IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 DECEMBER 2019

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

On 13 November 2018, the Group acquired 31.1% interest in Fortis Healthcare Limited ("Fortis"). On 15 January 2019, the Group completed the acquisition of another 4 subsidiaries. (Refer to Section A11(a) for details of the acquisition.) Generally, the consolidation of these entities upon acquisition resulted in an increase in the current period's revenue and expenses as compared to the corresponding period.

		Group 4th quarter ended			Group Financial year ended		
	Note	**31 Dec 2019 RM'000**	**31 Dec 2018 RM'000**	**Variance %**	**31 Dec 2019 RM'000**	**31 Dec 2018 RM'000**	**Variance %**
Revenue		3,836,099	3,165,348	21%	14,912,485	11,520,932	29%
Other operating income		76,358	172,254	-56%	308,635	372,910	-17%
Inventories and consumables		(751,341)	(607,457)	-24%	(2,923,546)	(2,210,445)	-32%
Purchased and contracted services		(400,328)	(282,142)	-42%	(1,584,059)	(948,729)	-67%
Development cost of properties sold		(257)	-	-	(738)	-	-
Staff costs		(1,344,731)	(1,171,937)	-15%	(5,371,535)	(4,538,075)	-18%
Depreciation and impairment losses of property, plant and equipment		(216,029)	(242,716)	11%	(965,257)	(880,701)	-10%
Depreciation of right-of-use assets	1	(114,200)	-	-	(324,605)	-	-
Amortisation and impairment losses of intangible assets and prepaid lease payments	1	(25,266)	(15,509)	-63%	(65,629)	(58,457)	-12%
Operating lease expenses	1	(7,933)	(90,690)	91%	(84,582)	(334,316)	75%
Other operating expenses		(730,856)	(492,410)	-48%	(2,160,276)	(1,380,182)	-57%
Finance income	2	30,118	28,946	4%	131,325	174,943	-25%
Finance costs	2	(245,156)	339,019	-172%	(903,600)	(978,822)	8%
Share of profits of associates (net of tax)	3	87,275	10,380	NM	64,244	11,515	NM
Share of profits/(lossses) of joint ventures (net of tax)		1,978	(208)	NM	9,862	1,897	NM
Profit before tax		**195,731**	**812,878**	**-76%**	**1,042,724**	**752,470**	**39%**
Income tax expense	4	(155,714)	(102,191)	-52%	(527,882)	(262,610)	-101%
Profit for the period		**40,017**	**710,687**	**-94%**	**514,842**	**489,860**	**5%**
Other comprehensive income/(expenses), net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	5	(162,303)	197,409	-182%	(155,909)	(346,877)	55%
Hedge of net investments in foreign operations	5	63,739	(124,834)	151%	1,477	(78,542)	102%
Cash flow hedge		819	(2,838)	129%	1,890	4,249	-56%
		(97,745)	69,737	NM	(152,542)	(421,170)	64%
Items that will not be reclassified subsequently to profit or loss							
Effect of change in tax rate on the past revaluation of property, plant and equipment upon transfer to investment properties		(2)	-	-	(2,456)	-	-
Net change in FVOCI* financial instruments		(11)	-	-	(9,252)	759	NM
Remeasurement of defined benefits liabilities		(10,831)	(11,241)	4%	(9,519)	(11,241)	15%
		(10,844)	(11,241)	4%	(21,227)	(10,482)	-103%
Total comprehensive (expenses)/income for the period		**(68,572)**	**769,183**	**-109%**	**341,073**	**58,208**	**NM**
Profit/(Loss) attributable to:							
Owners of the Company		40,630	509,417	-92%	551,476	627,687	-12%
Non-controlling interests		(613)	201,270	-100%	(36,634)	(137,827)	73%
Profit for the period		**40,017**	**710,687**	**-94%**	**514,842**	**489,860**	**5%**
Total comprehensive (expenses)/income attributable to:							
Owners of the Company		(49,281)	630,924	-108%	428,448	377,349	14%
Non-controlling interests		(19,291)	138,259	-114%	(87,375)	(319,141)	73%
Total comprehensive (expenses)/income for the period		**(68,572)**	**769,183**	**-109%**	**341,073**	**58,208**	**NM**
Earnings per share (sen)							
Basic		0.21	5.78	-96%	5.28	6.54	-19%
Diluted		0.21	5.78	-96%	5.28	6.53	-19%

NM: Not meaningful

Note:
"Acibadem Holdings" as referred to throughout this financial report includes the wholly-owned Integrated Healthcare Turkey Yatirimlari Limited Group, which owns approximately 90% interest in Acıbadem Sağlık Yatırımları Holding A.Ş. Group since 30 November 2018 (60% interest prior to 30 November 2018).

*: Fair valued through other comprehensive income

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

SUPPLEMENTARY INFORMATION

	Note	4th quarter ended			Financial year ended		
		31 Dec 2019 RM'000	31 Dec 2018 RM'000	Variance %	31 Dec 2019 RM'000	31 Dec 2018 RM'000	Variance %
Profit attributable to owners of the Company		**40,630**	**509,417**	**-92%**	**551,476**	**627,687**	**-12%**
Add back/(less): Exceptional items ("EI")							
Loss/(gain) on disposal of an associate[i]		22,583	-		(167)	-	
Gain on disposal of a subsidiary[ii]		(2,299)	-		(2,299)	-	
Gain on disposal of a business unit		-	(2,925)		-	(2,925)	
Share of gain of an associate[iii]	3	(86,224)	-		(56,781)	-	
Impairment loss on goodwill		200,018	66,168		214,780	66,168	
Impairment loss on investment in a joint venture[iv]		-	33,353		-	33,353	
Provision for financial guarantee given on a joint venture's loan facility[v]		604	2,843		2,405	3,967	
Change in fair value of call option[vi]		(4,766)	(17,202)		(4,766)	(17,202)	
Change in fair value of put option		(14)	(2,102)		(11,348)	(2,102)	
Change in fair value of investment properties[vii]		1,214	(23,803)		1,214	(23,803)	
Insurance compensation for Chennai flood		3	123		(3,479)	(17,186)	
Professional fees relating an acquisition[viii]		-	-		-	3,730	
Change in fair value of cross curency interest rate swaps[ix]	2	(17,884)	-		6,716	-	
Exchange (gain)/loss on net borrowings[x]	2	112,535	(457,441)		235,870	644,115	
		225,770	(400,986)		382,145	688,115	
Add/(less): Tax effects on EI		(12,400)	67,450		(32,263)	(73,410)	
Add/(less): Non-controlling interests' share of EI		35,806	165,658		19,297	(214,805)	
		249,176	(167,878)		369,179	399,900	
Profit attributable to owners of the Company, excluding EI[xi]		**289,806**	**341,539**	**-15%**	**920,655**	**1,027,587**	**-10%**
Earnings per share, excluding EI[xi] (sen)							
Basic		3.05	3.79	-20%	9.49	11.36	-16%
Diluted		3.05	3.79	-20%	9.49	11.36	-16%

Note:

i. Disposal of an associate - The Medical and Surgical Centre Limited
ii. Disposal of a subsidiary - Gemtip Özel Sağlik Hizmetleri Sanayi Ve Ticaret Anonim Şirketi
iii. Share of gain of an associate, RHT Health Trust ("RHT"), mainly relating to RHT's gain on disposal of assets
iv. Impairment made on Group's investment in Khubchandani Hospitals
v. Proportionate share of corporate guarantee in relation to accrued interest on Khubchandani Hospital's loan
vi. Change in fair value of call option right granted to non-controlling interests of a subsidiary to purchase the Group's 3% interest in the subsidiary on a fully diluted basis, at a fixed price of INR500.0 million upon the non-achievement of certain financial targets.
vii. Change in fair valuation of investment properties held for rental to third parties, excluding PLife REIT's investment properties held for rental to third parties.
viii. Professional fees relating to the Group's acquisition of approximately 30% equity interest in Acıbadem Sağlık Yatırımları Holding A.Ş. ("ASYH") from a director and a substantial shareholder
ix. Fair value changes of the cross-currency interest rate swaps which was entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
x. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 31 Dec 2019, Euro/TL=6.6506, USD/TL=5.9402)
xi. Exceptional items, net of tax and non-controlling interests

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2018 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

On 13 November 2018, the Group acquired 31.1% interest in Fortis. On 15 January 2019, the Group completed the acquisition of another 4 subsidiaries. (Refer to Section A11(a) for details of the acquisition.) Generally, the consolidation of these entities upon acquisition resulted in an increase in the current period's revenue and expenses as compared to the corresponding period.

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

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

1. The Group adopted MFRS 16, *Leases* prospectively with effect from 1 January 2019. As a result, the Group recognised depreciation of right-of-use assets ("ROU assets") instead of recognising operating lease expense and amortisation of prepaid lease payments on these assets. Refer to Section A1(b) for details on the effects of adoption of MFRS 16, *Leases.*

2. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. In July 2019, Acibadem Holdings entered into cross-currency interest rate swaps ("CCIRS") to convert Euro 66.0 million bank loans and interest into Turkish Lira.

   The Group recognised RM112.5 million and RM235.9 million exchange loss on translation of such non-TL balances in Q4 2019 and YTD 2019, as compared to RM457.4 million exchange gain and RM644.1 million exchange loss in Q4 2018 and YTD 2018 respectively. In Q4 2019 and YTD 2019, the Group recognised RM17.9 million net fair value gain and RM6.7 million net fair value loss on the above-mentioned CCIRS.

   Interest expense increased with the adoption of MFRS 16, as well as additional loans taken to finance working capital, capital expenditure and acquisition of subsidiaries. Interest expense also increased due to higher interest rates applicable on Acibadem's borrowings when it swapped its Euro loans to Turkish Lira. The increase is partially offset by a reversal of RM21.8 million accrued interest on prior years' tax payable.

3. Share of profit of associates relates mainly to the Group's share of RHT's gain on disposal of subsidiaries to Fortis Group in January 2019. Following the completion of the Price Purchase Allocation ("PPA") on the acquisition of Fortis Group, the Group adjusted its share of RHT's gain upwards by RM86.2 million in Q4 2019, thus bringing its share of RHT's gain on disposal of subsidiaries to RM56.8 million for YTD 2019.

4. Refer to Section B5 for details on the tax expenses.

5. PLife REIT hedges its interest in the net assets of its Japanese operations. The effective portion of the hedge is recognised as a hedge of net investments in the statement of other comprehensive income, which offsets the foreign currency translation differences from the translation of the net assets of its Japanese operations. The Group's remaining foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore and Turkish operations.

   In QTD 2019, the Group recorded a net foreign currency translation loss mainly as a result of depreciation of TL against RM in the current quarter.

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

	31 Dec 2019	31 Dec 2018
1 SGD	3.0343	2.9873
1 TL	0.7291	0.8625

IHH HEALTHCARE BERHAD
Company No. 901914-V
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

On 15 January 2019, the Group completed the acquisition of 4 subsidiaries, which generally resulted in an increase in balances on the statement of financial position as at 31 December 2019 as compared to 31 December 2018. (Refer to Section A11(a) for details of the acquisition.)

