and purpose of each category of reserves are as follows:

(a) Share option reserve

Share option reserve comprises the cumulative value of employee services received for the issue of share options and conditional award of performance shares.

(b) Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment immediately prior to its reclassification as investment property.

(c) Hedge reserve

Hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments used to hedge against cash flow variability arising from interest payments on floating rate loans.

(d) Cost of hedging reserve

Cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the time value element of interest rate cap contracts.

18. Other reserves (continued)

(e) Capital reserve

Capital reserve comprises mainly:

- (i) non-cash contribution from/distribution to holding companies within the Group for the common control transfer of subsidiaries;
- (ii) difference between the consideration paid/received and net assets acquired/disposed in equity transactions with non-controlling interests;
- (iii) capital gain/loss arising from the payment of a non-controlling interest's subscriptions to the share capital of subsidiaries or arising from the Group's subscription of additional shares of non-wholly owned subsidiaries;
- (iv) financial liabilities arising from initial issue of put options to non-controlling interests for sale of interests in subsidiaries to the Group, and its subsequent remeasurement; and
- (v) realised exchange gains/losses on payment of coupons of perpetual securities.

(f) Legal reserve

Legal reserve comprises reserves set aside by certain local authorities, and is distributable only if certain conditions are met.

(g) Foreign currency translation reserve

Foreign currency translation reserve of the Group comprises:

- (i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;
- (ii) the exchange differences on monetary items which form part of the Group's net investment in the foreign operations, provided certain conditions are met;
- (iii) the effective portion of any foreign currency differences arising from hedges of the Group's net investment in a foreign operation; and
- (iv) the difference between the adjusted balances of opening equity for the effects of applying MFRS 129 and the closing equity of the previous year.

(h) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

19. Perpetual securities

In July 2017, a wholly owned subsidiary, Parkway Pantai Limited (“PPL”) established a US\$2.0 billion Multicurrency Term Note Programme (“MTN programme”).

In the same month, senior perpetual securities (“perpetual securities”) with an aggregate principal amount of US\$500.0 million (equivalent to RM2.2 billion) were issued by PPL under the MTN programme. The perpetual securities bore an initial semi-annual distribution of 4.25% per annum which will be reset in July 2023 and at every 5 years thereafter.

The salient features of the perpetual securities were as follows:

- (i) unrated and listed on the Singapore Stock Exchange;
- (ii) direct, unconditional, unsubordinated and unsecured obligations of PPL;
- (iii) no fixed redemption date but PPL had the option to redeem at the end of 5 years from date of issuance at their principal amounts and on each subsequent semi-annual periodic distribution payment date;
- (iv) may also be redeemed at the option of PPL upon the occurrence of certain events as detailed in the terms and conditions of offering circular and pricing supplement of the perpetual securities;
- (v) expected periodic distribution amount may be deferred by PPL and are cumulative, subject to the terms and conditions in the offering circular of the perpetual securities; and
- (vi) shall at all times rank *pari passu* and without any preference among the perpetual securities issued and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of PPL, from time to time outstanding.

The issued perpetual securities were classified as equity as the payment of cumulative distribution or redemption of the securities were at the option of PPL.

In 2022, coupon distributions amounting to RM52,212,000 were accrued to perpetual security holders, and coupon distributions amounting RM90,582,000 were paid to the perpetual security holders.

On 27 July 2022, PPL completed the redemption of its US\$500.0 million perpetual securities. Following the redemption, all the outstanding perpetual securities have been cancelled and delisted from the Singapore Stock Exchange.

20. Loans and borrowings

	Group	
	2023	2022
	RM'000	RM'000
Non-current		
Secured		
Bank loans	1,086,112	522,857
Loans from corporates	4,240	2,792
Unsecured		
Bank loans	4,003,420	5,534,248
Fixed rate medium term notes	579,622	588,418
Loans from corporates*	977,173	917,674
	<u>6,650,567</u>	<u>7,565,989</u>
Current		
Secured		
Bank loans	135,096	634,656
Loans from corporates	2,328	1,533
Unsecured		
Bank loans	1,522,316	889,896
Fixed rate medium term notes	-	66,022
Loans from corporates	1,080	684
	<u>1,660,820</u>	<u>1,592,791</u>
Total loans and borrowings	<u>8,311,387</u>	<u>9,158,780</u>

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

20. Loans and borrowings (continued)

The terms and conditions of outstanding loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	Carrying amount RM'000
2023				
Secured bank loans	EUR	Euribor ⁽¹⁾ + 1.4% to 1.5% Euribor ⁽¹⁾ + 2.7%, no less than 4%	2024 – 2030	73,017
Secured bank loans	INR	MCLR ⁽²⁾ + 0.0% to 2.30%, or the rate as may be mutually agreed	2024 – 2030	461,238
Secured bank loans	INR	REPO Rate ⁽⁷⁾ + 1.9%-2.4%, or the rate as may be mutually agreed	2024 – 2030	83,817
Secured bank loans	MKD	NBMRIR ⁽³⁾ + 2.05%	2024	5,419
Secured bank loans	MKD	5.54%	2024	11,856
Secured bank loans	RMB	PBC LPR ⁽⁵⁾ + 1%-1.8%	2024 – 2028	585,861
Secured loans from corporates	INR	7.0% - 9.05%	2024 – 2028	6,568
Unsecured bank loans	EUR	1.85%	2024	17,871
Unsecured bank loans	EUR	Euribor ⁽¹⁾ + 0.38% to 1.4%	2024 – 2028	331,543
Unsecured bank loans	HKD	HIBOR ⁽⁶⁾ + 0.83% to 1.07%	2024 – 2025	2,120,280
Unsecured bank loans	JPY	TIBOR ⁽¹¹⁾ + 0.33%	2024	143,125
Unsecured bank loans	JPY	COF ⁽⁸⁾	2024	44,223
Unsecured bank loans	JPY	TONA ⁽¹²⁾ + 0.34% to 0.5%	2025 – 2029	1,335,236
Unsecured bank loans	EUR	3.95%-4.63%	2024	409,940
Unsecured bank loans	SGD	SORA ⁽⁹⁾ + 0.54% to 0.68%	2026 – 2028	789,278
Unsecured bank loans	RMB	3.98%	2024	13,086
Unsecured bank loans	TRY	18.40%	2024	321,154
Unsecured fixed rate medium term notes	JPY	0.51% - 1.28%	2027 – 2030	579,622
Unsecured loans from corporates	HKD	HIBOR ⁽⁶⁾ + 1.30%	2026	973,250
Unsecured loans from corporates	RMB	PBC interest rate ⁽⁴⁾	2024 – 2026	3,446
Unsecured loans from corporates	AED	0.00%	2025	766
Unsecured loans from corporates	USD	6.00%	2024	791
				8,311,387
2022				
Secured bank loans	EUR	Euribor ⁽¹⁾ + 1.4% to 1.5% Euribor ⁽¹⁾ + 2.7%, no less than 4%	2024 – 2030	93,612
Secured bank loans	INR	MCLR ⁽²⁾ + 0.0% to 2.80% 7.75% or the rate as may be mutually agreed	2023 – 2030	533,304
Secured bank loans	MKD	NBMRIR ⁽³⁾ + 2.05%	2024	2,842
Secured bank loans	MKD	4.5%	2023	13,587
Secured bank loans	RMB	PBC LPR ⁽⁵⁾ + 0.25%	2023 – 2031	514,168
Secured loans from corporates	INR	7.0% - 8.7%	2023	4,324
Unsecured bank loans	EUR	1.9%	2024	30,121
Unsecured bank loans	EUR	Euribor ⁽¹⁾ + 1.05% to 1.4%	2025 – 2028	555,093
Unsecured bank loans	HKD	HIBOR ⁽⁶⁾ + 0.83% to 1.07%	2024 – 2025	2,015,310
Unsecured bank loans	JPY	TIBOR ⁽¹¹⁾ + 0.33%	2024	145,039
Unsecured bank loans	SGD	COF ⁽⁸⁾	2023	117,857
Unsecured bank loans	JPY	TONA ⁽¹²⁾ + 0.34% to 0.5%	2025 – 2027	1,284,941
Unsecured bank loans	EUR	3.39%	2023	116,032
Unsecured bank loans	SGD	SORA ⁽⁹⁾ + 0.35% to 0.55%	2024 – 2026	556,779
Unsecured bank loans	SGD	SWAP rate + 0.87%	2027	1,214,896
Unsecured bank loans	TRY	9.0% - 18.4%	2023 – 2024	388,076
Unsecured fixed rate medium term notes	JPY	0.51% - 0.97%	2023 – 2029	654,440
Unsecured loans from corporates	HKD	HIBOR ⁽⁶⁾ + 1.30%	2026	913,247
Unsecured loans from corporates	RMB	PBC interest rate ⁽⁴⁾	2023 – 2025	3,745
Unsecured loans from corporates	AED	0.00%	2024	683
Unsecured loans from corporates	USD	6.00%	2023	684
				9,158,780

20. Loans and borrowings (continued)

¹ Euro Interbank Offer Rate	⁷ Reserve bank of India Offered Rate
² Marginal Cost of Funds Based Lending Rate	⁸ Bank's Cost of Funds
³ National Bank of Macedonia Reference Interest Rate	⁹ Singapore Overnight Rate Average
⁴ People's Bank of China benchmark loan interest rate	¹⁰ Singapore Swap Offer Rate
⁵ People's Bank of China loan prime rate	¹¹ Tokyo Interbank Offered Rate
⁶ Hong Kong Interbank Offered Rate	¹² Tokyo Overnight Average

The secured Indian Rupee ("INR") denominated bank loans are secured over the assets of certain subsidiaries and associates.

The secured INR denominated loans from corporates are secured over specific equipment of certain subsidiaries.

The secured Macedonian Denar ("MKD") and Euro Dollars ("EUR") denominated bank borrowings are secured over assets of certain subsidiaries.

The secured Chinese Renminbi ("RMB") denominated bank loans are secured over medical equipment, hospital in construction and a ROU asset relating to prepaid lease for land.

Breach of loan covenant

In 2022, ParkwayHealth Shanghai Hospital Company Limited breached a non-financial covenant in respect of a bank loan amounting to RM514.0 million, whereby its medical licence was not obtained by 31 December 2022. Consequently, the bank loan became repayable on demand and was classified in full as a current liability as at 31 December 2022. However, the bank had not called an event of default. The medical licence was obtained on 19 January 2023 and the loan was refinanced on 4 August 2023.

Unsecured fixed rate medium term notes

PLife REIT has through its wholly owned subsidiary, Parkway Life MTN Pte Ltd ("PLife MTN"), put in place a SGD500 million Multicurrency Debt Issuance Programme, to provide PLife REIT with the flexibility to tap various types of capital market products including issuance of perpetual securities when needed.

Under the Debt Issuance Programme, PLife MTN is able to issue notes while HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of PLife REIT) ("PLife REIT Trustee") is able to issue perpetual securities.

All sums payable in respect of the notes issued by PLife MTN are unconditionally and irrevocably guaranteed by PLife REIT Trustee.

As at 31 December 2023, there are four series of outstanding fixed rate notes issued under the Multicurrency Debt Issuance Programme amounting to JPY17.8 billion (approximately RM579.6 million) (2022: JPY19.9 billion (approximately RM654.4 million)) with maturity dates between 2027 to 2030 (2022: 2023 to 2027).

Loans from corporates

The HKD-denominated loans from corporates are in relation to the non-controlling interest's share of financing granted to a subsidiary, GHK.

20. Loans and borrowings (continued)*Reconciliation of movement of liabilities to cash flows arising from financing activities*

	Bank loans RM'000	Fixed rate medium term notes RM'000	Loans from corporates RM'000	Lease liabilities RM'000	Interest payables RM'000	Total RM'000
Group						
At 1 January 2022	7,477,988	431,713	937,217	2,002,534	84,951	10,934,403
Net changes from financing cash flows	425,310	253,824	-	(337,144)	(290,045)	51,945
Acquisition of subsidiaries	759	-	-	-	-	759
Change in leases	-	-	-	338,858	-	338,858
Foreign exchange movement	(245,507)	(31,097)	37,967	(154,268)	(147)	(393,052)
Transfer to liabilities directly associated with assets classified as held for sale	(90,113)	-	(52,501)	(377,266)	(7,815)	(527,695)
Other liability-related changes	13,220	-	-	158,327	336,095	507,642
At 31 December 2022/1 January 2023	7,581,657	654,440	922,683	1,631,041	123,039	10,912,860
Net changes from financing cash flows	(473,881)	(65,645)	-	(256,617)	(458,267)	(1,254,410)
Acquisition of subsidiaries	51,080	-	-	-	-	51,080
Disposal of subsidiaries	(2,777)	-	-	-	-	(2,777)
Change in leases	-	-	-	367,036	-	367,036
Foreign exchange movement	(357,492)	(9,173)	62,138	(248,832)	24,989	(528,370)
Transfer to liabilities directly associated with assets classified as held for sale	(62,545)	-	-	(2,397)	-	(64,942)
Other liability-related changes	10,902	-	-	170,260	524,355	705,517
At 31 December 2023	6,746,944	579,622	984,821	1,660,491	214,116	10,185,994

20. Loans and borrowings (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company	Lease liabilities RM'000
1 January 2022	2,303
Net changes from financing cash flows	(1,019)
Other liability-related changes	22
At 31 December 2022/1 January 2023	1,306
Net changes from financing cash flows	(1,018)
Other liability-related changes	10
At 31 December 2023	<u>298</u>

21. Employee benefits

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Retirement benefits	22	109,375	92,820	-	-
Provision for unconsumed leave		22,915	19,243	-	-
Deferred bonus scheme		3,682	2,947	2,575	1,462
Gratuity		3,062	26,556	-	8,268
Others		43,916	30,695	-	-
		<u>182,950</u>	<u>172,261</u>	<u>2,575</u>	<u>9,730</u>
Current					
Retirement benefits	22	7,846	9,543	-	-
Defined contribution plan		62,710	52,278	200	221
Provision for unconsumed leave		74,402	72,388	1,287	1,946
Deferred bonus scheme		8,493	10,179	4,040	1,865
Others		4,903	4,082	-	-
		<u>158,354</u>	<u>148,470</u>	<u>5,527</u>	<u>4,032</u>

Provision for unconsumed leave

The balances represent the cash value of the unconsumed leave balance entitled to the employees at the end of the financial year. Employees of certain subsidiaries can carry-forward a portion of the unconsumed leave and utilise it in future service periods or receive cash compensation on termination of employment. Unconsumed leave that does not fall due wholly within twelve months after the end of the period in which the employees render the related service and are not able to be utilised wholly within twelve months after the end of such period is classified as non-current. The obligation is measured based on independent actuarial valuation using projected unit credit method.

