



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	4th quarter ended			Financial year ended		
		31 Dec 2020 RM'000	31 Dec 2019 RM'000	Variance %	31 Dec 2020 RM'000	31 Dec 2019 RM'000	Variance %
Revenue	1	3,765,987	3,836,099	-2%	13,404,604	14,912,485	-10%
Other operating income	2	178,495	76,358	134%	738,396	308,635	139%
Inventories and consumables		(790,571)	(751,341)	-5%	(2,798,168)	(2,923,546)	4%
Purchased and contracted services		(352,491)	(400,328)	12%	(1,298,180)	(1,584,059)	18%
Development cost of properties sold		-	(257)	100%	-	(738)	100%
Staff costs		(1,267,700)	(1,344,731)	6%	(5,201,241)	(5,371,535)	3%
Depreciation and impairment of property, plant and equipment	3	(250,035)	(205,277)	-22%	(960,323)	(954,505)	-1%
Depreciation and impairment of right-of-use ("ROU") assets	3	(84,899)	(124,952)	32%	(379,091)	(335,357)	-13%
Amortisation and impairment of intangible assets		(12,581)	(25,266)	50%	(57,899)	(65,629)	12%
Operating lease expenses		(17,571)	(7,933)	-121%	(66,922)	(84,582)	21%
Other operating expenses	4	(455,410)	(730,856)	38%	(2,127,326)	(2,160,276)	2%
Finance income	5	(960)	30,118	-103%	242,855	131,325	85%
Finance costs	5	(66,015)	(245,156)	73%	(947,586)	(903,600)	-5%
Share of profits of associates (net of tax)	6	5,322	87,275	-94%	7,072	64,244	-89%
Share of profits of joint ventures (net of tax)	7	9,356	1,978	NM	11,316	9,862	15%
Profit before tax		660,927	195,731	NM	567,507	1,042,724	-46%
Income tax expense	8	(165,461)	(155,714)	-6%	(361,661)	(527,882)	31%
Profit for the year		495,466	40,017	NM	205,846	514,842	-60%
Other comprehensive income, net of tax							
Items that are or may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	9	151,951	(162,303)	194%	(246,152)	(155,909)	-58%
Realisation of FCTR ¹ upon substantive liquidation of a subsidiary and a joint venture		13	-	-	(132,971)	-	-
Hedge of net investments in foreign operations	9	5,763	63,739	-91%	(59,978)	1,477	NM
Cash flow hedge		750	(95)	NM	(7,864)	976	NM
Cost of hedging reserve		8	914	-99%	234	914	-74%
		<u>158,485</u>	<u>(97,745)</u>	<u>NM</u>	<u>(446,731)</u>	<u>(152,542)</u>	<u>-193%</u>
Items that will not be reclassified subsequently to profit or loss							
Net change in FVOCI ² financial instruments		-	(11)	100%	-	(9,252)	100%
Effect of change in tax rate on past revaluation of property, plant and equipment upon transfer to investment properties		-	(2)	100%	-	(2,456)	100%
Remeasurement of defined benefit liabilities		(8,723)	(10,831)	19%	(9,592)	(9,519)	-1%
		<u>(8,723)</u>	<u>(10,844)</u>	<u>20%</u>	<u>(9,592)</u>	<u>(21,227)</u>	<u>55%</u>
Total comprehensive income for the year		645,228	(68,572)	NM	(250,477)	341,073	-173%
Profit attributable to:							
Owners of the Company		419,358	40,630	NM	288,882	551,476	-48%
Non-controlling interests		76,108	(613)	NM	(83,036)	(36,634)	-127%
Profit for the year		495,466	40,017	NM	205,846	514,842	-60%
Total comprehensive income attributable to:							
Owners of the Company		551,614	(49,281)	NM	(107,977)	428,448	-125%
Non-controlling interests		93,614	(19,291)	NM	(142,500)	(87,375)	-63%
Total comprehensive income for the year		645,228	(68,572)	NM	(250,477)	341,073	-173%
Earnings per share (sen)							
Basic		4.52	0.21	NM	2.27	5.28	-57%
Diluted		4.52	0.21	NM	2.27	5.28	-57%

Note:

- Foreign currency translation reserve
- Fair value through other comprehensive income

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

SUPPLEMENTARY INFORMATION

Note	4th quarter ended			Financial year ended		
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	Variance %	31 Dec 2020 RM'000	31 Dec 2019 RM'000	Variance %
Profit attributable to owners of the Company	419,358	40,630	NM	288,882	551,476	-48%
Add back/(less): Exceptional items ("EI")						
Loss/(Gain) on disposal of subsidiaries ⁱ	7,339	(2,299)		(5,849)	(2,299)	
Loss/(Gain) on disposal of an associate ⁱⁱ	-	22,583		-	(167)	
Loss on disposal of joint ventures ⁱⁱⁱ	-	-		407	-	
Share of profits of an associate ^{iv}	6	(86,224)		-	(56,781)	
Impairment loss on goodwill ^v	4	(551)		396,513	214,780	
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture ^{vi}	2, 4	13	-	(132,971)	-	
Insurance compensation for Chennai flood	-	3		-	(3,479)	
Provision for financial guarantee given on a joint venture's loan facility ^{vii}		(3,321)	604	(14)	2,405	
Change in fair value of investment properties ^{viii}	(25,731)	1,214		(25,731)	1,214	
Change in fair value of call option ^{ix}	-	(4,766)		-	(4,766)	
Change in fair value of put option	-	(14)		-	(11,348)	
Change in fair value of cross currency swaps ^x	5	18,271	(17,884)	(169,038)	6,716	
Exchange (gain)/loss on net borrowings ^{xi}	5	(57,791)	112,535	436,772	235,870	
		(61,771)	225,770	500,089	382,145	
Less: Tax effects on EI	8,569	(12,400)		(56,343)	(32,263)	
Less: Non-controlling interests' share of EI	5,632	35,806		(17,283)	19,297	
	(47,570)	249,176		426,463	369,179	
Profit attributable to owners of the Company, excluding EI^{xii}	371,788	289,806	28%	715,345	920,655	-22%
Earnings per share, excluding EI^{xii} (sen)						
Basic	3.98	3.05	30%	7.13	9.49	-25%
Diluted	3.98	3.05	30%	7.12	9.49	-25%

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 Acibadem Sağlık Yatirimlari Holding A.Ş. Group.

- i. Disposal of 9% interest in Gleneagles JPMC Sdn Bhd and 70% interest in Famicord Acibadem Kordon Kani Saglik Hizmetleri Anonim Sirketi (2019: Gemtip Özel Sağlık Hizmetleri Sanayi Ve Ticaret Anonim Şirketi)
- ii. Disposal of an associate – The Medical and Surgical Centre Limited
- iii. Disposal of joint ventures – Shanghai Hui Xing Hospital Management Co., Ltd. and Shanghai Hui Xing Jinpu Co., Ltd. ("Shanghai Hui Xing Group")
- iv. Share of profits of an associate, RHT Health Trust ("RHT"), mainly relating to RHT's gain on disposal of assets
- v. Impairment of goodwill over Ravindranath GE Medical Associates Pte Ltd (also known as "Global Hospitals") (2019: Angsana Holdings Pte. Ltd. and Global Hospitals)
- vi. Realisation of foreign currency translation reserve ("FCTR") upon substantive liquidation of IHH (Bharat) Limited and Khubchandani Hospital
- vii. Proportionate share of corporate guarantee in relation to accrued interest on Khubchandani Hospital's loan
- viii. 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.
- ix. Change in fair value of call option right granted to non-controlling interests of Global Hospitals 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
- x. Fair value changes of cross-currency swaps which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
- xi. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 31 December 2020, Euro/TL=9.0079)
- xii. 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 2019 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

The Group’s reported results were 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 the corresponding period last year.

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

1. QTD 2020 revenue and YTD 2020 revenue were lower than QTD 2019 and YTD 2019 revenue mainly due to the COVID-19 pandemic. Patients postponed non-urgent treatment and visits to hospitals and healthcare facilities. The Group also saw a decrease in foreign patient volume especially from March 2020 onwards due to the various travel restrictions implemented across the countries that it operates. The decrease in revenue as a result of lower patient volumes was partially mitigated by COVID-19 related services that the Group rendered.
2. Increase in QTD 2020 and YTD 2020 other income were mainly due to the recognition of government grants and reliefs from the various governments of the countries the Group operates in, as well as higher valuation gains on investment properties. YTD 2020 other income also included the realisation of foreign currency translation reserve (“FCTR”) amounting to RM193.5 million gain upon the substantive liquidation of IHH (Bharat) Limited.
3. QTD 2020 and YTD 2020 depreciation and impairment of property, plant and equipment and ROU assets included impairment losses of RM10.8 million for the quarter and RM45.3 million for the year recognised mainly by Global Hospitals.
4. YTD 2020 other operating expenses included impairment of goodwill over Global Hospitals amounting to RM396.5 million (YTD 2019: RM200.0mil recognised in Q4 2019), realisation of FCTR amounting to RM60.5 million loss upon the substantive liquidation of Khubchandani Hospital and RM11.5mil impairment loss on amounts due from Apollo Gleneagles Hospitals. Excluding the above, YTD 2020 other operating expenses were much lower than YTD 2019 as a result of cost management.
5. 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. Since Q3 2019, Acibadem Holdings periodically entered into cross-currency swaps (“CCS”) to convert Euro 180.3 million of bank loans and related interest into Turkish Lira.