	Note	31 Dec 2019 RM'000	31 Dec 2018 RM'000 (Restated)
Assets			
Property, plant and equipment	1	11,786,748	14,123,301
Right-of-use assets	1	6,145,576	-
Prepaid lease payments	1	-	1,017,810
Investment properties		3,508,182	3,310,429
Goodwill on consolidation	2	12,574,673	11,829,197
Intangible assets		2,081,266	2,256,877
Interests in associates	3	92,454	875,314
Interests in joint ventures		212,529	206,641
Other financial assets	4	46,763	18,668
Trade and other receivables		155,809	112,420
Tax recoverable		385,512	276,414
Derivative assets		9,220	722
Deferred tax assets		428,228	457,264
Total non-current assets		**37,426,960**	**34,485,057**
Development properties		84,213	80,729
Inventories		350,321	350,729
Trade and other receivables		2,107,897	1,959,970
Tax recoverable		17,081	18,020
Other financial assets		344,283	347,185
Derivative assets		85	9,315
Cash and cash equivalents		4,714,669	7,763,398
		7,618,549	10,529,346
Assets classified as held for sale		7,780	6,448
Total current assets		**7,626,329**	**10,535,794**
Total assets		**45,053,289**	**45,020,851**
Equity			
Share capital		19,455,138	19,427,586
Other reserves		(1,529,495)	(1,665,515)
Retained earnings		4,413,888	4,231,930
Total equity attributable to owners of the Company		**22,339,531**	**21,994,001**
Perpetual securities		2,158,169	2,157,943
Non-controlling interests		3,596,269	4,199,755
Total equity		**28,093,969**	**28,351,699**
Liabilities			
Loans and borrowings	5	8,266,065	9,366,382
Lease liabilities	1	1,851,567	-
Employee benefits		99,821	98,938
Trade and other payables		249,514	691,264
Derivative liabilities		33,124	12,168
Deferred tax liabilities		1,110,002	982,333
Total non-current liabilities		**11,610,093**	**11,151,085**
Bank overdrafts		121,814	81,215
Loans and borrowings	5	637,834	1,123,108
Lease liabilities	1	222,366	-
Employee benefits		145,484	130,547
Trade and other payables		3,858,162	3,786,795
Derivative liabilities		12,964	5,931
Tax payable		350,418	390,471
		5,349,042	5,518,067
Liabilities classified as held for sale		185	-
Total current liabilities		**5,349,227**	**5,518,067**
Total liabilities		**16,959,320**	**16,669,152**
Total equity and liabilities		**45,053,289**	**45,020,851**
Net assets per share attributable to owners of the Company[1] (RM)		2.55	2.51

[1] Based on 8,774.0 million and 8,769.3 million shares issued as at 31 December 2019 and 31 December 2018 respectively.

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the 2018 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

As permitted under MFRS 3, *Business Combinations*, the Group restated its 31 December 2018 comparative figures upon the completion of the Purchase Price Allocation ("PPA") on its acquisition of Fortis. (Refer to Section A17 for details of the restatement.)

On 15 January 2019, the Group completed the acquisition of 4 subsidiaries, which generally resulted in an increase in balances on the statement of financial position as at 31 December 2019 as compared to 31 December 2018. (Refer to Section A11(a) for details of the acquisition.)

The Group's reported financial position were also impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL as at 31 December 2019 as compared to 31 December 2018.

1. The Group adopted MFRS 16, *Leases* prospectively with effect from 1 January 2019. As a result, the Group recognised ROU assets and lease liabilities relating to certain operating lease arrangements, and it also reclassified certain assets from property, plant and equipment and prepaid lease payments to ROU assets. Refer to Section A1(b) for details on the effects of adoption of MFRS 16, *Leases*.
2. During the year, the Group recognised goodwill of RM1,048.3 million on its acquisition of 4 subsidiaries in January 2019. Refer to Section A11(a) for details of the acquisition. This increase in goodwill was partially offset by RM214.8 million impairment made on the goodwill over other operating units.
3. Investment in associates decreased mainly due to dividend payment by an associate, RHT, and sale of investment in an associate, The Medical and Surgical Center Limited.
4. Other non-financial assets increased mainly due to the Group's RM30.6 million investment in Lucence Life Sciences Pte. Ltd. and partially offset by the disposal of the Group's investment in FWD Singapore Pte. Ltd.
5. Loans and borrowings decreased mainly due to repayment of loans as well as the reclassification of finance lease liabilities to lease liabilities upon adoption of MFRS 16, *Leases* with effect from 1 January 2019. The decrease in loans and borrowings is partially offset by additional loans taken to finance working capital, capital expenditure and acquisition of subsidiaries.

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

	31 Dec 2019	31 Dec 2018
1 SGD	3.0553	3.0404
1 TL	0.6905	0.7802

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	<--- Attributable to owners of the Company										--->		
	<--- Non-distributable							--->	Distributable				
	Share capital RM'000	Share option reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Hedge 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 2019, previously reported	19,427,586	61,379	-	85,890	16,715	(3,927,522)	51,522	2,046,501	4,231,930	21,994,001	2,157,943	4,355,141	28,507,085
Finalisation of PPA	-	-	-	-	-	-	-	-	-	-	-	(155,386)	(155,386)
At 1 January 2019, as restated	19,427,586	61,379	-	85,890	16,715	(3,927,522)	51,522	2,046,501	4,231,930	21,994,001	2,157,943	4,199,755	28,351,699
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	(103,133)	-	(103,133)	-	(52,776)	(155,909)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	526	-	526	-	951	1,477
Cash flow hedge	-	-	-	-	672	-	-	-	-	672	-	1,218	1,890
Net change in fair value of FVOCI financial instruments	-	-	(9,252)	-	-	-	-	-	-	(9,252)	-	-	(9,252)
Effect of change in tax rate on the past revaluation of property, plant and equipment upon transfer to investment properties	-	-	-	(2,456)	-	-	-	-	-	(2,456)	-	-	(2,456)
Remeasurement of defined benefits liabilities	-	-	-	-	-	-	-	-	(9,385)	(9,385)	-	(134)	(9,519)
Total other comprehensive (expenses)/income for the year	-	-	(9,252)	(2,456)	672	-	-	(102,607)	(9,385)	(123,028)	-	(50,741)	(173,769)
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	551,476	551,476	-	(36,634)	514,842
Total comprehensive (expenses)/income for the year	-	-	(9,252)	(2,456)	672	-	-	(102,607)	542,091	428,448	-	(87,375)	341,073
Contributions by and distributions to owners of the Company													
- Share-based payment	-	49,972	-	-	-	340	-	-	-	50,312	-	754	51,066
- Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(263,220)	(263,220)	-	-	(263,220)
	-	49,972	-	-	-	340	-	-	(263,220)	(212,908)	-	754	(212,154)
Transfer to share capital for share options exercised	27,552	(27,552)	-	-	-	-	-	-	-	-	-	-	-
Cancellation of vested share options	-	(299)	-	-	-	-	-	-	299	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	1	(96,730)	-	(5)	-	(96,734)	-	(410,421)	(507,155)
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	101,583	101,583
Disposal of subsidiary	-	-	-	-	-	1,249	(31)	-	-	1,218	-	124	1,342
Transfer per statutory requirements	-	-	-	-	-	-	1,600	-	(1,600)	-	-	-	-
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	239,277	-	-	-	239,277	-	5,209	244,486
Transfer of accumulated fair value loss to retained earnings upon disposal of the FVOCI equity instruments	-	-	9,252	-	-	-	-	-	(9,252)	-	-	-	-
Transfers from hedge reserves to revenue reserves	-	-	-	-	(1,812)	-	-	-	1,812	-	-	-	-
Overprovision of transaction costs in prior years' dilution in interest in subsidiaries	-	-	-	-	-	74,054	-	-	-	74,054	-	-	74,054
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(213,360)	(213,360)
Payment of coupon on perpetual securities	-	-	-	-	-	347	-	-	-	347	(87,946)	-	(87,599)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(88,172)	(88,172)	88,172	-	-
Total transactions with owners of the Company	27,552	22,121	9,252	-	(1,811)	218,537	1,569	(5)	(360,133)	(82,918)	226	(516,111)	(598,803)
At 31 December 2019	19,455,138	83,500	-	83,434	15,576	(3,708,985)	53,091	1,943,889	4,413,888	22,339,531	2,158,169	3,596,269	28,093,969

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	<---------- Attributable to owners of the Company									---------->			
	<---------- Non-distributable							---------->	Distributable				
	Share capital RM'000	**Share option reserve RM'000**	**Fair value reserve RM'000**	**Revaluation reserve RM'000**	**Hedge 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 2018	16,462,994	54,959	-	85,890	15,200	(1,015,092)	47,755	2,289,575	3,948,881	21,890,162	2,158,664	1,851,904	25,900,730
Foreign currency translation differences from foreign operations (restated)	-	-	-	-	-	-	-	(215,086)	-	(215,086)	-	(131,791)	(346,877)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	(27,985)	-	(27,985)	-	(50,557)	(78,542)
Cash flow hedge	-	-	-	-	1,514	-	-	-	-	1,514	-	2,735	4,249
Net change in fair value of FVOCI financial instruments	-	-	759	-	-	-	-	-	-	759	-	-	759
Remeasurement of defined benefits liabilities	-	-	-	-	-	-	-	-	(9,540)	(9,540)	-	(1,701)	(11,241)
Total other comprehensive income/(expenses) for the year (restated)	-	-	759	-	1,514	-	-	(243,071)	(9,540)	(250,338)	-	(181,314)	(431,652)
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	627,687	627,687	-	(137,827)	489,860
Total comprehensive income/(expenses) for the year (restated)	-	-	759	-	1,514	-	-	(243,071)	618,147	377,349	-	(319,141)	58,208
Contributions by and distributions to owners of the Company													
- Share options exercised	1,282	-	-	-	-	-	-	-	-	1,282	-	-	1,282
- Share-based payment	-	38,909	-	-	-	17	-	-	-	38,926	-	38	38,964
- Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(247,338)	(247,338)	-	-	(247,338)
	1,282	38,909	-	-	-	17	-	-	(247,338)	(207,130)	-	38	(207,092)
Transfer to share capital for share options exercised	31,395	(31,395)	-	-	-	-	-	-	-	-	-	-	-
Cancellation of vested share options	-	(1,094)	-	-	-	-	-	-	1,094	-	-	-	-
Acquisition of subsidiaries (restated)	-	-	-	-	-	-	-	-	-	-	-	2,495,324	2,495,324
Changes in ownership interests in subsidiaries	2,931,915	-	-	-	1	(3,258,468)	-	(3)	-	(326,555)	-	408,897	82,342
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	(203)	-	-	-	(203)	-	11,563	11,360
Transfer per statutory requirements	-	-	-	-	-	-	3,767	-	(3,767)	-	-	-	-
Changes in fair value of put options granted to non-controlling	-	-	-	-	-	-	-	-	-	-	-	-	-
interests	-	-	-	-	-	347,073	-	-	-	347,073	-	(50,739)	296,334
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(198,091)	(198,091)
Payment of perpetual securities distribution	-	-	-	-	-	(849)	-	-	-	(849)	(86,567)	-	(87,416)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(85,846)	(85,846)	85,846	-	-
Total transactions with owners of the Company (restated)	2,964,592	6,420	-	-	1	(2,912,430)	3,767	(3)	(335,857)	(273,510)	(721)	2,666,992	2,392,761
Reclassification	-	-	(759)	-	-	-	-	-	759	-	-	-	-
At 31 December 2018 (restated)	19,427,586	61,379	-	85,890	16,715	(3,927,522)	51,522	2,046,501	4,231,930	21,994,001	2,157,943	4,199,755	28,351,699

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2018 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