21. Employee benefits (continued)

Share-based payment scheme

Enterprise Option Scheme (“EOS”)

On 15 June 2015, at an extraordinary general meeting, the Company’s shareholders approved the establishment of the EOS scheme to grant share options to eligible personnel.

The EOS options granted in each year will vest in the participants over a 3-year period. Each EOS option gives the participant a right to receive one share, upon exercise of the option and subject to the payment of the exercise price.

The exercise price for the EOS option granted shall be determined by the Board which shall be based on the 5-day weighted average market price of the underlying shares a day immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant regulatory from time to time (subject to the Board’s discretion to grant the discount).

The EOS shall be in force for a period of 10 years from 22 June 2015.

The movement in the number of outstanding EOS options are as follows:

	Key management personnel		Other eligible employees	
	Weighted average exercise price	Number of options '000	Weighted average exercise price	Number of options '000
2023				
Outstanding at 1 January	RM5.79	948	RM6.01	26,836
Granted during the year	-	-	RM5.87	14,687
Forfeited during the year	-	-	RM5.93	(5,661)
Exercised during the year	RM5.79	(948)	-	-
Outstanding at 31 December	-	-	RM5.96	35,862
Exercisable at 31 December	-	-	RM6.09	13,288
2022				
Outstanding at 1 January	RM5.89	5,127	RM6.09	16,714
Granted during the year	-	-	RM5.92	16,580
Forfeited during the year	-	-	RM5.92	(1,311)
Exercised during the year	RM5.92	(4,179)	RM6.03	(5,147)
Outstanding at 31 December	RM5.79	948	RM6.01	26,836
Exercisable at 31 December	RM5.79	948	RM6.12	12,637

21. Employee benefits (continued)

Share-based payment scheme (continued)

Enterprise Option Scheme ("EOS") (continued)

The EOS options outstanding as at 31 December has the following features:

	2023	2022
Exercise price	RM5.67-RM6.55	RM5.67-RM6.55
Weighted average contractual life (in years)	3.79	6.61

22. Retirement benefits

Certain Malaysia-based and India-based subsidiaries of the Group have defined benefits plans that provide pension benefits to employees upon retirement. The plans entitle a retired employee to receive one lump sum payment upon retirement. At the end of the financial year, the present values of the unfunded obligations are as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000
Present value of unfunded obligations	21	117,221	102,363
Movement in liability for defined benefit obligations			
At 1 January		102,363	99,434
Recognised in staff costs		18,345	17,401
Recognised in other comprehensive income		3,291	(408)
Others		(6,778)	(14,064)
At 31 December		117,221	102,363

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period:

	Group 2023 %	Group 2022 %
Discount rate	4.2 – 7.35	4.2 – 7.4
Future salary growth	5.0 – 8.0	5.0 – 8.0
Future mortality	0.01 – 1.15	0.01 – 1.15

23. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade payables	1	173	-	-
Other payables	11,150	31,573	-	-
Accruals	3,059	3,954	-	-
Interest payables	161,900	100,356	-	-
Liabilities on put options granted to non-controlling interests	214,737	1,057,572	-	-
	390,847	1,193,628	-	-
Deposits	63,375	61,377	-	-
	454,222	1,255,005	-	-
Current				
Trade payables	1,946,780	1,742,850	-	-
Other payables	644,850	488,206	1,796	2,311
Non-trade amounts due to:				
- Subsidiaries	-	-	1,028	1,353
- Associates	-	660	-	-
- Joint ventures	-	263	-	-
Accruals	1,274,928	1,181,526	19,790	21,097
Interest payables	52,216	22,683	-	-
Provision for loan taken by a joint venture	38,757	47,688	-	-
Liabilities on put options granted to non-controlling interests	816,941	535,093	-	-
	4,774,472	4,018,969	22,614	24,761
Deposits and rental advance billings	173,432	185,763	-	-
Contract liabilities	3,831	3,738	-	-
	4,951,735	4,208,470	22,614	24,761

Amounts due to subsidiaries are unsecured, interest-free and are repayable on demand.

Contract liabilities

Contract liabilities mainly relate to considerations received/receivable from students for education services. Revenue from educational services is recognised over the course semester. The contract liabilities are recognised as revenue over a period of 30 to 270 days when the services are rendered.

23. Trade and other payables (continued)

Contract liabilities (continued)

Significant changes to contract liabilities balance during the year are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Contract liabilities at the beginning of the period recognised as revenue	3,738	78,942

Liabilities on put options granted to non-controlling interests

(a) Pursuant to the acquisition of Gleneagles Healthcare India Private Limited (formerly known as Ravindranath GE Medical Associates Private Limited) ("GHIPL") in 2015, the Group granted the following put options to a non-controlling interest of GHIPL:

- (i) An option for the non-controlling interest to sell their 7.13% interest in GHIPL, on a fully diluted basis, to the Group at a fixed consideration of INR1,463.0 million (equivalent to RM79.9 million) (2022: equivalent to RM82.8 million) less price adjustment of not more than INR110.0 million (equivalent to RM6.0 million) subject to the occurrence of a certain event in 2018 pursuant to an option agreement entered with the non-controlling interests. Since 31 December 2018, this put option does not have any value as the target was not met; and
- (ii) Another option to sell their remaining interest in GHIPL to the Group at the prevailing market price on the date the option is exercised. This put option can only be exercised from December 2020 onwards and does not have an expiry date. As at 31 December 2022, this put option had a carrying value of RM278,563,000.

On 25 September 2023, the above mentioned put options lapsed following the acquisition of non-controlling interest by the Group (refer to note 40).

- (b) Pursuant to the acquisition of City Hospitals and Clinics AD ("City Clinic"), the Group granted put options to non-controlling interests of Acibadem City Clinic B.V. ("ACC BV"), who were formerly shareholders of City Clinic, to sell their shares in ACC BV, to the Group at the higher of the prevailing market price or an amount determined by the formula prescribed in the agreement. These put options are exercisable from June 2027 to May 2032 (2022: June 2027 to May 2032). As at 31 December 2023, this put option has a carrying value of RM166,758,000 (2022: RM150,761,000).
- (c) Pursuant to the disposal of 15% equity interest in ACC BV by the Group to International Finance Corporation ("IFC"), the Group granted put options to IFC to sell their shares in ACC BV to the Group at the higher of the cost of investment of IFC or an amount determined by the formula prescribed in the agreement. The put options are exercisable from June 2023 to May 2026. As at 31 December 2022, this put option had a carrying value of RM265,530,000.

On 19 December 2023, this put option was exercised by IFC (refer to note 40).

23. Trade and other payables (continued)

Liabilities on put options granted to non-controlling interests (continued)

- (d) Pursuant to the acquisition of Angsana Holdings Pte. Ltd. ("Angsana") in 2017, the Group granted put options to the non-controlling interests to sell their existing interests in Angsana to the Group at the prevailing market price on the date the options are exercised. The put options are exercisable from August 2020 onwards and do not have an expiry date. As at 31 December 2022, this put option does not have any value as it is out of the money.

On 28 June 2023, the put options lapsed following the Group's disposal of its equity stake in Angsana to a non-controlling shareholder of Angsana (refer to note 39).

- (e) Pursuant to a shareholders' agreement and exit agreement entered into by Agilus Diagnostic Limited (formerly known as SRL Limited) ("Agilus"), Fortis and certain non-controlling interests of Agilus ("Agilus minority shareholders"), Fortis granted a cash put option to the Agilus minority shareholders to sell their shares in Agilus to Fortis upon the occurrence of certain trigger event as stated in the exit agreement. On 30 March 2022, Agilus, Fortis and the Agilus minority shareholders signed an amendment agreement to incorporate new proposed exit rights for the Agilus minority shareholders, and to also simultaneously terminate the existing exit agreement. Accordingly, the Agilus minority shareholders have agreed not to exercise the cash put option for a further period of 36 months from 5 February 2021. As at 31 December 2023, this put option has a carrying value of RM816,941,000 (2022: RM868,275,000).
- (f) Pursuant to the acquisition of General Hospital Acibadem Bel Medic (formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)) ("Bel Medic") (see note 39), the Group granted put options to non-controlling interests of Bel Medic to sell their shares in Bel Medic to the Group at an amount determined by the formula prescribed in the shareholders' agreement. These put options are exercisable between July 2026 and July 2029, unless expedited upon the occurrence of a certain event from July 2024. If expedited, the put options can be exercised at a prescribed discount. As at 31 December 2023, this put option has a carrying value of RM47,979,000 (2022: RM38,536,000).

During the year, change in value of liabilities on put options granted to non-controlling interests of RM438,397,000 credit (2022: RM209,849,000 credit) was recognised in equity.

Provision for loan taken by a joint venture

In 2013, Khubchandani Hospitals Private Limited ("KHPL"), a 50% owned joint venture, was granted a term loan facility to fund the construction and pre-operating costs of its hospital. A wholly owned subsidiary of the Group, Parkway Holdings Limited ("PHL"), is a joint sponsor under the Sponsor Support Agreement for the term loan facility where the sponsors are required to provide for any shortfall payable by KHPL in the event of termination or non-completion of the hospital project. On 5 January 2017, the bank served a notice to KHPL that the hospital project was unlikely to be completed. In view that KHPL is unlikely to be able to repay the loan, the Group made a provision for its 50% share of the amounts that KHPL owes the licensed bank.

24. Derivative assets and liabilities

	Group	
	2023	2022
	RM'000	RM'000
Non-current assets		
Held at fair value through profit or loss		
- Foreign exchange forward contracts	50,426	35,922
- Cross currency swaps	-	148,715
Held for hedging		
- Cross currency interest rate swaps	83,227	61,410
- Interest rate swaps	-	124
- Interest rate caps	4,365	12,799
	<u>138,018</u>	<u>258,970</u>
Current assets		
Held at fair value through profit or loss		
- Foreign exchange forward contracts	19,758	6,553
- Cross currency swaps	193,140	143,263
	<u>212,898</u>	<u>149,816</u>
Non-current liabilities		
Held at fair value through profit or loss		
- Foreign exchange forward contracts	(3,644)	-
- Cross currency swaps	(439)	-
Held for hedging		
- Interest rate swaps	(8,853)	-
	<u>(12,936)</u>	<u>-</u>
Current liabilities		
Held at fair value through profit or loss		
- Foreign exchange forward contracts	(6,354)	(4,379)
- Cross currency swaps	(538)	-
- Interest rate swaps	(252)	-
Held for hedging		
- Interest rate swaps	(15)	-
	<u>(7,159)</u>	<u>(4,379)</u>

	Nominal value		Fair value	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Derivatives at fair value through profit or loss				
- Foreign exchange forward contracts	2,298,156	508,135	60,186	38,096
- Cross currency swaps	373,370	171,657	192,163	291,978
- Call option granted to NCI	-	27,321	-	-
- Interest rate swaps	69,979	-	(252)	-
Derivatives used for hedging				
- Interest rate caps	1,128,701	1,145,324	4,365	12,799
- Interest rate swaps	922,672	145,286	(8,868)	124
- Cross currency interest rate swaps	286,477	265,828	83,227	61,410
	<u>5,079,355</u>	<u>2,263,551</u>	<u>330,821</u>	<u>404,407</u>

24. Derivative assets and liabilities (continued)

The Group enters into interest rate caps, interest rate swaps, cross currency interest rate swaps, cross currency swaps and foreign exchange forward contracts to manage interest rate fluctuations and exchange rate fluctuations on certain loans, as set out in note 35(vi) and (vii).

Call option granted to NCI

The Group granted a call option to non-controlling interests of GHIPL to purchase the Group's 3% interest in GHIPL on a fully diluted basis, at a fixed price of INR500.0 million (equivalent to RM27.3 million), pursuant to an option agreement entered with the non-controlling interests. The call option granted to non-controlling interests is classified as a financial derivative liability. There was no change in fair value of the call option during 2022.

On 25 September 2023, the above mentioned call option lapsed following the acquisition of non-controlling interest by the Group (refer to note 40).

Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty in respect of the same transactions outstanding in the same currency under the agreement are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all outstanding transactions.

The above agreements do not meet the criteria for offsetting in the statement of financial position as the right to set-off recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously in its normal course of business.

25. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Healthcare services	19,582,084	16,359,826	-	-
Laboratories services	981,766	1,064,862	-	-
Education services	57,584	267,054	-	-
Management fees	40,012	26,181	19,399	-
Revenue from contracts with customers	20,661,446	17,717,923	19,399	-
Rental income	272,937	270,701	-	-
Dividend income				
- from subsidiaries	-	-	620,615	340,373
- from money market funds	454	63	380	63
	<u>20,934,837</u>	<u>17,988,687</u>	<u>640,394</u>	<u>340,436</u>

25. Revenue (continued)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by reportable segments:

	Healthcare services RM'000	Laboratories services RM'000	Education services RM'000	Management fees RM'000	Total RM'000
2023					
Reportable segments					
Singapore	5,487,955	-	4,097	1,968	5,494,020
Malaysia	3,654,151	-	-	-	3,654,151
India	3,517,231	-	-	27,311	3,544,542
Greater China	1,300,566	-	-	5,052	1,305,618
Turkiye and Europe	5,621,724	-	-	-	5,621,724
IMU Health	412	-	53,487	-	53,899
Labs	-	981,766	-	447	982,213
Others	45	-	-	5,234	5,279
	<u>19,582,084</u>	<u>981,766</u>	<u>57,584</u>	<u>40,012</u>	<u>20,661,446</u>
2022					
Reportable segments					
Singapore	4,824,497	-	8,011	1,800	4,834,308
Malaysia	3,045,923	-	-	-	3,045,923
India	3,145,065	-	-	16,672	3,161,737
Greater China	993,981	-	-	2,831	996,812
Turkiye and Europe	4,348,578	-	-	-	4,348,578
IMU Health	1,729	-	259,043	-	260,772
Labs	-	1,064,862	-	-	1,064,862
Others	53	-	-	4,878	4,931
	<u>16,359,826</u>	<u>1,064,862</u>	<u>267,054</u>	<u>26,181</u>	<u>17,717,923</u>

Healthcare services revenue

Healthcare services revenue generally relates to contracts with patients in which performance obligations are to provide healthcare services. The performance obligations for inpatient services are generally satisfied over a short period, and revenue from inpatient services is recorded when the healthcare services are performed. The performance obligations for outpatient and daycase services are generally satisfied over a period of less than one day, and revenue is also recorded when the healthcare services are performed. The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligation for returns or refunds or warranties for healthcare-related services.

