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

INTERIM FINANCIAL REPORT
31 DECEMBER 2021

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Unaudited			Audited		
		4th quarter ended			Financial year ended		
	Note	31 Dec 2021 RM'000	31 Dec 2020 RM'000	Variance %	31 Dec 2021 RM'000	31 Dec 2020 RM'000	Variance %
Revenue	1	4,470,716	3,765,987	19%	17,131,763	13,404,604	28%
Other operating income	2	186,137	178,495	4%	722,449	738,396	-2%
Inventories and consumables		(934,719)	(790,571)	-18%	(3,604,102)	(2,798,168)	-29%
Purchased and contracted services		(400,003)	(352,491)	-13%	(1,533,014)	(1,298,180)	-18%
Development cost of properties sold		(2,540)	-	-	(2,540)	-	-
Staff costs	3	(1,491,650)	(1,267,700)	-18%	(6,079,462)	(5,201,241)	-17%
Depreciation and impairment of property, plant and equipment	4	(228,559)	(250,035)	9%	(1,116,081)	(960,323)	-16%
Depreciation and impairment of right-of-use ("ROU") assets	5	(82,682)	(84,899)	3%	(320,859)	(379,091)	15%
Amortisation and impairment of intangible assets		(11,591)	(12,581)	8%	(47,251)	(57,899)	18%
Operating lease expenses		(22,480)	(17,571)	-28%	(80,649)	(66,922)	-21%
Other operating expenses	6	(595,785)	(455,410)	-31%	(2,010,347)	(2,127,326)	5%
Finance income	7	373,625	(960)	NM	543,601	242,855	124%
Finance costs	7	(583,925)	(66,015)	NM	(1,087,627)	(947,586)	-15%
Share of profits of associates (net of tax)	8	7,294	5,322	37%	31,034	7,072	NM
Share of profits of joint ventures (net of tax)	9	321	9,356	-97%	8,822	11,316	-22%
Profit before tax		**684,159**	**660,927**	**4%**	**2,555,737**	**567,507**	**NM**
Income tax expense	10	(162,203)	(165,461)	2%	(379,152)	(361,661)	-5%
Profit for the year		**521,956**	**495,466**	**5%**	**2,176,585**	**205,846**	**NM**
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	11	(401,247)	151,951	NM	(397,621)	(246,152)	-62%
Realisation of FCTR[1] upon disposal/substantive liquidation of subsidiaries and a joint venture		25,575	13	NM	47,723	(132,971)	136%
Hedge of net investments in foreign operations	11	53,974	5,763	NM	151,274	(59,978)	NM
Cash flow hedge		2,815	750	NM	11,617	(7,864)	NM
Cost of hedging reserve		(177)	8	NM	(213)	234	-191%
		(319,060)	158,485	NM	(187,220)	(446,731)	58%
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of defined benefit liabilities		(9,361)	(8,723)	-7%	(8,512)	(9,592)	11%
Total comprehensive income for the year		**193,535**	**645,228**	**-70%**	**1,980,853**	**(250,477)**	**NM**
Profit attributable to:							
Owners of the Company		453,598	419,358	8%	1,862,525	288,882	NM
Non-controlling interests		68,358	76,108	-10%	314,060	(83,036)	NM
Profit for the year		**521,956**	**495,466**	**5%**	**2,176,585**	**205,846**	**NM**
Total comprehensive income attributable to:							
Owners of the Company		190,071	551,614	-66%	1,714,730	(107,977)	NM
Non-controlling interests		3,464	93,614	-96%	266,123	(142,500)	NM
Total comprehensive income for the year		**193,535**	**645,228**	**-70%**	**1,980,853**	**(250,477)**	**NM**
Earnings per share (sen)							
Basic		4.90	4.52	8%	20.20	2.27	NM
Diluted		4.90	4.52	8%	20.20	2.27	NM

NM: Not meaningful

Note:
1. Foreign currency translation reserve

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

SUPPLEMENTARY INFORMATION

		4th quarter ended			Financial year ended		
	Note	31 Dec 2021 RM'000	31 Dec 2020 RM'000	Variance %	31 Dec 2021 RM'000	31 Dec 2020 RM'000	Variance %
Profit attributable to owners of the Company, excluding EI[xii]		**440,750**	**371,788**	**19%**	**1,594,752**	**715,345**	**123%**
Add/(Less): Exceptional items ("EI")							
Remeasurement to fair value of interest in a joint venture[i]	2	(116)	-		86,061	-	
Impairment loss on goodwill[ii]	6	(6,090)	551		(6,090)	(396,513)	
Gain/(Loss) on disposal of subsidiaries[iii]	2	53,032	(7,339)		53,032	5,849	
Gain/(Loss) on disposal of joint ventures[iv]	2	-	-		139,053	(407)	
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture[v]		-	(13)		-	132,971	
Provision for loan taken by a joint venture[vi]		1	3,321		(2,563)	14	
Impairment of assets[vii]		11,501	-		(229,781)	-	
Deferred tax assets previously not recognised[viii]		(3,308)	-		244,888	-	
Change in fair value of investment properties[ix]	2	46,481	25,731		46,481	25,731	
Change in fair value of cross currency swaps[x]	7	352,453	(18,271)		477,646	169,038	
Exchange (loss)/gain on net borrowings[xi]	7	(478,638)	57,791		(604,966)	(436,772)	
		(24,684)	61,771		203,761	(500,089)	
Less: Tax effects on EI		31,546	(8,569)		31,830	56,343	
Less: Non-controlling interests' share of EI		5,986	(5,632)		32,182	17,283	
		12,848	47,570		267,773	(426,463)	
Profit attributable to owners of the Company		**453,598**	**419,358**	**8%**	**1,862,525**	**288,882**	**NM**
Earnings per share, excluding EI[xii] (sen)							
Basic		4.76	3.98	20%	17.15	7.13	141%
Diluted		4.76	3.98	20%	17.15	7.12	141%

NM: Not meaningful

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

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

i. Remeasurement to fair value of interests in DDRC SRL Diagnostics Private Limited ("DDRC SRL"), upon acquisition of controlling interest in DDRC SRL
ii. Impairment of goodwill over Chengdu Shenton Health Clinic Co., Ltd ("Chengdu Shenton Clinic") (2020: Ravindranath GE Medical Associates Pte Ltd ("Global Hospitals"))
iii. Disposal of subsidiaries – entire 62.23% interest in Continental Hospitals Private Limited ("Continental Hospitals"), net of realisation of FCTR of RM25.6 million loss (2020: 9% interest in Gleneagles JPMC Sdn Bhd and 70% interest in Famicord Acibadem Kordon Kani Saglik Hizmetleri Anonim Sirketi)
iv. Disposal of joint ventures – Apollo Gleneagles Hospital Ltd, net of realisation of FCTR of RM22.1 million loss (2020: Shanghai Hui Xing Hospital Management Co., Ltd. and Shanghai Hui Xing Jinpu Co., Ltd. ("Shanghai Hui Xing Group"))
v. Realisation of FCTR upon substantive liquidation of IHH (Bharat) Limited (a subsidiary) and Khubchandani Hospitals Private Limited ("Khubchandani Hospitals") (a joint venture)
vi. Provision for proportionate share of amounts owed by Khubchandani Hospitals on its loans, that is unlikely to be repaid
vii. Impairment of assets of Gleneagles Chengdu Hospital (the Group's hospital that was operational in late 2019 whose ramp up was longer than expected and was hampered by the COVID-19 pandemic) and Andaman Alliance Healthcare Limited ("AAHL") (the Group's greenfield hospital project in Myanmar which has stalled)
viii. Deferred tax assets previously not recognised by Acibadem Holdings
ix. Change in fair value of investment properties held for rental to third parties, excluding PLife REIT's investment properties held for rental to third parties.
x. Change in fair value 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 2021, Euro/TL = 15.0867)
xii. Exceptional items, net of tax and non-controlling interests