IHH HEALTHCARE BERHAD
Company No. 901914-V
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Financial year ended	
	31 Dec 2019	**31 Dec 2018**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	1,042,724	752,470
Adjustments for:		
Dividend income	(4,065)	(3,639)
Finance income	(131,325)	(174,943)
Finance costs	903,600	978,822
Depreciation and impairment losses of property, plant and equipment	965,257	880,701
Depreciation of ROU assets	324,605	-
Amortisation and impairment losses of intangible assets and prepaid lease payments	65,629	58,457
Impairment loss made/(written back):		
- Goodwill	214,780	66,168
- Investment in joint venture	-	33,353
- Trade and other receivables	62,689	(34,487)
- Inventories	1,048	-
Write-off:		
- Property, plant and equipment	3,697	1,219
- Intangibles	5,377	174
- Inventories	3,377	1,903
- Trade and other receivables	14,092	13,337
Gain on disposal of property, plant and equipment	(10,795)	(831)
Gain on disposal of subsidiary	(2,299)	-
Gain on disposal of a business unit	-	(2,925)
Gain on disposal of an associate	(167)	-
Change in fair value of investment properties	(10,169)	(74,192)
Provision for financial guarantee given to a joint venture's loan facility	2,405	3,967
Share of profits of associates (net of tax)	(64,244)	(11,515)
Share of profits of joint ventures (net of tax)	(9,862)	(1,897)
Equity-settled share-based payment	51,066	38,964
Net unrealised foreign exchange differences	119,446	(183,675)
Operating profit before changes in working capital	**3,546,866**	**2,341,431**
Changes in working capital:		
Trade and other receivables	(175,285)	(153,199)
Development properties	(3,484)	(5,702)
Inventories	(2,036)	(38,873)
Trade and other payables	(343,120)	100,681
Cash generated from operations	**3,022,941**	**2,244,338**
Tax paid	(575,449)	(380,080)
Net cash from operating activities	**2,447,492**	**1,864,258**
Cash flows from investing activities		
Interest received	88,995	130,324
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(2,092,170)	(178,977)
Development and purchase of intangible assets	(26,395)	(14,511)
Purchase of property, plant and equipment	(1,056,661)	(1,046,729)
Payment for prepaid lease	-	(4,075)
Purchase of money market funds	-	(178,652)
Purchase of investment properties	(162,794)	(69,613)
Purchase of equity instruments	(30,343)	-
Net cash inflow from disposal of subsidiary	3,877	-
Net cash inflow from disposal of business unit	-	2,925
Net (placement)/withdrawal of fixed deposits with tenor of more than 3 months	(4,941)	69,517
Proceeds from disposal of an associate	43,574	-
Proceeds from disposal of property, plant and equipment	30,508	8,109
Proceeds from disposal of intangibles	3,164	-
Proceeds from disposal of mutual funds	52,235	-
Proceeds from disposal of equity instruments	17,224	-
Proceeds from disposal of money market funds	-	5,370
Dividends received from money market funds	-	3,639
Dividends received from joint ventures	1,166	1,212
Dividends received from associates	537,283	13,849
Deposits placed in escrow account	-	(1,970,800)
Net cash used in investing activities	**(2,595,278)**	**(3,228,412)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Financial year ended	
	31 Dec 2019	**31 Dec 2018**
	RM'000	**RM'000**
Cash flows from financing activities		
Interest paid	(391,896)	(363,147)
Proceeds from exercise of share options	-	1,282
Proceeds from loans and borrowings	3,397,058	4,036,562
Loan from non-controlling interest	575	2,454
Issue of fixed rate medium term notes	-	128,542
Repayment of loans and borrowings	(4,478,366)	(2,352,671)
Payment of perpetual securities distribution	(87,599)	(87,416)
Payment of lease liabilities	(338,819)	-
Dividends paid to shareholders	(263,220)	(247,338)
Dividends paid to non-controlling interests	(213,360)	(198,091)
Acquisition of non-controlling interests	(636,160)	(16,863)
Proceeds from dilution of interest in subsidiaries	1,173	13,745
Issue of shares by subsidiaries to non-controlling interests	101,583	11,360
Change in pledged deposits	228	(31)
Net cash used in financing activities	**(2,908,803)**	**928,388**
Net decrease in cash and cash equivalents	**(3,056,589)**	**(435,766)**
Effect of exchange rate fluctuations on cash and cash equivalents held	(7,274)	68,583
Cash and cash equivalents at beginning of the year	5,710,563	6,077,746
Cash and cash equivalents at end of the year	**2,646,700**	**5,710,563**

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprises the following statements of financial position amounts:

	31 Dec 2019	**31 Dec 2018**
	RM'000	**RM'000**
Cash and bank balances	1,787,086	4,166,127
Fixed deposits with tenor of 3 months or less	2,927,583	3,597,271
	4,714,669	7,763,398
Less:		
- Bank overdrafts	(121,814)	(81,215)
- Deposits pledged	(1,945,564)	(1,970,800)
- Cash collateral received	(591)	(820)
Cash and cash equivalents at end of the year	**2,646,700**	**5,710,563**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2018 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

A1 BASIS OF PREPARATION

a) Basis of accounting

These condensed consolidated financial report are unaudited and prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134: *Interim Financial Reporting* in Malaysia and IAS 34: *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 ("2018 Audited Financial Statements").

The 2018 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards ("MFRS").

b) Significant accounting policies

The accounting policies and presentation adopted for this unaudited condensed consolidated interim financial report are consistent with those adopted for the 2018 Audited Financial Statements, except for the adoption of the following new, revised and amendments to MFRS effective as of 1 January 2019 as issued by the Malaysian Accounting Standards Board.

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

MFRS 16, *Leases* – Impact on financial statements

On 1 January 2019, the Group adopted MFRS 16, *Leases* using the modified retrospective approach.

The following table shows the effects of adoption of MFRS 16, *Leases* on the Group's statement of financial position as at 1 January 2019:

Group	31 December 2018 RM'000 (Restated)	Effect of adoption MFRS 16 RM'000	1 January 2019 RM'000
Non-current assets			
Property, plant and equipment	14,123,301	(3,178,702)	10,944,599
Right-of-use assets	-	5,980,215	5,980,215
Prepaid lease payments	1,017,810	(1,017,810)	-
Intangible assets	2,256,877	(58,483)	2,198,394
Trade and other receivables	112,420	31,146	143,566
Non-current liabilities			
Loans and borrowings	9,366,382	(141,131)	9,225,251
Lease liabilities	-	1,772,278	1,772,278
Trade and other payables	691,264	(10,234)	681,030
Current liabilities			
Loans and borrowings	1,123,108	(35,911)	1,087,197
Lease liabilities	-	173,970	173,970
Trade and other payables	3,786,795	(2,606)	3,784,189

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The Independent Auditors' Report on the 2018 Audited Financial Statements was qualified. The details of the qualified opinion is reproduced below:

"Opinion

We have audited the financial statements of IHH Healthcare Berhad, which comprise the statements of financial position as at 31 December 2018 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 a summary of significant accounting policies as set out on pages 11 to 189.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 2018, and of their financial performances and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

As disclosed in Note 50 to the financial statements, the Group completed its acquisition of Fortis Healthcare Limited ("Fortis") and its subsidiaries ("Fortis Group") on 13 November 2018. Prior to the acquisition, an investigation report by an independent external legal firm was submitted to the former Fortis board, relating to systematic lapses/override of internal controls. Significant findings, amongst others, highlighted the placement of inter-corporate deposits and existence of possible related parties connected with former controlling shareholders of Fortis which may require appropriate reassessment by Fortis Group on the claims from, or transactions with, such parties. The Fortis Group had also initiated enquiries of the management of the entities in the Fortis Group that were impacted in respect of the matters investigated by the external legal firm.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

In addition, there are ongoing investigations by the Securities and Exchange Board of India ("SEBI") and the Serious Fraud Investigation Office ("SFIO"), Ministry of Corporate Affairs of India. On 17 October 2018 and 21 December 2018, SEBI had issued interim orders which, amongst others, stating that certain transactions were structured by some identified entities, which were *prima facie* fictitious and fraudulent in nature, resulting in, *inter alia,* diversion of funds by former controlling shareholders of Fortis.

Due to the ongoing process of the various inquiries/investigations (including the need for any additional investigations by Fortis), the external auditors of Fortis are unable to determine if there are any regulatory non-compliances and additional adjustments/disclosures which may be necessary as a result of further findings of the ongoing or future regulatory/internal investigations and the consequential impact, if any, on the consolidated financial statements of Fortis. Any consequential adjustments may be recorded either as adjustments to the assets acquired and liabilities assumed in the acquisition which will have an impact to the provisional goodwill recognised by the Group on acquisition of Fortis under the purchase price allocation exercise, or as post-acquisition adjustments to be recognised in the financial statements of the Group in the period the adjustments are known."

Actions taken to address the qualified opinion

The Board of Fortis has initiated additional control procedures and had appointed Ernst & Young LLP, India, to conduct enquiries of certain entities and transactions in Fortis Group (the "Project") that were impacted in respect of the issues raised in the qualified opinion with a view of closing them. As at 21 February 2020, the Board of Fortis is reviewing the findings of Ernst & Young LLP, India.

A3 SEASONALITY OF OPERATIONS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial year ended 31 December 2019, other than as mentioned in Section A11 of this financial report.

A5 CHANGE IN ACCOUNTING ESTIMATES

There were no changes in the estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial year.

In preparing the unaudited condensed consolidated interim financial report, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimating uncertainty were consistent with those applied to 2018 Audited Financial Statements.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

A6 DEBT AND EQUITY SECURITIES

(a) Between 1 January to 31 December 2019, IHH issued 4,694,000 new ordinary shares pursuant to the surrender of vested Long Term Incentive Plan ("LTIP") units.

(b) On 29 April 2019, the Company granted a total of 2,710,000 LTIP units to eligible employees of the Group.

(c) On 14 June 2019, the Company granted 2,400,000 LTIP units to the executive directors of the Company, pursuant to the shareholders' approval obtained at the Company's 9th Annual General Meeting held on 28 May 2019.

(d) On 1 July 2019, IHH granted a total of 17,491,000 options to eligible employees of the Group under the Enterprise Option Scheme. Out of the 17,491,000 options granted, 12,592,000 options were granted to the executive directors of the Company.

Except as disclosed above, there were no other issuance of shares, share buy-backs, and repayments of debt and equity securities by IHH during the financial year ended 31 December 2019.

As at 31 December 2019, the issued share capital of IHH comprised of 8,773,990,463 ordinary shares.

A7 DIVIDENDS PAID

	Sen per ordinary share	**Total amount RM'000**	**Date of payment**
First and final single tier cash dividend for financial year ended 31 December 2018	3.00	263,220	18-Jul-19

A8 SEGMENT REPORTING

There had been no significant changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2018 Audited Financial Statements.

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

A8 SEGMENT REPORTING

Financial year ended 31 December 2019

	Parkway Pantai[1]					Acibadem Holdings	IMU Health				
	Singapore RM'000	Malaysia RM'000	India RM'000	North Asia RM'000	PPL Others[2] RM'000	CEE[3] RM'000	Malaysia RM'000	PLife REIT[1] RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses											
Revenue from external customers	4,289,778	2,331,064	3,320,868	604,647	198,861	3,764,678	259,048	139,476	4,065	-	14,912,485
Inter-segment revenue	104,034	1,000	-	-	1,499	-	3,754	208,437	172,255	(490,979)	-
Total segment revenue	4,393,812	2,332,064	3,320,868	604,647	200,360	3,764,678	262,802	347,913	176,320	(490,979)	14,912,485
EBITDA	1,546,887	675,215	359,965	(175,461)	35,824	853,497	87,173	294,387	93,591	(453,366)	3,317,712
Depreciation and impairment losses of property, plant and equipment	(169,811)	(181,799)	(167,769)	(157,487)	(6,451)	(239,698)	(11,965)	(29,646)	(631)	-	(965,257)
Depreciation of ROU assets	(280,239)	(21,077)	(32,932)	(72,240)	(7,142)	(101,549)	(4,639)	(5,711)	(990)	201,914	(324,605)
Amortisation and impairment losses of intangible assets	(3,644)	(709)	(37,541)	(5,098)	-	(17,983)	(654)	-	-	-	(65,629)
Foreign exchange differences	(398)	(223)	13,425	(449)	(9,046)	(5,711)	(2)	(345)	(6,124)	-	(8,873)
Finance income	680	24,813	30,492	53,237	50,869	7,677	5,069	7,421	13,903	(62,836)	131,325
Finance costs	(32,943)	(4,473)	(178,964)	(138,153)	(50,865)	(555,255)	206	(20,077)	(2,683)	79,607	(903,600)
Share of profits of associates (net of tax)	2,938	-	61,306	-	-	-	-	-	-	-	64,244
Share of profits of joint ventures (net of tax)	1,166	-	9,287	(591)	-	-	-	-	-	-	9,862
Others	(15,993)	-	(198,760)	-	-	2,298	-	-	-	-	(212,455)
Profit/(Loss) before tax	1,048,643	491,747	(141,491)	(496,242)	13,189	(56,724)	75,188	246,029	97,066	(234,681)	1,042,724
Income tax (expense)/credit	(176,824)	(121,341)	(142,718)	(13,423)	(17,097)	(12,836)	(19,245)	(23,389)	(1,009)	-	(527,882)
Profit/(loss) for the year	871,819	370,406	(284,209)	(509,665)	(3,908)	(69,560)	55,943	222,640	96,057	(234,681)	514,842
Assets and liabilities											
Cash and cash equivalents	280,853	850,848	2,088,713	505,851	627,357	104,448	33,492	66,821	156,286	-	4,714,669
Other assets	13,132,707	5,008,883	8,022,268	3,826,008	2,854,220	5,384,782	539,245	4,713,712	211,203	(3,354,408)	40,338,620
Segment assets as at 31 December 2019	13,413,560	5,859,731	10,110,981	4,331,859	3,481,577	5,489,230	572,737	4,780,533	367,489	(3,354,408)	45,053,289
Loans and borrowings	-	-	942,013	2,532,782	998,854	2,169,227	-	2,261,023	-	-	8,903,899
Other liabilities	5,268,018	724,765	2,381,863	910,712	(376,676)	1,926,890	161,324	371,680	41,253	(3,354,408)	8,055,421
Segment liabilities as at 31 December 2019	5,268,018	724,765	3,323,876	3,443,494	622,178	4,096,117	161,324	2,632,703	41,253	(3,354,408)	16,959,320