The Group recognised RM57.8 million exchange gain and RM436.8 million exchange loss on translation of such non-TL balances in QTD 2020 and YTD 2020 respectively. These were partially offset by RM18.3 million fair value loss and RM169.0 million fair value gain on the above-mentioned CCS in QTD 2020 and YTD 2020 respectively. As a result, a net gain of RM39.5 million was recorded for QTD 2020 as compared to a net loss RM94.7 million for QTD 2019, while the net loss of RM267.7 million for YTD 2020 was higher than the net loss of RM242.6 million for YTD 2019.

Despite the higher interest rates applicable on Acibadem’s borrowings when it swapped its Euro loans to Turkish Lira, net interest expenses decreased with the settlement of USD250 million of Acibadem Holdings’ loans in Q2 2019. In addition, the Group’s borrowing rates were also lower in 2020.

6. YTD 2019 share of profits of associates relates mainly to RHT Health Trust (“RHT”)’s gain on disposal of assets.
7. Increase in QTD 2020 share of profits of joint ventures was attributed to income from COVID-19 related services.
8. Refer to Section B5 for details on the tax expenses.
9. PLife REIT hedges its interest in the net assets of its Japanese operations. The effective portion of the hedge was recognised as a hedge of net investments in the statement of other comprehensive income, which offsets the foreign currency translation differences from the translation of the net assets of its Japanese operations. The Group’s remaining foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore and Turkish operations.

Note:

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

	31 Dec 2020	31 Dec 2019
1 SGD	3.0457	3.0343
1 TL	0.6043	0.7291

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Assets			
Property, plant and equipment		11,569,497	11,196,308
Right-of-use assets		6,612,132	6,736,016
Investment properties	1	3,612,547	3,508,182
Goodwill on consolidation	2	12,123,112	12,574,673
Intangible assets		1,990,429	2,081,266
Interests in associates	3	142,869	92,454
Interests in joint ventures	4	122,765	212,529
Other financial assets	5	63,891	46,763
Trade and other receivables		127,329	155,809
Tax recoverable	6	287,697	385,512
Derivative assets		141,714	9,220
Deferred tax assets		427,749	428,228
Total non-current assets		37,221,731	37,426,960
Development properties		90,083	84,213
Inventories		420,153	350,321
Trade and other receivables	4, 7	1,953,142	2,107,897
Tax recoverable		21,760	17,081
Other financial assets	5	422,593	344,283
Derivative assets		-	85
Cash and cash equivalents		4,187,806	4,714,669
		7,095,537	7,618,549
Assets classified as held for sale	1, 4, 8	216,992	7,780
Total current assets		7,312,529	7,626,329
Total assets		44,534,260	45,053,289
Equity			
Share capital		19,473,364	19,455,138
Other reserves		(1,988,281)	(1,529,495)
Retained earnings		4,254,736	4,413,888
Total equity attributable to owners of the Company		21,739,819	22,339,531
Perpetual securities		2,158,061	2,158,169
Non-controlling interests		3,137,489	3,596,269
Total equity		27,035,369	28,093,969
Liabilities			
Loans and borrowings	9	8,664,676	8,266,065
Lease liabilities		1,704,084	1,851,567
Employee benefits		117,678	99,821
Trade and other payables		228,330	249,514
Derivative liabilities		800	33,124
Deferred tax liabilities		1,168,256	1,110,002
Total non-current liabilities		11,883,824	11,610,093
Bank overdrafts		22,401	121,814
Loans and borrowings	9	996,384	637,834
Lease liabilities		241,226	222,366
Employee benefits		147,238	145,484
Trade and other payables		3,891,883	3,858,162
Derivative liabilities		7,316	12,964
Tax payable		289,595	350,418
		5,596,043	5,349,042
Liabilities classified as held for sale	8	19,024	185
Total current liabilities		5,615,067	5,349,227
Total liabilities		17,498,891	16,959,320
Total equity and liabilities		44,534,260	45,053,289
Net assets per share attributable to owners of the Company ¹ (RM)		2.48	2.55

¹ Based on 8,777.2 million and 8,774.0 million shares issued as at 31 December 2020 and 31 December 2019 respectively.

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the 2019 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position was 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 2020 as compared to 31 December 2019.

1. Investment properties increased due to the acquisition of a nursing home in Japan for a consideration of approximately RM64.2 million by PLife REIT and the recognition of revaluation gains amounting to RM45.5 million. This is offset by a transfer of an industrial property in Japan, which PLife REIT's planned to divest, to assets classified as held for sale.
2. Goodwill decreased mainly as a result of RM396.5 million impairment made over Global Hospitals in 2020, offset by RM127.2 million provisional goodwill recognised on acquisition of Prince Court Medical Centre.
3. Interests in associates increased as Gleneagles JPMC Sdn Bhd ("GJPMC") ceased to be a subsidiary and became an associate of the Group after the disposal of 9% equity interest in GJPMC on 31 October 2020.
4. Interests in joint ventures decreased mainly as a result of disposal of the Group's investment in Shanghai Hui Xing Group and the transfer of RM65.6 million and RM19.8 million to assets classified as held for sale and current trade and other receivables respectively in 2020 as the Group has plans to sell off its investment in Apollo Gleneagles Hospitals Limited in the near term.
5. Other financial assets increased with the placement of additional RM64.7 million in fixed deposits with tenor of more than 3 months and RM28.5 million equity investment in a telehealth start-up, Doctor Anywhere Pte. Ltd.
6. Non-current tax recoverable decreased due to income tax refunds received by India subsidiaries in 2020.
7. Current trade and other receivables decreased in 2020 in line with the lower revenues during the COVID-19 pandemic.
8. Assets classified as held for sale increased due to PLife REIT's planned divestment of an industrial property in Japan, which was completed on 29 January 2021. In addition, the Group also plans to divest its investments in Apollo Gleneagles Hospitals Limited (a 50% owned joint venture) and Andaman Alliance Healthcare Limited ("AAHL", a 52% owned subsidiary) in the near term. Hence, the assets and liabilities of these entities were transferred to assets and liabilities classified as held for sale.
9. Loans and borrowings increased mainly due to the drawdown of facilities to finance working capital, capital expenditure and the acquisition of Prince Court Medical Centre.

Note:

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

	31 Dec 2020	31 Dec 2019
1 SGD	3.0637	3.0553
1 TL	0.5453	0.6905

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	←----- Attributable to owners of the Company -----→												
	←----- Non-distributable -----→							Distributable					
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020	19,455,138	83,500	83,434	15,251	325	(3,708,985)	53,091	1,943,889	4,413,888	22,339,531	2,158,169	3,596,269	28,093,969
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	(232,661)	-	(232,661)	-	(13,491)	(246,152)
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	-	-	-	-	-	-	-	(132,971)	-	(132,971)	-	-	(132,971)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	(21,366)	-	(21,366)	-	(38,612)	(59,978)
Cash flow hedge	-	-	-	(2,798)	-	-	-	-	-	(2,798)	-	(5,066)	(7,864)
Cost of hedging reserve	-	-	-	-	83	-	-	-	-	83	-	151	234
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(7,146)	(7,146)	-	(2,446)	(9,592)
Total other comprehensive income for the year	-	-	-	(2,798)	83	-	-	(386,998)	(7,146)	(396,859)	-	(59,464)	(456,323)
Profit for the year	-	-	-	-	-	-	-	-	288,882	288,882	-	(83,036)	205,846
Total comprehensive income for the year	-	-	-	(2,798)	83	-	-	(386,998)	281,736	(107,977)	-	(142,500)	(250,477)
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	23,721	-	-	-	(106)	-	-	-	23,615	-	(234)	23,381
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(350,960)	(350,960)	-	-	(350,960)
Transfer to share capital for share options exercised	18,226	(18,226)	-	-	-	-	-	-	(350,960)	(327,345)	-	(234)	(327,579)
Cancellation of vested share options	-	(8,827)	-	-	-	-	-	-	8,827	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	1	-	(8,794)	-	2	-	(8,791)	-	10,097	1,306
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	626	626
Disposal of a subsidiary	-	-	-	-	-	6,413	-	-	(6,413)	-	-	(65,120)	(65,120)
Transfer per statutory requirements	-	-	-	-	-	-	2,499	-	(2,499)	-	-	-	-
Changes in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(67,066)	-	-	-	(67,066)	-	(93,142)	(160,208)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(168,507)	(168,507)
Payment of coupon on perpetual securities	-	-	-	-	-	1,310	-	-	-	1,310	(89,951)	-	(88,641)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(89,843)	(89,843)	89,843	-	-
Total transactions with owners	18,226	(3,332)	-	1	-	(68,243)	2,499	2	(440,888)	(491,735)	(108)	(316,280)	(808,123)
At 31 December 2020	19,473,364	80,168	83,434	12,454	408	(3,777,228)	55,590	1,556,893	4,254,736	21,739,819	2,158,061	3,137,489	27,035,369