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 and YTD 2020 revenue were low bases due to lockdowns in various markets the Group operates in as a result of COVID-19 pandemic. During this period, patients postponed non-urgent and non-essential treatments and visits to hospitals and healthcare facilities. Patient volumes picked up as the lockdowns gradually eased to varying extent since June 2020, though the recoveries were interrupted by resurging waves of outbreak in the different markets. In addition, the magnitude of COVID-19 related services provided by the Group increased as the pandemic continues. These, together with contributions upon acquisition of General Hospital Acibadem Bel Medic *(f.k.a Opsta Bolnica Bel Medic (Bel Medic General Hospital))* ("Bel Medic") on 20 July 2021, DDRC SRL Diagnostics Private Limited ("DDRC SRL") on 5 April 2021 and Prince Court Medical Centre Sdn Bhd ("PCMC") on 1 September 2020, led to higher revenue recorded in QTD 2021 and YTD 2021.
2. YTD 2021 other operating income decreased mainly due to lower government grant income, offset by higher valuation gain on investment properties, gain on disposal of joint ventures and subsidiaries, and remeasurement to fair value of interest in a joint venture.
3. Increase in QTD 2021 and YTD 2021 staff costs was due to the hire of contract employees and higher headcounts for COVID-19 related services rendered, higher doctors' salaries for certain groups of doctors whose salaries vary with revenue or services rendered, and provision for market and appreciation bonus for staff. In addition, the consolidation of staff costs of DDRC SRL, Bel Medic and PCMC's staff costs upon acquisition also contributed to the higher staff costs.
4. Increase in YTD 2021 depreciation and impairment of property, plant and equipment was due to impairment loss for Gleneagles Chengdu Hospital.
5. YTD 2020 depreciation and impairment of ROU assets included impairment losses of RM32.5 million recognised by Global Hospitals.
6. Increased level of activities, as well as the consolidation of other operating expenses of DDRC SRL, Bel Medic and PCMC upon acquisition, resulted in higher other operating expenses in QTD 2021 and YTD 2021. However, YTD 2020 was a high base with impairment of goodwill over Global Hospitals amounting to RM396.5 million.
7. 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. Acibadem Holdings manages its foreign exchange exposures by entering into cross-currency swaps ("CCS").

   In QTD 2021, the Group recognised a net loss of RM126.2 million as compared to net again of RM39.5 million in QTD 2020. In YTD 2021, the Group recognised a lower net loss of RM127.3 million as compared to net loss of RM267.7 million for YTD 2020.
8. Higher share of profits of associates in YTD 2021 was attributed to Gleneagles JPMC Sdn Bhd which became an associate of the Group since October 2020, and Lanka Hospitals Corporation Plc.
9. Lower share of profits of joint ventures in QTD 2021 and YTD 2021 was attributed to DDRC SRL which became a subsidiary of the Group and consolidated since April 2021.
10. Refer to Section B5 for details on income tax expenses.
11. 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 2021	31 Dec 2020
1 SGD	3.0835	3.0457
1 TL	0.4792	0.6043

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Assets			
Property, plant and equipment	1	10,840,572	11,569,497
Right-of-use assets		6,529,336	6,612,132
Investment properties	2	3,875,123	3,612,547
Goodwill on consolidation	3	12,170,705	12,123,112
Intangible assets	3	2,022,627	1,990,429
Interests in associates		157,613	142,869
Interests in joint ventures	3	6,307	122,765
Other financial assets	4	76,345	63,891
Trade and other receivables		131,425	127,329
Tax recoverables		302,224	287,697
Derivative assets		297,208	108,304
Deferred tax assets	5	567,731	427,749
Total non-current assets		**36,977,216**	**37,188,321**
Development properties		73,862	90,083
Inventories		455,065	420,153
Trade and other receivables	6	2,497,529	1,953,142
Tax recoverables		18,373	21,760
Other financial assets	4	340,733	422,593
Derivative assets		127,967	33,410
Cash and cash equivalents		5,017,680	4,187,806
		8,531,209	7,128,947
Assets classified as held for sale	7	1,844	216,992
Total current assets		**8,533,053**	**7,345,939**
Total assets		**45,510,269**	**44,534,260**

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Equity			
Share capital		19,614,918	19,473,364
Other reserves		(2,846,392)	(1,988,281)
Retained earnings		5,656,406	4,254,736
Total equity attributable to owners of the Company		**22,424,932**	**21,739,819**
Perpetual securities		2,158,358	2,158,061
Non-controlling interests		2,693,541	3,137,489
Total equity		**27,276,831**	**27,035,369**
Liabilities			
Loans and borrowings	8	7,609,491	8,664,676
Lease liabilities		1,783,904	1,704,084
Employee benefits		135,225	117,678
Trade and other payables	9	1,420,424	228,330
Derivative liabilities		471	800
Deferred tax liabilities		1,234,665	1,168,256
Total non-current liabilities		**12,184,180**	**11,883,824**
Bank overdrafts		24,229	22,401
Loans and borrowings	8	1,237,427	996,384
Lease liabilities		218,630	241,226
Employee benefits		165,127	147,238
Trade and other payables	9	4,052,574	3,891,883
Derivative liabilities		-	7,316
Tax payable		351,271	289,595
		6,049,258	5,596,043
Liabilities classified as held for sale	7	-	19,024
Total current liabilities		**6,049,258**	**5,615,067**
Total liabilities		**18,233,438**	**17,498,891**
Total equity and liabilities		**45,510,269**	**44,534,260**
Net assets per share attributable to owners of the Company[1] (RM)		2.55	2.48

Note:
1. Based on 8,796.7 million and 8,777.2 million shares issued as at 31 December 2021 and 31 December 2020 respectively.

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 2021 as compared to 31 December 2020.

1. Property, plant and equipment decreased due to deconsolidation of Continental Hospitals and impairment loss of RM166.0 million for Gleneagles Chengdu Hospital.

2. Investment properties increased as a result of PLife REIT's acquisition of three nursing homes in July and December 2021 as well as valuation gains of RM87.1 million recorded.

3. Goodwill on consolidation and intangible assets increased due to acquisition of remaining 50% equity interest in a joint venture, DDRC SRL, on 5 April 2021 as well as acquisition of Bel Medic on 20 July 2021.

   As a result of the acquisition, DDRC SRL ceased to be a joint venture and became a subsidiary of the Group. This led to the decrease in interests in joint ventures.

4. Non-current other financial assets increased due to additional RM12.7 million investment in Doctor Anywhere Pte Ltd. while current other financial assets decreased mainly due to redemption of RM83.0 million investments in money market funds.

5. Deferred tax assets increased as Acibadem Holdings recorded deferred tax assets from unutilised tax losses that were previously unrecognised. It is now probable that Acibadem Holdings would have future taxable profit such that the deferred tax assets would be recoverable.