1 Parkway Pantai Group, per the corporate structure, comprises the “Parkway Pantai” and “PLife REIT” segments
2 “PPL Others” comprises mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai
3 “CEE” refers to Central and Eastern Europe

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

Financial year ended 31 December 2018

	Parkway Pantai[1]					Acibadem	IMU				
	Singapore RM'000	Malaysia RM'000	India RM'000	North Asia RM'000	PPL Others[2] RM'000	Holdings CEE[3] RM'000	Health Malaysia RM'000	PLife REIT[1] RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses											
Revenue from external customers	3,890,725	2,019,834	851,269	499,623	188,936	3,676,198	257,540	133,168	3,639	-	11,520,932
Inter-segment revenue	100,711	1,000	-	-	1,879	-	3,461	51,569	2,573,636	(2,732,256)	-
Total segment revenue	3,991,436	2,020,834	851,269	499,623	190,815	3,676,198	261,001	184,737	2,577,275	(2,732,256)	11,520,932
EBITDA	1,213,407	578,513	6,319	(208,714)	(1,178)	617,320	84,935	321,688	2,509,239	(2,643,830)	2,477,699
Depreciation and impairment losses of property, plant and equipment	(214,268)	(157,622)	(63,374)	(146,981)	(6,156)	(242,430)	(14,364)	(34,647)	(859)	-	(880,701)
Amortisation and impairment losses of intangible assets	(3,644)	(709)	(10,439)	(23,115)	-	(19,760)	(790)	-	-	-	(58,457)
Foreign exchange differences	(239)	68	41,073	(213)	9,926	(91)	(1)	2,964	14,212	-	67,699
Finance income	603	22,830	49,056	48,176	40,690	34,622	5,701	19	25,726	(52,480)	174,943
Finance costs	(14,669)	(2,329)	(56,458)	(86,933)	(24,546)	(817,452)	(16)	(26,857)	(2,042)	52,480	(978,822)
Share of profits of associates (net of tax)	1,667	-	9,848	-	-	-	-	-	-	-	11,515
Share of profits of joint ventures (net of tax)	1,213	-	669	15	-	-	-	-	-	-	1,897
Others	29,873	(6,070)	(86,301)	2,925	-	-	-	-	(3,730)	-	(63,303)
Profit/(Loss) before tax	1,013,943	434,681	(109,607)	(414,840)	18,736	(427,791)	75,465	263,167	2,542,546	(2,643,830)	752,470
Income tax (expense)/credit	(140,713)	(88,823)	(2,355)	(11,987)	(23,742)	51,040	(19,733)	(23,406)	(2,891)	-	(262,610)
Profit/(loss) for the year	873,230	345,858	(111,962)	(426,827)	(5,006)	(376,751)	55,732	239,761	2,539,655	(2,643,830)	489,860
Assets and liabilities (restated)											
Cash and cash equivalents	202,779	625,241	4,339,118	701,685	448,447	73,512	24,789	67,201	1,280,626	-	7,763,398
Other assets	12,321,766	4,795,784	6,540,723	3,206,234	4,389,347	5,027,213	530,141	4,519,762	196,423	(4,269,940)	37,257,453
Segment assets as at 31 December 2018	12,524,545	5,421,025	10,879,841	3,907,919	4,837,794	5,100,725	554,930	4,586,963	1,477,049	(4,269,940)	45,020,851
Loans and borrowings	7,310	256	1,194,714	2,153,906	1,551,003	3,504,877	247	2,077,177	-	-	10,489,490
Other liabilities	4,364,225	546,688	3,270,688	327,793	327,921	1,040,113	149,212	353,781	69,181	(4,269,940)	6,179,662
Segment liabilities as at 31 December 2018	4,371,535	546,944	4,465,402	2,481,699	1,878,924	4,544,990	149,459	2,430,958	69,181	(4,269,940)	16,669,152

1 Parkway Pantai Group, per the corporate structure, comprises the “Parkway Pantai” and “PLife REIT” segments
2 “PPL Others” comprises mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai
3 “CEE” refers to Central and Eastern Europe

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

A9 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group does not adopt a revaluation policy on its property, plant and equipment.

A10 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions have been entered into in the normal course of business under negotiated terms. Other than the remuneration paid to the Key Management Personnel, the significant related party transactions of the Group are as follows:

	Financial year ended	
	31 Dec 2019 RM'000	**31 Dec 2018 RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	688	316,677
- Purchase and consumption of services	-	(50,318)
- Acquisition of approximately 15% equity interest in ASYH	-	(1,465,957)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	3,407	9,448
- Purchase and consumption of services	(66,813)	(64,461)
- Acquisition of approximately 15% equity interest in ASYH	-	(1,465,957)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 15 January 2019, Fortis completed the acquisition of the equity and other securities of the following entities from Fortis Global Healthcare Infrastructure Pte Ltd, a wholly-owned subsidiary of RHT, for a total cash consideration of INR46,663,000,000 (equivalent to RM2.7 billion), including foreign exchange movement and slippages. Post completion of the acquisition, the following entities have become direct / indirect wholly-owned subsidiaries of Fortis and thus become indirect subsidiaries of the Company:

(i) International Hospital Limited;
(ii) Fortis Health Management Limited;
(iii) Escorts Heart and Super Speciality Hospital Limited;
(iv) Hospitalia Eastern Private Limited; and
(v) Fortis Hospotel Limited.*

* Fortis owns 51% interest in Fortis Hospotel Limited and consolidates it prior to this transaction

(b) On 25 February 2019, Integrated (Mauritius) Healthcare Holdings Limited was struck off from the Register of Companies pursuant to Section 308 of the Mauritius Companies Act 2001.

(c) On 5 April 2019, Parkway Trust Management Limited ("PTM") transferred 138,500 Parkway Life Real Estate Investment Trust ("Parkway Life REIT") units that it owned to its eligible employees in accordance to PTM's LTIP. Consequential thereto, IHH Group's effective interest in Parkway Life REIT was diluted from 35.66% to 35.64%.

(d) On 24 April 2019, Acibadem Sağlık Hizmetleri ve Ticaret A.S. ("ASH") acquired an additional 3.5% equity interest in Clinical Hospital Acibadem Sistina Skopje ("Sistina") for a total cash consideration of EUR3,000,000 (equivalent to RM13,898,100). Post the acquisition, ASH's equity interest in Sistina increased from 50.32% to 53.82%.

(e) On 12 May 2019, Twin Towers Healthcare Sdn. Bhd. was dissolved pursuant to members' voluntary winding up.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

(f) On 10 July 2019, the following internal reorganisation was undertaken in order to streamline the Acibadem Group structure and management:

(i) Acibadem Orta Dogu Saglik Yatirimlari Anonim Sirketi ("AOD") merged with ASH.
(ii) A Plus Sağlık Hizmetleri Anonim Sirketi ("A Plus") merged with ASH

All assets and liabilities of AOD and A Plus were transferred to ASH. AOD and A Plus were subsequently dissolved.

(g) On 1 August 2019, Gleneagles (Malaysia) Sdn Bhd transferred 30% equity interest in Gleneagles Hospital (Kuala Lumpur) Sdn Bhd ("GHKLSB") to Pantai Hospitals Sdn Bhd ("PHSB") for a total cash consideration of RM592,739. Post the internal reorganisation exercise, PHSB's equity interest in GHKLSB increased from 70% to 100%.

(h) On 2 August 2019, PHSB and Pantai Group Resources Sdn Bhd ("PGRSB") completed the disposal of 1,000 ordinary shares, representing the entire issued share capital in PT Pantai Healthcare Consulting ("PTPHC"), for a cash consideration of USD1.00 only. Prior to the disposal, PTPHC was held equally by PHSB and PGRSB.

(i) On 6 August 2019, Gleneagles Technologies Services Pte Ltd was struck off from the Register of Companies pursuant to Section 344A of the Singapore Companies Act, Cap. 50.

(j) On 6 August 2019, SRL Diagnostics Middle East LLC was dissolved pursuant to voluntary winding up following the cancellation of licence.

(k) On 6 September 2019, ASH acquired an additional 0.74% equity interest in Acibadem City Clinic B.V. ("ACC") for a total cash consideration of EUR777,841 (equivalent to RM3,585,147). Post the acquisition, ASH's equity interest in ACC increased from 48.31% to 49.05%.

(l) On 11 September 2019 and 18 September 2019 respectively, Acibadem City Clinic EAD acquired the remaining 30% equity interest in Acibadem City Clinic Burgas EOOD (formerly known as Acıbadem City Clinic Cardiac Surgery Hospital Burgas OOD) ("ACC Burgas") for a total cash consideration of BGN1,120 (equivalent to RM2,644). Post the acquisition, Acibadem City Clinic EAD's equity interest in ACC Burgas increased from 70% to 100%.

(m) On 2 October 2019, ACC Burgas merged with Acibadem City Clinic Tokuda Hospital EAD ("ACC Tokuda Hospital"). All assets and liabilities of ACC Burgas were transferred to ACC Tokuda Hospital and ACC Burgas was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the Acibadem Group structure and management.

(n) On 3 October 2019, Acibadem City Clinic Healthcare Center Burgas EOOD ("ACC Healthcare Center Burgas") (formerly known as Acibadem City Clinic Medical Center Burgas EOOD) merged with Acibadem City Clinic Diagnostic and Consultation Center Tokuda EAD ("ACC Diagnostic and Consultation Center Tokuda"). All assets and liabilities of ACC Healthcare Center Burgas were transferred to ACC Diagnostic and Consultation Center Tokuda and ACC Healthcare Center Burgas was subsequently dissolved. The internal reorganisation was undertaken in order to streamline the Acibadem Group structure and management.

(o) On 6 November 2019, ASH established a wholly-owned subsidiary, Famicord Acibadem Kordon Kani Sağlik Hizmetleri Anonim Şirketi ("Famicord") in Turkey. The issued and paid-up share capital of Famicord is TL721,200 (equivalent to RM518,737) and its intended principal activity is cord blood banking.

(p) On 19 November 2019, Acıbadem Poliklinikleri A.Ş. ("POL") acquired an additional 16% equity interest in Gemtip Özel Sağlik Hizmetleri Sanayi Ve Ticaret Anonim Şirketi ("Gemtip") for a total consideration of TL40,000 (equivalent to RM29,157). Post the acquisition, POL's equity interest in Gemtip increased from 68% to 84%.

(q) On 3 December 2019, Parkway Life Japan4 Pte Ltd ("TK Investor") entered into a *Tokumei Kumiai* agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 13 (the "TK Operator"). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY3,700 million (approximately RM141,425,100) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of three nursing rehabilitation facilities by the TK Operator. The Company does not have any direct or indirect equity in the TK Operator. However due to the nature of the arrangements under the TK Agreement, the TK Operator is under established terms that impose strict limitations on decision-making powers of the TK Operator's management, resulting in the Group receiving the majority of the benefits relating to the TK Operator's operations and net assets, being exposed to the majority of the risks incident to the TK Operator's activities and retaining the majority of the residual or ownership risks related to the TK Operator and their assets. As such the TK Operator is regarded as subsidiary of the Group pursuant to MFRS 10: *Consolidated Financial Statements*.

(r) On 9 December 2019, Allergy Laboratory Pte Ltd was struck off from the Register of Companies pursuant to Section 344A of the Singapore Companies Act, Cap. 50.

(s) On 19 December 2019, POL subscribed for 14,050,000 new equity shares in Gemtip for a total consideration of TL14,050,000 (equivalent to RM9,794,353) pursuant to a recapitalisation of debt undertaken by Gemtip. Post the recapitalisation exercise, POL's equity interest in Gemtip increased from 84% to 99.72%.