25. Revenue (continued)

Laboratories services revenue

Laboratories services revenue generally relates to contracts with patients in which performance obligations are to provide clinical, pathology and genetics diagnostic laboratory services. The performance obligations are generally satisfied over a short period when the diagnostic laboratory services are performed. The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligation for returns or refunds or warranties for diagnostic laboratory-related services.

Education services revenue

Education services revenue primarily consist of tuition fees. Tuition fee for educational services not yet provided is recorded as contract liability (see note 23) and recognised as revenue over the period when the services are rendered. There are no variable considerations. The Group maintains a tuition refund policy which provided for all, or a portion of tuition fees to be refunded if a student withdrew a semester within the stated refund periods. Refunds are recorded as a reduction of the related remaining contract liability and a reduction of revenue in the month that the student withdraws from a semester. If a student withdraws at the time when only a portion, or none, of the tuition fees was refundable, then the Group continues to recognise the tuition fees that was not refunded over the period of the related semester.

Management fees

Management fee is recognised over time for management and consultancy services provided. The stage of completion is assessed by reference to surveys of work performed. The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component.

26. Staff costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses and other costs	7,310,285	6,042,111	66,852	52,054
Contribution to defined contribution plans	314,235	274,031	1,385	1,282
Equity-settled share-based payments	7,714	3,319	3,227	1,353
	<u>7,632,234</u>	<u>6,319,461</u>	<u>71,464</u>	<u>54,689</u>

Staff costs includes remuneration of the Executive Director. Refer to note 30 for details.

27. Finance income and costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Finance income				
Interest income	87,620	77,586	5,501	13,326
Fair value gain on investments at FVTPL	3,095	987	2,737	642
Fair value gain on financial derivatives	12,049	34,810	-	-
	<u>102,764</u>	<u>113,383</u>	<u>8,238</u>	<u>13,968</u>
Finance costs				
Interest on loans and borrowings	(524,354)	(339,734)	-	-
Interest on lease liabilities	(170,260)	(158,060)	(10)	(22)
Interest on amounts due to a subsidiary	-	-	-	(295)
Exchange loss on loans and borrowings and lease liabilities	(193,940)	(144,194)	-	-
Other finance costs	(58,639)	(41,556)	-	-
Less: Capitalised interest expenses in property, plant and equipment from:				
- Interest on loans and borrowings	676	20,934	-	-
- Interest on lease liabilities	5,198	5,197	-	-
	<u>(941,319)</u>	<u>(657,413)</u>	<u>(10)</u>	<u>(317)</u>

28. Profit before tax

(a) Auditors' remuneration charged to profit or loss comprises:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
Audit fees				
- KPMG PLT	(1,404)	(2,024)	(493)	(487)
- Member firms of KPMG International Limited	(9,663)	(8,956)	(657)	(585)
- Other auditors	(667)	(548)	-	-
Non-audit fees				
- KPMG PLT	(1,416)	(1,401)	(1,256)	(1,240)
- Member firms of KPMG International Limited	<u>(6,619)</u>	<u>(4,431)</u>	<u>(2,129)</u>	<u>(2,123)</u>

28. Profit before tax (continued)**(b) Profit before tax is arrived at after crediting/(charging):**

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Material income/(expenses)					
Government grants		22,363	31,023	5	25
Exchange gains - net		613	92,526	3,711	31,043
Impairment loss (made)/written back					
- Property, plant and equipment	3	(922)	(384,302)	-	-
- Intangible assets	6	-	(8,943)	-	-
- Goodwill	6	-	(150,066)	-	-
- Trade and other receivables		(99,226)	(44,686)	-	(8,567)
Write-off:					
- Property, plant and equipment	3	(1,851)	(1,087)	-	-
- Trade and other receivables		(13,843)	(10,048)	-	-
- Inventories		(6,679)	(4,296)	-	-
Net monetary gain arising from hyperinflationary economies		703,941	462,512	-	-
Gain on modification of leases		31	(3,574)	-	-
Gain on disposal of property, plant and equipment		10,691	11,864	-	-
Gain on disposal of subsidiaries		991,480	-	827,545	-
Gain on disposal of interests in associates		3,723	-	-	-
Change in fair value of investment properties	5	9,299	23,750	-	-

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29. Other comprehensive income

	Before tax RM'000	2023 Tax benefit RM'000 (note 11)	Net of tax RM'000	Before tax RM'000	2022 Tax benefit RM'000 (note 11)	Net of tax RM'000
Group						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences from foreign operations	1,488,181	-	1,488,181	224,633	-	224,633
Realisation of FCTR upon disposal of subsidiaries	11,150	-	11,150	-	-	-
Hyperinflationary adjustments	413,852	-	413,852	669,372	-	669,372
Hedge of net investments in foreign operations	198,273	-	198,273	313,681	-	313,681
Cash flow hedge	(104,546)	20,410	(84,136)	22,137	-	22,137
Cost of hedging	(2,082)	-	(2,082)	1,292	-	1,292
	<u>2,004,828</u>	<u>20,410</u>	<u>2,025,238</u>	<u>1,231,115</u>	<u>-</u>	<u>1,231,115</u>
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liabilities	(39,677)	9,976	(29,701)	(18,113)	2,816	(15,297)
Change in fair value of financial assets at FVOCI	47,395	-	47,395	-	-	-
	<u>2,012,546</u>	<u>30,386</u>	<u>2,042,932</u>	<u>1,213,002</u>	<u>2,816</u>	<u>1,215,818</u>
Company						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences from foreign operations	<u>1,090</u>	<u>-</u>	<u>1,090</u>	<u>586</u>	<u>-</u>	<u>586</u>

30. Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers the Directors of the Company to be key management personnel in accordance with MFRS 124, *Related Party Disclosures*.

The key management personnel compensation are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-executive directors:				
- Fees	7,860	7,733	5,083	5,055
- Remuneration and other benefits	16	28	16	28
- Share-based payment	-	1,132	-	-
	7,876	8,893	5,099	5,083
Executive director:				
- Remuneration and other benefits	20,670	23,363	20,670	10,556
	28,546	32,256	25,769	15,639

The estimated monetary value of directors' benefit-in-kind is RM17,000 (2022: RM168,000).

31. Income tax expense

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Current tax expense					
Current year		566,358	574,197	2,332	3,248
(Over)/under provided in prior years		(1,677)	(23,043)	606	-
		564,681	551,154	2,938	3,248
Deferred tax expense/(credit)					
Origination and reversal of temporary differences		86,776	14,147	429	(50)
Under provided in prior years		6,889	6,648	-	-
	11	93,665	20,795	429	(50)
		658,346	571,949	3,367	3,198

31. Income tax expense (continued)

Reconciliation of income tax expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax	4,049,301	2,217,091	1,374,014	282,125
Less:				
Share of profits of associates (net of tax)	(24,784)	(36,836)	-	-
Share of profits of joint ventures (net of tax)	(1,466)	(2,035)	-	-
	<u>4,023,051</u>	<u>2,178,220</u>	<u>1,374,014</u>	<u>282,125</u>
Income tax calculated using Malaysia tax rate of 24% (2022: 24%)	965,532	522,773	329,763	67,710
Effect of tax rates in foreign jurisdictions	(72,321)	(41,776)	(168)	(269)
Effect of change in tax rates	(21,072)	(28,490)	-	-
Tax exempt income	(320,891)	(62,350)	(351,571)	(81,760)
Tax incentive	(2,540)	(64)	-	-
Non-deductible expenses	80,499	256,747	24,737	17,517
Recognition of deferred tax assets	(56,921)	(104,477)	-	-
Deferred tax assets not recognised	80,848	45,981	-	-
(Over)/under provided in prior years	5,212	(16,395)	606	-
	<u>658,346</u>	<u>571,949</u>	<u>3,367</u>	<u>3,198</u>

The Group is in the process of assessing the exposure to the Pillar Two income taxes arising from legislation in the jurisdictions in which the Group operates in. Due to the complex nature of the legislation and the calculations including the determination of the adjustments required under the Pillar Two legislation, the Group assessed that the quantitative impact of the potential top-up tax arising from the enacted/substantively enacted legislation is not yet reasonably estimable. The Group continues to assess the impact of the Pillar Two legislation on its financials.

32. Earnings per share

	Group	
	2023	2022
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders (RM'000)		
Profit after tax and non-controlling interests	2,951,874	1,548,398
Perpetual securities distribution accrued	-	(52,212)
	<u>2,951,874</u>	<u>1,496,186</u>
Basic earnings per share		
Weighted average number of shares ('000)	<u>8,806,799</u>	<u>8,803,471</u>
Basic earnings per share (sen)	<u>33.52</u>	<u>17.00</u>

32. Earnings per share (continued)

Diluted earnings per share

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2023	2022
Weighted average number of ordinary shares used in calculation of basic earnings per share ('000)	8,806,799	8,803,471
Weighted average number of unissued ordinary shares from units under EOS ('000)	47	834
Weighted average number of ordinary shares used in calculation of diluted earnings per share ('000)	<u>8,806,846</u>	<u>8,804,305</u>
 Diluted earnings per share (sen)	 <u>33.52</u>	 <u>16.99</u>

At 31 December 2023, 2,955,000 outstanding EOS options (2022: 18,759,000) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices of the Company for the period during which the options were outstanding.

33. Dividends

Dividends recognised by the Company:

	Per ordinary share sen	Total amount RM'000	Date of payment
2023			
First and final single tier cash dividend for the financial year ended 31 December 2022	7.0	616,489	28 April 2023
Special single tier cash dividend for the financial year ended 31 December 2023	9.6	845,472	30 June 2023
Interim single tier cash dividend for the financial year ended 31 December 2023	3.5	308,244	27 October 2023
	<u>20.1</u>	<u>1,770,205</u>	
2022			
First and final single tier cash dividend for the financial year ended 31 December 2021	<u>6.0</u>	<u>528,162</u>	29 April 2022

33. Dividends (continued)

The Board of Directors have declared that a first and final single tier cash dividend of 5.5 sen per ordinary share for the financial year ended 31 December 2023 to be paid on 26 April 2024 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn Bhd and CDP at the close of business on 27 March 2024. The Company shall apply the RM: SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 27 March 2024 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

	Per ordinary share sen	Total amount RM'000
Final single tier cash dividend for the financial year ended 31 December 2023	5.5	484,385

* Based on 8,806,991,000 ordinary shares as at 29 February 2024.

34. Segment reporting

Operating segments

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 period 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. For each of the strategic business units, the Group's Board of Directors reviews internal management reports on at least a quarterly basis.

Management monitors the operating results of each of its business units 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").

Inter-segment pricing is determined on negotiated basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

34. Segment reporting (continued)

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

34. Segment reporting (continued)

	Hospital and Healthcare						IMU Health	Labs	PLife REIT	Others	Eliminations	Total
	Singapore	Malaysia	India	Greater China	Turkiye and Europe	Southeast Asia						
2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue and expenses</u>												
Revenue from external customers	4,912,786	3,073,667	3,175,119	998,378	4,348,578	-	260,772	1,064,862	149,531	4,994	-	17,988,687
Inter-segment revenue	7,059	7,620	-	1	4,869	-	1,489	602,632	226,668	1,539,019	(2,389,357)	-
Total segment revenue	4,919,845	3,081,287	3,175,119	998,379	4,353,447	-	262,261	1,667,494	376,199	1,544,013	(2,389,357)	17,988,687
EBITDA	1,483,917	846,761	492,286	(60,291)	974,304	(346)	84,750	347,007	278,442	1,251,634	(1,647,337)	4,051,127
Depreciation and impairment of property, plant and equipment	(163,469)	(209,888)	(132,929)	(506,554)	(290,014)	-	(5,279)	(40,015)	(24,475)	(1,852)	-	(1,374,475)
Depreciation and impairment of ROU assets	(298,171)	(24,532)	(22,415)	(71,763)	(114,756)	-	(1,235)	(29,018)	(12,894)	(6,178)	223,069	(357,893)
Amortisation and impairment of intangible assets	-	(1,756)	(13,276)	(12,962)	(10,977)	-	(255)	(18,456)	-	(9,237)	8,467	(58,452)
Foreign exchange differences	(391)	(1,465)	6,232	(336)	(2,203)	(5,158)	(12)	1,722	10,810	83,327	-	92,526
Finance income	226	7,599	5,351	2,916	57,725	47	2,836	10,414	16,413	18,295	(8,439)	113,383
Finance costs	(62,091)	(4,897)	(83,158)	(112,318)	(403,726)	-	(1,527)	(6,441)	(18,296)	(34,716)	69,757	(657,413)
Net monetary gain arising from hyperinflationary economy	-	-	-	-	448,006	-	-	14,506	-	-	-	462,512
Share of profits of associates (net of tax)	2,001	-	14,849	-	-	19,986	-	-	-	-	-	36,836
Share of profits of joint ventures (net of tax)	1,420	-	543	-	-	-	-	72	-	-	-	2,035
Others	43,224	(8,045)	-	(136,319)	-	-	-	48	-	(13,583)	21,580	(93,095)
Profit/(loss) before tax	1,006,666	603,777	267,483	(897,627)	658,359	14,529	79,278	279,839	250,000	1,287,690	(1,332,903)	2,217,091
Income tax expense	(166,211)	(169,819)	(69,643)	(2,518)	(44,545)	-	(18,833)	(63,121)	(19,692)	(17,578)	11	(571,949)
Profit/(loss) for the year	840,455	433,958	197,840	(900,145)	613,814	14,529	60,445	216,718	230,308	1,270,112	(1,332,892)	1,645,142
<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 2023	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 2023	9,730,773	957,659	3,055,517	4,526,367	4,120,723	21,841	210,149	430,246	3,167,029	2,725,053	(9,636,927)	19,308,430

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

34. Segment reporting (continued)

Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Japan RM'000	Turkiye and Europe RM'000	Others⁽¹⁾ RM'000	Eliminations RM'000	Total RM'000
2023									
Revenue from external customers	5,745,626	3,834,452	4,215,825	1,306,798	152,903	5,673,574	5,659	-	20,934,837
Non-current assets ⁽²⁾	16,677,929	5,739,997	6,215,994	2,851,858	2,509,373	7,846,083	140,714	(84,211)	41,897,737
2022									
Revenue from external customers	5,143,114	3,442,724	3,865,251	998,378	149,369	4,384,857	4,994	-	17,988,687
Non-current assets ⁽²⁾	15,305,218	5,565,936	5,695,916	2,757,195	2,469,366	6,630,406	120,203	(90,903)	38,453,337

⁽¹⁾: Others include balances relating to corporate offices, which are unallocated.