6. Current trade and other receivables increased in 2021 in line with higher revenues.

7. Assets classified as held for sale decreased mainly due to PLife REIT's divestment of an industrial property in Japan on 29 January 2021 and disposal of the Group's investment in Apollo Gleneagles Hospital Ltd on 22 April 2021.

   Assets and liabilities classified as held for sale also decreased due to change in exit plans for the Group's investments in AAHL from selling the Group's equity stake to winding down the operations of AAHL. Accordingly, the assets and liabilities of AAHL were no longer classified as held for sale.

8. Loans and borrowings decreased due to repayment of bank loans.

9. On 30 March 2021, SRL Diagnostics Private Limited ("SRL"), Fortis Healthcare Limited ("Fortis") and certain non-controlling interests of SRL signed an amendment to their shareholders' agreement whereby, amongst other things, the certain non-controlling interests of SRL have agreed not to exercise their cash put option over SRL ("SRL Put Option") for a further period of 36 months from 5 February 2021. Accordingly, the SRL Put Option with a carrying value of RM1,221.6 million was classified as non-current trade and other payables as at 31 December 2021. The carrying value of the SRL Put Option was RM791.2 million as at 31 December 2020 and was classified as current trade and other payables. The decrease in current put option liability was more than offset by increase in current payables and accruals, in line with higher purchases.

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

	31 Dec 2021	31 Dec 2020
1 SGD	3.0817	3.0637
1 TL	0.3122	0.5453

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AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<---------- 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 2021	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
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	(245,378)	-	(245,378)	-	(152,243)	(397,621)
Realisation of FCTR upon disposal of subsidiaries and a joint venture	-	-	-	-	-	-	-	47,723	-	47,723	-	-	47,723
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	53,802	-	53,802	-	97,472	151,274
Cash flow hedge	-	-	-	4,132	-	-	-	-	-	4,132	-	7,485	11,617
Cost of hedging reserve	-	-	-	-	(76)	-	-	-	-	(76)	-	(137)	(213)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	(7,998)	(7,998)	-	(514)	(8,512)
Total other comprehensive income for the year	-	-	-	4,132	(76)	-	-	(143,853)	(7,998)	(147,795)	-	(47,937)	(195,732)
Profit for the year	-	-	-	-	-	-	-	-	1,862,525	1,862,525	-	314,060	2,176,585
Total comprehensive income for the year	-	-	-	4,132	(76)	-	-	(143,853)	1,854,527	1,714,730	-	266,123	1,980,853
Contributions by and distributions to owners													
Share-based payment transactions	-	5,930	-	-	-	4	-	-	-	5,934	-	8	5,942
Transfer to share capital for share options exercised	141,554	(38,364)	-	-	-	-	-	-	-	103,190	-	-	103,190
Cancellation of vested share options	-	(13,860)	-	-	-	-	-	-	13,860	-	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(351,163)	(351,163)	-	-	(351,163)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(242,744)	(242,744)
Payment of coupon on perpetual securities	-	-	-	-	-	344	-	-	-	344	(88,003)	-	(87,659)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(88,300)	(88,300)	88,300	-	-
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	477	477
Changes in ownership interests in subsidiaries	-	-	-	1	-	(6,276)	-	(6)	-	(6,281)	-	(45,316)	(51,597)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	20,439	20,439
Disposal of subsidiaries	-	-	-	-	-	86,823	-	-	(25,030)	61,793	-	(70,176)	(8,383)
Changes in fair value/Recognition of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(755,134)	-	-	-	(755,134)	-	(372,759)	(1,127,893)
Transfer per statutory requirements	-	-	-	-	-	-	2,224	-	(2,224)	-	-	-	-
Total transactions with owners	141,554	(46,294)	-	1	-	(674,239)	2,224	(6)	(452,857)	(1,029,617)	297	(710,071)	(1,739,391)
At 31 December 2021	19,614,918	33,874	83,434	16,587	332	(4,451,467)	57,814	1,413,034	5,656,406	22,424,932	2,158,358	2,693,541	27,276,831

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AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<---------- 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)
Contributions by and distributions to owners													
Share-based payment transactions	-	23,721	-	-	-	(106)	-	-	-	23,615	-	(234)	23,381
Transfer to share capital on share options exercised	18,226	(18,226)	-	-	-	-	-	-	-	-	-	-	-
Cancellation of vested share options	-	(8,827)	-	-	-	-	-	-	8,827	-	-	-	-
Dividends 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	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(350,960)	(350,960)	-	-	(350,960)
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	626	626
Changes in ownership interests in subsidiaries	-	-	-	1	-	(8,794)	-	2	-	(8,791)	-	10,097	1,306
Disposal of a subsidiary	-	-	-	-	-	6,413	-	-	(6,413)	-	-	(65,120)	(65,120)
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(67,066)	-	-	-	(67,066)	-	(93,142)	(160,208)
Transfer per statutory requirements	-	-	-	-	-	-	2,499	-	(2,499)	-	-	-	-
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

The Consolidated Statement of Changes in Equity should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Financial year ended	
	31 Dec 2021	**31 Dec 2020**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	2,555,737	567,507
Adjustments for:		
Dividend income	(2,585)	(4,853)
Finance income	(543,601)	(242,855)
Finance costs	1,087,627	947,586
Depreciation and impairment of property, plant and equipment	1,116,081	960,323
Depreciation and impairment of ROU assets	320,859	379,091
Amortisation and impairment of intangible assets	47,251	57,899
Impairment loss made/(written back):		
- Goodwill	6,090	396,513
- Trade and other receivables	80,605	107,433
- Inventories	(973)	557
Write-off:		
- Property, plant and equipment	1,863	2,921
- Trade and other receivables	20,749	10,166
- Inventories	3,601	3,852
Remeasurement to fair value of interest in a joint venture	(86,061)	-
Gain on disposal of property, plant and equipment	(14,975)	(10,024)
Gain on disposal of an investment property	(16,335)	-
Gain on disposal of subsidiaries	(53,032)	(5,849)
(Gain)/Loss on disposal of joint ventures	(139,053)	407
Change in fair value of investment properties	(87,107)	(45,471)
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	-	(132,971)
Provision for loan taken by a joint venture	2,563	(14)
Share of profits of associates (net of tax)	(31,034)	(7,072)
Share of profits of joint ventures (net of tax)	(8,822)	(11,316)
Equity-settled share-based payment	5,942	23,381
Net unrealised foreign exchange differences	(3,682)	743
Operating profit before changes in working capital	**4,261,708**	**2,997,954**
Changes in working capital:		
Development properties	(1,185)	(5,870)
Inventories	(137,281)	(100,136)
Trade and other receivables	(1,034,778)	(132,706)
Trade and other payables	933,729	15,723
Cash generated from operations	**4,022,193**	**2,774,965**
Tax paid	(490,316)	(330,166)
Net cash from operating activities	**3,531,877**	**2,444,799**
Cash flows from investing activities		
Interest received	52,017	60,873
Acquisition of subsidiaries and a business, net of cash and cash equivalents acquired	(221,761)	(1,053,576)
Purchase of equity investments	(12,722)	(28,539)
Net placement of fixed deposits with tenor of more than 3 months	(2,129)	(64,690)
Purchase of property, plant and equipment	(1,027,402)	(874,241)
Purchase of investment properties	(312,868)	(82,239)
Development and purchase of intangible assets	(43,381)	(29,957)
Net cash inflow/(outflow) from disposal of subsidiaries	192,561	(51,977)
Proceeds from disposal of joint ventures	225,080	3,233
Proceeds from redemption of Money Market Funds	83,039	-
Proceeds from disposal of property, plant and equipment	76,777	23,171
Proceeds from disposal of an investment property	111,299	-
Proceeds from disposal of intangible assets	16,026	11,927
Dividends received from associates	15,212	1,362
Dividends received from joint ventures	16,891	6,827
Repayment by a joint venture	9,671	-
Net cash used in investing activities	**(821,690)**	**(2,077,826)**