Subsequently on the same day, POL disposed its entire stake of 99.72% in Gemtip for a total consideration of TL5,400,000 (equivalent to RM3,764,377).

(t) On 27 December 2019, Pantai Diagnostics Indonesia Sdn Bhd was struck off from the Register of Companies pursuant to Sections 550 and 551 of the Companies Act 2016 of Malaysia.

The above changes in the composition of the Group are not expected to have material effect on the earnings and net assets of the Group.

A12 SUBSEQUENT EVENTS

There are no subsequent events to report.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

i. In regards to the civil suit that had been filed by a third party ("Claimant') against Fortis and certain entities (together "Defendants") before the District Court, Delhi alleging, inter alia, implied ownership of the "Fortis", "SRL" and "La-Femme" brands in addition to certain other financial claims and seeking a decree that consequent to a term sheet with a certain party, Fortis is liable for claims due to the Claimant from that certain party. In connection with this, the District Court had passed an ex-parte order directing that any transaction undertaken by the defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed by the District Court in the said civil suit.

On 26 March 2019, an application has been filed by a certain party seeking substitution as plaintiff in place of the Claimant. This party has also filed an application against Fortis before the High Court of Delhi for seeking certain reliefs under the Indian Arbitration and Conciliation Act which is being contested by Fortis. This party has also initiated arbitration against Fortis by submitting a 'Request for Arbitration' on 24 October 2019 before International Chamber of Commerce ("ICC"). Documents from ICC have been received by Fortis on 2 November 2019.

Based on the external legal counsel's opinion, the Board of Directors of Fortis believes that the claims are without legal basis and are not tenable and accordingly, no provisions were required.

ii. Escorts Heart Institute and Research Centre Limited ("EHIRCL") has open tax demands of INR893.4 million (equivalent to RM51.8 million) for various assessment years before the Indian Income-tax authorities. While the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL in the past, the Income Tax Department has filed an appeal before Income Tax Appellate Tribunal ("ITAT"). ITAT has decided the appeal

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

in favour of EHIRCL on 11 June 2019. The Income Tax Department has contested the decision of ITAT before the Hon'ble High Court of Delhi.

iii. Delhi Development Authority ("DDA") had terminated the lease deeds and allotment letters relating to land parcels on which the Fortis Escorts Hospital, Delhi due to certain alleged non-compliances of such documents. Consequent to the termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The said termination and show cause notice for eviction 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 are required.

iv. Centre of Digestive and Kidney Diseases (India) Private Limited is defending an ongoing dispute with a service provider for the difference in the amounts claimed for the laboratory diagnostic and other services being rendered. On 12 July 2019, the arbitrator allowed the amended claim of INR474.9 million (equivalent to RM27.5 million). Pending the conclusion of the final arbitration, no provision thereof has been made.

v. During the year, Continental Hospitals Private Limited received letters from the Reserve Bank of India ("RBI") pointing out certain non-compliances with Foreign Exchange Management Act 1999 ("FEMA"). RBI sought clarifications on the status of this matter before the Singapore Arbitral Tribunal. The financial implication of such non-compliances is currently unascertainable and will be known upon the acceptance and disposal of RBI.

Except for above developments to the contingent liabilities disclosed in Note 49(c) of the 2018 Audited Financial Statements, and contingent liabilities identified during the year, there were no other material changes in the contingent liabilities or contingent assets as at 21 February 2020 from that disclosed in the 2018 Audited Financial Statements.

A14 CAPITAL COMMITMENTS

	31 Dec 2019 RM'000	31 Dec 2018 RM'000
a. Capital expenditure commitments		
Property, plant and equipment and investment properties		
- Contracted but not provided for in the financial statements	773,188	887,340
b. Other commitments		
Maximum amount committed for Fortis Open Offer[1]	1,941,302	1,966,483
Maximum amount committed for Malar Open Offer[1]	16,453	16,666
	1,957,755	1,983,149

[1] The actual number of Fortis shares and the actual number of Fortis Malar Hospitals Limited shares that NTK will be acquiring can only be determined at the end of the of the Fortis Open Offer and Malar Open Offer respectively.

On 13 November 2018, IHH acquired 31.1% equity interest in Fortis through a preferential allotment by Fortis to an indirect wholly-owned subsidiary of IHH, NTK. As a consequence of the preferential allotment by Fortis, NTK is required to carry out the following:

(i) a mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of INR10 each in Fortis, representing additional 26% of the Expanded Voting Share Capital (as defined in Section B6(1)) of Fortis, at a price of not less than INR170 per share ("Fortis Open Offer") or such higher price as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(ii) in light of the acquisition of the controlling stake of Fortis, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each in Malar, representing 26% of the paid-up equity shares of Malar at a price of INR58 per share ("Malar Open Offer"). The Malar Open Offer is subject to the completion of the Fortis Open Offer.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

In light of the 14 December 2018 status quo Order, and the 15 November 2019 Judgment mentioned in Section B6(1), the Fortis Open Offer as well the Malar Open Offer (which is subject to the completion of the Fortis Open Offer) will not proceed for the time being.

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2019				
Assets				
FVOCI unquoted shares	-	-	30,645	30,645
FVTPL money market funds	-	186,148	-	186,148
Foreign exchange forward contracts	-	7,567	-	7,567
	-	193,715	30,645	224,360
Liabilities				
Put options granted to non-controlling interest[i]	-	-	(1,033,565)	(1,033,565)
Interest rate swaps	-	(985)	-	(985)
Foreign exchange forward contracts	-	(5,402)	-	(5,402)
Cross currency interest rate swaps	-	(39,701)	-	(39,701)
	-	(46,088)	(1,033,565)	(1,079,653)
31 December 2018				
Assets				
FVOCI unquoted shares	-	-	11,334	11,334
FVTPL money market funds	-	179,646	-	179,646
FVTPL mutual funds	-	4,257	-	4,257
Foreign exchange forward contracts	-	6,281	-	6,281
Put option	-	-	3,756	3,756
	-	190,184	15,090	205,274
Liabilities (restated)				
Put options granted to non-controlling interest[i]	-	-	(1,309,445)	(1,309,445)
Interest rate swaps	-	(3,091)	-	(3,091)
Foreign exchange forward contracts	-	(956)	-	(956)
Cross currency interest rate swaps	-	(9,191)	-	(9,191)
Call option granted to non-controlling interest	-	-	(4,861)	(4,861)
	-	(13,238)	(1,314,306)	(1,327,544)

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

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

A16 UPDATE ON INVESTIGATIONS BY SEBI AND SFIO ON FORTIS

As at 21 February 2020, there were no further developments in the ongoing investigations on Fortis by the Securities and Exchange Board of India ("SEBI") and the Serious Fraud Investigation Office ("SFIO"), Ministry of Corporate Affairs of India, from that disclosed in Note 50 of the 2018 Audited Financial Statements.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

A17 RESTATEMENT OF 31 DECEMBER 2018 COMPARATIVE FIGURES

As permitted under MFRS 3, *Business Combinations*, the Group restated its 31 December 2018 comparative figures upon the completion of the Purchase Price Allocation ("PPA") on its acquisition of Fortis. The effects of the finalisation of the PPA on the 31 December 2018 comparative figures are as follows:

	Previously reported 31 Dec 2018 RM'000	Finalisation of PPA on Fortis acquisition RM'000	Restated 31 Dec 2018 RM'000
Assets			
Property, plant and equipment	14,605,200	(481,899)	14,123,301
Prepaid lease payments	1,017,810	-	1,017,810
Investment properties	3,310,429	-	3,310,429
Goodwill on consolidation	11,829,197	-	11,829,197
Intangible assets	2,109,136	147,741	2,256,877
Interests in associates	710,036	165,278	875,314
Interests in joint ventures	115,334	91,307	206,641
Other financial assets	18,668	-	18,668
Trade and other receivables	112,420	-	112,420
Tax recoverable	285,866	(9,452)	276,414
Derivative assets	722	-	722
Deferred tax assets	463,898	(6,634)	457,264
Total non-current assets	**34,578,716**	**(93,659)**	**34,485,057**
Development properties	80,729	-	80,729
Inventories	350,729	-	350,729
Trade and other receivables	1,959,970	-	1,959,970
Tax recoverable	18,020	-	18,020
Other financial assets	347,185	-	347,185
Derivative assets	9,315	-	9,315
Cash and cash equivalents	7,763,398	-	7,763,398
	10,529,346	-	10,529,346
Assets classified as held for sale	6,448	-	6,448
Total current assets	**10,535,794**	**-**	**10,535,794**
Total assets	**45,114,510**	**(93,659)**	**45,020,851**
Equity			
Share capital	19,427,586	-	19,427,586
Other reserves	(1,665,515)	-	(1,665,515)
Retained earnings	4,231,930	-	4,231,930
Total equity attributable to owners of the Company	**21,994,001**	**-**	**21,994,001**
Perpetual securities	2,157,943	-	2,157,943
Non-controlling interests	4,355,141	(155,386)	4,199,755
Total equity	**28,507,085**	**(155,386)**	**28,351,699**
Liabilities			
Loans and borrowings	9,330,942	35,440	9,366,382
Employee benefits	98,938	-	98,938
Trade and other payables	691,264	-	691,264
Derivative liabilities	12,168	-	12,168
Deferred tax liabilities	991,273	(8,940)	982,333
Total non-current liabilities	**11,124,585**	**26,500**	**11,151,085**
Bank overdrafts	81,215	-	81,215
Loans and borrowings	1,123,108	-	1,123,108
Employee benefits	130,547	-	130,547
Trade and other payables	3,751,568	35,227	3,786,795
Derivative liabilities	5,931	-	5,931
Tax payable	390,471	-	390,471
Total current liabilities	**5,482,840**	**35,227**	**5,518,067**
Total liabilities	**16,607,425**	**61,727**	**16,669,152**
Total equity and liabilities	**45,114,510**	**(93,659)**	**45,020,851**

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

	4th quarter ended			Financial year ended		
	31 Dec 2019 RM'000	**31 Dec 2018 RM'000**	**Variance %**	**31 Dec 2019 RM'000**	**31 Dec 2018 RM'000**	**Variance %**
REVENUE[1]						
Parkway Pantai:						
- Singapore	1,108,910	1,027,454	8%	4,289,778	3,890,725	10%
- Malaysia	618,771	551,128	12%	2,331,064	2,019,834	15%
- India	816,649	356,846	129%	3,320,868	851,269	NM
- North Asia	148,899	139,542	7%	604,647	499,623	21%
- PPL Others*	50,966	50,873	0%	198,861	188,936	5%
Parkway Pantai	**2,744,195**	**2,125,843**	**29%**	**10,745,218**	**7,450,387**	**44%**
Acibadem Holdings	**988,520**	**939,994**	**5%**	**3,764,678**	**3,676,198**	**2%**
IMU Health	**66,509**	**64,388**	**3%**	**259,048**	**257,540**	**1%**
Others^	**1,451**	**1,364**	**6%**	**4,065**	**3,639**	**12%**
Group (Excluding PLife REIT)	**3,800,675**	**3,131,589**	**21%**	**14,773,009**	**11,387,764**	**30%**
PLife REIT total revenue	88,209	85,371	3%	347,913	335,699	4%
Less: PLife REIT inter-segment revenue	(52,785)	(51,612)	-2%	(208,437)	(202,531)	-3%
PLife REIT	**35,424**	**33,759**	**5%**	**139,476**	**133,168**	**5%**
Group	**3,836,099**	**3,165,348**	**21%**	**14,912,485**	**11,520,932**	**29%**
EBITDA[2]						
Parkway Pantai:						
- Singapore	424,784	320,715	32%	1,475,113	1,143,213	29%
- Malaysia	171,039	167,045	2%	675,215	578,513	17%
- India	90,037	2,082	NM	359,965	6,319	NM
- North Asia	(68,927)	(54,677)	-26%	(175,461)	(208,714)	16%
- PPL Others*	13,224	(3,235)	NM	35,824	(1,178)	NM
Parkway Pantai	**630,157**	**431,930**	**46%**	**2,370,656**	**1,518,153**	**56%**
Acibadem Holdings	**246,818**	**180,205**	**37%**	**853,497**	**617,320**	**38%**
IMU Health	**13,457**	**9,623**	**40%**	**87,173**	**84,935**	**3%**
Others^	**(18,973)**	**(17,822)**	**-6%**	**(78,664)**	**(64,397)**	**-22%**
Group (Excluding PLife REIT)	**871,459**	**603,936**	**44%**	**3,232,662**	**2,156,011**	**50%**
PLife REIT[3]	**83,041**	**120,126**	**-31%**	**294,387**	**321,688**	**-8%**
Eliminations[4]	**(53,035)**	**-**	**-**	**(209,337)**	**-**	**-**
Group	**901,465**	**724,062**	**25%**	**3,317,712**	**2,477,699**	**34%**

[1]: *Relates to external revenue only*
It excludes PLife REIT's rental income earned from Parkway Pantai
Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT
[2]: *Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group*
[3]: *Includes rental income earned from lease of hospitals to Parkway Pantai*
[4]: *Relates to the elimination of inter-segment income and expenses.*
*: *PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai*
^: *Others comprise mainly IHH Group's corporate office as well as other investment holding entities*

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

Q4 2019 vs Q4 2018

The Group's revenue and EBITDA increased 21% and 25% respectively in Q4 2019 over Q4 2018 as a result of the sustained organic growth from existing operations and the continuous ramp up of Gleneagles Hong Kong Hospital and Acibadem Altunizade Hospital (both opened in March 2017), as well as contribution from the increased capacity at Acibadem Maslak Hospital (expansion completed in Oct 2018). The acquisition of Amanjaya (acquired in October 2018), and Fortis (acquired in November 2018) also contributed to the increase.