⁽²⁾: Non-current assets consist of property, plant and equipment, ROU assets, investment properties, goodwill on consolidation and intangible assets.

35. Financial instruments

(i) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost
- (b) Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9
- (c) Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")
- (d) Derivatives used for hedging

2023	Carrying amount RM'000	Amortised cost RM'000	Mandatorily at FVTPL RM'000	FVOCI - EIDUIR RM'000	Derivatives used for hedging RM'000
Group					
Financial assets					
Other financial assets					
- Unquoted shares	206,391	-	-	206,391	-
- Money market funds	120,409	-	120,409	-	-
- Fixed deposits	182,758	182,758	-	-	-
- Others	9,843	9,843	-	-	-
Trade and other receivables ⁽¹⁾	2,861,454	2,861,454	-	-	-
Derivative assets					
- Foreign exchange forward contracts	70,184	-	70,184	-	-
- Cross currency swaps	193,140	-	193,140	-	-
- Cross currency interest rate swaps	83,227	-	-	-	83,227
- Interest rate caps	4,365	-	-	-	4,365
Cash and cash equivalents	2,379,123	2,379,123	-	-	-
	<u>6,110,894</u>	<u>5,433,178</u>	<u>383,733</u>	<u>206,391</u>	<u>87,592</u>
Financial liabilities					
Bank overdrafts	(77,885)	(77,885)	-	-	-
Loans and borrowings	(8,311,387)	(8,311,387)	-	-	-
Trade and other payables ⁽²⁾	(4,133,641)	(4,133,641)	-	-	-
Derivative liabilities					
- Foreign exchange forward contracts	(9,998)	-	(9,998)	-	-
- Cross currency swaps	(977)	-	(977)	-	-
- Interest rate swaps	(9,120)	-	(252)	-	(8,868)
	<u>(12,543,008)</u>	<u>(12,522,913)</u>	<u>(11,227)</u>	<u>-</u>	<u>(8,868)</u>
Company					
Financial assets					
Trade and other receivables ⁽¹⁾	94,132	94,132	-	-	-
Money market funds	172	-	172	-	-
Cash and cash equivalents	7,888	7,888	-	-	-
	<u>102,192</u>	<u>102,020</u>	<u>172</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Trade and other payables ⁽²⁾	<u>(22,614)</u>	<u>(22,614)</u>	<u>-</u>	<u>-</u>	<u>-</u>

⁽¹⁾: Excludes prepayments.

⁽²⁾: Excludes liabilities on put options granted to non-controlling interests, deposits, rental advance billings and contract liabilities.

35. Financial instruments (continued)

(i) Categories of financial instruments (continued)

2022	Carrying amount RM'000	Amortised cost RM'000	Mandatorily at FVTPL RM'000	FVOCI - EIDUIR RM'000	Derivatives used for hedging RM'000
Group					
Financial assets					
Other financial assets					
- Unquoted shares	114,573	-	-	114,573	-
- Fixed deposits	245,660	245,660	-	-	-
- Others	16,745	16,745	-	-	-
Trade and other receivables ⁽¹⁾	2,487,992	2,487,992	-	-	-
Derivative assets					
- Foreign exchange forward contracts	42,475	-	42,475	-	-
- Cross currency swaps	291,978	-	291,978	-	-
- Cross currency interest rate swaps	61,410	-	-	-	61,410
- Interest rate caps	12,799	-	-	-	12,799
- Interest rate swaps	124	-	-	-	124
Cash and cash equivalents	3,663,511	3,663,511	-	-	-
	6,937,267	6,413,908	334,453	114,573	74,333
Financial liabilities					
Bank overdrafts	(44,135)	(44,135)	-	-	-
Loans and borrowings	(9,158,780)	(9,158,780)	-	-	-
Trade and other payables ⁽²⁾	(3,619,932)	(3,619,932)	-	-	-
Derivative liabilities					
- Foreign exchange forward contracts	(4,379)	-	(4,379)	-	-
	(12,827,226)	(12,822,847)	(4,379)	-	-
Company					
Financial assets					
Trade and other receivables ⁽¹⁾	23,699	23,699	-	-	-
Cash and cash equivalents	154,512	154,512	-	-	-
	178,211	178,211	-	-	-
Financial liabilities					
Trade and other payables ⁽²⁾	(24,761)	(24,761)	-	-	-

⁽¹⁾: Excludes prepayments.

⁽²⁾: Excludes liabilities on put options granted to non-controlling interests, deposits, rental advance billings and contract liabilities.

35. Financial instruments (continued)

(ii) Net gains/(losses) arising from financial instruments

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost				
- Recognised in profit or loss	(25,449)	22,852	5,501	13,326
Financial liabilities at amortised cost				
- Recognised in profit or loss	(776,257)	(504,550)	-	(296)
Financial instruments mandatorily at FVTPL				
- Recognised in profit or loss	15,598	35,860	3,117	705
Financial instruments at FVOCI				
- Recognised in other comprehensive income	47,395	-	-	-
Derivatives used for hedging				
- Recognised in other comprehensive income	(410)	41,345	-	-
	<u>(739,123)</u>	<u>(404,493)</u>	<u>8,618</u>	<u>13,735</u>

(iii) Financial risk management

The Group and the Company have exposures to the following risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(iv) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's primary exposure to credit risk, arises principally through its trade receivables and investment in debt securities. The Company's exposure to credit risk arises principally from its amounts due from subsidiaries and financial guarantee provided to banks for banking facilities and cross currency swaps granted to subsidiaries.

35. Financial instruments (continued)

(iv) Credit risk (continued)

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on major customers requiring credit over a certain amount. Self-pay customer may be requested to place an initial deposit or obtain a letter of guarantee at the time of admission to the hospital. Additional deposit is requested from the customer when the hospital charges exceed a certain level.

At the end of each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk are represented by the carrying amounts of financial assets in the statements of financial position.

Credit risk concentration profile

The exposure of credit risk for trade receivables as at the end of the reporting period (by geographical distribution) were as follows:

	Group	
Note	2023 RM'000	2022 RM'000
Singapore	748,419	663,081
Malaysia	539,995	508,387
India	623,698	538,408
Greater China	127,552	92,762
Southeast Asia	107,396	127,442
Turkiye and Europe	786,928	603,613
Others	49,969	39,377
	2,983,957	2,573,070
Impairment losses	(441,339)	(366,132)
14	<u>2,542,618</u>	<u>2,206,938</u>

35. Financial instruments (continued)

(iv) Credit risk (continued)

Trade receivables (continued)

Credit risk concentration profile (continued)

At 31 December 2022, the Group has outstanding trade receivables from one significant customer amounting to RM196,727,000, which is individually 5% or more of the Group's gross trade receivables. There is no significant credit risk concentration as at 31 December 2023.

Recognition and measurement of impairment losses

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables. In measuring the ECL, trade receivables are grouped based on shared credit risk characteristics such as customer types, geographic region and days past due. Customer types include self-pay customers, insurers, third party administrators and government bodies.

Loss rate is calculated using a "roll-rate" method based on the probability of a receivable progressing through successive stages of delinquency to being written off.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers, based on actual credit loss experience over the past four years. This is adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The scalar factors for self-pay customers are based on actual and forecast real income growth rates of respective countries. The scalar factors for corporate and government customers are based on default probability risk rates of the customer.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
Group 2023			
Not credit impaired			
Not past due	1,291,104	(14,710)	1,276,394
Past due 1 – 30 days	456,913	(8,674)	448,239
Past due 31 – 180 days	619,443	(31,946)	587,497
Past due 181 days – 1 year	175,190	(48,100)	127,090
Past due more than 1 year	251,941	(175,906)	76,035
	<u>2,794,591</u>	<u>(279,336)</u>	<u>2,515,255</u>
Credit impaired			
Individually impaired	189,366	(162,003)	27,363
	<u>2,983,957</u>	<u>(441,339)</u>	<u>2,542,618</u>

35. Financial instruments (continued)

(iv) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

Group	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
2022			
Not credit impaired			
Not past due	1,102,414	(13,564)	1,088,850
Past due 1 – 30 days	381,697	(7,062)	374,635
Past due 31 – 180 days	563,269	(25,752)	537,517
Past due 181 days – 1 year	157,811	(35,065)	122,746
Past due more than 1 year	207,251	(166,581)	40,670
	2,412,442	(248,024)	2,164,418
Credit impaired			
Individually impaired	160,628	(118,108)	42,520
	2,573,070	(366,132)	2,206,938

The movement in the allowance for impairment in respect of trade receivables during the year are shown below:

	Group RM'000
At 1 January 2022	346,823
Impairment loss	59,381
Written off	(7,765)
Transfer to assets classified as held for sale	(63)
Translation differences	(32,244)
At 31 December 2022/1 January 2023	366,132
Impairment loss	99,226
Written off	(7,087)
Transfer to assets classified as held for sale	(58)
Disposal of subsidiaries	(87)
Translation differences	(16,787)
At 31 December 2023	441,339

35. Financial instruments (continued)

(iv) Credit risk (continued)

Fixed deposits and cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated and with good credit ratings. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Group and the Company consider their fixed deposits and cash and cash equivalents to have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on fixed deposits and cash and cash equivalents was negligible.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company regularly monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The Company determines the probability of default from these receivables individually using internal information available. The Company considers these receivable balances as low credit risk unless there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly or the balance is overdue for more than 365 days. As at the end of the reporting period, the ECL allowance on these low-credit-risk balances is insignificant.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provided unsecured financial guarantees to banks in respect of banking facilities and cross currency swaps ("CCS") arrangements granted to certain subsidiaries.

The Company monitors on an ongoing basis the abilities of the borrowing entities to service their loans and CCS obligations on an individual basis.

35. Financial instruments (continued)

(iv) Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure of the Company in respect of financial guarantees at 31 December 2023 amounted to RM45,751,000 (2022: RM134,720,000) representing the outstanding bank loans and CCS obligations of its subsidiaries.

At the end of the reporting period, the Company does not consider it probable that claims will be made against the Company under the financial guarantees. The financial guarantees are not recognised since the fair value on initial recognition was not material.

Provision for loan taken by a joint venture

Risk management objectives, policies and processes for managing the risk

A wholly owned subsidiary, PHL is a joint sponsor under the Sponsor Support Agreement for the term loan facility granted to KHPL whereby the sponsors are required to provide for any shortfall payable by KHPL in respect of the term loan facility in the event of termination or non-completion of hospital project.

Exposure to credit risk, credit quality and collateral

The maximum exposure of the Group in respect of the loan at the reporting date amounted to RM38,757,000 (2022: RM47,688,000) representing the Group's 50% share of bank loans drawn down and interest payable by KHPL (see note 23).

On 5 January 2017, the bank served a notice to KHPL that the hospital project was unlikely to be completed. In view that KHPL is unlikely to be able to repay the loan, the Group made a provision for its 50% share of the amounts KHPL owed the bank.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and loans and borrowings.

35. Financial instruments (continued)

(v) Liquidity risk (continued)

Maturity analysis

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash and available undrawn credit facilities to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The following table provides the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period. The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting arrangements:

Group 2023	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year but within 5 years RM'000	After 5 years RM'000
Non-derivative financial liabilities					
Bank overdrafts	77,885	77,885	77,885	-	-
Loans and borrowings	8,311,387	9,445,687	1,944,249	7,015,234	486,204
Lease liabilities	1,660,491	3,419,885	410,421	1,381,573	1,627,891
Trade and other payables*	5,165,319	5,660,280	4,774,472	835,440	50,368
	15,215,082	18,603,737	7,207,027	9,232,247	2,164,463
Derivative financial instruments					
Foreign exchange forward contracts (gross-settled)	(60,186)				
- inflows		(1,103,651)	(767,209)	(324,073)	(12,369)
- outflows		1,020,507	713,348	295,861	11,298
Cross currency interest rate swaps (gross-settled)	(83,227)				
- inflows		(373,477)	(51,707)	(321,770)	-
- outflows		287,718	738	286,980	-
Cross currency swaps (gross-settled)	(192,163)				
- inflows		(247,103)	(247,103)	-	-
- outflows		62,821	62,821	-	-
Interest rate swaps (net-settled)	9,120	9,135	1,494	5,948	1,693
Interest rate caps (net-settled)	(4,365)	(4,374)	-	(4,374)	-
	(330,821)	(348,424)	(287,618)	(61,428)	622
	14,884,261	18,255,313	6,919,409	9,170,819	2,165,085

*: Excludes deposits, rental advance billings and contract liabilities.

35. Financial instruments (continued)

(v) Liquidity risk (continued)

Maturity analysis (continued)

Group 2022	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year but within 5 years RM'000	After 5 years RM'000
Non-derivative financial liabilities					
Bank overdrafts	44,135	44,135	44,135	-	-
Loans and borrowings	9,158,780	10,556,446	2,028,489	6,765,549	1,762,408
Lease liabilities	1,631,041	3,461,018	379,954	1,285,937	1,795,127
Trade and other payables*	5,212,597	5,212,597	4,018,969	1,128,226	65,402
	<u>16,046,553</u>	<u>19,274,196</u>	<u>6,471,547</u>	<u>9,179,712</u>	<u>3,622,937</u>
Derivative financial instruments					
Foreign exchange forward contracts (gross-settled)	(38,096)				
- inflows		(363,876)	(120,457)	(243,419)	-
- outflows		326,214	107,470	218,744	-
Cross currency interest rate swaps (gross-settled)	(61,410)				
- inflows		(330,916)	(24,250)	(306,666)	-
- outflows		267,841	750	267,091	-
Cross currency swaps (gross-settled)	(291,978)				
- inflows		(676,389)	(227,237)	(449,152)	-
- outflows		319,370	119,804	199,566	-
Interest rate swaps (net-settled)	(124)	(127)	(114)	(13)	-
Interest rate caps (net-settled)	(12,799)	(12,825)	(127)	(12,698)	-
	<u>(404,407)</u>	<u>(470,708)</u>	<u>(144,161)</u>	<u>(326,547)</u>	<u>-</u>
	<u>15,642,146</u>	<u>18,803,488</u>	<u>6,327,386</u>	<u>8,853,165</u>	<u>3,622,937</u>

*: Excludes deposits, rental advance billings and contract liabilities.