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	←----- Attributable to owners of the Company -----→													
	←----- Non-distributable -----→								Distributable					
	Share capital	Share option reserve	Fair value reserve	Revaluation reserve	Hedge reserve	Cost of hedging reserve	Capital reserve	Legal reserve	Foreign currency translation reserve	Retained earnings	Total	Perpetual securities	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2019	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	-	-	-	-	347	-	-	-	-	-	347	-	629	976
Costs of hedging reserve	-	-	-	-	-	325	-	-	-	-	325	-	589	914
Net change in fair value of FVOCI financial instruments	-	-	(9,252)	-	-	-	-	-	-	-	(9,252)	-	-	(9,252)
Effect of change in tax rate on past revaluation of property, plant and equipment upon transfer to investment properties	-	-	-	(2,456)	-	-	-	-	-	-	(2,456)	-	-	(2,456)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	(9,385)	(9,385)	-	(134)	(9,519)
Total other comprehensive income for the year	-	-	(9,252)	(2,456)	347	325	-	-	(102,607)	(9,385)	(123,028)	-	(50,741)	(173,769)
Profit for the year	-	-	-	-	-	-	-	-	-	551,476	551,476	-	(36,634)	514,842
Total comprehensive income for the year	-	-	(9,252)	(2,456)	347	325	-	-	(102,607)	542,091	428,448	-	(87,375)	341,073
<i>Contributions by and distributions to owners</i>														
- Share-based payment transactions	-	49,972	-	-	-	340	-	-	-	-	50,312	-	754	51,066
- Dividends 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 a subsidiary	-	-	-	-	-	1,249	(31)	-	-	-	1,218	-	124	1,342
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	239,277	-	-	-	-	239,277	-	5,209	244,486
Transfers from hedge reserve to retained earnings	-	-	-	-	(1,812)	-	-	-	-	1,812	-	-	-	-
Transfer per statutory requirements	-	-	-	-	-	-	1,600	-	-	(1,600)	-	-	-	-
Overprovision of transaction costs in prior years' dilution in interest in subsidiaries	-	-	-	-	-	74,054	-	-	-	-	74,054	-	-	74,054
Payment of coupon on perpetual securities	-	-	-	-	-	347	-	-	-	347	(87,946)	-	-	(87,599)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	-	(88,172)	(88,172)	88,172	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(213,360)	(213,360)
Total transactions with owners	27,552	22,121	-	-	(1,811)	218,537	1,569	(5)	(350,881)	(82,918)	(82,918)	226	(516,111)	(598,803)
Transfer of accumulated fair value loss to retained earnings upon disposal of FVOCI equity instruments	-	-	9,252	-	-	-	-	-	(9,252)	-	-	-	-	-
At 31 December 2019	19,455,138	83,500	-	83,434	15,251	325	(3,708,985)	53,091	1,943,889	4,413,888	22,339,531	2,158,169	3,596,269	28,093,969

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 2019 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Financial year ended	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Cash flows from operating activities		
Profit before tax	567,507	1,042,724
Adjustments for:		
Dividend income	(4,853)	(4,065)
Finance income	(242,855)	(131,325)
Finance costs	947,586	903,600
Depreciation and impairment of property, plant and equipment	960,323	954,505
Depreciation and impairment of ROU assets	379,091	335,357
Amortisation and impairment of intangible assets	57,899	65,629
Impairment loss made:		
- Goodwill	396,513	214,780
- Trade and other receivables	107,433	62,689
- Inventories	557	1,048
Write-off:		
- Property, plant and equipment	2,921	3,697
- Intangible assets	-	5,377
- Trade and other receivables	10,166	14,092
- Inventories	3,852	3,377
Gain on disposal of property, plant and equipment	(10,024)	(10,795)
Change in fair value of investment properties	(45,471)	(10,169)
Gain on disposal of subsidiaries	(5,849)	(2,299)
Gain on disposal of an associate	-	(167)
Loss on disposal of joint ventures	407	-
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	(132,971)	-
Provision for financial guarantee given to a joint venture's loan facility	(14)	2,405
Share of profits of associates (net of tax)	(7,072)	(64,244)
Share of profits of joint ventures (net of tax)	(11,316)	(9,862)
Equity-settled share-based payment	23,381	51,066
Net unrealised foreign exchange differences	743	119,446
Operating profit before changes in working capital	2,997,954	3,546,866
Changes in working capital:		
Trade and other receivables	(132,706)	(175,286)
Development properties	(5,870)	(3,484)
Inventories	(100,136)	(2,036)
Trade and other payables	15,723	(343,120)
Cash generated from operations	2,774,965	3,022,940
Tax paid	(330,166)	(575,449)
Net cash from operating activities	2,444,799	2,447,491
Cash flows from investing activities		
Interest received	60,873	88,995
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(1,052,982)	(2,092,171)
Acquisition of business, net of cash and cash equivalents acquired	(594)	-
Development and purchase of intangible assets	(29,957)	(26,395)
Purchase of property, plant and equipment	(874,241)	(1,055,564)
Purchase of investment properties	(82,239)	(162,794)
Purchase of equity investments	(28,539)	(30,343)
Net cash (outflow)/inflow from disposal of subsidiaries	(51,977)	3,877
Net placement of fixed deposits with tenor of more than 3 months	(64,690)	(4,941)
Proceeds from disposal of property, plant and equipment	23,171	30,508
Proceeds from disposal of intangible assets	11,927	3,164
Proceeds from disposal of an associate	-	43,574
Proceeds from disposal of joint ventures	3,233	-
Proceeds from disposal of equity investments	-	17,224
Proceeds from disposal of mutual funds	-	52,235
Dividends received from associates	1,362	537,283
Dividends received from joint ventures	6,827	1,166
Net cash used in investing activities	(2,077,826)	(2,594,182)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Financial year ended	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Cash flows from financing activities		
Interest paid	(340,054)	(391,896)
Proceeds from loans and borrowings	3,187,463	3,397,058
Loan from non-controlling interest	993	575
Repayment of loans and borrowings	(2,599,427)	(4,478,366)
Payment of perpetual securities distribution	(88,641)	(87,599)
Payment of lease liabilities	(493,940)	(339,915)
Dividend paid to shareholders	(350,960)	(263,220)
Dividends paid to non-controlling interests	(168,507)	(213,360)
Acquisition of non-controlling interests	(31)	(636,160)
Proceeds from dilution of interest in subsidiaries	-	1,173
Issue of shares by subsidiaries to non-controlling interests	626	101,583
Change in pledged deposits	(7,580)	(5,008)
Net cash used in financing activities	(860,058)	(2,915,135)
Net decrease in cash and cash equivalents	(493,085)	(3,061,826)
Effect of exchange rate fluctuations on cash and cash equivalents held	115,669	(7,274)
Cash and cash equivalents at beginning of the year	2,641,463	5,710,563
Cash and cash equivalents at end of the year	2,264,047	2,641,463

Cash and cash equivalents

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

	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Cash and bank balances	1,402,442	1,787,086
Fixed deposits with tenor of 3 months or less	2,785,364	2,927,583
	4,187,806	4,714,669
Add:		
- Cash and cash equivalents included in assets classified as held for sale	6,907	-
Less:		
- Bank overdrafts	(22,401)	(121,814)
- Deposits placed in escrow account	(1,894,365)	(1,945,564)
- Restricted cash	(13,900)	(5,828)
Cash and cash equivalents at end of the year	2,264,047	2,641,463

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 2019 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 2020**

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 2019 (“2019 Audited Financial Statements”).

The 2019 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards (“MFRSs”).

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 2019 Audited Financial Statements, except for the adoption of the following new, revised and amendments to MFRS as issued by the Malaysian Accounting Standards Board.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, *Leases – COVID-19 Related Rent Concessions*

The Group had elected to early adopt the Amendments to MFRS 16, *Leases – COVID-19 Related Rent Concessions* and applied the practical expedient to the rent concessions granted to the Group. Consequently, rent concessions received have been recognised in profit or loss.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The Independent Auditors’ Report on the 2019 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 2019 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 195.

In our opinion, except for the possible 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 2019, and of their financial performance 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 49 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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020**

report by an independent external legal firm was submitted to the former Fortis Board, indicating systematic lapses and/or 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.

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, 21 December 2018 and 19 March 2019, 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 and 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 or disclosures which may be necessary as a result of further findings of the ongoing or future regulatory or internal investigations and their 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 post-acquisition adjustments to be recognised in the financial statements of the Group in the period the adjustments are known.

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

Actions taken to address the qualified opinion

The Board of Fortis has initiated additional control procedures and had appointed Ernst & Young LLP, India, (“EY 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. All amounts identified in the additional procedures and enquiries have been previously provided for or expensed off by Fortis. In connection with the potentially improper transactions, Fortis has undertaken a detailed review of each case to access its legal rights and has initiated necessary action.

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 2020, other than as mentioned in Section A11 of this financial report and COVID-19 pandemic impact on the performance of the Group.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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A5 CHANGE IN ACCOUNTING ESTIMATES

In 2019, the Group recognised impairment loss in respect of goodwill over Global Hospitals based on recoverable amount that was estimated using fair value less cost to sell.

In 2020, the Group reassessed and estimated the recoverable amount of Global Hospitals based on value-in-use. This was calculated by applying the discounted cash flow model using cash flow projections based on actual operating results and five-year forecast business plans. This has resulted in a full impairment of the remaining goodwill over Global Hospitals of RM396.5 million in YTD 2020.

There were no other changes in estimates that have had a material effect in the current quarter results.

A6 DEBT AND EQUITY SECURITIES

(a) Between 1 January 2020 to 31 December 2020, IHH issued 3,229,000 new ordinary shares pursuant to the surrender of vested Long Term Incentive Plan (“LTIP”) units.

(b) On 29 April 2020, the Company granted a total of 1,842,000 LTIP units to eligible employees of the Group.

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 2020.