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Financial year ended	
	31 Dec 2021	**31 Dec 2020**
	RM'000	**RM'000**
Cash flows from financing activities		
Finance costs paid	(303,118)	(340,054)
Proceeds from loans and borrowings	2,833,956	3,188,456
Repayment of loans and borrowings	(3,374,149)	(2,599,427)
Payment of lease liabilities	(383,142)	(493,940)
Payment of perpetual securities distribution	(87,659)	(88,641)
Dividends paid to non-controlling interests	(242,744)	(168,507)
Dividends paid to owners of the Company	(351,163)	(350,960)
Proceeds from exercise of share options	103,190	-
Acquisition of non-controlling interests	-	(31)
Issue of shares by subsidiaries to non-controlling interests	846	626
Change in restricted cash	11,097	(7,580)
Net cash used in financing activities	**(1,792,886)**	**(860,058)**
Net increase/(decrease) in cash and cash equivalents	**917,301**	**(493,085)**
Effect of exchange rate fluctuations on cash and cash equivalents held	(91,478)	115,669
Cash and cash equivalents at beginning of the year	2,264,047	2,641,463
Cash and cash equivalents at end of the year	**3,089,870**	**2,264,047**

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 2021	**31 Dec 2020**
	RM'000	**RM'000**
Cash and bank balances	1,516,681	1,402,442
Fixed deposits with tenor of 3 months or less	3,500,999	2,785,364
Cash and cash equivalents in the statement of financial position	5,017,680	4,187,806
Add:		
- Cash and cash equivalents included in assets classified as held for sale	-	6,907
Less:		
- Bank overdrafts	(24,229)	(22,401)
- Deposits placed in escrow account	(1,900,284)	(1,894,365)
- Restricted cash	(3,297)	(13,900)
Cash and cash equivalents in the statement of cash flows	**3,089,870**	**2,264,047**

The Consolidated Statement of Cash Flows should be read in conjunction with the 2021 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 2021

A1 BASIS OF PREPARATION

a) Basis of accounting

These consolidated interim financial report are prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134: *Interim Financial Reporting* in Malaysia and IAS 34: *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("2021 Audited Financial Statements").

The 2021 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards ("MFRSs").

b) Significant accounting policies

The accounting policies and presentation adopted for this consolidated interim financial report are consistent with those adopted for the 2021 Audited Financial Statements.

A2 AUDIT REPORT IN THE ANNUAL FINANCIAL STATEMENTS

The 2021 Audited Financial Statements were not subjected to any qualification.

A3 SEASONALITY OF OPERATIONS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 31 December 2021, other than the COVID-19 pandemic impact on the performance of the Group.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

A5 CHANGE IN ACCOUNTING ESTIMATES

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

In preparing the consolidated interim financial report, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimating uncertainty were consistent with those applied to 2021 Audited Financial Statements.

A6 DEBT AND EQUITY SECURITIES

Between 1 January 2021 to 31 December 2021, IHH issued

(a) 1,854,000 new ordinary shares pursuant to the surrender of vested Long Term Incentive Plan ("LTIP") units; and

(b) 17,644,000 new ordinary shares pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units.

The LTIP expired on 24 March 2021 and, accordingly, all the unvested LTIP units lapsed upon the expiry of the LTIP.

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 1 January 2021 to 31 December 2021.

As at 31 December 2021, the issued share capital of IHH comprised of 8,796,717,463 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 2020	4.00	351,163	30-Apr-21

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 2021 Audited Financial Statements.

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

A8 SEGMENT REPORTING

Financial year ended 31 December 2021

	Parkway Pantai[1]					Acibadem Holdings	IMU Health				
	Singapore	Malaysia	India	Greater China	PPL Others[2]	CEE[3]	Malaysia	PLife REIT[1]	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and expenses											
Revenue from external customers	5,033,275	2,727,152	3,728,777	876,887	5,015	4,347,258	257,647	153,167	2,585	-	17,131,763
Inter-segment revenue	118,501	1,000	95	-	2,509,507	-	2,411	217,527	1,394,306	(4,243,347)	-
Total segment revenue	5,151,776	2,728,152	3,728,872	876,887	2,514,522	4,347,258	260,058	370,694	1,396,891	(4,243,347)	17,131,763
EBITDA	1,783,209	760,144	666,473	(69,554)	2,319,398	1,198,862	86,709	349,919	1,309,104	(4,124,834)	4,279,430
Depreciation and impairment of property, plant and equipment	(169,622)	(212,335)	(155,180)	(349,275)	(875)	(191,898)	(12,834)	(23,817)	(245)	-	(1,116,081)
Depreciation and impairment of ROU assets	(285,099)	(25,847)	(34,834)	(78,267)	(2,084)	(83,200)	(4,172)	(12,711)	(988)	206,343	(320,859)
Amortisation of intangible assets	-	(3,051)	(26,771)	(3,956)	-	(12,834)	(639)	-	-	-	(47,251)
Foreign exchange differences	(453)	(183)	1,911	438	2,376	89	2	6,001	331	-	10,512
Finance income	343	10,645	14,665	4,936	5,007	496,093	2,530	12,831	2,450	(5,899)	543,601
Finance costs	(13,236)	(1,029)	(122,943)	(66,242)	(16,621)	(864,216)	-	(14,439)	(1,467)	12,566	(1,087,627)
Share of profits of associates (net of tax)	1,263	-	10,875	-	18,896	-	-	-	-	-	31,034
Share of profits of joint ventures (net of tax)	889	-	7,933	-	-	-	-	-	-	-	8,822
Others	50,701	(4,220)	275,583	(29,063)	(38,845)	-	-	-	-	-	254,156
Profit/(Loss) before tax	1,367,995	524,124	637,712	(590,983)	2,287,252	542,896	71,596	317,784	1,309,185	(3,911,824)	2,555,737
Income tax expense	(216,815)	(125,535)	(119,383)	(6,874)	(14,269)	146,597	(17,036)	(24,527)	(1,310)	-	(379,152)
Profit/(Loss) for the year	1,151,180	398,589	518,329	(597,857)	2,272,983	689,493	54,560	293,257	1,307,875	(3,911,824)	2,176,585
Assets and liabilities											
Cash and cash equivalents	240,884	287,144	2,188,152	334,779	269,220	279,815	123,119	79,485	1,215,082	-	5,017,680
Other assets	13,990,313	6,080,287	7,349,787	3,789,831	3,865,249	4,516,816	536,791	5,040,588	200,327	(4,877,400)	40,492,589
Segment assets as at 31 December 2021	14,231,197	6,367,431	9,537,939	4,124,610	4,134,469	4,796,631	659,910	5,120,073	1,415,409	(4,877,400)	45,510,269
Loans and borrowings	-	300,000	689,545	3,201,887	355,813	1,716,517	38,025	2,545,131	-	-	8,846,918
Other liabilities	5,363,537	822,734	2,972,975	1,035,515	1,086,984	2,267,330	178,195	405,483	47,074	(4,793,307)	9,386,520
Segment liabilities as at 31 December 2021	5,363,537	1,122,734	3,662,520	4,237,402	1,442,797	3,983,847	216,220	2,950,614	47,074	(4,793,307)	18,233,438