35. Financial instruments (continued)

(v) Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount	Contractual cash flows	Within 1 year	After 1 year but within 5 years	After 5 years
2023	RM'000	RM'000	RM'000	RM'000	RM'000
Non-derivative financial liabilities					
Lease liabilities	298	299	268	31	-
Trade and other payables [#]	22,614	22,614	22,614	-	-
	<u>22,912</u>	<u>22,913</u>	<u>22,882</u>	<u>31</u>	<u>-</u>
2022					
Non-derivative financial liabilities					
Lease liabilities	1,306	1,317	1,018	299	-
Trade and other payables [#]	24,761	24,761	24,761	-	-
	<u>26,067</u>	<u>26,078</u>	<u>25,779</u>	<u>299</u>	<u>-</u>

[#]: Excludes deposits and rental advance billings.

The above table has not included financial guarantees amounting to RM45,751,000 (2022: RM134,720,000) for outstanding bank loans and CCS obligations of its subsidiaries, of which the guarantee may be called by the banks anytime if the subsidiaries default.

(vi) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's financial position or cash flows.

(a) Foreign currency risk

The Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables, and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the Singapore Dollar, United States Dollar, Euro Dollar, Japanese Yen, India Rupee and Chinese Renminbi.

Risk management objectives, policies and processes for managing the risk

The Group uses foreign exchange forward contracts to manage its exposure to foreign currency movements on its net income denominated in Japanese Yen from its investments in Japan. Where necessary, the foreign exchange forward contracts are rolled over at maturity.

35. Financial instruments (continued)

(vi) Market risk (continued)

(a) Foreign currency risk (continued)

Risk management objectives, policies and processes for managing the risk (continued)

The Group actively monitors its foreign currency risk and minimises such risk by borrowing in the functional currency of the borrowing entity or by borrowing in the same currency as the foreign investment (i.e. natural hedge of net investments).

The Group also enters in cross currency interest rate swaps to realign borrowings to the same currency of the Group's foreign investments to achieve a natural hedge (see note 35(vii)).

In respect of other monetary assets and liabilities held in currencies other than the functional currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate where necessary to address short term imbalances.

The nominal value and fair value of the foreign exchange forward contracts, cross currency swaps and cross currency interest rate swaps are disclosed in note 24.

35. Financial instruments (continued)**(vi) Market risk (continued)****(a) Foreign currency risk (continued)*****Exposure to foreign currency risk***

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

Group 2023	Singapore Dollar RM'000	United States Dollar RM'000	Euro Dollar RM'000	Japanese Yen RM'000	India Rupee RM'000	Chinese Renminbi RM'000	Others* RM'000
Carrying value							
Trade and other receivables	251	462,775	196,408	238	132	-	751
Intra-group receivables	1,923,053	228,769	1,175,384	-	20,271	29,749	18,253
Cash and cash equivalents	9,179	63,232	65,124	3,010	-	1,104	16,562
Loans and borrowings	-	(791)	(730,012)	-	-	(13,086)	(766)
Trade and other payables	(3,055)	(110,734)	(17,298)	(2,418)	(1,413)	(414)	(2,300)
Intra-group payables	(144,267)	(231,414)	(1,173,809)	-	-	(13,376)	(3,062)
Liabilities on put options granted to non-controlling interests	-	-	(166,758)	-	-	-	-
Lease liabilities	-	(243,046)	(297)	-	-	-	-
Foreign exchange forward contracts	-	42,028	446,443	(563,397)	-	-	-
Cross currency swaps	-	-	28,103	-	-	-	-
	1,785,161	210,819	(176,712)	(562,567)	18,990	3,977	29,438

*: Others include mainly British Pound, Hong Kong Dollar, Malaysian Ringgit, United Arab Emirates Dirham, Mauritian Rupee and Sri Lankan Rupee.

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35. Financial instruments (continued)

(vi) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk (continued)

Group 2022	Singapore Dollar RM'000	United States Dollar RM'000	Euro Dollar RM'000	Japanese Yen RM'000	India Rupee RM'000	Chinese Renminbi RM'000	Others*
Carrying value							
Trade and other receivables	235	18,875	57,240	-	81	-	4,409
Intra-group receivables	90,482	224,041	324,175	-	19,050	808	386
Cash and cash equivalents	15,646	79,075	248,173	41,879	-	1,047	100,417
Loans and borrowings	-	(684)	(656,574)	-	-	-	(683)
Trade and other payables	(665)	(98,435)	502,861	(1,595)	(51,335)	-	(2,657)
Intra-group payables	(141,936)	(308,744)	(232,640)	-	-	(137)	(3,351)
Liabilities on put options granted to non-controlling interests	-	-	(445,826)	-	(278,563)	-	-
Lease liabilities	-	(254,794)	(1,000)	-	-	-	-
Foreign exchange forward contracts	-	12,472	139,193	(299,289)	-	-	-
Cross currency swaps	-	-	171,656	-	-	-	-
	<u>(36,238)</u>	<u>(328,194)</u>	<u>107,258</u>	<u>(259,005)</u>	<u>(310,767)</u>	<u>1,718</u>	<u>98,521</u>

*: Others include mainly British Pound, Hong Kong Dollar, Malaysian Ringgit, Swiss Franc, Australian Dollar and Bangladeshi Taka.

35. Financial instruments (continued)

(vi) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk (continued)

Company	Singapore Dollar RM'000	Malaysian Ringgit RM'000	United States Dollar RM'000
2023			
Trade and other receivables	44,860	-	20
Cash and cash equivalents	126	-	6,239
Trade and other payables	(2,026)	(2,131)	(87)
	<u>42,960</u>	<u>(2,131)</u>	<u>6,172</u>
2022			
Trade and other receivables	18,766	-	709
Cash and cash equivalents	10,846	-	27,559
Trade and other payables	(710)	(984)	(1,126)
	<u>28,902</u>	<u>(984)</u>	<u>27,142</u>

Sensitivity analysis

Any reasonable movement in foreign currencies exchange rates will not have a material impact on the performance of the Group and the Company.

(b) Interest rate risk

This relates to changes in interest rates which affect mainly the Group's fixed deposits and its loans and borrowings. The Group's fixed rate financial assets and loans and borrowings are exposed to a risk of change in their fair values while the variable rate financial assets and loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group has no significant concentration of interest rate risk that may arise from exposure to Group's fixed deposits and its obligations with banks and financial institutions.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts as well as by rolling over its fixed deposits and variable rate borrowings on a short-term basis. In respect of long term borrowings, the Group may enter into interest rate derivatives to manage its exposure to adverse movements in interest rates.

35. Financial instruments (continued)

(vi) Market risk (continued)

(b) Interest rate risk (continued)

Interest rate swaps, cross currency interest rate swaps and interest rate caps have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy.

The nominal value and fair value of the interest rate swaps, cross currency interest rate swaps and interest rate caps are disclosed in note 24.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Fixed deposits	1,506,754	729,055	-	-
Bank loans	(773,907)	(547,816)	-	-
Fixed rate medium term notes	(579,622)	(654,440)	-	-
Loans from corporates	(8,125)	(5,691)	-	-
Variable rate instruments				
Bank overdrafts	(77,885)	(44,135)	-	-
Bank loans	(5,973,037)	(7,033,841)	-	-
Loans from corporates	(976,696)	(916,992)	-	-
Provision for loan taken by a joint venture	(38,757)	(47,688)	-	-
Derivative instruments				
Interest rate caps	1,128,701	1,145,324	-	-
Interest rate swaps	992,651	145,286	-	-
Cross currency interest rate swaps	286,477	265,828	-	-

Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

35. Financial instruments (continued)

(vi) Market risk (continued)

(b) Interest rate risk (continued)

Sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (“bp”) in interest rates at the end of the reporting period would not have a material impact on the profit or loss or equity of the Group.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as “interest rate benchmark reform”). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group anticipates that interest rate benchmark reform will impact its existing risk management practice and application of hedge accounting.

The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Hedge accounting

During the year, where hedge accounting is applied, the Group has completed the supplementary loan agreement for the bank loans and trade confirmation amendment for the derivatives instrument (hedged items) impacted by the interest rate benchmark reform with the respective counterparties at no increase in loan interest. The interest-bearing loans and derivatives (hedging instruments) had been transited on the same date and to the same benchmark indexes to avoid any ineffectiveness in relation to the application of the hedge accounting. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the amendments to MFRS 9 issued in September 2019 (Phase 1) to those hedging relationships.

35. Financial instruments (continued)

(vii) Material hedging activities

Hedge of net investments in foreign operations

The Group borrows loans denominated in Japanese Yen ("JPY") and utilised cross currency interest rate swaps to realign the Singapore dollar denominated loan back into effective JPY denominated loan to maintain a natural hedge for its JPY denominated investments.

The amounts related to items designated as hedging instruments were as follows:

	Nominal amount RM'000	Carrying amount Assets RM'000	Liabilities RM'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI RM'000
Foreign currency risk					
2023					
Foreign currency denominated loans and borrowings	2,394,608	-	(2,388,177)	Loans and borrowings	198,273
2022					
Foreign currency denominated loans and borrowings	2,290,792	-	(2,283,578)	Loans and borrowings	313,681

The amounts related to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness RM'000	Foreign currency translation reserve RM'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied RM'000
2023			
Net investment in SPEs with JPY functional currency	(199,631)	(738,967)	-
2022			
Net investment in SPEs with JPY functional currency	(339,837)	(506,950)	-

35. Financial instruments (continued)

(viii) Fair value information

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group 2023	Note	Fair value				Carrying amount RM'000
		Level 1	Level 2	Level 3	Total	
		RM'000	RM'000	RM'000	RM'000	
Financial assets						
Unquoted shares at FVOCI	10	-	-	206,391	206,391	206,391
Money market funds	10	-	120,409	-	120,409	120,409
Foreign exchange forward contracts	24	-	70,184	-	70,184	70,184
Cross currency swaps	24	-	193,140	-	193,140	193,140
Cross currency interest rate swaps	24	-	83,227	-	83,227	83,227
Interest rate caps	24	-	4,365	-	4,365	4,365
Financial liabilities						
Foreign exchange forward contracts	24	-	(9,998)	-	(9,998)	(9,998)
Interest rate swaps	24	-	(9,120)	-	(9,120)	(9,120)
Cross currency swaps	24	-	(977)	-	(977)	(977)
Fixed rate medium term notes	20	-	(579,622)	-	(579,622)	(579,622)

35. Financial instruments (continued)**(viii) Fair value information (continued)**

Group 2022	Note	Fair value			Total RM'000	Carrying amount RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Financial assets						
Unquoted shares at FVOCI	10	-	-	114,573	114,573	114,573
Foreign exchange forward contracts	24	-	42,475	-	42,475	42,475
Cross currency swaps	24	-	291,978	-	291,978	291,978
Cross currency interest rate swaps	24	-	61,410	-	61,410	61,410
Interest rate caps	24	-	12,799	-	12,799	12,799
Interest rate swaps	24	-	124	-	124	124
Financial liabilities						
Foreign exchange forward contracts	24	-	(4,379)	-	(4,379)	(4,379)
Fixed rate medium term notes	20	-	(647,919)	-	(647,919)	(654,440)
Company						
2023						
Financial assets						
Money market funds at FVTPL	10	-	172	-	172	172
2022						
Financial assets						
Money market funds at FVTPL	10	-	-	-	-	-

35. Financial instruments (continued)

(viii) Fair value information (continued)

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices that are observable for the financial assets or liabilities either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfers between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

Level 3 fair value

The following table shows a reconciliation of financial instrument measured at Level 3 fair values:

	Unquoted shares at FVOCI RM'000
At 1 January 2022	72,581
Purchase of equity investments	37,515
Translation differences	4,477
At 31 December 2022/1 January 2023	114,573
Purchase of equity investments	13,741
Conversion of convertible debt	17,902
Change in fair value	47,395
Translation differences	12,780
At 31 December 2023	<u>206,391</u>

Measurement of fair values

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, other financial assets, cash and cash equivalents, bank overdrafts and trade and other payables) are measured on the amortised cost basis and approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

35. Financial instruments (continued)

(viii) Fair value information (continued)

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

(a) Financial instruments measured at fair value

Type Group	Valuation technique	Significant unobservable inputs	Inter- relationship between significant unobservable inputs and fair value measurement
Interest rate swaps, foreign exchange forward contracts, cross currency swaps, cross currency interest rate swaps and interest rate caps	<i>Market comparison technique:</i> The fair values are based on valuations provided by the financial institutions that are the counterparties to the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.	Not applicable	Not applicable
Unquoted shares at FVOCI	<i>Market comparison technique:</i> The fair values are based on valuations of most recent transactions	Not applicable	Not applicable

(b) Financial instruments not carried at fair value

Type Group	Valuation technique
Unsecured fixed rate medium term notes	<i>Market comparison:</i> The fair value is estimated taking into consideration of the quoted price.
Loans and borrowings	<i>Discounted cash flows:</i> Based on the current market rate of borrowing of the respective Group entities at the reporting date.

36. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

		Group	
	Note	2023 RM'000	2022 RM'000
Loans and borrowings	20	8,311,387	9,158,780
Bank overdrafts		77,885	44,135
Lease liabilities		1,660,491	1,631,041
Less: Cash and cash equivalents	15	(2,379,123)	(3,663,511)
Net debt		<u>7,670,640</u>	<u>7,170,445</u>
Total equity		<u>32,358,650</u>	<u>29,159,057</u>
Debt-to-equity ratio		<u>0.24</u>	<u>0.25</u>

There were no changes in the Group's approach to capital management during the financial year.

37. Capital and other commitments

		Group	
		2023 RM'000	2022 RM'000
(a) Capital expenditure commitments			
<i>Property, plant and equipment and investment properties</i>			
- Contracted but not provided for		<u>1,272,246</u>	<u>1,152,671</u>
(b) Other commitments			
Maximum amount committed for Fortis Open Offer ¹		1,884,497	1,830,228
Maximum amount committed for Malar Open Offer ¹		<u>15,971</u>	<u>15,511</u>
		<u>1,900,468</u>	<u>1,845,739</u>

¹: The actual number of Fortis shares and the actual number of Fortis Malar Hospitals Limited 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.

37. Capital and other commitments (continued)

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 the Company, NTK. As a consequence of the preferential allotment by Fortis, NTK is required to carry out the following:

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

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

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

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

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

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

*: 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.