The adoption of MFRS 16, *Leases* with effect from 1 January 2019 also boosted the Q4 2019 EBITDA since the Group does not recognise operating lease expense but instead recognised depreciation on the ROU assets. On constant currency basis and excluding the effects of adopting MFRS 16, *Leases,* the Group's revenue and EBITDA increased 22% and 13% respectively in Q4 2019 over Q4 2018.

The Group's Q4 2019 EBITDA was partially eroded by pre-operating expenses of Gleneagles Chengdu Hospital, which was opened in October 2019. Moreover, the Group recognised lower revaluation gain of RM11.4 million on PLife REIT's investment properties in Q4 2019 as compared to RM50.4 million in Q4 2018.

The Group's Q4 2019 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 15% to RM289.8 million on higher net interest expenses as additional loans were taken for acquisition, working capital and conversion of Euro interest to TL interest, which is higher, through a CCIRS arrangement. In addition, Fortis' tax expense increased by RM67.2 million mainly due to its reversal of deferred tax assets in Q4 2019. The decrease in PATMI (Excl EI) was also attributed to foreign exchange losses in Q4 2019 as compared to gains recognised in Q4 2018.

Parkway Pantai

Parkway Pantai's Q4 2019 revenue increased 29% to RM2,744.2 million whilst its EBITDA increased 46% to RM630.2 million. On constant currency basis and excluding the effects of adopting MFRS 16, *Leases,* Parkway Pantai's Q4 2019 revenue increased 29% while its EBITDA increased 21% over Q4 2018.

Parkway Pantai's strong revenue was the result of the continuous ramp up of Gleneagles Hong Kong Hospital. Amanjaya and Fortis contributed RM9.4 million and RM670.4 million respectively to the Group's Q4 2019 revenue. Parkway Pantai's existing hospitals and healthcare businesses also grew.

Parkway Pantai's Singapore hospitals inpatient admissions increased 1.6% to 19,640 in Q4 2019 while its revenue per inpatient admission increased 4.3% to RM33,520. Parkway Pantai's Malaysia hospitals inpatient admissions increased 3.2% to 56,939 inpatient admissions in Q4 2019, while its revenue per inpatient admission increased 7.7% to RM7,166. Parkway Pantai's India hospitals inpatient admissions increased 133.2% to 91,439 with the inclusion of full 3 months of Fortis' inpatient admissions in Q4 2019 as compared to only 1 month Q4 2018 when Parkway Pantai acquired Fortis in November 2018. However, Parkway Pantai's India hospitals revenue per inpatient admission decreased 6.2% to RM6,377 as Fortis' revenue intensity is generally lower than Parkway Pantai's existing operations in India.

Parkway Pantai's Q4 2019 EBITDA was partially eroded by Gleneagles Hong Kong Hospital's increase in losses, which increased from RM39.4 million in Q4 2018 to RM49.4 million in Q4 2019, as a result of recruitment of additional staff to ramp up its clinical services. In addition, Parkway Pantai recorded pre-operating costs as Gleneagles Chengdu Hospital ramps up its hiring and preparation for its opening in October 2019. Amanjaya and Fortis contributed RM3.9 million and RM92.5 million respectively to Parkway Pantai's Q4 2019 EBITDA.

Acibadem Holdings

Acibadem Holdings' Q4 2019 revenue increased 5% to RM988.5 million whilst its EBITDA increased 37% to RM246.8 million. On constant currency and excluding the effects of adopting MFRS 16, *Leases,* Acibadem Holdings' Q4 2019 revenue increased 11% while its EBITDA increased 23% over Q4 2018.

The continuous ramp up of Acibadem Altunizade Hospital (opened in March 2017) and the increased capacity from Acibadem Maslak Hospital (expansion completed in October 2018) contributed to Acibadem Holdings' revenue growth in Q4 2019. Acibadem Holdings' existing hospitals and healthcare businesses also grew with the improvement in medical tourism in the CEEMENA region.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

Acibadem Holdings' inpatient admissions increased 0.5% to 57,531 in Q4 2019 due to fewer local patients at its non-Istanbul hospitals. Meanwhile, Acibadem Holdings' revenue per inpatient admission grew 5.4% to RM8,034 in Q4 2019 with price increases to compensate for inflation, more complex cases taken and increase in foreign patients.

Acibadem Holdings' Q4 2019 EBITDA increased due to higher revenues and was boosted by gain on disposal of medical equipment and government incentives.

IMU Health

IMU Health's Q4 2019 revenue increased 3% to RM66.5 million due to higher student intake for certain courses in Q4 2019 as compared to Q4 2018.

IMU Health's EBITDA increased 40% in Q4 2019 mainly due to the effects of MFRS 16, *Leases*. Excluding the effect of adopting MFRS 16, *Leases*, IMU Health's Q4 2019 EBITDA increased 26% over Q4 2018 due to lower expenses incurred for teaching activities in Q4 2019.

PLife REIT

PLife REIT's Q4 2019 external revenue increased 5% to RM35.4 million, whilst its EBITDA decreased 31% to RM83.0 million. The decrease in PLife REIT's Q4 2019 EBITDA was mainly due to lower revaluation gain of RM11.4 million on PLife REIT's investment properties in Q4 2019 as compared to RM50.4 million in Q4 2018.

Others

Q4 2019 revenue increased mainly due to the timing of the declaration of returns by the invested Money Market Funds ("MMF").

Q4 2019 EBITDA losses increased mainly due to higher staff costs and other operating expenses to manage the increased operations of the Group.

<u>YTD 2019 vs YTD 2018</u>

The Group's revenue and EBITDA increased 29% and 34% respectively in YTD 2019 over YTD 2018 as a result of the sustained organic growth from existing operations and the continuous ramp up of Gleneagles Hong Kong Hospital and Acibadem Altunizade Hospital (both opened in March 2017), as well as contribution from the increased capacity at Acibadem Maslak Hospital (expansion completed in Oct 2018). The acquisition of Amanjaya (acquired in October 2018), and Fortis (acquired in November 2018) also contributed to the increase in both the Group's YTD 2019 revenue and EBITDA. The Group's YTD 2019 results included a one-off RM28.5 million trustee management fee income from RHT relating to disposal of RHT assets.

The adoption of MFRS 16, *Leases* with effect from 1 January 2019 also boosted the YTD 2019 EBITDA since the Group does not recognise operating lease expense but instead recognised depreciation on the ROU assets. On constant currency basis and excluding the effects of adopting MFRS 16, *Leases,* the Group's revenue and EBITDA increased 34% and 23% respectively in YTD 2019 over YTD 2018.

The Group's YTD 2019 EBITDA was partially eroded by pre-operating expenses of Gleneagles Chengdu Hospital, which was opened in October 2019. Moreover, the Group recognised lower revaluation gain of RM11.4 million on PLife REIT's investment properties in YTD 2019 as compared to RM50.4 million in YTD 2018.

The Group's YTD 2019 PATMI (Excl EI) decreased 10% to RM920.7 million on higher net interest expenses as additional loans were taken for acquisition, working capital and conversion of Euro interest to TL interest, which is higher, through a CCIRS arrangement. The decrease in PATMI (Excl EI) was also attributed to foreign exchange losses and fair value losses on forward exchange contracts in YTD 2019. In addition, Fortis' tax expense increased by RM67.2 million mainly due to its reversal of deferred tax assets in YTD 2019. The Group's YTD 2019 PATMI (Excl EI) was partially boosted by the reversal of RM21.8 million accrued interest on prior years' tax payable.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

Parkway Pantai

Parkway Pantai's YTD 2019 revenue increased 44% to RM10,745.2 million whilst its EBITDA increased 56% to RM2,370.7 million. On constant currency basis and excluding the effects of adopting MFRS 16, *Leases,* Parkway Pantai's YTD 2019 revenue increased 43% while its EBITDA increased 29% over YTD 2018.

Parkway Pantai's strong revenue was the result of the continuous ramp up of Gleneagles Hong Kong Hospital. Amanjaya and Fortis contributed RM33.4 million and RM2,728.5 million respectively to the Group's YTD 2019 revenue. Fortis' YTD 2019 revenue included a one-off RM28.5 million trustee management fee income from RHT relating to disposal of RHT assets. Parkway Pantai's existing hospitals and healthcare businesses also grew.

Parkway Pantai's Singapore hospitals inpatient admissions increased 2.1% to 78,541 in YTD 2019 while its revenue per inpatient admission increased 4.5% to RM32,782. Parkway Pantai's Malaysia hospitals inpatient admissions increased 7.2% to 218,051 inpatient admissions in YTD 2019, while its revenue per inpatient admission increased 6.6% to RM7,054. Parkway Pantai's India hospitals inpatient admissions tripled to 363,126 with the inclusion of Fortis' inpatient admissions for the full year in YTD 2019 as compared to only 1 month in YTD 2018 when Parkway Pantai acquired Fortis in November 2018. However, Parkway Pantai's India hospitals revenue per inpatient admission decreased 13.5% to RM6,376 as Fortis' revenue intensity is generally lower than Parkway Pantai's existing operations in India.

Parkway Pantai's YTD 2019 EBITDA was boosted by Gleneagles Hong Kong Hospital's decreasing start-up losses, which decreased from RM178.1 million in YTD 2018 to RM156.7 million in YTD 2019, as a result of operating leverage. Amanjaya and Fortis contributed RM12.5 million and RM376.2 million respectively to Parkway Pantai's YTD 2019 EBITDA. Fortis' YTD 2019 EBITDA included a one-off RM28.5 million trustee management fee income from RHT relating to disposal of RHT assets.

Acibadem Holdings

Acibadem Holdings' YTD 2019 revenue increased 2% to RM3,764.7 million whilst its EBITDA increased 38% to RM853.5 million. On constant currency and excluding the effects of adopting MFRS 16, *Leases,* Acibadem Holdings' YTD 2019 revenue increased 18% while its EBITDA increased 30% over YTD 2018.

The continuous ramp up of Acibadem Altunizade Hospital (opened in March 2017) and the increased capacity from Acibadem Maslak Hospital (expansion completed in October 2018) contributed to Acibadem Holdings' revenue growth in YTD 2019. Acibadem Holdings' existing hospitals and healthcare businesses also grew with the improvement in medical tourism in the CEEMENA region.

Acibadem Holdings' inpatient admissions decreased 3.5% to 221,493 in YTD 2019 due to fewer local patients at its non-Istanbul hospitals. Meanwhile, Acibadem Holdings' revenue per inpatient admission grew 17.9% to RM8,052 in YTD 2019 with price increase imposed on private insurance and out-of-pocket patients to compensate for inflation, more complex cases taken and increase in foreign patients.