As at 31 December 2020, the issued share capital of IHH comprised of 8,777,219,463 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 2019	4.00	350,960	30-Apr-20

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 2019 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 2020**

A8 SEGMENT REPORTING

Financial year ended 31 December 2020

	Parkway Pantai ¹					Acibadem Holdings	IMU Health	PLife REIT ¹	Others	Eliminations	Total
	Singapore	Malaysia	India	Greater China	PPL Others ²						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue and expenses</u>											
Revenue from external customers	3,886,504	2,187,134	2,655,752	662,433	142,069	3,462,176	248,703	154,980	4,853	-	13,404,604
Inter-segment revenue	107,778	1,000	-	-	102,592	-	3,193	212,046	390,332	(816,941)	-
Total segment revenue	3,994,282	2,188,134	2,655,752	662,433	244,661	3,462,176	251,896	367,026	395,185	(816,941)	13,404,604
EBITDA	1,433,058	555,928	200,513	(146,540)	19,767	796,057	75,672	308,853	308,932	(675,953)	2,876,287
Depreciation and impairment of property, plant and equipment	(163,318)	(192,296)	(169,968)	(179,848)	(6,657)	(212,506)	(11,973)	(23,468)	(289)	-	(960,323)
Depreciation and impairment of ROU assets	(280,012)	(23,269)	(72,535)	(74,500)	(11,767)	(100,717)	(4,807)	(12,640)	(18)	201,174	(379,091)
Amortisation and impairment of intangible assets	(2,429)	(709)	(32,544)	(5,341)	-	(16,232)	(644)	-	-	-	(57,899)
Foreign exchange differences	(313)	(174)	(3,023)	(1,216)	6,077	41	27	274	5,538	-	7,231
Finance income	589	20,215	27,620	54,356	9,829	184,426	3,345	21	789	(58,335)	242,855
Finance costs	(22,125)	(3,227)	(139,857)	(130,290)	(34,596)	(667,284)	21	(18,457)	(2,011)	70,240	(947,586)
Share of profits/(losses) of associates (net of tax)	1,639	-	1,564	-	3,941	(72)	-	-	-	-	7,072
Share of profits/(losses) of joint ventures (net of tax)	840	-	11,207	(731)	-	-	-	-	-	-	11,316
Others	35,961	(10,230)	(457,063)	(407)	(7,340)	13,188	-	-	193,536	-	(232,355)
Profit/(Loss) before tax	1,003,890	346,238	(634,086)	(484,517)	(20,746)	(3,099)	61,641	254,583	506,477	(462,874)	567,507
Income tax expense	(142,251)	(97,079)	(43,842)	(7,215)	(17,229)	(11,737)	(15,747)	(25,171)	(1,390)	-	(361,661)
Profit/(loss) for the year	861,639	249,159	(677,928)	(491,732)	(37,975)	(14,836)	45,894	229,412	505,087	(462,874)	205,846
<u>Assets and liabilities</u>											
Cash and cash equivalents	252,452	674,244	1,979,604	421,345	524,135	87,129	32,646	69,417	146,834	-	4,187,806
Other assets	12,867,764	6,066,746	7,208,493	3,888,852	2,866,810	4,888,806	577,544	4,881,019	213,689	(3,113,269)	40,346,454
Segment assets as at 31 December 2020	13,120,216	6,740,990	9,188,097	4,310,197	3,390,945	4,975,935	610,190	4,950,436	360,523	(3,113,269)	44,534,260
Loans and borrowings	-	-	994,001	2,894,479	1,401,975	1,929,211	13,677	2,427,717	-	-	9,661,060
Other liabilities	4,178,228	752,825	2,299,941	967,531	157,015	1,867,258	179,883	402,477	54,807	(3,022,134)	7,837,831
Segment liabilities as at 31 December 2020	4,178,228	752,825	3,293,942	3,862,010	1,558,990	3,796,469	193,560	2,830,194	54,807	(3,022,134)	17,498,891

¹ Parkway Pantai Group, per the corporate structure, comprises of "Parkway Pantai" and "PLife REIT" segments

² "PPL Others" comprises of 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
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Financial year ended 31 December 2019

	Parkway Pantai ¹					Acibadem Holdings CEE ³ RM'000	IMU Health Malaysia RM'000	PLife REIT ¹ RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	PPL Others ² RM'000						
<u>Revenue and expenses</u>											
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 of property, plant and equipment	(159,428)	(181,430)	(167,769)	(157,487)	(6,451)	(239,698)	(11,965)	(29,646)	(631)	-	(954,505)
Depreciation of ROU assets	(290,622)	(21,446)	(32,932)	(72,240)	(7,142)	(101,549)	(4,639)	(5,711)	(990)	201,914	(335,357)
Amortisation and impairment 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/(losses) 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	(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
<u>Assets and liabilities</u>											
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	13,138,971	5,008,883	8,022,268	3,826,008	2,847,956	5,384,782	539,245	4,713,712	211,203	(3,354,408)	40,338,620
Segment assets as at 31 December 2019	13,419,824	5,859,731	10,110,981	4,331,859	3,475,313	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	5,274,818	724,765	2,381,863	910,712	(383,476)	1,926,890	161,324	371,680	41,253	(3,354,408)	8,055,421
Segment liabilities as at 31 December 2019	5,274,818	724,765	3,323,876	3,443,494	615,378	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 of "Parkway Pantai" and "PLife REIT" segments

2 "PPL Others" comprises of 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
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A9 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A10 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Financial year ended	
	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
Transactions with substantial shareholders and their related companies		
- Acquisition of a subsidiary	1,020,000	-
- Sales and provision of services	415	688
- Purchase and consumption of services	(32)	-
	<hr/>	<hr/>
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	2,890	4,564
- Purchase and consumption of services	(56,197)	(63,081)
	<hr/>	<hr/>

A11 CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 10 March 2020, Parkway Shenton Vietnam Limited, an indirect wholly-owned subsidiary of IHH, was dissolved pursuant to member's voluntary winding-up.
- (b) On 19 March 2020, Acibadem Sağlık Hizmetleri ve Ticaret A.S. ("ASH") disposed 70% equity interest in Famicord Acibadem Kordon Kani Sağlık Hizmetleri Anonim Şirketi ("Famicord") to Polski Bank Komórek Macierzystych S.A. at a total consideration of EUR2.8 million (equivalent to RM13.4 million). Consequential thereto, ASH's interest in Famicord decreased from 100.0% to 30.0% and Famicord ceased to be a subsidiary of IHH Group but remains an associate of IHH Group.
- (c) On 31 March 2020, ASH established a wholly-owned subsidiary, Acibadem International Healthcare GmbH, formerly known as Acibadem International Healthcare Group GmbH ("AIHC") in Germany. The issued and paid-up share capital of AIHC is EUR25,000 (equivalent to RM118,598) and its intended principal activity is the operation of hospitals, clinics and other medical facilities as well as the provision of services in the healthcare sector.
- (d) On 7 April 2020, Parkway Trust Management Limited ("PTM") transferred 128,400 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 35.64% to 35.62%.
- (e) On 5 June 2020, M&P Investments Pte Ltd disposed 60% equity interest in ParkwayHealth Zifeng Nanjing OBGYN Hospital Company Limited to Healthcare Corporation (Hong Kong) Limited. Post the disposal, ParkwayHealth Zifeng Nanjing OBGYN Hospital Company Limited has ceased to be a subsidiary of IHH Group.
- (f) On 1 September 2020, Pantai Holdings Sdn Bhd completed the acquisition of the entire issued share capital of Prince Court Medical Centre Sdn Bhd ("PCMC") comprising 100,000,000 ordinary shares and 35,176 redeemable preference shares in PCMC for a cash consideration of RM1,020.0 million pursuant to the conditional share purchase agreement with Pulau Memutik Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad. Consequential thereto, PCMC has become a wholly-owned subsidiary of IHH Group.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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As at 31 December 2020, the Group is in the midst of performing a purchase price allocation (“PPA”) for the acquisition of PCMC, and would adjust the goodwill amount accordingly upon the completion of the PPA.

	PCMC (Provisional) RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	418,579
Right-of-use assets	418,000
Intangible assets	52,200
Inventories	10,783
Trade and other receivables	31,734
Cash and cash equivalents	68,089
Trade and other payables	(46,236)
Tax payable	(101)
Deferred tax liabilities	(49,391)
Lease liabilities	(10,815)
Fair value of net identifiable assets acquired	<u>892,842</u>
Net cash outflow arising from acquisition of subsidiaries	
Purchase consideration settled in cash and cash equivalents	1,020,000
Less: cash and cash equivalents acquired	<u>(68,089)</u>
	<u>951,911</u>
Goodwill	
Fair value of consideration transferred	1,020,000
Fair value of net identifiable assets acquired	<u>(892,842)</u>
Goodwill	<u>127,158</u>

- (g) On 21 September 2020, Gleneagles Development Pte Ltd (“GDPL”) subscribed for 4,010,503 equity shares at INR124.10 per share in Ravindranath GE Medical Associates Private Limited (“RGMA”) for a total consideration of INR497.7 million (equivalent to approximately RM27.6 million) pursuant to the rights issue of 5,237,711 equity shares having face value of INR10 each. Parkway-Healthcare (Mauritius) Limited (“PHML”) had renounced its proportionate share of the Rights Issue in favour of GDPL. Consequential thereto, GDPL’s equity interest in RGMA increased from 72.26% to 73.71% (on a fully diluted basis), and PHML’s equity interest in RGMA decreased from 1.61% to 1.53% (on a fully diluted basis).
- (h) On 27 October 2020, Acibadem City Clinic EAD acquired 100% equity interest in Acibadem City Clinic Mladost EOOD (“Mladost”) from Nikmi AD for a total consideration of EUR20.0 million (equivalent to RM98.5 million). The principal activities of Mladost are construction and technological design, construction industry, furniture and design, hospitality, tourism, transport, trade and services, entertainment, furniture production and foreign trade. Consequential thereto, Mladost becomes a subsidiary of IHH Group.
- (i) On 31 October 2020, Parkway Holdings Limited (“PHL”) disposed 9% equity interest in Gleneagles JPMC Sdn Bhd (“GJPMC”) to Jerudong Park Medical Centre Sdn Bhd at a total consideration of BND3.3 million (equivalent to RM10.1 million). Consequential thereto, PHL’s equity interest in GJPMC decreased from 49% to 40% and GJPMC ceased to be a subsidiary of IHH Group but remains an associate of IHH Group.
- (j) On 19 November 2020, Medical Resources International Pte Ltd (“MRI”) increased its interest in Chengdu Shenton Health Clinic Co., Ltd (“Chengdu Shenton Clinic”) following MRI’s cash contribution of RMB1.41 million (equivalent to RM879,162) to the registered capital of Chengdu Shenton Clinic. Post the cash contribution, MRI’s interest in Chengdu Shenton Clinic increased from 60% to 60.95%.