37. Capital and other commitments (continued)

Following the decision of the Supreme Court of India, on 16 November 2022, the Securities and Exchange Board of India (“SEBI”) had advised NTK to proceed with the Fortis Open Offer and the Malar Open Offer after obtaining an appropriate order from the Delhi High Court. Based on advice from legal counsel, NTK has made further representations to SEBI in relation to proceeding with the Fortis Open Offer and Malar Open Offer.

38. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Directors of the Company.

Khazanah Nasional Berhad (“KNB”) is a wholly owned entity of MoF Incorporated, which is in turn owned by the Ministry of Finance of Malaysia. KNB and entities directly controlled or jointly controlled by the Government of Malaysia (collectively, “government-controlled entities”) are related to the Group and the Company by virtue of KNB’s substantial shareholdings of 25.94% (2022: 25.74%) equity interest in the Company. The Group and the Company enter into transactions with some of these government-controlled entities, which include but are not limited to provision of medical services, purchasing of goods, use of public utilities and amenities, and the placing of bank deposits. All the transactions entered into by the Group and the Company with the government-related entities are conducted in the ordinary course of the Group’s and of the Company’s businesses on negotiated terms or terms comparable to those with other entities that are not government-related, except otherwise disclosed elsewhere in the financial statement.

The Group has related party relationships with its substantial shareholders, associates, joint ventures and key management personnel and government-controlled entities. The Company also has related party relationships with its subsidiaries.

Related party transactions

Related party transactions are entered into in the normal course of business and have been established under negotiated terms. From time to time, substantial shareholders and key management personnel of the Group, and parties directly/jointly-controlled by them, may receive services from or sell services to the Group.

38. Related parties (continued)

Related party transactions (continued)

Other than government-controlled entities and as disclosed elsewhere in the financial statements, significant transactions carried out on terms agreed with related parties are as follows:

	Group	
	2023	2022
	RM'000	RM'000
<u><i>With substantial shareholders*</i></u>		
Sales and provision of services	539	456
Purchases and consumption of services	(23,340)	(12,607)
<u><i>With associates and joint ventures</i></u>		
Sales and provision of services	8,553	8,020
Rental income	2,868	3,184
Purchases and consumption of services	(10,418)	(9,569)
<u><i>With key management personnel*</i></u>		
Sales and provision of services	8,649	4,613
Purchases and consumption of services	(120,084)	(74,628)

	Company	
	2023	2022
	RM'000	RM'000
<u><i>With subsidiaries</i></u>		
Share-based payment transactions	4,487	1,966
Rental expense	(1,164)	(1,707)

Other than government-controlled entities and as disclosed elsewhere in the financial statements, significant related party balances related to the above transactions are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Trade and other receivables		
Substantial shareholders*	47	49
Key management personnel*	1,605	7,048
	<u>1,652</u>	<u>7,097</u>
Trade and other payables		
Substantial shareholders*	(1,171)	(1,176)
Key management personnel*	(5,285)	(8,018)
	<u>(6,456)</u>	<u>(9,194)</u>
Lease liabilities		
Substantial shareholders*	<u>(159,373)</u>	<u>(153,488)</u>

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

39. Acquisition and disposal of subsidiaries/business

Acquisitions of subsidiaries and business in 2023

- (a) On 18 January 2023, Agilus Diagnostic Limited (“Agilus”) acquired the business of Dr. Ponkshe Path Lab/Care Diagnostic Centre, a proprietorship firm, for a total consideration of INR109.1 million (equivalent to RM5.7 million).
- (b) On 14 February 2023, Acibadem Saglik Hizmetleri ve Ticaret A.S. (“ASH”) acquired the 100% equity interest 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 has become a direct subsidiary of ASH, whilst Alsancak Ozel Kent Tıp Merkezi A.S. and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. have become indirect wholly-owned subsidiaries of ASH.
- (c) On 1 April 2023, Agilus acquired the business of Deep Clinical Laboratory, a proprietorship firm, for a total consideration of INR61.8 million (equivalent to RM3.4 million).
- (d) On 10 April 2023, Agilus acquired the business of Life Line Laboratory, a proprietorship firm, for a total consideration of INR350.1 million (equivalent to RM19.0 million).
- (e) On 3 October 2023, Agilus acquired the business of Dr. Gajendra Yadav Pathology Lab, a proprietorship firm, for a total consideration of INR167.5million (equivalent to RM9.6 million).
- (f) On 1 November 2023, Agilus acquired the business of Pathocare Laboratory, a proprietorship firm, for a total consideration of INR279.7 million (equivalent to RM15.7million).
- (g) On 8 November 2023, Fortis acquired 9,990 equity shares representing 99.9% of the paid-up equity share capital of Artistry Properties Private Limited (“Artistry”) for a purchase consideration of INR99,900 (equivalent to RM5,594). On 16 November 2023, Artistry has allotted 32 million equity shares of Rs. 10 each by way of rights issue for consideration of INR320 million (equivalent to RM17.9 million). Artistry’s principal activity is acquiring, maintaining, improving, developing, and managing land. Consequent thereto, Artistry has become a direct subsidiary of Fortis, and an indirect subsidiary of IHH.

39. Acquisition and disposal of subsidiaries/business (continued)

Acquisitions of subsidiaries in 2023 (continued)

Identifiable assets acquired and liabilities assumed

The following summarises the recognised fair value of assets acquired and liabilities assumed at the date of acquisition:

	Kent RM'000
Property, plant and equipment	196,487
Right-of-use assets	6,202
Intangible assets	81,800
Tax recoverables	1,071
Inventories	7,679
Trade and other receivables	29,989
Cash and cash equivalents	5,996
Loans and borrowings	(51,080)
Employee benefits	(8,371)
Trade and other payables	(54,453)
Deferred tax liabilities	(38,902)
Fair value of net identifiable assets acquired	<u>176,418</u>

Net cash outflow arising from acquisition of subsidiary

	Kent RM'000
Purchase consideration settled in cash and cash equivalents	235,773
Less: Cash and cash equivalents acquired	<u>(5,996)</u>
	<u>229,777</u>

Goodwill

	Kent RM'000
Total purchase consideration	235,773
Fair value of net identifiable assets acquired	<u>(176,418)</u>
Goodwill	<u>59,355</u>

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

Goodwill on Kent was attributable mainly to the synergies expected to be achieved by integrating the entity into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

39. Acquisition and disposal of subsidiaries/business (continued)

Acquisitions of subsidiaries in 2023 (continued)

Acquisition-related costs

The Group incurred acquisition-related costs of RM485,000 during the year for Kent. The acquisition-related cost pertains to external legal fees, due diligence costs, valuation cost, stamp duty costs and other professional and accounting fees. The acquisition-related costs were included in 'other operating expenses' in profit or loss.

Post-acquisition contributions to the Group

For the ten and half months ended 31 December 2023, Kent contributed revenue of RM144.1 million and profit of RM11.1 million. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have been RM20,950.6 million and consolidated profit for the year would have been RM4,048.8 million.

Acquisitions of subsidiaries and business in 2022

- (a) On 25 May 2022, a sole proprietorship named Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd ("Marija Mirkovic") has been established pursuant to the Consultancy Agreement entered into by General Hospital Acibadem Bel Medic (*formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)*) ("ABM") with the sole proprietor. ABM has control power over Marija Mirkovic and has consolidated the financial statements of Marija Mirkovic into ABM's financial statements under MFRS 10, *Consolidated Financial Statements*. Accordingly, Marija Mirkovic is a direct subsidiary of ABM pursuant to MFRS10, *Consolidated Financial Statements*.
- (b) On 1 July 2022, Agilus acquired the business of RK Diagnostic Lab ("RK Diagnostic"), a proprietorship firm, for a total consideration of INR112.5 million (equivalent to RM6.1 million).
- (c) On 9 August 2022, Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH"), acquired 100% equity interest in Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi ("Ortopedia") for a total consideration of TL200.0 million (equivalent to RM46.5 million). Post completion of the acquisition, Ortopedia has become a direct subsidiary of ASH.

39. Acquisition and disposal of subsidiaries/business (continued)

Disposal of subsidiaries in 2023

- (a) 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.
- (b) 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. For the financial year ended 31 December 2023, the Group recognised a gain on disposal amounting to RM872.5 million.

The effects of the disposal are as follows:

	RM'000
Property, plant and equipment	286,219
ROU assets	11,283
Goodwill	224,976
Other intangible assets	1,392
Other financial assets	47,565
Tax recoverables	3,517
Deferred tax assets	45
Inventories	602
Trade and other receivables	35,908
Cash and cash equivalents	20,838
Loans and borrowings	(123,000)
Lease liabilities	(10,062)
Employee benefits	(3,405)
Trade and other payables	(161,178)
Deferred tax liabilities	(16,573)
Tax payable	(7)
Non-controlling interests	(577)
Net identifiable assets disposed	317,543
Transaction costs	16,294
Gain on disposal of subsidiaries	872,514
Cash consideration	1,206,351
Less: cash and cash equivalents disposed	(20,838)
Net proceeds from disposal of subsidiaries	1,185,513

- (c) On 28 June 2023, Parkway Pantai Limited ("PPL") had disposed its entire 65% equity stake comprising 6,033,003 ordinary shares in Angsana Holdings Pte. Ltd. ("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.

40. Changes in ownership interest in subsidiaries

Changes in ownership interests in subsidiaries in 2023

- (a) On 31 March 2023, PTM transferred 133,400 PLife REIT units that it owned to its eligible employees in accordance to PTM's LTI plan. Consequential thereto, IHH Group's effective interest in PLife REIT was diluted from 35.58% to 35.56%.
- (b) On 5 May 2023, PPL, an indirect wholly-owned subsidiary, acquired an additional 10% equity stake comprising 928,154 ordinary shares in AHPL for a total consideration of SGD0.4 million (equivalent to RM1.4 million), a direct subsidiary of PPL. Post completion of the acquisition, PPL's shareholding in AHPL increased from 55% to 65%.
- (c) On 25 September 2023, Gleneagles Development Pte. Ltd. ("GDPL"), completed the acquisition of the entire 24.53% shareholding held by Dr. Ravindranath Kancherla and his persons connected (collectively "Dr. Ravi Group") in GHIPL for a total consideration of approximately INR7.4 billion (equivalent to RM417.4 million). Consequential thereto, the IHH's effective interest in GHIPL increased from 73.64%* to 98.17%.
- (d) On 25 September 2023, GDPL completed the acquisition of a 0.32% equity stake in Global Clinical Research Services Private Limited ("GCRS") for a total consideration of approximately INR72,000 (equivalent to RM4,060). Consequential thereto, the IHH's effective interest in GCRS increased from 99.68% to 100.00%.
- (e) On 19 December 2023, ACC BV completed the acquisition of 15.65% equity stake held by International Finance Corporation in ACC BV for a total consideration of EUR59.4 million (equivalent to RM303.5 million). Consequent thereto, IHH's effective interest in ACC BV has increased from 60.0% to 71.13%.

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

Changes in ownership interests in subsidiaries in 2022

- (a) On 5 April 2022, PTM transferred 123,500 PLife REIT units that it owned to its eligible employees in accordance to PTM's LTI plan. Consequential thereto, IHH Group's effective interest in PLife REIT was diluted from 35.60% to 35.58%.
- (b) On 23 September 2022, ACC BV, an indirect subsidiary, repurchased 41,533 of its own shares at a consideration of EUR12.6 million (equivalent to RM58.5 million). The shares were retained as treasury shares. Consequential thereto, IHH's effective interest in ACC BV has increased from 57.51% to 60.0%.

41. Subsidiaries

Details of subsidiaries are as follows:

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
<u>Direct subsidiaries</u>				
IMU Health Sdn. Bhd.	Malaysia	Investment holding and provision of management services to its subsidiaries	-	100
Integrated Healthcare Holdings Limited	Federal Territory of Labuan Malaysia	Investment holding	100	100
Integrated Healthcare Turkey Yatirimlari Limited	Federal Territory of Labuan Malaysia	Investment holding	100	100
IHH Financial Services Pte. Ltd. (f.k.a IHH Treasury Services Pte. Ltd.) [#]	Singapore	Treasury centre	100	100
IHH Laboratories Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
<u>Indirect subsidiaries</u>				
Held through IMU Health Sdn. Bhd.:				
IMU Education Sdn. Bhd.	Malaysia	Establishing and carrying on the business of managing educational institutions, colleges, schools and other centres of learning, research and education	-	100
IMU Healthcare Sdn. Bhd.	Malaysia	Investment holding and provision of healthcare services	-	100
IMC Education Sdn. Bhd.	Malaysia	Provision of educational programs and training courses for healthcare and related fields	-	100
IMU Omega Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	-	100
Held through Integrated Healthcare Holdings Limited:				
Parkway Pantai Limited [#]	Singapore	Investment holding	100	100
Held through IMU Healthcare Sdn. Bhd.:				
IMU Dialysis Sdn. Bhd.	Malaysia	Establishing, operating and managing dialysis centre(s) for the provision of haemodialysis services	-	60.00

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Integrated Healthcare Turkey Yatirimlari Limited:				
Integrated Healthcare Hastaneler Turkey Sdn. Bhd.	Malaysia	Investment holding	100	100
Held through IHH Laboratories Holdings Sdn. Bhd.:				
IHH Laboratories Pte Ltd [#]	Singapore	Investment holding and provision of services for medical diagnostic laboratory tests	100	100
Held through Parkway Pantai Limited:				
Parkway HK Holdings Limited ^{#(1)}	Hong Kong	Investment holding	100	100
Parkway Holdings Limited [#]	Singapore	Investment holding	100	100
Pantai Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Parkway Group Healthcare Pte Ltd ^{#(2)}	Singapore	Investment holding and provision of technical support and consultancy services	100	100
Gleneagles Development Pte Ltd ^{#(3)}	Singapore	Investment holding	100	100
Parkway Healthcare Indo-China Pte. Ltd. [#]	Singapore	Investment holding	100	100
Northern TK Venture Pte. Ltd. [#]	Singapore	Investment holding	100	100
Angsana Holdings Pte. Ltd. [#]	Singapore	Investment holding	-	55.00
Held through Integrated Healthcare Hastaneler Turkey Sdn. Bhd.:				
Acibadem Saglik Yatirimlari Holding A.S. [#]	Turkiye	Investment holding	90.00	90.00
Held through IHH Laboratories Pte Ltd:				
Parkway Laboratory Services Ltd. ^{#(16)}	Singapore	Provision of comprehensive diagnostic laboratory services	100	100
Premier Integrated Labs Sdn Bhd. (f.k.a Pantai Premier Pathology Sdn. Bhd). ⁽¹⁶⁾	Malaysia	Provision of medical laboratory services	100	100
Held through Acibadem Saglik Yatirimlari Holding A.S.:				
APIus Hastane Otelcilik Hizmetleri A.S. [#]	Turkiye	Provision of catering, laundry and cleaning services for hospitals	89.99	89.99
Acibadem Proje Yonetimi A.S. [#]	Turkiye	Supervise and manage the construction of healthcare facilities	89.99	89.99