Acibadem Holdings' YTD 2019 EBITDA increased due to higher revenues and was boosted by gain on disposal of medical equipment and government incentives.

IMU Health

IMU Health's YTD 2019 revenue increased 1% while EBITDA increased 3% year-on-year mainly due to the effects of MFRS 16, *Leases*. Excluding the effect of adopting MFRS 16, *Leases*, IMU Health's YTD 2019 EBITDA decreased 3% over YTD 2018 due to higher staff costs and other operating expenses.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

PLife REIT

PLife REIT's YTD 2019 external revenue increased 5% to RM139.5 million, whilst its EBITDA decreased 8% to RM294.4 million. On constant currency basis, PLife REIT's YTD 2019 revenue increased 3% while its YTD EBITDA decreased 10% as compared to YTD 2018.

The decrease in PLife REIT's YTD 2019 EBITDA was mainly due to lower revaluation gain of RM11.4 million on PLife REIT's investment properties in Q4 2019 as compared to RM50.4 million in Q4 2018.

Others

Revenue relates to dividends from the Company's investments in MMF. The Company started placement in MMF from April 2018 onwards.

YTD 2019 EBITDA losses increased mainly due to higher staff costs and other operating expenses to manage the increased operations of the Group.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2019 RM'000	3rd quarter ended 30 Sept 2019 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	1,108,910	1,091,025	2%
- Malaysia	618,771	605,914	2%
- India	816,649	875,655	-7%
- North Asia	148,899	150,556	-1%
- PPL Others*	50,966	50,944	0%
Parkway Pantai	**2,744,195**	**2,774,094**	**-1%**
Acibadem Holdings	**988,520**	**913,591**	**8%**
IMU Health	**66,509**	**64,168**	**4%**
Others^	**1,451**	**962**	**51%**
Group (Excluding PLife REIT)	**3,800,675**	**3,752,815**	**1%**
PLife REIT total revenue	88,209	87,817	0%
Less: PLife REIT inter-segment revenue	(52,785)	(52,268)	-1%
PLife REIT	**35,424**	**35,549**	**0%**
Group	**3,836,099**	**3,788,364**	**1%**
EBITDA[2]			
Parkway Pantai:			
- Singapore	424,784	358,625	18%
- Malaysia	171,039	177,830	-4%
- India	90,037	126,332	-29%
- North Asia	(68,927)	(46,404)	-49%
- PPL Others*	13,224	5,036	163%
Parkway Pantai	**630,157**	**621,419**	**1%**
Acibadem Holdings	**246,818**	**186,082**	**33%**
IMU Health	**13,457**	**23,196**	**-42%**
Others^	**(18,973)**	**(20,453)**	**7%**
Group (Excluding PLife REIT)	**871,459**	**810,244**	**8%**
PLife REIT[3]	**83,041**	**71,630**	**16%**
Eliminations4	**(53,035)**	**(53,018)**	**0%**
Group	**901,465**	**828,856**	**9%**

[1]: *Relates to external revenue only*
It excludes PLife REIT's rental income earned from Parkway Pantai
Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT
[2]: *Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group*
[3]: *Includes rental income earned from lease of hospitals to Parkway Pantai*
[4]: *Relates to the elimination of inter-segment income and expenses*
*: *PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai*
^: *Others comprise mainly IHH Group's corporate office as well as other investment holding entities*

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

<u>Q4 2019 vs Q3 2019</u>

The Group achieved 1% quarter-on-quarter revenue growth while EBITDA grew 9% quarter-on-quarter. EBITDA increased on the back of the revenue growth, and the recognition on RM11.4 million revaluation gain on PLife REIT's investment properties in Q4 2019. On constant currency basis, quarter-on-quarter revenue increased 2% while EBITDA increased 10%.

The Group's Q4 2019 PATMI (Excl EI) increased by 43% quarter-on-quarter on the back of the EBITDA growth and boosted by the recognition of RM14.4 million fair value gain on forward exchange contracts in Q4 2019 as compared to RM40.7 million fair value losses in Q3 2019. This is partially offset by RM67.2 million higher tax expense at Fortis mainly due to its reversal of deferred tax assets in Q4 2019.

Parkway Pantai

Parkway Pantai's revenue and EBITDA decreased 1% and increased 1% quarter-on-quarter respectively. On constant currency basis, Parkway Pantai's revenue decreased 1% while its EBITDA increased 1% quarter on quarter.

Parkway Pantai's Singapore hospitals inpatient admissions decreased 2.1% quarter-on-quarter, while its revenue per inpatient admission increased 2.2% quarter-on-quarter. Parkway Pantai's Malaysia hospitals inpatient admissions decreased 0.9% quarter-on-quarter, while its revenue per inpatient admission increased 2.9% quarter-on-quarter. Parkway Pantai's India hospitals inpatient admissions decreased 5.9%, while its revenue per inpatient admission increased 2.2% quarter-on-quarter.

Acibadem Holdings

Acibadem Holdings' revenue increased 8% quarter-on-quarter, whilst its Q4 2019 EBITDA increased 33% quarter-on-quarter. On constant currency basis, Acibadem Holdings' revenue and EBITDA increased 10% and 35% respectively due to seasonality as Q3 was usually the low season for Turkey region. Acibadem Holdings' Q4 2019 EBITDA was also boosted by gain on disposal of medical equipment and government incentives.

Acibadem Holdings' inpatient admissions increased 11.8% quarter-on-quarter while its revenue per inpatient admission decreased 2.1% quarter-on-quarter.

IMU Health

IMU Health's revenue increased 4% quarter-on-quarter. EBITDA decreased 42% quarter-on-quarter mainly due to higher student recruitment promotional expenses were incurred in Q4 2019, in line with increased recruitment activities during the quarter.

PLife REIT

PLife REIT's Q4 2019 external revenue was on par with prior quarter, whilst its EBITDA increased 16% quarter-on-quarter due to revaluation gain of RM11.4 million on PLife REIT's investment properties in Q4 2019.

Others

Revenue increased 51% quarter-on-quarter mainly due to higher dividends received from MMF investment. EBITDA losses decreased by 7% as a result of the increase in revenue and a recharge of expenses to subsidiaries in Q4 2019.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

B3 NEXT YEAR FINANCIAL PROSPECTS

The Group starts the new decade with a refreshed strategy to deliver sustainable returns to its stakeholders. The Group will sharpen its focus on improving returns on capital while delivering growth and achieving stronger global synergies.

The Group pursues a geographical cluster strategy for growth. It will expand IHH's established clusters in metro centers to achieve greater economies of scale while delivering better patient services. For example, the acquisition of Prince Court Medical Centre, when completed, adds to the Group's hospital cluster in Kuala Lumpur, further improving synergies in Kuala Lumpur. This allows the Group to deepen its clinical capabilities and enhance its medical tourism prospects. Secondly, across our markets, the Group will also consider divestments of under-performing assets outside our focus clusters to redeploy capital more efficiently.

On the cost front, the Group leverages its international scale to achieve stronger synergies across its global network. Through this, the Group expects to drive efficient growth, unlock intrinsic value and drive cost through global shared services and procurement.

Whilst the Group implements the above strategies for growth, there could be short term macro headwinds. In particular, the current COVID-19 outbreak will have an impact on the global economy, including markets where the Group operates, as medical tourism slows and patients postpone non-urgent and non-emergency treatment. In Hong Kong, the COVID-19 outbreak and ongoing demonstrations have resulted in some deferrals of non-urgent and non-essential procedures and services. Although the impact on the Group's services has overall been limited and operations have remained stable so far, a prolonged fallout may dampen the Group's performance.

The Group expects higher costs of operations arising from wage inflation as a result of increased competition for skilled healthcare personnel in its home markets. Further, there is a potential tendency for authorities to consider new pricing controls which would impact margins. While such pressures may potentially reduce the Group's EBITDA and margins, the Group expects to mitigate these effects through improvements in case mix and tight cost control.

In China, Gleneagles Chengdu Hospital commenced operations in October 2019, and construction of Gleneagles Shanghai Hospital is progressing according to plan. Consequently, the Group would continue to incur capital expenditure and pre-operating costs leading up to the phased bed opening of these hospitals. We expect an initial margin dilution from the opening of the China hospitals. The COVID-19 epidemic and the expected slowdown of the Chinese economy may impact these new hospitals' opening and operations.

In Turkey, the Group expects to see a higher inflow of medical travelers due to the high quality of healthcare services provided at a relatively affordable price point. With its expanded bed capacity, Acibadem Maslak Hospital is expected to ramp up patient volumes to meet demand. The Group has taken steps to reduce Acibadem Holding's non-Lira debt and to deleverage its balance sheet. During January and February 2020, Acibadem refinanced another EUR50 million debt and further swap EUR37 million into lira denominated debt. Acibadem Holdings will continue to take further actions to manage its foreign exchange exposure by reducing its non-Turkish lira loans.

Given the Group's geographical footprints, the Group is susceptible to geopolitical risks and currency volatility in the countries that it operates, which would result in foreign exchange translation differences in the Group's balance sheet and income statement. In addition, significant currency volatility against the Group's reporting currency may affect the comparability of the Group's financial performance across periods.

As the Group consolidates its market leading positions and improves its hospitals' operational performance around excellent clinical outcomes, operational efficiency and cost, the Group is confident that its core business remains resilient amidst cautious business sentiment and continues to position itself as a best-in-class healthcare provider amidst macro headwinds.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	4th quarter ended		Financial year ended	
	31 Dec 2019	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax expense	111,967	66,264	565,518	333,992
Deferred tax expense	43,747	35,927	(37,636)	(71,382)
	155,714	102,191	527,882	262,610

QTD 2019 and YTD 2019 effective tax rate* was 146% and 55% respectively. It is higher than the Malaysia statutory tax rate mainly due to certain non-tax deductible expenses (refer to page 2 for list of exceptional items), unrecognised tax losses arising from the Group's new hospitals and hospitals under construction. In addition, Fortis' tax expense increased by RM67.2 million mainly due to its reversal of deferred tax assets in Q4 2019.

YTD 2019 tax expenses included tax on cash dividends received from RHT, and on cash that was further upstreamed as dividends from Fortis subsidiaries to Fortis Healthcare Limited. On the other hand, the dividend income from RHT (an associate) is eliminated upon consolidation at Fortis Group, hence decreasing the base when computing the effective tax rate.

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

B6 STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at 21 February 2020:

1. Proposed subscription of 235,294,117 new equity shares of face value of Indian Rupee ("INR") 10 each ("Fortis Shares") in Fortis Healthcare Limited ("Fortis") through preferential allotment by Fortis to an indirect wholly-owned subsidiary of IHH, Northern TK Venture Pte Ltd ("NTK" or the "Acquirer") ("Proposed Subscription");

   Mandatory Open Offer for acquisition of up to 197,025,660 Fortis Shares representing additional 26% of the Expanded Voting Share Capital (as defined herein) of Fortis by the Acquirer ("Fortis Open Offer"); and

   Mandatory Open Offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR 10 each, representing 26% of the fully diluted voting equity share capital of Fortis Malar Hospitals Limited ("Malar") by the Acquirer ("Malar Open Offer").

   On 13 July 2018, NTK, as subscriber, entered into a share subscription agreement ("Fortis SSA") with Fortis, as issuer, where NTK has agreed to subscribe 235,294,117 new equity shares of Fortis with a face value of INR10 each ("Subscription Shares"), constituting approximately 31.1% of the total voting equity share capital of Fortis on a fully diluted basis ("Expanded Voting Share Capital") for a total consideration of INR4,000 crore and Fortis has agreed to issue and allot the Subscription Shares by way of preferential allotment in accordance with the terms of the Fortis SSA ("Proposed Subscription"). The Proposed Subscription was completed in accordance with the terms of the Fortis SSA on 13 November 2018 and NTK has become the controlling shareholder of Fortis.

   As a consequence of the Proposed Subscription, NTK was required to carry out the following:

   (i) pursuant to the board resolution dated 13 July 2018 passed by the Board of Directors of Fortis approving the Proposed Subscription and execution of the Fortis SSA ("Fortis Board Resolution"), a mandatory

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 ("SEBI (SAST) Regulations").