Note:
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 associate in Brunei, corporate office as well as other investment holding entities within Parkway Pantai
3 "CEE" refers to Central and Eastern Europe

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

Financial year ended 31 December 2020

	Parkway Pantai[1]					Acibadem Holdings CEE[3]	IMU Health Malaysia	PLife REIT[1]	Others	Eliminations	Total
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	PPL Others[2] RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and expenses											
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
Assets and liabilities											
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

Note:
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 associate in Brunei, corporate office as well as other investment holding entities within Parkway Pantai
3 “CEE” refers to Central and Eastern Europe

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2021	31 Dec 2020
	RM'000	RM'000
Transactions with substantial shareholders and their related companies		
- Acquisition of a subsidiary	-	1,020,000
- Sales and provision of services	453	415
- Purchase and consumption of services	(10,376)	(7,896)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	4,240	7,715
- Purchase and consumption of services	(65,243)	(51,372)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

A11 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 4 February 2021, 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 RM881,000) 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%.

(b) On 4 March 2021, MRI increased its interest in Chengdu Shenton Clinic following the conversion of the shareholder's loan of RMB1.41 million (equivalent to RM894,000) to the registered capital of Chengdu Shenton Clinic. Post the conversion of the shareholder's loan, MRI's interest in Chengdu Shenton Clinic increased from 61.75% to 62.42%.

(c) On 5 April 2021, Parkway Trust Management Limited ("PTM") transferred 130,600 Parkway Life Real Estate Investment Trust ("PLife REIT") units that it owned to its eligible employees in accordance to PTM's long term incentive plan. Consequential thereto, IHH Group's effective interest in PLife REIT was diluted from 35.62% to 35.60%.

(d) On 5 April 2021, SRL Limited acquired the remaining 50% equity interest in DDRC SRL not already held by its wholly-owned subsidiary, SRL, for a total cash consideration of INR350.0 crore (equivalent to RM199.4 million). Post the acquisition, SRL Limited's direct and indirect equity interest in DDRC SRL increased from 50% to 100% and DDRC SRL became an indirect subsidiary of IHH.

(e) On 3 May 2021, Acibadem Sağlık Hizmetleri ve Ticaret A.S. ("ASH") established a wholly-owned subsidiary, LifeClub Sağlıklı Yaşam Hizmetleri A.Ş. ("LifeClub") in Turkey. The initial capital of LifeClub is TL50,000 (equivalent to RM25,000) and its intended principal activity is providing e-consulting activities, wellness services and marketplace activities relating to all health-related products and memberships to its subscribers.

(f) On 24 May 2021, ASH acquired the remaining 0.01% equity interest in Acıbadem Poliklinikleri A.S. ("POL") at no consideration. Post the acquisition, ASH's equity interest in POL increased from 99.99% to 100%.

(g) On 30 June 2021, Parkway Life Japan4 Pte Ltd ("TK Investor") entered into a Tokumei Kumiai agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 15 (the "TK Operator"). Pursuant to the TK Agreement, the purchase price of the properties amounting to JPY4.1 billion (equivalent to RM154,160,000) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of two nursing homes by the TK Operator. PLife REIT 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 PLife REIT 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 indirect subsidiary of IHH pursuant to MFRS10 *Consolidated Financial Statements*.

(h) On 12 July 2021, Integrated Healthcare Holdings (Bharat) Limited was struck off from the Register of Companies pursuant to Section 308 of the Mauritius Companies Act 2001.

(i) On 20 July 2021, Acibadem City Clinic B.V. ("ACC BV"), acquired 70% equity interest in Bel Medic for a total consideration of EUR10.0 million (equivalent to RM49.4 million). Bel Medic is a private healthcare operator in Belgrade, Serbia and it currently operates a 54-bedded general hospital and 5 outpatient clinics. Post completion of the acquisition, the following entities have become direct/indirect subsidiaries of ACC BV:

Entity	Relationship with ACC BV
Bel Medic	Direct subsidiary
Health Center Acibadem Bel Medic (f.k.a. Dom Zdravlja Bel Medic (Health Center))	Indirect subsidiary
Health Center Acibadem Bel Medic Slavija (f.k.a. Dom Zdravlja Bel Medic Slavija (Health Center Slavija))	Indirect subsidiary
Bel Food & Coffee d.o.o.	Indirect subsidiary

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

(j) On 30 September 2021, ASH acquired additional 15% equity interest in ACC BV from its 53.82% owned subsidiary, Clinical Hospital Acibadem Sistina Skopje ("Acibadem Sistina") for a total consideration of EUR24.0 million (equivalent to RM116.9 million). Post completion of the acquisition, ASH's direct equity interest in ACC BV increased from 49.05% to 64.05% and Acibadem Sistina ceased to be a shareholder of ACC BV.

(k) On 29 November 2021, Godo Kaisha Phoebe was dissolved after voluntary dissolution by members' resolution ("the Dissolution"). Following the Dissolution, Godo Kaisha Phoebe ceased to be a subsidiary of the Group.

(l) On 10 December 2021, Parkway Life Japan4 Pte Ltd ("TK Investor") entered into a Tokumei Kumiai agreement (or silent partnership agreement, the "TK Agreement") with Godo Kaisha Samurai 16 (the "TK Operator"). Pursuant to the TK Agreement, the purchase price of the property amounting to JPY3.2 billion (equivalent to RM118.88 million) will be injected into the TK Operator by the TK Investor to facilitate the acquisition of one nursing home by the TK Operator. PLife REIT 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 PLife REIT 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 indirect subsidiary of IHH pursuant to MFRS10 *Consolidated Financial Statements*.

(m) On 13 December 2021, Gleneagles Development Pte Ltd ("GDPL") disposed its entire 62.23% equity interest in Continental Hospitals Private Limited ("Continental Hospitals") for a total consideration of INR3,450.0 million (equivalent to RM194.2 million). Consequential thereto, Continental Hospitals and its subsidiaries, C3 Health Community Corporation Private Limited and Continental Community Clinics Private Limited ceased to be subsidiaries of the Group.