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Acibadem Saglik Yatirimlari Holding A.S. (continued):				
Acibadem Saglik Hizmetleri ve Ticaret A.S. #	Turkiye	Provision of medical, surgical and hospital services	89.79	89.79
Held through Acibadem Saglik Hizmetleri ve Ticaret A.S.:				
Acibadem Poliklinikleri A.S. #	Turkiye	Provision of outpatient and surgical (in certain clinics only) services	89.79	89.79
Acibadem Labmed Saglik Hizmetleri A.S. #	Turkiye	Provision of laboratory services	89.79	89.79
International Hospital Istanbul A.S. #	Turkiye	Provision of medical, surgical and hospital services	80.81	80.81
Acibadem Mobil Saglik Hizmetleri A.S. #	Turkiye	Provision of emergency, home and ambulatory care services	89.79	89.79
Clinical Hospital Acibadem Sistina Skopje #	Macedonia	Provision of medical, surgical and hospital services	48.33	48.33
Acibadem Sistina Medikal Kompani Doo Skopje #	Macedonia	Provision of medical equipment and import and wholesale of drug and medical materials	44.90	44.90
Acibadem International Medical Center B.V. #	Netherlands	Provision of outpatient services	89.79	89.79
Acibadem Teknoloji A.S. #	Turkiye	Conduct research, develop and commercially market healthcare information systems, web-based applications and other technology solutions nationally and internationally	89.79	89.79
Acibadem City Clinic B.V. #	Netherlands	Investment holding	71.13	60.00
Acibadem International Healthcare GmbH +	Germany	Operation of hospitals, clinics and other medical facilities and provision of services in the healthcare sector	89.79	89.79
LifeClub Saglikli Yasam Hizmetleri A.S. #	Turkiye	Provision of e-consulting activities, wellness services and marketplace activities relating to all health-related products and memberships	89.79	89.79
Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi	Turkiye	Provision of orthopedics services	-	89.79

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Acibadem Poliklinikleri A.S.:				
Bodrum Medikal Saglik Hizmetleri A.S. #	Turkiye	Provision of outpatient services	53.88	53.88
Held through Acibadem City Clinic B.V.:				
Acibadem City Clinic EAD #	Bulgaria	Investment holding	71.13	60.00
General Hospital Acibadem Bel Medic ##	Serbia	Provision of medical, surgical and hospital services	49.79	42.00
Held through General Hospital Acibadem Bel Medic:				
Health Center Acibadem Bel Medic ##	Serbia	Provision of medical and general surgical services	49.79	42.00
Bel Food & Coffee d.o.o ##	Serbia	Provision of services of preparation and serving food	49.79	42.00
Marlo Milosavljevic PR Poliklinika Bel Medic Beograd (Vracar) ##	Serbia	Policlinic for specialized examinations	49.79	42.00
Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd ##	Serbia	Policlinic for specialized examinations	49.79	42.00
Held through Health Center Acibadem Bel Medic:				
Health Center Acibadem Bel Medic Slavija (f.k.a. Dom Zdravlja Bel Medic Slavija (Health Center Slavija)) ##	Serbia	Provision of medical services	49.79	42.00
Held through Acibadem City Clinic EAD:				
Acibadem City Clinic University Hospital EOOD #	Bulgaria	University multi-profile hospital for acute care	71.13	60.00
Acibadem City Clinic Diagnostic and Consultation Centre EOOD #	Bulgaria	Outpatient diagnostic and consultative centre	71.13	60.00
Acibadem City Clinic Medical Center Varna EOOD #	Bulgaria	Outpatient medical centre	71.13	60.00
Acibadem City Clinic Pharmacies EOOD #	Bulgaria	Pharmacy	71.13	60.00

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Acibadem City Clinic EAD (continued):				
Healthcare Consulting EOOD #	Bulgaria	Clinical research	71.13	60.00
Tokuda Clinical Research Center AD #	Bulgaria	Clinical research	60.46	51.00
Acibadem City Clinic Services EOOD #	Bulgaria	Facility management and building maintenance	71.13	60.00
Tokuda Pharmacy EOOD #	Bulgaria	Pharmacy	71.13	60.00
Acibadem City Clinic Diagnostic and Consultation Center Tokuda EAD #	Bulgaria	Outpatient diagnostic and consultative centre	71.13	60.00
Acibadem City Clinic Tokuda University Hospital EAD (f.k.a. Acibadem City Clinic Tokuda Hospital EAD) #	Bulgaria	Multi-profile hospital for acute care	71.13	60.00
Acibadem City Clinic Mladost EOOD #	Bulgaria	Ownership of hospital and healthcare facilities	71.13	60.00
Held through Pantai Holdings Sdn. Bhd.:				
Pantai Group Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
Pantai Hospitals Sdn. Bhd.	Malaysia	Investment holding and provision of management and consultation services to hospitals and medical centres	100	100
Pantai Management Resources Sdn. Bhd.	Malaysia	Dormant	100	100
Gleneagles (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100	100
Prince Court Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Held through Pantai Group Resources Sdn. Bhd.:				
Pantai Integrated Rehab Services Sdn. Bhd.	Malaysia	Provision of rehabilitation services	100	100
Pantai Wellness Sdn. Bhd.	Malaysia	Provision of health and wellness services	100	100

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Pantai Group Resources Sdn. Bhd. (continued):				
Twin Towers Medical Centre KLCC Sdn. Bhd.	Malaysia	Operation of an outpatient and daycare medical centre	100	100
Held through Pantai Hospitals Sdn. Bhd.:				
Pantai Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services, as well as providing administrative support, management and consultancy services	100	100
Cheras Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Klang Specialist Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	100
Syarikat Tunas Pantai Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Paloh Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	95.60	95.60
Hospital Pantai Ayer Keroh Sdn. Bhd.	Malaysia	Dormant	100	100
Hospital Pantai Indah Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Pantai Hospital Sungai Petani Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Screening Services Sdn. Bhd.	Malaysia	Dormant	100	100
Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Hospital Manjung Sdn. Bhd.	Malaysia	Dormant	100	100

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Pantai Hospitals Sdn. Bhd. (continued):				
Pantai Hospital Johor Sdn. Bhd.	Malaysia	Development, construction and leasing of medical facility buildings	100	100
Amanjaya Specialist Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Held through Pantai Medical Centre Sdn. Bhd.:				
Pantai-ARC Dialysis Services Sdn. Bhd.	Malaysia	Provision of haemodialysis services	51.00	51.00
Oncology Centre (KL) Sdn. Bhd.	Malaysia	Provision of comprehensive professional oncological services, inclusive of diagnostic, radiotherapy and chemotherapy treatment	100	100
Held through Pantai Premier Pathology Sdn. Bhd.:				
Orifolio Options Sdn. Bhd.	Malaysia	Letting of property	100	100
Held through Gleneagles (Malaysia) Sdn. Bhd.:				
Pulau Pinang Clinic Sdn. Bhd.	Malaysia	Provision of hospital services	71.88	71.88
GEH Management Services (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Held through Parkway Healthcare Indo-China Pte. Ltd.:				
Andaman Alliance Healthcare Limited # ^a	Myanmar	Provision of medical and health related facilities and services	52.00	52.00
Held through Parkway HK Holdings Limited:				
Parkway Healthcare (Hong Kong) Limited #	Hong Kong	Provision of medical and healthcare outpatient services	100	100
GHK Hospital Limited #	Hong Kong	Private hospital ownership, development and management	60.00	60.00
Parkway Medical Services (Hong Kong) Limited +	Hong Kong	Provision of healthcare services	60.00	60.00
Held through Parkway Holdings Limited:				
Parkway Hospitals Singapore Pte Ltd. #	Singapore	Private hospitals ownership and management	100	100
Parkway Trust Management Limited #	Singapore	Provision of management services to PLife REIT	100	100
Parkway Investments Pte Ltd. #	Singapore	Investment holding	100	100

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Parkway Holdings Limited (continued):				
Parkway Novena Pte Ltd. #	Singapore	Development, ownership and management of private hospital premises	100	100
Parkway Irrawaddy Pte Ltd. #	Singapore	Development, ownership and management of a medical centre	100	100
Parkway Shenton Pte Ltd. #	Singapore	Investment holding and operation of a network of clinics and provision of comprehensive medical and surgical advisory services	100	100
Medi-Rad Associates Ltd. #	Singapore	Operation of radiology clinics	100	100
Gleneagles Medical Holdings Limited #	Singapore	Investment holding	100	100
Parkway College of Nursing and Allied Health Pte. Ltd. #	Singapore	Provision of courses in nursing and allied health	100	100
iXchange Pte. Ltd. #	Singapore	Agent and administrator for managed care and related services	100	100
Gleneagles Management Services Pte Ltd. #	Singapore	Provision of advisory, administrative, management and consultancy services to healthcare facilities	100	100
Held through Parkway Hospitals Singapore Pte Ltd.:				
Parkway Promotions Pte Ltd. #	Singapore	Dormant	100	100
Held through Parkway Group Healthcare Pte Ltd.:				
Parkway-Healthcare (Mauritius) Ltd. ##	Mauritius	Investment holding	100	100
Gleneagles International Pte. Ltd. #	Singapore	Investment holding	100	100
PCH Holding Pte. Ltd. #	Singapore	Investment holding	70.10	70.10

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Parkway Group Healthcare Pte Ltd. (continued):				
Shanghai Gleneagles Hospital Management Co., Ltd. #	People's Republic of China	Provision of management and consultancy services to healthcare facilities	100	100
IHH Technology Sdn. Bhd. (f.k.a POEM Corporate Health Services Sdn. Bhd.) ⁽¹⁵⁾	Malaysia	Provision of software system integration and application management services	100	100
Held through PCH Holding Pte Ltd.:				
Medical Resources International Pte Ltd #	Singapore	Investment holding	70.10	70.10
M & P Investments Pte Ltd #	Singapore	Investment holding	70.10	70.10
Parkway (Shanghai) Hospital Management Ltd. #	People's Republic of China	Provision of management and consultancy services to healthcare facilities	70.10	70.10
Held through M & P Investments Pte Ltd.:				
ParkwayHealth Shanghai Hospital Company Limited #	People's Republic of China	Provision of medical and health related facilities and services	49.07	49.07
Gleneagles Chengdu Hospital Company Limited #	People's Republic of China	Provision of specialised care and services	-	49.07
Held through Medi-Rad Associates Ltd.:				
Radiology Consultants Pte Ltd #	Singapore	Provision of radiology consultancy and interpretative services	100	100
Held through Gleneagles Development Pte Ltd.:				
Gleneagles Healthcare India Pte Ltd (f.k.a Ravindranath GE Medical Associates Private Limited) ^{#^(4)}	India	Private hospital ownership and management, specialty tertiary care including multi organ transplant healthcare facility	98.17	75.62
Parkway Healthcare India Private Limited ^{#^(5)}	India	Provision of management and consultancy services	100	100
Held through Gleneagles Healthcare India Pte Ltd :				
Centre for Digestive and Kidney Diseases (India) Private Limited ^{#^}	India	Private hospital ownership and management, specialty tertiary care including multi organ transplant healthcare facility	62.62	49.14
Global Clinical Research Services Private Limited ^{#^}	India	Provision of clinical research services	100.00	75.38

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Parkway Shenton Pte Ltd.:				
Nippon Medical Care Pte Ltd. #	Singapore	Operation of clinics	70.00	70.00
Parkway Shenton International Holdings Pte Ltd. #	Singapore	Investment holding	100	100
Shenton Family Medical Clinics Pte Ltd. #	Singapore	To provide, establish and carry on the business of clinics	100	100
Held through Medical Resources International Pte Ltd.:				
Shanghai Rui Xin Healthcare Co., Ltd. #(6)	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Hong Clinic Co., Ltd. #(7)	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Xin Rui Healthcare Co., Ltd. #(8)	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Chengdu Shenton Health Clinic Co., Ltd. #	People's Republic of China	Management and operation of medical and health related facilities and services	43.76	43.76
Held through Parkway (Shanghai) Hospital Management Ltd.:				
Shanghai Shu Kang Hospital Investment Management Co., Ltd. #	People's Republic of China	Investment holding	70.10	70.10
Suzhou Industrial Park Yuan Hui Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Held through Shanghai Shu Kang Hospital Investment Management Co., Ltd.:				
Shanghai Mai Kang Hospital Investment Management Co., Ltd. #	People's Republic of China	Investment holding	70.10	70.10
Held through Shanghai Mai Kang Hospital Investment Management Co., Ltd.:				
Chengdu Rui Rong Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Pu Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Xiang Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Shanghai Mai Kang Hospital Investment Management Co., Ltd. (continued):				
Shanghai Rui Ying Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Held through Northern TK Venture Pte Ltd.:				
Fortis Healthcare Limited #^	India	Operates multi-specialty hospitals	31.17	31.17
Held through Fortis Healthcare Limited:				
Hiranandani Healthcare Private Limited #^	India	Operates a multi-specialty hospital	31.17	31.17
Fortis Hospotel Limited ##^(9)	India	Provision of medical and Clinical Establishment services	31.17	31.17
Adayu Mindfulness Limited (f.k.a Fortis La Femme Limited)#^	India	Investment holding	31.17	31.17
Fortis Healthcare International Pte Limited ##^	Mauritius	Investment holding	-	31.17
Agilus Diagnostics Limited (f.k.a SRL Limited) #^	India	Operates a network of diagnostics centres	17.98	17.98
Escorts Heart Institute and Research Centre Limited #^	India	Operates a multi-specialty hospital	31.17	31.17
Fortis Hospitals Limited #^	India	Operates a network of multi-specialty hospitals	31.17	31.17
Fortis CSR Foundation ##^	India	Non-profit company for carrying out Corporate Social Responsibilities	31.17	31.17
International Hospital Limited ##^(10)	India	Provision of medical and Clinical Establishment services and operates a hospital	31.17	31.17
Fortis Health Management Limited ##^(11)	India	Provision of medical and Clinical Establishment services and operates a hospital	31.17	31.17
Escorts Heart and Super Speciality Hospital Limited ##^(12)	India	Provision of medical and Clinical Establishment services	31.17	31.17
Artistry Properties Private Limited ##^	India	Acquires, maintaina, improves, develops, and manages land	31.17	-