**A NOTES TO THE INTERIM FINANCIAL REPORT
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- (k) On 25 November 2020, GDPL further subscribed for 1,203,588 equity shares at INR124.10 per share in RGMA for a total consideration of INR149.4 million (equivalent to approximately RM8.25 million) pursuant to the rights issue of 5,237,711 equity shares having face value of INR10 each. PHML had renounced its proportionate share of the Rights Issue in favour of GDPL. Consequential thereto, GDPL's equity interest in RGMA increased from 73.71% to 74.12% (on a fully diluted basis), and PHML's equity interest in RGMA decreased from 1.53% to 1.50% (on a fully diluted basis).
- (l) On 10 December 2020, Parkway Life Japan4 Pte Ltd ("TK Investor") entered into a *Tokumei Kumiai* agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 14 (the "TK Operator"). Pursuant to the TK Agreement, the purchase price of the property amounting to JPY1.65 billion (approximately RM64.2 million) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of a nursing home 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.
- (m) On 29 December 2020, Acibadem City Clinic EAD acquired the remaining 49.5% equity interest in Healthcare Consulting EOOD (formerly known as Healthcare Consulting OOD) for a total cash consideration of BGN12,531 (equivalent to RM31,808). Post the acquisition, Acibadem City Clinic EAD's equity interest in Healthcare Consulting EOOD increased from 50.5% to 100%.
- (n) On 30 December 2020, Acibadem Teknoloji A.S. ("Acibadem Teknoloji") acquired 100% equity interest in Tenay Yazılım A.Ş. ("Tenay") pursuant to a merger and acquisition agreement for a total consideration of USD850,000 (equivalent to RM3.4 million) and TL178,000 (equivalent to RM97,348). The principal activities of Tenay are to develop all kinds of computer software, to provide application support, system support, and consultancy services, to export software, to prepare, repair, organize, or perform data, to sell or to lease, is defined as publishing, storing, processing, and recording medical data. All assets and liabilities of Tenay were transferred to Acibadem Teknoloji as a result of merger and Tenay was subsequently dissolved.

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

A12 SUBSEQUENT EVENTS

On 4 February 2021, MRI increased its interest in Chengdu Shenton Clinic following MRI's cash contribution of RMB1.41 million (equivalent to RM884,789) to the registered capital of Chengdu Shenton Clinic. Post the cash contribution, MRI's interest in Chengdu Shenton Clinic increased from 60.95% to 61.75%.

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. Additionally, the said certain party with whom the term sheet had been allegedly signed also claimed that Fortis has not abided by the aforementioned term sheet and has therefore claimed alleged ownership over the brands apart from the alleged claim to have a right to invest in Fortis.

The said certain party had filed an application against Fortis before the High Court of Delhi for seeking certain reliefs under the Indian Arbitration and Conciliation Act. The said certain party had also filed a claim for damages and injunctive reliefs against Fortis before International Chamber of Commerce ("ICC").

**A NOTES TO THE INTERIM FINANCIAL REPORT
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The proceedings before ICC on 23 February 2020 and the proceedings before High Court of Delhi on 24 February 2020 have been withdrawn by the certain party. On 28 February 2020, the arbitration sought to be commenced before the ICC has also been allowed to be withdrawn by the ICC pursuant to the request by the certain party. Post withdrawal of these two proceedings, an email communication has been received on behalf of certain other party enclosing frivolous demands and complaints.

Based on opinions from external legal counsel, Fortis believes that the claims are without legal basis and are not tenable. Accordingly, no provisions were required.

- ii. Fortis had previously filed a complaint before the Economic Offence Wing (“EOW”), New Delhi, against the erstwhile Executive Chairman of Fortis to recover amounts paid to him during his tenure of a non-est Letter of Appointment dated 27 September 2016 and certain additional amounts reimbursed in relation to expenses incurred (in excess of amounts approved by the Central Government under Section 197 of the Indian Companies Act, 2013 for remuneration & other reimbursement), aggregating to INR200.2 million (equivalent to RM11.6 million).

In November 2020, Fortis filed an addendum to the above-mentioned complaint to include certain other findings during additional procedures/enquiries by independent experts in relation to the remuneration and claims of the erstwhile Executive Chairman of Fortis, aggregating to INR153.9 million (equivalent to RM8.7 million).

- iii. In November 2020, pursuant to additional procedures/enquiries by independent experts, Fortis and its subsidiaries filed a complaint before the EOW against the erstwhile Executive Chairman of Fortis with regards to the acquisition of Fortis Healthstaff Limited by Escorts Heart Institute and Research Centre Limited (“EHIRCL”, a subsidiary of Fortis), acquisition of Fortis Emergency Services Limited by Fortis Hospitals Limited (“FHsL”, a subsidiary of Fortis), acquisition of Birdie and Birdie Realtors Private Limited by FHsL, lease agreement with Dignity Buildcon Private Limited, and investments in inter-corporate deposits.
- iv. In 2019, 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. During the year, RBI has directed that the compounding application be re-submitted upon receipt of the final orders from the Singapore Arbitral Tribunal, where the dispute continues to remain pending. Arbitration has been deferred at the mutual request of the parties until 31 March 2021.

The financial implication of such non-compliances is currently unascertainable and will be known upon the acceptance and disposal of the compounding application by the RBI.

- v. Centre for Digestive and Kidney Diseases (India) Private Limited (“CDKD”) is defending an ongoing dispute with a service provider for the difference in the amounts claimed for 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). The service provider has subsequently filed an amendment application seeking an enhancement of their claim by INR 75.4 million (equivalent to RM4.3 million) for the alleged dues pertaining to the period of December 2018 to June 2020. This application was heard by the arbitrator on 5 January 2021. However, the order allowing this enhancement of the claim is still awaited. The ultimate financial impact cannot be determined till final arbitration.

Except for above developments to the contingent liabilities disclosed in Note 48 of the 2019 Audited Financial Statements, there were no other material changes in the contingent liabilities or contingent assets as at 19 February 2021 from that disclosed in the 2019 Audited Financial Statements.

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

	31 Dec 2020 RM'000	31 Dec 2019 RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for in the financial statements	631,682	710,362
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,890,215	1,941,302
Maximum amount committed for Malar Open Offer ¹	16,020	16,453
	<u>1,906,235</u>	<u>1,957,755</u>

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 Fortis Open Offer and Malar Open Offer respectively.

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

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

In light of the 14 December 2018 status quo Order, and the 15 November 2019 Judgment mentioned in Section B6(1), the Fortis Open Offer as well 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

**A NOTES TO THE INTERIM FINANCIAL REPORT
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	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>31 December 2020</u>				
Assets				
FVOCI unquoted shares	-	-	59,713	59,713
FVTPL money market funds	-	191,605	-	191,605
Foreign exchange forward contracts	-	6,778	-	6,778
Interest rate caps	-	2,704	-	2,704
Cross currency interest rate swaps	-	3,883	-	3,883
Cross currency swaps	-	128,349	-	128,349
	-	333,319	59,713	393,032
Liabilities				
Liabilities on put options granted to non-controlling interest ⁱ	-	-	(1,137,658)	(1,137,658)
Interest rate swaps	-	(886)	-	(886)
Foreign exchange forward contracts	-	(373)	-	(373)
Cross currency interest rate swaps	-	(6,857)	-	(6,857)
	-	(8,116)	(1,137,658)	(1,145,774)
<u>31 December 2019</u>				
Assets				
FVOCI unquoted shares	-	-	30,645	30,645
FVTPL money market funds	-	186,148	-	186,148
Foreign exchange forward contracts	-	7,567	-	7,567
Interest rate caps	-	1,738	-	1,738
	-	195,453	30,645	226,098
Liabilities				
Liabilities on 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	-	(9,074)	-	(9,074)
Cross currency swaps	-	(30,627)	-	(30,627)
	-	(46,088)	(1,033,565)	(1,079,653)

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

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

A16 UPDATE ON INVESTIGATIONS BY SEBI AND SFIO ON FORTIS

SEBI issued a show cause notice ("SCN") dated 20 November 2020 to Fortis and FHsL in furtherance of the SEBI investigation. In response to the SCN, a joint representation was filed by Fortis and FHsL on 28 December 2020 submitting reasons as to why the SCN ought to be quashed. Oral submissions on the representation have also been completed on 20 January 2021 and written synopsis of the same has been filed.

As at 19 February 2021, there were no further developments in the ongoing investigation on Fortis by the SFIO, Ministry of Corporate Affairs of India, from that disclosed in Note 49 of the 2019 Audited Financial Statements.