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

(ii) in light of the acquisition of the controlling stake of Fortis, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each in Malar, representing 26% 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 the PACs pursuant to the terms of Regulations 3(1), 4 and 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations, have made the Malar Open Offer by filing of the public announcement dated 13 July 2018 ("Malar Public Announcement") to all the public shareholders of Malar excluding the promoter and promoter group of Malar, NTK and the PACs and persons deemed to be acting in concert with NTK and the PACs. Save and except for the PACs, no other person is acting in concert with NTK for the purpose of the Malar Open Offer at the time of the Malar Public Announcement being released.

On 14 December 2018, the Supreme Court of India passed an order in the matter of "Mr Vinay Prakash Singh v. Sameer Gehlaut & Ors.", directing "status quo with regard to sale of the controlling stake in Fortis to Malaysian IHH Healthcare Berhad be maintained" ("Order"). Pursuant thereto, decision was taken not to proceed with Open Offer.

Vide its judgment dated 15 November 2019 ("Judgment"), the Hon'ble Supreme Court of India issued suo-moto contempt notice to, among others, Fortis, and directed its Registry to register a fresh contempt petition in regard to alleged violation of the Order. In this respect, the Hon'ble Supreme Court sought an enquiry into:

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

Fortis has filed a detailed reply to the show cause notice issued in the suo-moto contempt, praying inter alia, that the suo-moto contempt proceedings be dropped and Order be modified/vacated such that the open offers may proceed.

Further, SEBI had requested the Hon'ble Supreme Court of India to allow the Mandatory Open Offer to proceed. By way of an application of SEBI seeking impleadment, the Hon'ble Supreme Court of India has impleaded SEBI as a party in the petition pending before it. The concerned matters will be next heard by the Supreme Court on 16 March 2020.

IHH is seeking appropriate legal advice on this matter and will subsequently decide on the future course of action. In light of the Judgement, the Fortis Open Offer as well the Malar Open Offer (which is subject to the completion of the Fortis Open Offer) will not proceed for the time being.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Proposed acquisition of the entire issued share capital of Prince Court Medical Centre Sdn Bhd ("PCMC") by PHSB, an indirect wholly-owned subsidiary of IHH from Pulau Memutik Ventures Sdn Bhd ("PMV"), a wholly-owned subsidiary of Khazanah Nasional Berhad for a cash consideration of RM1,020.0 million ("Proposed Acquisition")

   On 17 September 2019, PHSB entered into a conditional share purchase agreement ("SPA") with PMV for the Proposed Acquisition.

   The Proposed Acquisition involves the acquisition of 100,000,000 ordinary shares in PCMC and 35,176 redeemable preference shares in PCMC (collectively be referred to as "Sale Shares"), representing the entire issued share capital of PCMC, for a cash consideration of RM1,020.0 million. The Proposed Acquisition is subject to the terms and conditions of the SPA.

   The Proposed Acquisition is subject to the following approvals being obtained:

   (i) non-interested shareholders of the Company at the forthcoming EGM to be held on 9 December 2019;

   (ii) Ministry of Health, Malaysia ("MOH");

   (iii) Ministry of Economic Affairs, Malaysia, being the ministry charged with the responsibility of the Economic Planning Unit of the Prime Minister's Department ("MEA"); and

   (iv) any other relevant authorities and/or parties, where required.

   On 11 October 2019, applications have been submitted to the MOH and MEA respectively.

   Please refer to the Circular to shareholders dated 22 November 2019, copy of which is available for download from the websites of the Company, Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Ltd, for further details of the Proposed Acquisition.

   The Company had obtained the shareholders' approval on the Proposed Acquisition at the EGM held on 9 December 2019.

   PHSB and PMV have, via a letter of extension issued by PHSB on 13 February 2020 and accepted by PMV on 17 February 2020, mutually agreed to extend the Long Stop Date of the SPA from 17 February 2020 to 13 May 2020, being sixty (60) business days from the original Long Stop Date ("Extension") for the fulfilment of the remaining conditions precedent under the SPA, namely, regulatory approvals and/or waiver from the MOH and the Ministry of Economic Affairs, Malaysia, being the ministry charged with the responsibility of the EPU.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	31 Dec 2019 RM'000	31 Dec 2018 RM'000 (Restated)
Non-current		
Secured		
Bank borrowings	859,875	922,495
Loans from non-financial corporates	4,735	7,350
Financial lease*	-	141,131
Unsecured		
Bank borrowings	6,044,071	6,705,248
Fixed rate notes	446,430	444,537
Debt component of compulsory convertible debentures ("CCD")	-	289,292
Loans from non-financial corporates	632	626
Loans from non-controlling interest of subsidiaries	910,322	855,703
	8,266,065	9,366,382
Current		
Secured		
Bank overdrafts	121,814	81,215
Bank borrowings	281,153	324,672
Loans from non-financial corporates	1,455	1,709
Financial lease*	-	35,912
Unsecured		
Bank borrowings	354,572	760,168
Loans from non-financial corporates	654	647
	759,648	1,204,323
Total	9,025,713	10,570,705

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

	31 Dec 2019 RM'000	31 Dec 2018 RM'000 (Restated)
Singapore Dollar	2,281,252	2,837,311
Ringgit Malaysia	-	503
US Dollar	654	525,422
Euro	1,429,607	2,208,311
Turkish Lira	51,376	103,421
Japanese Yen	1,646,441	1,481,991
Indian Rupees	1,062,526	1,254,845
Hong Kong Dollar	2,405,325	2,151,471
Renminbi	127,470	2,435
Others	21,062	4,995
	9,025,713	10,570,705

* With the adoption of MFRS 16, *Leases*, financial leases were reclassified from loans and borrowings to lease liabilities with effect from 1 January 2019.

The CCDs are convertible into 131,026,000 shares of a subsidiary at a price of INR32.55 per share. The investor of the CCD has a right to convert each CCD into the conversion share at any time on or prior to the maturity date in 2030. In January 2019, Fortis bought over the CCDs from the investor.

Key exchange rates as at 31 December 2019:

1 SGD	3.0553
1 TL	0.6905
1 HKD	1.8810

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 December 2019:

	Notional amount as at 31 Dec 2019 RM'000	Fair value amount as at 31 Dec 2019 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	13,178	85
- Between 1 - 3 years	147,849	4,199
- More than 3 years	108,420	3,283
	269,447	7,567
Interest Rate Cap		
- More than 3 years	444,042	1,738
	713,489	9,305
Derivative liabilities		
Interest rate swaps		
- Within 1 year	293,379	(144)
- Between 1 - 3 years	140,745	(163)
- More than 3 years	166,563	(678)
	600,687	(985)
Foreign exchange forward contracts		
- Within 1 year	54,855	(5,402)
Cross currency interest rate swaps		
- Within 1 year	229,722	(7,418)
- Between 1 - 3 years	152,765	(1,656)
- More than 3 years	290,678	(30,627)
	673,165	(39,701)
Call option granted to non-controlling interests		
- Within 1 year	29,575	-
	1,358,282	(46,088)

Foreign exchange forward contracts

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

Interest rate swaps

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

Cross currency interest rate swaps

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

Interest rate caps

Interest rate caps ("IR Cap") are entered by the Group to protect against an increase in JPY 3M LIBOR beyond the pre-determined cap rate ("Strike Price").

Put option

On disposal of the Group's controlling stake in FWD Singapore Pte Ltd (formerly known as Shenton Insurance Pte Ltd) ("FWD"), the Group entered into an agreement with the purchaser and is granted a put option to sell all of its remaining shares in FWD only after April 2019 and at the higher of the prevailing market price or consideration determined pursuant to the agreement. The put option is classified as a financial derivative asset. The Group exercised its put option in May 2019.

Call option granted to non-controlling interests

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

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

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

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

B10 MATERIAL LITIGATIONS

Except as mentioned in Section A13, there were no other material changes in the contingent material litigations as at 21 February 2020 from that disclosed in the 2018 Audited Financial Statements.

B11 DIVIDENDS

The Board of Directors have declared that a first and final single tier cash dividend of 4 sen per ordinary share for the financial year ended 31 December 2019 to be paid on 30 April 2020 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 31 March 2020. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 31 March 2020 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

For details of the dividends paid by the Company during the year, please refer to Section A7.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

B12 EARNINGS PER SHARE ("EPS")

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

	4th quarter ended		Financial year ended	
	31 Dec 2019 RM'000	**31 Dec 2018 RM'000**	**31 Dec 2019 RM'000**	**31 Dec 2018 RM'000**
Basic and diluted earnings per share is based on:				
i) Net profit attributable to ordinary shareholders				
Profit after tax and non-controlling interests	40,630	509,417	551,476	627,687
Perpetual securities distribution accrued	(22,332)	(22,468)	(88,172)	(85,846)
	18,298	486,949	463,304	541,841
ii) Net profit attributable to ordinary shareholders (excluding EI)				
Profit after tax and non-controlling interests(excluding EI)	289,806	341,539	920,655	1,027,587
Perpetual securities distribution accrued	(22,332)	(22,468)	(88,172)	(85,846)
	267,474	319,071	832,483	941,741
(a) Basic EPS				
	'000	**'000**	**'000**	**'000**
Weighted average number of shares	8,773,990	8,427,236	8,772,198	8,288,793
	Sen	**Sen**	**Sen**	**Sen**
Basic EPS	0.21	5.78	5.28	6.54
Basic EPS (excluding EI)	3.05	3.79	9.49	11.36

(b) Diluted earnings per share

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

	4th quarter ended		Financial year ended	
	31 Dec 2019 '000	**31 Dec 2018 '000**	**31 Dec 2019 '000**	**31 Dec 2018 '000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,773,990	8,427,236	8,772,198	8,288,793
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	2,570	2,489	2,431	3,264
Weighted number of unissued ordinary shares from share options under EOS	-	-	-	55
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,776,560	8,429,725	8,774,629	8,292,112
	Sen	**Sen**	**Sen**	**Sen**
Diluted EPS	0.21	5.78	5.28	6.53
Diluted EPS (excluding EI)	3.05	3.79	9.49	11.36

At 31 December 2019, 55,851,000 outstanding EOS options (31 December 2018: 32,850,000) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

	4th quarter ended		**Financial year ended**	
	31 Dec 2019 RM'000	**31 Dec 2018 RM'000**	**31 Dec 2019 RM'000**	**31 Dec 2018 RM'000**
Dividend income	1,451	1,364	4,065	3,639
Other operating income	75,896	50,651	265,073	200,735
Foreign exchange differences	(2,331)	44,662	(8,873)	67,699
Impairment loss (made)/written back:				
- Goodwill	(200,018)	(66,168)	(214,780)	(66,168)
- Investment in joint venture	-	(33,353)	-	(33,353)
- Trade and other receivables	(18,467)	8,859	(62,689)	34,487
- Inventories	(786)	(272)	(1,048)	(272)
Write off:				
- Property, plant and equipment	(2,030)	(904)	(3,697)	(1,219)
- Intangibles	(5,377)	(174)	(5,377)	(174)
- Inventories	(1,040)	(279)	(3,377)	(1,631)
- Trade and other receivables	(3,954)	(4,815)	(14,092)	(13,337)
Gain/(Loss) on disposal of property, plant and equipment	10,868	(287)	10,795	831
Gain on disposal of subsidiaries	2,299	-	2,299	-
Change in fair value of investment properties	10,169	74,192	10,169	74,192
Gain on disposal of business units	-	2,925	-	2,925
(Loss)/gain on disposal of an associate	(22,583)	-	167	-
Provision for financial guarantee given on a joint venture's loan facility	(604)	(2,843)	(2,405)	(3,967)
Insurance compensation for flood	(3)	(123)	3,479	17,186
Finance income				
Interest income	17,070	37,772	100,079	128,052
Exchange gain/(loss) on net borrowings	(141)	110	-	110
Fair value (loss)/gain of financial instruments	13,189	(8,936)	31,246	46,781
	30,118	28,946	131,325	174,943
Finance costs				
Interest expense	(143,513)	(89,484)	(563,064)	(283,682)
Exchange gain/(loss) on net borrowings	(112,535)	456,607	(235,870)	(644,949)
Fair value (loss)/gain of financial instruments	23,885	(8,847)	(48,427)	(11,838)
Other finance costs	(12,993)	(19,257)	(56,239)	(38,353)
	(245,156)	339,019	(903,600)	(978,822)