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Fortis Health Management Limited:				
Hospitalia Eastern Private Limited India ###^		Provision of medical and Clinical Establishment services	31.17	31.17
Held through Agilus Diagnostics Limited (f.k.a SRL Limited):				
Agilus Pathlabs Private Limited (f.k.a SRL Diagnostics Private Limited) #^	India	Operates a network of diagnostics centres	17.98	17.98
DDRC Agilus Pathlabs Limited (f.k.a DDRC SRL DiagnosticsLimited) ##(13)	India	Operates a network of diagnostic centres	17.98	17.98
Agilus Pathlabs Reach Limited (f.k.a SRL Reach Limited) #^	India	Operates a network of diagnostics centres	17.98	17.98
Agilus Diagnostics FZ-LLC (f.k.a SRL Diagnostics FZ-LLC) ###^	United Arab Emirates	Operates a network of diagnostics centres	17.98	17.98
Held through Fortis Hospitals Limited:				
Fortis Emergency Services Limited ###^	India	Operates ambulance services	31.17	31.17
Fortis Cancer Care Limited #^	India	Investment holding	31.17	31.17
Fortis Malar Hospitals Limited #^	India	Operates a multi-specialty hospital	19.55	19.55
Fortis Health Management (East) India Limited #^		Dormant	31.17	31.17
Birdie & Birdie Realtors Private Limited ###^	India	Dormant	31.17	31.17
Stellant Capital Advisory Services Private Limited ###^	India	Merchant banker	31.17	31.17
Fortis Global Healthcare (Mauritius) Limited ###^	Mauritius	Investment holding	31.17	31.17
Held through Escorts Heart Institute and Research Centre Limited:				
Fortis Asia Healthcare Pte Ltd #^	Singapore	Investment holding	31.17	31.17
Fortis HealthStaff Limited ###^	India	Dormant	31.17	31.17
Held through Fortis Asia Healthcare Pte Limited:				
Fortis Healthcare International Pte Limited #^	Singapore	Dissolved during the year	-	31.17
MENA Healthcare Investment Company Limited ###(15)	British Virgin Islands	Investment holding	25.73	-

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Fortis Healthcare International Pte Limited:				
MENA Healthcare Investment Company Limited ^{##^ (15)}	British Virgin Islands	Investment holding	-	25.73
Held through MENA Healthcare Investment Company Limited:				
Medical Management Company Limited ^{##^}	British Virgin Islands	Investment holding	25.73	25.73
Held through Fortis Malar Hospitals Limited:				
Malar Stars Medicare Limited ^{##^}	India	Investment holding	19.55	19.55
Held through Stellant Capital Advisory Services Private Limited:				
RHT Health Trust Manager Pte Limited ^{##^}	Singapore	Trustee-manager of a Business Trust	31.17	31.17
Held through Parkway Investments Pte Ltd.:				
Gleneagles Medical Centre Ltd. [#]	Singapore	Dormant	100	100
Gleneagles Pharmacy Pte Ltd [#]	Singapore	Dormant	100	100
Mount Elizabeth Medical Holdings Limited. [#]	Singapore	Investment holding	100	100
Parkway Life Real Estate Investment Trust ^{# (14)}	Singapore	Real estate investment trust	35.56	35.58
Held through Parkway Life Real Estate Investment Trust:				
Matsudo Investment Pte. Ltd. [#]	Singapore	Investment holding	-	35.58
Parkway Life Japan2 Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Parkway Life Japan3 Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Parkway Life Japan4 Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Parkway Life MTN Pte. Ltd. [#]	Singapore	Provision of financial and treasury services	35.56	35.58
Parkway Life Malaysia Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Held through Parkway Life Japan2 Pte Ltd.:				
Godo Kaisha Del Monte ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Tenshi 1 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Tenshi 2 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
G.K. Nest ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Parkway Life Japan3 Pte Ltd. (continued):				
Godo Kaisha Healthcare 1 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 2 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 3 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 4 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 5 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Held through Parkway Life Japan4 Pte Ltd.:				
Godo Kaisha Samurai **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 2 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 3 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 4 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 5 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 6 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 7 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 8 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 9 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 10 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 11 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 12 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 13 **	Japan	Special purpose entity - Investment in real estate	35.56	35.58

41. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Held through Parkway Life Japan4 Pte Ltd. (continued):				
Godo Kaisha Samurai 14 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 15 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 16 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 17 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 18 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Godo Kaisha Samurai 19 ⁺⁺	Japan	Special purpose entity - Investment in real estate	35.56	35.58
Held through Parkway Life Malaysia Pte Ltd.:				
Parkway Life Malaysia Sdn. Bhd. Malaysia		Special purpose entity - Investment in real estate	35.56	35.58
Held through Angsana Holdings Pte Ltd.:				
Angsana Molecular & Diagnostics Laboratory Pte. Ltd. [#]	Singapore	Provision of medical laboratories including biochemistry, chemistry, haematology and molecular blood analysis and testing	-	55.00
Angsana Molecular & Diagnostics Laboratory (HK) Limited [#]	Hong Kong	Provision of molecular diagnostic assays and services	-	55.00
Angsana Molecular & Diagnostics Laboratory Sdn. Bhd.	Malaysia	Research laboratories and carry on business, including taking blood samples for testing	-	55.00

41. Subsidiaries (continued)

- ¹ PPL and PHL hold 99.99% and 0.01% shares in Parkway HK Holdings Limited respectively.
 - ² PPL and PHL hold 78.52% and 21.48% shares in Parkway Group Healthcare Pte Ltd ("PGH") respectively.
 - ³ PPL holds more than 99.99% shares in GDPL. The remaining shares are held by Gleneagles International Pte Ltd.
 - ⁴ GDPL and Parkway-Healthcare (Mauritius) Ltd. hold 96.67% and 1.50% shares in GHIPL respectively.
 - ⁵ GDPL and PGH hold more than 99.99% and less than 0.01% in Parkway Healthcare India Private Limited respectively.
 - ⁶ MRI and Shanghai Mai Kang Hospital Investment Management Co., Ltd. ("Shanghai Mai Kang") hold 70% and 30% shares in Shanghai Rui Xin Healthcare Co., Ltd. respectively.
 - ⁷ MRI and Shanghai Mai Kang hold 70% and 30% shares in Shanghai Rui Hong Clinic Co., Ltd. respectively.
 - ⁸ MRI and Shanghai Mai Kang hold 70% and 30% shares in Shanghai Xin Rui Healthcare Co., Ltd. respectively.
 - ⁹ Fortis and Fortis Health Management Limited ("FHML") hold 74.35% and 25.65% shares in Fortis Hospotel Limited respectively.
 - ¹⁰ Fortis and FHML hold 78.40% and 21.60% shares in International Hospital Limited ("IHL") respectively.
 - ¹¹ Fortis and IHL hold 52% and 48% shares in FHML respectively.
 - ¹² Fortis, IHL and FHML hold 48.58%, 38.29% and 13.13% shares in Escorts Heart and Super Speciality Hospital Limited respectively.
 - ¹³ Agilus Diagnostics Limited (f.k.a SRL Limited) and Agilus Pathlabs Private Limited (f.k.a SRL Diagnostics Private Limited) hold 50% shares each in DDRC SRL respectively.
 - ¹⁴ Parkway Investments Pte. Ltd., PTM and Integrated Healthcare Holdings Limited hold 35.25% (2022: 35.25%), 0.27% (2022: 0.29%) and 0.04% (2022: 0.04%) of the units in PLife REIT respectively.
 - ¹⁵ During the year, Fortis Healthcare International Pte Ltd is dissolved and its direct subsidiary, Mena Healthcare Investment Company Limited becomes a direct subsidiary of Fortis Asia Healthcare Pte Ltd.
- # Audited by other member firms of KPMG International.
- ## Audited by firms other than member firms of KPMG International.
- + Audit is not required.
- ++ Not required to be audited under the laws of country of incorporation. These special purpose entities have been consolidated in the financial statements in accordance with MFRS 10, as the Group primarily bears the risks and enjoys the benefits of the investments held by these special purpose entities.
- ^ The entity was granted approval by Companies Commission of Malaysia to have a financial year which does not coincide with the Company.

42. Associates

Details of associates are as follows:

Name of associate	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect associates				
Held through Gleneagles Medical Holdings Limited:				
PT Tritunggal Sentra Utama Surabaya ^{##}	Indonesia	Provision of medical diagnostic services	30.00	30.00
Asia Renal Care Mt Elizabeth Pte Ltd ^{##}	Singapore	Provision of dialysis services and medical consultancy services	20.00	20.00
Asia Renal Care (Katong) Pte Ltd ^{##}	Singapore	Provision of dialysis services and medical consultancy services	20.00	20.00
Held through Medi-Rad Associates Ltd:				
Positron Tracers Pte. Ltd. [#]	Singapore	Ownership and operation of a cyclotron for production of radioactive tracers	33.00	33.00
Held through Fortis Healthcare International Limited:				
RHT Health Trust ^{## (1)}	Singapore	Investment holding/Business Trust	8.67	8.67
Held through Fortis Healthcare International Pte Limited:				
The Lanka Hospitals Corporation Plc [#]	Sri Lanka	Operates a multi-specialty hospital	8.93	8.93
Held through Acibadem Saglik Hizmetleri ve Ticaret A.S.:				
Famicord Acibadem Kordon Kani Saglik Hizmetleri A.S. [#]	Turkiye	Provision of cord blood banking services	-	26.94
Held through Parkway Holdings Limited:				
Gleneagles JPMC Sdn. Bhd. [#]	Brunei Darussalam	Management and operation of a cardiac and cardiothoracic care centre	30.00	40.00

¹ Fortis Healthcare International Limited holds 25.14% shares in RHT Health Trust. The other 2.68% is held by RHT Health Trust Manager Pte Limited.

[#] Audited by other member firms of KPMG International.

^{##} Audited by firms other than member firms of KPMG International.

43. Joint ventures

Details of joint ventures are as follows:

Name of joint venture	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
<u>Indirect joint ventures</u>				
Held through Parkway-Healthcare (Mauritius) Ltd:				
Apollo Gleneagles PET-CT Private Limited ##	India	Operation of PET-CT radio imaging centre	50.00	50.00
Held through Shenton Family Medical Clinics Pte Ltd:				
Shenton Family Medical Clinic (Ang Mo Kio) +	Singapore	Operation of medical clinic	60.00	60.00
Shenton Family Medical Clinic (Bedok Reservoir) +	Singapore	Operation of medical clinic	62.50	50.00
Shenton Family Medical Clinic (Duxton) +	Singapore	Operation of medical clinic	50.00	50.00
Shenton Family Medical Clinic (Jurong East) +	Singapore	Operation of medical clinic	50.00	50.00
Shenton Family Medical Clinic (Tampines) +	Singapore	Operation of medical clinic	50.00	50.00
Shenton Family Medical Clinic (Towner) +	Singapore	Operation of medical clinic	50.00	50.00
Held through Parkway Group Healthcare Pte Ltd:				
Khubchandani Hospitals Private Limited ##	India	Dormant	50.00	50.00
Held through SRL Limited:				
Agilus Diagnostics (Nepal) Pvt Ltd (f.k.a SRL Diagnostics (Nepal) Private Limited) ##	Nepal	Operates a network of diagnostics centers	8.99	8.99
Held through Fortis Hospitals Limited:				
Fortis C-Doc Healthcare Limited #(1)	India	Operates a hospital	18.70	18.70
Held through Fortis Cancer Care Limited:				
Fortis Cauvery (Partnership Firm) ##	India	Under members voluntary liquidation	15.90	15.90

¹ The Group has accounted for the entity as a joint venture in accordance with MFRS on the basis that the entity's operating decisions are made jointly with the joint venture partner.

Audited by other member firms of KPMG International.

Audited by firms other than member firms of KPMG International.

+ Audit is not required.

44. Material litigations

The following are the material litigations of the Group:

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

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

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

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

45. Subsequent event

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

IHH Healthcare Berhad

(Registration No. 201001018208 (901914-V))

(Incorporated in Malaysia)

and its subsidiaries**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages **9** to **139** are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Tan Sri Mohammed Azlan Bin Hashim
Director



.....
Ong Ai Lin
Director

Date: **29 FEB 2024**

IHH Healthcare Berhad

(Registration No. 201001018208 (901914-V))

(Incorporated in Malaysia)

and its subsidiaries**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Prem Kumar Nair**, the officer primarily responsible for the financial management of IHH Healthcare Berhad, do solemnly and sincerely declare that the financial statements set out on pages **9** to **139** are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Prem Kumar Nair, Passport No.:

K1374300Z at Kuala Lumpur in the Federal Territory on **29 FEB 2024**



.....
Prem Kumar Nair

Before me:



Commissioner for Oaths

10-8-2, Tingkat 8, Queens Avenue,
Jalan Bayam,
55100 Kuala Lumpur.
H/P: 018-3858677



KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IHH HEALTHCARE BERHAD

(Registration No. 201001018208 (901914-V))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IHH Healthcare Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Disposal of IMU Health Sdn. Bhd. and its subsidiaries

Refer to Note 39 – Acquisition and disposal of subsidiaries/business

The key audit matter

On 31 March 2023, the Group and the Company completed the disposal of IMU Health Sdn. Bhd. with a gain on disposal of RM872.5 million and RM827.5 million respectively.

In view of the financial significance of this gain on disposal and the complexities surrounding the structure of the disposal, we identified the disposal as a key audit matter.

How the matter was addressed in our audit

We performed, amongst others, the following audit procedures:

- We checked to the share transfer form to determine the date of disposal;
- We read the sale agreements and correspondences between the Company and the buyers and assessed whether the disposal has been accounted for in line with the terms of the agreements;
- We agreed the selling prices to the agreements and subsequent correspondences;
- We determined the accuracy of the carrying value of cost of investment and disposal group to supporting internal information;
- We performed re-computation of the gain on disposal; and
- We assessed the adequacy of the disclosures in respect of this disposal in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the Directors' Report that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement in the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 41 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Malaysia

Date: 29 February 2024

Thong Foo Vung
Approval Number: 02867/08/2024 J
Chartered Accountant