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

The effects of the acquisition of DDRC SRL and Bel Medic are as follows:

	DDRC SRL RM'000	Bel Medic Group RM'000	Total RM'000
Identifiable assets acquired and liabilities assumed			
Property, plant and equipment	25,311	27,737	53,048
Right-of-use assets	3,416	31,278	34,694
Intangible assets	160,448	72,186	232,634
Deferred tax assets	930	-	930
Other financial assets	29	-	29
Tax recoverables	1,013	-	1,013
Inventories	4,528	2,592	7,120
Trade and other receivables	14,237	3,348	17,585
Cash and cash equivalents	7,844	5,717	13,561
Loans and borrowings	-	(23,972)	(23,972)
Lease liabilities	(3,723)	(31,278)	(35,001)
Employee benefits	(3,950)	(53)	(4,003)
Trade and other payables	(8,460)	(9,903)	(18,363)
Deferred tax liabilities	(39,439)	(9,245)	(48,684)
Tax payable	-	(266)	(266)
Fair value of net identifiable assets acquired	162,184	68,141	230,325
Net cash outflow arising from acquisition of subsidiaries			
Purchase consideration in cash and cash equivalents	199,432	49,436	248,868
Less: deferred purchase consideration	(13,546)	-	(13,546)
Less: cash and cash equivalents acquired	(7,844)	(5,717)	(13,561)
	178,042	43,719	221,761
Goodwill			
Total purchase consideration	199,432	49,436	248,868
Non-controlling interests, based on their proportionate interests in the recognised amounts of assets and liabilities of the acquiree	-	20,439	20,439
Fair value of pre-existing interest in the acquiree	199,432	-	199,432
Fair value of net identifiable assets acquired	(162,184)	(68,141)	(230,325)
Goodwill	236,680	1,734	238,414

A12 SUBSEQUENT EVENTS

(a) Between 1 January 2022 to 23 February 2022, the Company issued 1,715,000 new ordinary shares pursuant to the exercise of vested EOS options.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The following are the material litigations and investigations of Fortis which occurred prior to the Group's acquisition of its 31.17% interest in Fortis in November 2018:

a) In respect of Escorts Heart Institute and Research Centre Limited ("EHIRCL"), a subsidiary of Fortis:
   i. The Delhi Development Authority ("DDA") had terminated the lease deeds and allotment letters relating to land parcels on which the Fortis Escorts Hospital exists due to certain alleged non-compliances of such documents. Consequent to the termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. These terminations, show cause notices and eviction proceedings have been challenged by EHIRCL before the High Court of Delhi, Supreme Court of India and Estate Officer of DDA. The Supreme Court of India, vide its order dated 14 November 2019, has quashed the show cause notice for eviction proceedings. Based on external legal counsel advice, Fortis is of the understanding that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required.
   ii. Further EHIRCL also has open tax demands of INR665.7 million (equivalent to RM37.7 million) for various assessment years before the Indian Income-tax authorities. While the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL in the past, the Income Tax Department has filed an appeal before Income Tax Appellate Tribunal ("ITAT"). ITAT has decided the appeal in favour of EHIRCL on 11 June 2019. The Income Tax Department has contested the decision of ITAT before the Hon'ble High Court of Delhi.
   iii. In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/beds to the economically weaker sections of society pursuant to such obligations set forth under certain land grant orders/allotment letters ("EWS Obligations"), the Directorate of Health Services ("DoHS"), Government of NCT of Delhi, appointed a firm to calculate "unwarranted profits" arising to EHIRCL due to alleged non-compliance of such EWS Obligations. Following various hearings and appeals between 2014 and 2018, in a hearing before the DoHS in May 2018, an order was passed imposing a penalty of INR5.03 billion (equivalent to RM283.9 million) which was challenged by EHIRCL before the Delhi High Court. Through an order dated 1 June 2018, the Delhi High Court has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of INR50 million (equivalent to RM2.8 million) before the DoHS. In compliance of the above direction, EHIRCL had deposited the stipulated amount on 20 June 2018. Matter is sub judice before the Delhi High Court. Based on its internal assessment and advice from its counsel, on the basis of the documents available, EHIRCL believes that it is in compliance of the conditions of free treatment and free beds to patients of economic weaker sections and expects the demand to be set aside.

b) In respect of Hiranandani Healthcare Private Limited ("HHPL"), a subsidiary of Fortis:
   Through an order dated 18 January 2017, Navi Mumbai Municipal Corporation ("NMMC") terminated the lease agreements with HHPL ("Termination Order") for certain alleged contravention of such hospital lease agreement. HHPL has filed a writ petition before the Hon'ble Supreme Court of India towards challenging the Termination Order. The writ petition has been tagged with special leave petition which has also been filed by HHPL for *inter alia* challenging the actions of State Government, City Industrial Development Corporation and the NMMC which led to the passing of the Termination Order. The Hon'ble Supreme Court of India in the hearing held on 30 January 2017 ordered that *status quo* be maintained with regard to the operation of the hospital. Further, the special leave petition has been admitted by the Hon'ble Supreme Court on 22 January 2018 and *status quo* has been continuing ever since. Based on external legal counsel's opinion, HHPL is confident that it is in compliance of conditions of the hospital lease agreements and accordingly considers that no provisions were required.

c) A civil suit has been filed by a third party ("Claimant") against Fortis and certain subsidiaries (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 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 has 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.

Fortis has filed written statements denying all allegations made against it and sought for dismissal of the said civil suit. Allegations made by the said certain party have been duly responded by Fortis denying (i) execution of any binding agreement with certain party, and (ii) liability of any kind whatsoever.

In addition to the above, Fortis has also received four notices from the Claimant claiming (i) INR180 million (equivalent to RM10.2 million) as per notices dated 30 May 2018, and 1 June 2018, (ii) INR2,158 million (equivalent to RM121.8 million) as per notice dated 4 June 2018, and (iii) INR196 million (equivalent to RM11.1 million) as per notice dated 4 June 2018. All these notices have been responded by Fortis denying any liability whatsoever.

The Claimant has also filed an application against Fortis before the High Court of Delhi for seeking certain reliefs under the Indian Arbitration and Conciliation Act which is being contested by Fortis. The Claimant has also filed a claim for damages and injunctive reliefs against Fortis before International Chamber of Commerce ("ICC"). Documents from ICC have been received by Fortis on 2 November 2019. On 23 February 2020, proceedings before the High Court of Delhi and ICC have been withdrawn by the Claimant. On 28 February 2020, the arbitration sought to be commenced before the ICC has also been withdrawn by the ICC pursuant to a request by the Claimant.

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

d) Fortis, having considered all necessary facts and taking into account external legal advice, had decided to treat as non-est the Letter of Appointment dated 27 September 2016, as amended, ("LOA") issued to Malvinder Mohan Singh, the erstwhile Executive Chairman in relation to his appointment as "Lead: Strategic Initiatives" in the Strategy Functions. The external legal counsel has also advised that the payments made to him under this LOA would be considered to be covered under the limits of Section 197 of the Indian Companies Act, 2013.

   In view of the above, Fortis has taken requisite action to recover the amounts paid to the erstwhile Executive Chairman during his tenure under the aforesaid LOA 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 RM11.3 million).

   The erstwhile Executive Chairman has claimed an amount of INR461.0 million (equivalent to RM26.0 million) from Fortis towards his terms of employment. Fortis Board has responded denying any liability whatsoever in this regards.

   In August 2018, Fortis filed a complaint against the erstwhile Executive Chairman before the Economic Offence Wing, New Delhi in the above matter. In November 2020, Fortis filed an addendum to the above-mentioned complaint to include certain other findings from 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).

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

In addition to the above, the following are contingent liabilities of the Group:

(a) Centre for Digestive and Kidney Diseases (India) Private Limited was defending an ongoing dispute with a service provider for the difference in the amounts claimed for the laboratory diagnostic and other services being rendered. On 12 July 2019, the arbitrator allowed the amended claim of INR474.9 million (equivalent to RM26.8 million). The service provider subsequently filed an amendment application seeking an enhancement of their claim by INR75.4 million (equivalent to RM4.3 million) for the alleged dues pertaining to the period of December 2018 to June 2020. On 30 July 2021, the arbitration has been fully and finally settled at INR 160.0 million (RM9.1 million).