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

As at 19 February 2021, there were no further developments in the suo-moto contempt notice to Fortis, from that disclosed in Note 50 of the 2019 Audited Financial Statements. Please refer to section B6(1) for details.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

	4th quarter ended			Financial year ended		
	31 Dec 2020	31 Dec 2019	Variance	31 Dec 2020	31 Dec 2019	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE¹						
Parkway Pantai:						
- Singapore	1,065,249	1,108,910	-4%	3,886,504	4,289,778	-9%
- Malaysia	618,471	618,771	0%	2,187,134	2,331,064	-6%
- India	794,133	816,649	-3%	2,655,752	3,320,868	-20%
- Greater China	198,752	148,899	33%	662,433	604,647	10%
- PPL Others*	15,910	50,966	-69%	142,069	198,861	-29%
Parkway Pantai	2,692,515	2,744,195	-2%	9,533,892	10,745,218	-11%
Acibadem Holdings	969,867	988,520	-2%	3,462,176	3,764,678	-8%
IMU Health	64,139	66,509	-4%	248,703	259,048	-4%
Others[^]	641	1,451	-56%	4,853	4,065	19%
Group (Excluding PLife REIT)	3,727,162	3,800,675	-2%	13,249,624	14,773,009	-10%
PLife REIT total revenue	92,258	88,209	5%	367,026	347,913	5%
Less: PLife REIT inter-segment revenue	(53,433)	(52,785)	-1%	(212,046)	(208,437)	-2%
PLife REIT	38,825	35,424	10%	154,980	139,476	11%
Group	3,765,987	3,836,099	-2%	13,404,604	14,912,485	-10%
EBITDA²						
Parkway Pantai:						
- Singapore	456,424	424,784	7%	1,359,483	1,475,113	-8%
- Malaysia	174,834	171,039	2%	555,928	675,215	-18%
- India	115,155	90,037	28%	200,513	359,965	-44%
- Greater China	(15,904)	(68,927)	77%	(146,540)	(175,461)	16%
- PPL Others*	(3,206)	13,224	-124%	19,767	35,824	-45%
Parkway Pantai	727,303	630,157	15%	1,989,151	2,370,656	-16%
Acibadem Holdings	280,209	246,818	14%	796,057	853,497	-7%
IMU Health	12,423	13,457	-8%	75,672	87,173	-13%
Others[^]	(16,517)	(18,973)	13%	(81,400)	(78,664)	-3%
Group (Excluding PLife REIT)	1,003,418	871,459	15%	2,779,480	3,232,662	-14%
PLife REIT³	91,571	83,041	10%	308,853	294,387	5%
Eliminations⁴	(53,433)	(53,035)	-1%	(212,046)	(209,337)	-1%
Group	1,041,556	901,465	16%	2,876,287	3,317,712	-13%

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 2020**

Q4 2020 vs Q4 2019

The Group's Q4 2020 revenue was 2% lower than Q4 2019 while EBITDA was 16% higher. With the COVID-19 pandemic since late January 2020, patient volume was softer than last year period due to postponement of non-urgent treatment and visits to hospitals and healthcare facilities. Foreign patient volume remained low since March 2020 due to the various travel restrictions implemented across the countries that it operates.

The decrease in revenue as a result of lower patient volumes was partially mitigated by COVID-19 related- services that the Group rendered. The Group was in active collaboration with the public healthcare sector of the countries that it operates in to provide COVID-19 screening and laboratory testing services. The Group also cared for stable COVID-19 patients decanted from public hospitals to the Group's Singapore hospitals, performed temperature screenings at the Singapore borders and other COVID-19 related medical services in Singapore. In addition, the Group's hospitals in Malaysia, Turkey and India treated walk-in COVID-19 patients.

The Group's Q4 2020 EBITDA was boosted by government grants and reliefs and higher revaluation gains on the REIT's investment properties of RM19.7 million as compared to RM11.4 million in Q4 2019. In addition, staff costs and other operating expenses were lower with cost containment measures implemented across the Group.

The Group's Q4 2020 PATMI excluding exceptional items ("PATMI (Excl ED)") increased 28% to RM371.8 million mainly due to a higher EBITDA and lower net finance costs from lower borrowing rates and repayment of loans.

Parkway Pantai

Parkway Pantai's Q4 2020 revenue decreased by 2% to RM2,692.5 million whilst its Q4 2020 EBITDA increased 15% to RM727.3 million. The decrease in revenue was due to lower patient volumes as a result of the COVID-19 pandemic, in particular the more revenue intense foreign patients. It was partially mitigated by COVID-19 related services rendered.

Parkway Pantai's Singapore hospital inpatient admissions decreased by 11% to 17,523 in Q4 2020 while its revenue per inpatient admission was marginally lower at RM33,553. Parkway Pantai's Malaysia hospital inpatient admissions decreased by 32% to 38,531 in Q4 2020 while its revenue per inpatient admission increased 29.8% to RM9,305. Parkway Pantai's India hospital inpatient admissions decreased 19% to 74,288 in Q4 2020 while its revenue per inpatient admission increased 23.3% to RM7,654.

Parkway Pantai's Q4 2020 EBITDA was boosted by government grants and reliefs. In addition, staff costs and other operating expenses were lower with cost containment efforts.

Acibadem Holdings

Acibadem Holdings' Q4 2020 revenue decreased 2% to RM969.9 million while its EBITDA increased 14% to RM280.2 million. On a constant currency basis, Acibadem Holdings' Q4 2020 revenue increased 20% while its EBITDA increased 38% over corresponding period last year.

Acibadem Holdings' hospital inpatient admissions decreased 14% to 49,686 in Q4 2020. Meanwhile, its revenue per inpatient admission increased 45.7% to RM10,693 with more complex cases taken and price adjustments to counter inflation for private insurance and cash patients.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

IMU Health

IMU Health's Q4 2020 revenue decreased 4% to RM64.1 million mainly due to changes in academic calendar for certain courses as a result of disruptions from COVID-19, and hence affected the timing of revenue recognition for these courses.

IMU Health's Q4 2020 EBITDA decreased 8% to RM12.4 million. This is mainly from lower revenue and RM3.0 million for Student Hardship and Welfare Assistance granted in Q4 2020, but mitigated by cost management.

PLife REIT

PLife REIT's Q4 2020 external revenue increased by 10% to RM38.8 million while its EBITDA increased by 10% to RM91.6 million as a result of full quarter contribution from properties acquired in December 2019 and appreciation of the Japanese Yen. PLife REIT's Q4 2020 EBITDA was also boosted by higher revaluation gains on investment properties of RM19.7 million in Q4 2020 as compared to RM11.4 million in Q4 2019.

Others

Q4 2020 revenue decreased by 56% to RM0.6 million mainly due to lower dividends received from investments in Money Market Funds ("MMF").

Q4 2020 EBITDA losses decreased due to cost management.

YTD 2020 vs YTD 2019

The Group's YTD 2020 revenue and EBITDA decreased 10% and 13% respectively in YTD 2020 over YTD 2019. With the COVID-19 pandemic since January 2020, patients postponed non-urgent treatment and visits to hospitals and healthcare facilities. Foreign patient volume remained low since March 2020 due to the various travel restrictions implemented across the countries that it operates. The decrease in revenue as a result of lower patient volumes was partially mitigated by COVID-19 related services the Group rendered. The Group was in active collaboration with the public healthcare sector of the countries that it operates in to provide COVID-19 screening and laboratory testing services. The Group also cared for stable COVID-19 patients that were decanted from public hospitals to the Group's Singapore hospitals, performed temperature screening at the Singapore borders and provided medical services at a community isolation facility in Singapore. In addition, the Group's hospitals in Malaysia, Turkey and India treated walk-in COVID-19 patients.

The Group's YTD 2020 EBITDA was impacted by lower revenues. The decrease was partially mitigated by government grants and reliefs, and higher revaluation gains on the REIT's investment properties of RM19.7 million as compared to RM11.4 million in 2019. In addition, staff costs and other operating expenses were lower with cost containment measures implemented across the Group.

The Group's YTD 2020 PATMI (Excl EI) decreased 22% to RM715.3 million as a result of a lower EBITDA and RM45.3 million impairment loss on property, plant and equipment and ROU assets, mainly from Global hospitals, in 2020. The decrease was mitigated by lower net finance costs incurred from lower borrowing rates and repayment of loans. In addition, the Group incurred higher tax expense in YTD 2019 as a result of tax on cash dividends received from RHT, and on cash that was further upstreamed as dividends from Fortis subsidiaries to Fortis Healthcare Limited.

Parkway Pantai

Parkway Pantai's YTD 2020 revenue decreased 11% to RM9,533.9 million whilst its YTD 2020 EBITDA decreased 16% to RM1,989.2 million. The decrease in revenue was due to lower patient volumes as a result of the COVID-19 pandemic, in particular the more revenue intense foreign patients. It was partially mitigated by COVID-19 related services rendered.

Parkway Pantai's Singapore hospital inpatient admissions decreased 18% to 64,071 in YTD 2020 while its revenue

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

per inpatient admission increased 5.2% to RM34,573. Parkway Pantai's Malaysia hospital inpatient admissions decreased 27% to 158,944 in YTD 2020 while its revenue per inpatient admission increased 19.5% to RM8,428. Parkway Pantai's India hospital inpatient admissions decreased 26% to 270,581 in YTD 2020 while its revenue per inpatient admission increased 13.2% to RM7,026.

Parkway Pantai's YTD 2020 EBITDA decreased as a result of lower revenues and cost incurred to implement COVID-19 precautionary and safety measures at its hospitals and healthcare facilities. The decrease was partially mitigated by government grants and reliefs received, as well as costs containment measures undertaken. In addition, EBITDA was at a high base in YTD 2019 as the Group recognised a one-off RM28.5 million trustee management fee income from RHT relating to disposal of RHT assets.