(b) In 2019, Continental Hospitals Private Limited ("Continental Hospital") 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. By way of a compounding order dated 26 October 2021, the RBI has allowed Continental Hospital to regularize these non-compliances upon payment of a compounding fee of INR 3,869,000 (approx. RM220,000). Continental Hospital has deposited this compounding fee with the RBI on 28 October 2021. The contingent liability on the Group ceased upon the disposal of its entire equity interest in Continental Hospital on 13 December 2021.

A14 CAPITAL COMMITMENTS

	31 Dec 2021 RM'000	31 Dec 2020 RM'000
a. Capital expenditure commitments		
Property, plant and equipment and investment properties		
- Contracted but not provided for	541,431	631,682
b. Other commitments		
Maximum amount committed for Fortis Open Offer[1]	1,896,122	1,890,215
Maximum amount committed for Malar Open Offer[1]	16,070	16,020
	1,912,192	1,906,235

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

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.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Assets				
Unquoted shares at FVOCI	-	-	72,581	72,581
Money market funds at FVTPL	-	111,394	-	111,394
Foreign exchange forward contracts	-	21,451	-	21,451
Interest rate caps	-	2,143	-	2,143
Cross currency interest rate swaps	-	27,199	-	27,199
Cross currency swaps	-	374,382	-	374,382
	-	536,569	72,581	609,150
Liabilities				
Liabilities on put options granted to non-controlling interest[1]	-	-	(1,938,448)	(1,938,448)
Interest rate swaps	-	(471)	-	(471)
	-	(471)	(1,938,448)	(1,938,919)
31 December 2020				
Assets				
Unquoted shares at FVOCI	-	-	59,714	59,714
Money market funds at FVTPL	-	190,915	-	190,915
Mutual funds at FVTPL	-	690	-	690
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	59,714	393,033
Liabilities				
Liabilities on put options granted to non-controlling interest[1]	-	-	(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)

1. 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 B14 for fair value gain/(loss) recognised in the statement of profit or loss.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

A16 INVESTIGATIONS BY SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND SERIOUS FRAUD INVESTIGATION OFFICE ("SFIO") ON FORTIS

SEBI issued a show cause notice ("SCN") dated 20 November 2020 to Fortis and Fortis Hospitals Limited ("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. On 21 January 2021, oral submissions in response to the SCN were made in a personal hearing before SEBI and a written synopsis of the same has been filed. No orders have yet been passed.

On 9 April 2021, SEBI issued another SCN ("EHIRCL SCN") to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL"), a subsidiary of Fortis in furtherance of the SEBI investigation. In response thereto, a representation was filed by EHIRCL on 11 June 2021 submitting reasons as to why the EHIRCL SCN ought to be quashed. Oral submissions were also made in a personal hearing before SEBI on 16 June 2021 and a written synopsis of the same has been filed. No orders have yet been passed.

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

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 2021

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

	4th quarter ended			Financial year ended		
	31 Dec 2021	31 Dec 2020	Variance	31 Dec 2021	31 Dec 2020	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE[1]						
Parkway Pantai:						
- Singapore	1,297,115	1,065,249	22%	5,033,275	3,886,504	30%
- Malaysia	742,942	618,471	20%	2,727,152	2,187,134	25%
- India	948,217	794,133	19%	3,728,777	2,655,752	40%
- Greater China	237,438	198,752	19%	876,887	662,433	32%
- PPL Others*	1,157	15,910	-93%	5,015	142,069	-96%
Parkway Pantai	**3,226,869**	**2,692,515**	**20%**	**12,371,106**	**9,533,892**	**30%**
Acibadem Holdings	**1,134,537**	**969,867**	**17%**	**4,347,258**	**3,462,176**	**26%**
IMU Health	**69,993**	**64,139**	**9%**	**257,647**	**248,703**	**4%**
Others^	**650**	**641**	**1%**	**2,585**	**4,853**	**-47%**
Group (Excluding PLife REIT)	**4,432,049**	**3,727,162**	**19%**	**16,978,596**	**13,249,624**	**28%**
PLife REIT total revenue	93,584	92,258	1%	370,694	367,026	1%
Less: PLife REIT inter-segment revenue	(54,917)	(53,433)	-3%	(217,527)	(212,046)	-3%
PLife REIT	**38,667**	**38,825**	**0%**	**153,167**	**154,980**	**-1%**
Group	**4,470,716**	**3,765,987**	**19%**	**17,131,763**	**13,404,604**	**28%**
EBITDA[2]						
Parkway Pantai:						
- Singapore	484,861	456,424	6%	1,704,256	1,359,483	25%
- Malaysia	223,210	174,834	28%	760,144	555,928	37%
- India	181,388	115,155	58%	666,473	200,513	NM
- Greater China	(10,364)	(15,904)	35%	(69,554)	(146,540)	53%
- PPL Others*	(78,952)	(3,206)	NM	(113,685)	19,767	NM
Parkway Pantai	**800,143**	**727,303**	**10%**	**2,947,634**	**1,989,151**	**48%**
Acibadem Holdings	**318,259**	**280,209**	**14%**	**1,198,862**	**796,057**	**51%**
IMU Health	**16,918**	**12,423**	**36%**	**86,709**	**75,672**	**15%**
Others^	**(16,453)**	**(16,517)**	**0%**	**(85,202)**	**(81,400)**	**-5%**
Group (Excluding PLife REIT)	**1,118,867**	**1,003,418**	**12%**	**4,148,003**	**2,779,480**	**49%**
PLife REIT[3]	**50,318**	**91,571**	**-45%**	**349,919**	**308,853**	**13%**
Eliminations[4]	**(55,163)**	**(53,433)**	**-3%**	**(218,492)**	**(212,046)**	**-3%**
Group	**1,114,022**	**1,041,556**	**7%**	**4,279,430**	**2,876,287**	**49%**

Note:

[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 associate 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 2021

Q4 2021 vs Q4 2020

The Group's Q4 2021 revenue and EBITDA increased by 19% and 7% over Q4 2020. The Group was in recovery since June 2020 when patient volumes picked up as lockdowns in various markets the Group operates in gradually eased. During the lockdown period, patients postponed non-urgent and non-essential treatments and visits to hospitals and healthcare facilities. In addition, the magnitude of COVID-19 related-services provided by the Group increased as the pandemic continues. The Group was in active collaboration with the public healthcare sector of the countries it operates in since late January 2020 to treat COVID-19 patients, as well as to provide COVID-19 screening, laboratory testing and vaccination services. The acquisition of Bel Medic in July 2021, DDRC SRL in April 2021 also contributed to the increase in revenue.

The increase in EBITDA was driven by higher revenue and lower bad and doubtful debt expenses, offset by higher staff costs, higher other operating expenses, lower government grant income recorded and lower valuation gains on investment properties of PLife REIT. The increase in staff costs was mainly due to the hire of contract employees and additional staff for COVID-19 related services rendered, higher doctors' salaries for certain groups of doctors whose salaries vary with revenue or services rendered and the provision for market and appreciation bonus for staff. The consolidation of DDRC SRL and Bel Medic also contributed to the higher staff costs and operating expenses. The Group's EBITDA margins decreased from 28% in Q4 2020 to 25% in Q4 2021.

The Group recorded a higher PATMI excluding exceptional items ("PATMI (Excl EI)") of RM440.8 million in Q4 2021, as compared to RM371.8 million for Q4 2020, mainly on the back of a higher EBITDA.