Acibadem Holdings

Acibadem Holdings' YTD 2020 revenue decreased 8% to RM3,462.2 million while its EBITDA decreased 7% to RM796.1 million. This was mainly due to the weaker TL in YTD 2020. On a constant currency basis, Acibadem Holdings' YTD 2020 revenue increased 5% while its EBITDA increased 8% over YTD 2019.

Acibadem Holdings' hospital inpatient admissions decreased 16% to 186,662. Meanwhile its revenue per inpatient admission increased 29.5% to RM9,404 in YTD 2020 with more complex cases taken and price adjustments to counter inflation for private insurance and cash patients.

Acibadem Holdings' YTD 2020 EBITDA decreased as a result of lower revenues and cost incurred to implement COVID-19 precautionary and safety measures at its hospitals and healthcare facilities. The decrease was partially mitigated by government reliefs received and costs containment measures undertaken.

IMU Health

IMU Health's YTD 2020 revenue decreased 4% to RM248.7 million mainly due to changes in academic calendar for certain courses as a result of disruptions from COVID-19, and hence affected the timing of revenue recognition for these courses. The decrease is partially offset by seminar income from a major conference organised by IMU Health in Q1 2020.

IMU Health's EBITDA decreased 13% in YTD 2020 to RM75.7 million mainly due to lower revenue, RM5.0 million for Student Hardship and Welfare Assistance granted, implementation of COVID-19 precautionary and safety measures and pre-operating costs incurred for the new IMU Hospital which is under construction. The decrease is mitigated by cost management and savings from closure of campuses and shifting to online teaching amidst lockdowns in Malaysia due to COVID-19.

PLife REIT

PLife REIT's YTD 2020 external revenue increased 11% to RM155.0 million while its EBITDA increased 5% to RM308.9 million as a result of full year contribution from properties acquired in December 2019 and appreciation of the Japanese Yen. PLife REIT's YTD 2020 EBITDA was also boosted by revaluation gains on investment properties of RM19.7 million in YTD 2020 as compared to RM11.4 million in YTD 2019.

Others

YTD 2020 revenue increased by 19% to RM4.9 million due to higher dividends from investments in MMF.

YTD 2020 EBITDA losses increased by RM2.7 million mainly due to increase in staff costs and IT-related professional fees.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2020 RM'000	3rd quarter ended 30 Sep 2020 RM'000	Variance %
<u>REVENUE</u>¹			
Parkway Pantai:			
- Singapore	1,065,249	1,000,564	6%
- Malaysia	618,471	578,916	7%
- India	794,133	694,434	14%
- Greater China	198,752	182,013	9%
- PPL Others*	15,910	45,898	-65%
Parkway Pantai	2,692,515	2,501,825	8%
Acibadem Holdings	969,867	922,674	5%
IMU Health	64,139	54,037	19%
Others[^]	641	850	-25%
Group (Excluding PLife REIT)	3,727,162	3,479,386	7%
PLife REIT total revenue	92,258	92,223	0%
Less: PLife REIT inter-segment revenue	(53,433)	(53,278)	0%
PLife REIT	38,825	38,945	0%
Group	3,765,987	3,518,331	7%
<u>EBITDA</u>²			
Parkway Pantai:			
- Singapore	456,424	350,708	30%
- Malaysia	174,834	159,514	10%
- India	115,155	89,723	28%
- Greater China	(15,904)	(15,121)	-5%
- PPL Others*	(3,206)	11,880	-127%
Parkway Pantai	727,303	596,704	22%
Acibadem Holdings	280,209	224,136	25%
IMU Health	12,423	11,973	4%
Others[^]	(16,517)	(20,367)	19%
Group (Excluding PLife REIT)	1,003,418	812,446	24%
PLife REIT³	91,571	73,569	24%
Eliminations⁴	(53,433)	(53,278)	0%
Group	1,041,556	832,737	25%

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 2020**

Q4 2020 vs Q3 2020

The Group reported a 7% quarter-on-quarter increase in revenue while its EBITDA increased 25% quarter-on-quarter. Lockdowns and travel restrictions implemented in the major countries that the Group operates have gradually eased to varying extent in different countries since Q3 2020. Patients, including elective cases, have increasingly returned to the Group's hospitals. Quarter-on-quarter EBITDA increased on the back of higher revenues and with the recognition of RM19.7 million revaluation gains on the REIT's investment properties in Q4 2020.

The Group's PATMI (Excl EI) increased 56% quarter-on-quarter on the back of a stronger EBITDA in Q4 2020. Q3 2020 was a low base with RM34.5 million impairment losses on property, plant and equipment and ROU assets recorded by Global Hospital, as compared to RM10.8mil recognised in Q4 2020.

Parkway Pantai

Parkway Pantai's revenue increased 8% quarter-on-quarter while its EBITDA increased 22% quarter-on-quarter.

Parkway Pantai's Singapore hospital inpatient admissions increased 7% quarter-on-quarter, while its revenue per inpatient admission increased 0.2%. Parkway Pantai's Malaysia hospitals inpatient admissions decreased 6% quarter-on-quarter, while its revenue per inpatient admission increased 5.1%. Parkway Pantai's India hospitals inpatient admissions increased 14% quarter-on-quarter, while its revenue per inpatient admission increased 0.5%.

Acibadem Holdings

Acibadem Holdings' revenue increased 5% quarter-on-quarter while its EBITDA increased 25% quarter-on-quarter.

Acibadem Holdings' inpatient admissions increased 9% quarter-on-quarter while its revenue per inpatient admission increased 7.5%.

IMU Health

IMU Health's revenue increased 19% quarter-on-quarter as teaching activities resumed fully via either online or face-to-face lessons from October 2020

EBITDA increased 4% quarter-on-quarter on higher revenue, offset higher expenses mainly on IT and renewals of Library & Resources subscriptions. In addition, IMU Health granted RM3.0 million for Student Hardship and Welfare Assistance in Q4 2020 as compared to RM2.0 million in Q3 2020.

PLife REIT

PLife REIT's Q4 2020 external revenue was consistent with Q3 2020 while its Q4 2020 EBITDA was boosted by higher revaluation gains on investment properties of RM19.7 million.

Others

Revenue decreased 25% quarter-on-quarter due to lower dividends received from MMF investment in Q4 2020. EBITDA losses was lower by 19% quarter-on-quarter mainly due to lower staff costs.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

B3 NEXT YEAR FINANCIAL PROSPECTS

The COVID-19 pandemic has presented unprecedented challenges to the global economy, across all industries including healthcare. The Group is adapting to the new normal and seeking new opportunities amidst this pandemic.

Patients postponed non-urgent (semi-elective and elective) treatment during lockdowns. This impact was at its worst in April and May 2020 as occupancy dropped to 30%-55% in the Group's home markets amid widespread movement restrictions. With the gradual easing of local movement restrictions starting in June, the Group has seen local patient volumes recover and occupancy recover to between 45%-75%. Occupancies at the Group's hospitals in Malaysia and Singapore recovered to about 64% and 85% of pre-COVID-19 levels in Q4 2020 and even exceeded pre-COVID-19 occupancy levels in Central Eastern Europe ("CEE"). Foreign patient revenues at the Group's hospitals in Turkey exceeded pre-COVID-19 levels in Q4 2020 after Turkey reopened its borders on 12 June 2020. Turkey is one of the few countries whose government has eased international medical travel and that attracted medical travellers who do not have much other options when seeking treatment overseas.

The Group took proactive initiatives to partially mitigate the effects of lower patient volumes by improving case mix and diversifying into new revenue streams. For example, the Group is in active collaboration with the public healthcare sector to provide COVID-19 screening services and laboratory testing, to care for stable COVID-19 patients that was decanted from public hospitals to the Group's Singapore hospitals and to perform temperature screening at the Singapore borders. COVID-19 related services contributed about 11%, 12% and 21% of the Q4 2020 revenues from the Group's operations in Singapore, CEE and India respectively. In Malaysia, the Group's hospitals will allocate approximately 10% of bed capacity to treat COVID-19 patients and have started to do so. To further ease the burden on our public healthcare infrastructure, the Group's Malaysia hospitals have also taken in non-COVID-19 patients decanted from public hospitals, and will be setting aside about 200 beds for this purpose. The Group stands ready to collaborate with the public healthcare sector to roll out their vaccination programs. Whilst the Group is optimistic of progressive recovery, it expects continued impact from the COVID-19 pandemic for the year ahead, especially if there are further disruptions from subsequent outbreaks and renewed lockdown.

Given the nature of hospital operations, some costs, such as staff costs and depreciation, remains relatively fixed despite lower patient volumes. The Group continually maintains a tight rein on costs and has strict cash management, which includes deferment of non-critical purchases and non-critical capital expansion projects. The Group expects start-up costs of new facilities in China to partially erode its profitability, which will be managed by a gradual phasing in of resources as patient volumes ramp up.

The Group is confident that its longer-term growth trajectory remains intact as it delivers on its refreshed strategy. With an international network of hospitals, it seeks to extract greater synergies by leveraging economies of scale to achieve lower costs and better optimization of resources. The Group is deepening its cluster strategy for growth by constantly reviewing and calibrating its asset portfolio. It will integrate its recently acquired Prince Court Medical Centre, which is part of the Klang Valley cluster in Malaysia, to drive efficient growth via its geographical cluster strategy. To redeploy capital, the Group entered into an agreement to dispose its 50% interest in Apollo Gleneagles Hospital Limited, a joint venture.

The Group continues to focus on innovation and digitalisation to respond to patient needs and adapt to new normal post-COVID. For example, the introduction of teleconsultations and other digital services would serve to complement the Group's brick-and-mortar clinical care.

The Group had further reduced its forex exposure on its unhedged non-Lira gross debt to EUR37.0 million as at 31 December 2020, and continues to explore avenues to further deleverage it. With the Group's robust financial position, strong cash flow, operational resilience and continued focus on delivering its refreshed strategy, it believes it is well-prepared to ride out this pandemic in the short-term and deliver long-term growth.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	4th quarter ended		Financial year ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense	114,317	111,967	350,679	565,518
Deferred tax expense	51,144	43,747	10,982	(37,636)
	<u>165,461</u>	<u>155,714</u>	<u>361,661</u>	<u>527,882</u>

Q4 2020 and YTD 2020 effective tax rates* were 25.6% and 65.9% respectively. This is mainly due to certain non-taxable income and certain non-tax deductible expenses (refer to page 2 for list of exceptional items), unrecognised tax losses arising from the subsidiaries’ operations, and hospitals under construction. In addition, most of the COVID-19 related government grants recognised by the Group are not taxable.

Q4 2019 and YTD 2019 effective tax rates* were 146.2% and 54.5% respectively due to certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items), and unrecognised tax losses arising from the Group’s new hospitals and hospitals under construction. Q4 2019 tax expenses was high as Fortis tax expense increased by RM67.2 million mainly due to its reversal of deferred tax assets in Q4 2019. YTD 2019 tax expenses was high as it 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) was eliminated upon consolidation at Fortis Group, hence decreasing the base when computing 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 19 February 2021:

- 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, pursuant to a board resolution passed by the Board of Directors of Fortis, NTK, as subscriber, entered into a share subscription agreement (“Fortis SSA”) with Fortis, as issuer, where NTK has agreed to subscribe 235,294,117 new equity shares of Fortis with a face value of INR10 each (“Subscription Shares”), constituting approximately 31.17% of the total voting equity share capital of Fortis on a fully diluted basis (“Expanded Voting Share Capital”) for a total consideration of INR4,000 crore and Fortis 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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

- (i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of INR10 each in Fortis, representing additional 26% 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 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 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 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.

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

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020**

- c) SEBI has sought resumption of the Fortis Open Offer citing larger public interest at stake.
 - d) On 5 March 2020, NTK has through its legal counsel, filed applications to intervene in the aforementioned Supreme Court Proceedings, as follows:
 - (i) intervention applications in the Original Contempt Petition and the Fortis Contempt Petition, respectively, and to enable NTK to be heard in the Supreme Court Proceedings before any further orders are passed by the Supreme Court; and
 - (ii) an application to vacate the Order that continues to stay the Fortis Open Offer so as to be able to consummate the Fortis Open Offer; and support SEBI’s ask of resuming the same.
- Further, NTK may file such other applications, replies and affidavits, as necessary, to respond to the applications filed by any other parties.
- e) On 14 August 2020 Fortis has submitted an application to the Supreme Court of India seeking approval to undertake a change in the company name, brand and logo for Fortis and its subsidiaries (“Fortis Rebranding Application”).

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

The Supreme Court Proceedings was last held on 24 February 2021, where the Supreme Court posed certain questions around the transactions to Fortis and directed Fortis to respond under a fresh affidavit by 1 March 2021. The next hearing is scheduled on 3 March 2021.

Outcome of the Supreme Court Proceedings cannot be predicted at this juncture and the potential liability to IHH is indeterminate, at this stage.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
Non-current		
Secured		
Bank borrowings	1,091,363	859,875
Loans from non-financial corporates	2,296	4,735
Unsecured		
Bank borrowings	6,183,745	6,044,071
Fixed rate notes	462,925	446,430
Loans from non-financial corporates*	924,347	910,954
	<hr/>	<hr/>
	8,664,676	8,266,065
Current		
Secured		
Bank overdrafts	22,401	121,814
Bank borrowings	336,204	281,153
Loans from non-financial corporates	988	1,455
Unsecured		
Bank borrowings	658,534	354,572
Loans from non-financial corporates	658	654
	<hr/>	<hr/>
	1,018,785	759,648
	<hr/>	<hr/>
Total	9,683,461	9,025,713

* Includes loans from non-controlling interests of RM863,921,000 (2019: RM853,537,000)

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

	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
Singapore Dollar	2,711,869	2,281,252
Hong Kong Dollar	2,584,177	2,405,325
Japanese Yen	1,786,607	1,646,441
Euro	1,244,247	1,429,607
Indian Rupees	1,015,116	1,062,526
Renminbi	310,301	127,470
Turkish Lira	-	51,376
Ringgit Malaysia	13,677	-
US Dollar	653	654
Others	16,814	21,062
	<hr/>	<hr/>
	9,683,461	9,025,713

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 December 2020:

	Notional amount as at 31 Dec 2020 RM'000	Fair value amount as at 31 Dec 2020 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Between 1 - 3 years	126,490	1,989
- More than 3 years	129,972	4,789
	<u>256,462</u>	<u>6,778</u>
Interest rate cap		
- More than 3 years	925,428	2,704
Cross currency interest rate swaps		
- More than 3 years	250,843	3,883
Cross currency swaps		
- More than 3 years	748,566	128,349
	<u>2,181,299</u>	<u>141,714</u>
Derivative liabilities		
Interest rate swaps		
- Within 1 year	145,918	(86)
- More than 3 years	172,684	(800)
	<u>318,602</u>	<u>(886)</u>
Foreign exchange forward contracts		
- Within 1 year	7,714	(373)
Cross currency interest rate swaps		
- Within 1 year	153,186	(6,857)
Call option granted to non-controlling interests		
- Within 1 year	28,217	-
	<u>507,719</u>	<u>(8,116)</u>

Foreign exchange forward contracts

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

Interest rate caps

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

Cross currency interest rate swaps and cross currency swaps

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

Interest rate swaps

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

Call option granted to non-controlling interests

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

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

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

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

B10 MATERIAL LITIGATIONS

Except as mentioned in Section A13, there were no other material changes in the contingent material litigations as at 19 February 2021 from that disclosed in the 2019 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 2020 to be paid on 30 April 2021 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 2021. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 31 March 2021 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 during the year, refer to Section A7.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 financial year.

	4th quarter ended		Financial year ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
i) <u>Net profit attributable to ordinary shareholders</u>				
Profit after tax and non-controlling interests	419,358	40,630	288,882	551,476
Perpetual securities distribution accrued	(22,308)	(22,332)	(89,843)	(88,172)
	<u>397,050</u>	<u>18,298</u>	<u>199,039</u>	<u>463,304</u>
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>				
Profit after tax and non-controlling interests(excluding EI)	371,788	289,806	715,345	920,655
Perpetual securities distribution accrued	(22,308)	(22,332)	(89,843)	(88,172)
	<u>349,480</u>	<u>267,474</u>	<u>625,502</u>	<u>832,483</u>
(a) Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	8,777,219	8,773,990	8,775,950	8,772,198
	sen	sen	sen	sen
Basic EPS	4.52	0.21	2.27	5.28
Basic EPS (excluding EI)	<u>3.98</u>	<u>3.05</u>	<u>7.13</u>	<u>9.49</u>

(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 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,777,219	8,773,990	8,775,950	8,772,198
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	2,164	2,570	3,137	2,431
Weighted average number of dilutive ordinary shares for computation of diluted EPS	<u>8,779,383</u>	<u>8,776,560</u>	<u>8,779,087</u>	<u>8,774,629</u>
	sen	sen	sen	sen
Diluted EPS	4.52	0.21	2.27	5.28
Diluted EPS (excluding EI)	<u>3.98</u>	<u>3.05</u>	<u>7.12</u>	<u>9.49</u>

At 31 December 2020, 46,831,000 outstanding EOS options (31 December 2019: 55,851,000) 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 2020

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

	4th quarter ended		Financial year ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Dividend income	641	1,451	4,853	4,065
Other operating income	120,398	75,896	460,874	265,073
Foreign exchange differences	(3,068)	(2,331)	7,231	(8,873)
Impairment loss (made)/written back:				
- Goodwill	551	(200,018)	(396,513)	(214,780)
- Trade and other receivables	(45,018)	(18,467)	(107,433)	(62,689)
- Inventories	(342)	(786)	(557)	(1,048)
Write off:				
- Property, plant and equipment	(2,001)	(2,030)	(2,921)	(3,697)
- Intangible assets	-	(5,377)	-	(5,377)
- Trade and other receivables	(5,617)	(3,954)	(10,166)	(14,092)
- Inventories	(1,381)	(1,040)	(3,852)	(3,377)
Gain on disposal of property, plant and equipment	4,015	10,868	10,024	10,795
Change in fair value of investment properties	45,471	10,169	45,471	10,169
(Loss)/Gain on disposal of subsidiaries	(7,339)	2,299	5,849	2,299
(Loss)/Gain on disposal of an associate	-	(22,583)	-	167
Loss on disposal of joint ventures	-	-	(407)	-
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	(13)	-	132,971	-
Provision for financial guarantee given on a joint venture's loan facility	3,321	(604)	14	(2,405)
Insurance compensation for flood	-	(3)	-	3,479
Finance income				
Interest income	17,539	17,070	69,144	100,079
Exchange loss on net borrowings	-	(141)	-	-
Fair value (loss)/gain of financial instruments	(18,499)	13,189	173,711	31,246
	(960)	30,118	242,855	131,325
Finance costs				
Interest expense	(118,249)	(143,513)	(467,394)	(563,064)
Exchange gain/(loss) on net borrowings	57,791	(112,535)	(436,772)	(235,870)
Fair value gain/(loss) of financial instruments	3,725	23,885	(5,881)	(48,427)
Other finance costs	(9,282)	(12,993)	(37,539)	(56,239)
	(66,015)	(245,156)	(947,586)	(903,600)