Parkway Pantai

Parkway Pantai's Q4 2021 revenue increased by 20% to RM3,226.9 million and its Q4 2021 EBITDA increased 10% to RM800.1 million. The increase in revenue was mainly due to recovery of patient volumes in the markets Parkway Pantai operates in, except for Singapore. The higher revenue from COVID-19 related services rendered, ramping up of operations in Hong Kong as well as consolidation of DDRC SRL also contributed to the increase.

Parkway Pantai's Singapore hospital inpatient admissions decreased by 11% to 15,604 in Q4 2021, when there was a surge in community COVID-19 cases, while its revenue per inpatient admission increased by 17.5% to RM39,647. Parkway Pantai's Malaysia hospital inpatient admissions increased by 12% to 42,986 in Q4 2021 while its revenue per inpatient admission increased by 8.3% to RM10,075. Parkway Pantai's India hospital inpatient admissions increased by 15% to 85,101 in Q4 2021 while its revenue per inpatient admission increased by 3.4% to RM7,938.

Foreign patient volume remained low since March 2020 as the various travel restrictions across the countries Parkway Pantai operates in continued.

Parkway Pantai's Q4 2021 EBITDA increase was driven by higher revenue and lower bad and doubtful debts expenses, offset by higher staff costs from hire of contract employees and additional staff for COVID-19 related services rendered, provision for market and appreciation bonus, higher other operating expenses and lower government grant income recorded. Parkway Pantai's EBITDA margins decreased from 27% to 25% in Q4 2021.

Acibadem Holdings

Acibadem Holdings' Q4 2021 revenue increased by 17% to RM1,134.5 million and its EBITDA increased by 14% to RM318.3 million. On a constant currency basis, Acibadem Holdings' Q4 2021 revenue increased 44% while its EBITDA increased 55% over the corresponding period last year. The higher revenue was attributed to both higher volumes and price adjustments to counter inflation.

Acibadem Holdings' hospital inpatient admissions increased 21% to 60,248 in Q4 2021. Meanwhile, its revenue per inpatient admission increased 7.3% to RM8,250 with more complex cases undertaken and price adjustments to counter inflation.

Acibadem Holdings' Q4 2021 EBITDA was driven by higher revenue, offset by higher staff costs and other operating expenses. EBITDA margins decreased slightly from 29% in Q4 2020 to 28% in Q4 2021.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

IMU Health

IMU Health's Q4 2021 revenue increased by 9% to RM70.0 million and its EBITDA increased by 36% to RM16.9 million. The increase in revenue was a result of postponement of academic courses from last year due to various movement restriction orders amidst the COVID-19 pandemic.

IMU Health's higher EBITDA was due to higher revenue and a low base last year with RM3.0 million hardship allowance granted to students in Q4 2020. This was offset by higher staff costs and other operating expenses as a result of increased activities compared to Q4 2020 when movement restriction orders were in place.

PLife REIT

PLife REIT's Q4 2021 external revenue was on par with Q4 2020, while its EBITDA decreased 45%. PLife REIT performed the valuation on its Singapore investment properties in Q3 2021 and recorded a valuation gain of RM65.2 million in Q3 2021. In Q4 2021, PLife REIT recognised a valuation loss of RM24.6 million on its Japan investment properties as compared to an overall valuation gain of RM19.7 million recognised in Q4 2020.

Others

Q4 2021 revenue was marginally higher at RM0.7 million due to higher dividends received from investments in Money Market Funds ("MMF"), while Q4 2021 EBITDA loss was on par with Q4 2020.

YTD 2021 vs YTD 2020

The Group's YTD 2021 revenue and EBITDA increased by 28% and 49% over YTD 2020. YTD 2020 was a low base due to major lockdowns in various markets the Group operates in since April 2020 as a result of COVID-19 pandemic. During this period, patients postponed non-urgent and non-essential treatment and visits to hospitals and healthcare facilities. Patient volumes picked up as the lockdowns gradually eased to varying extent since June 2020, though the recoveries were interrupted by resurging waves of outbreak in different markets. In addition, the magnitude of COVID-19 related-services provided by the Group also increased as the pandemic continues. The Group was in active collaboration with the public healthcare sector of the countries it operates in to treat COVID-19 patients, as well as to provide COVID-19 screening, laboratory testing and vaccination services. The acquisition of Bel Medic in July 2021, DDRC SRL in April 2021 and PCMC in September 2020 also contributed to the increase in revenue.

The growth in EBITDA was driven by higher revenue, higher valuation gains on investment properties of PLife REIT, and lower bad and doubtful debt expenses. It is offset by higher staff costs, higher other operating expenses and lower government grant income. The increase in staff costs was mainly due to the hire of contract employees and additional staff for COVID-19 related services rendered, higher doctors' salaries for certain groups of doctors whose salaries vary with revenue or services rendered and provision for market and appreciation bonus. The consolidation of Bel Medic and DDRC SRL also contributed to the higher expenses. Notwithstanding higher expenses, the Group's EBITDA margins improved from 21% in YTD 2020 to 25% in YTD 2021 with the implementation of stringent cost management measures and operational efficiencies from higher patient volumes.

The Group's PATMI (Excl EI) more than doubled from RM715.3 million in YTD 2020 to RM1,594.8 million in YTD 2021 on the back of a stronger EBITDA, lower net finance costs and higher share of profits from associates.

Parkway Pantai

Parkway Pantai's YTD 2021 revenue increased by 30% to RM12,371.1 million and its YTD 2021 EBITDA increased 48% to RM2,947.6 million. The higher revenue was mainly due to recovery of patient volumes across all markets, higher contribution from COVID-19 related services rendered, ramping up of operations in Hong Kong and consolidation of DDRC SRL and PCMC.

Parkway Pantai's Singapore hospital inpatient admissions increased marginally to 64,227 in YTD 2021 while its revenue per inpatient admission increased 6.0% to RM36,878. Parkway Pantai's Malaysia hospital inpatient admissions decreased by 4% to 151,944 in YTD 2021 while its revenue per inpatient admission increased by 22.8%

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to RM10,346. Parkway Pantai's India hospital inpatient admissions increased by 19% to 320,543 in YTD 2021 while its revenue per inpatient admission increased by 15.1% to RM8,114.

Foreign patient volume remained low since March 2020 as the various travel restrictions implemented across the countries Parkway Pantai operates in continued.

Parkway Pantai's YTD 2021 EBITDA was driven by higher revenue, offset by higher staff costs from hire of contract employees and additional staff for COVID-19 related services rendered, provision for market and appreciation bonus for staff, higher other operating expenses and lower government grant income recorded. Notwithstanding higher expenses, Parkway Pantai's EBITDA margins improved from 21% in YTD 2020 to 24% in YTD 2021 with the implementation of stringent cost management measures and operational efficiencies from higher patient volumes.

Acibadem Holdings

Acibadem Holdings' YTD 2021 revenue increased by 26% to RM4,347.3 million and its EBITDA increased by 51% to RM1,198.9 million, due to higher contribution from COVID-19 related services rendered as well as the return of foreign patients to its hospitals with the opening of borders in Turkey. On a constant currency basis, Acibadem Holdings' YTD 2021 revenue increased 48% while its EBITDA increased 80% over the corresponding period last year.

Acibadem Holdings' hospital inpatient admissions increased 18% to 219,582 in YTD 2021. Meanwhile, its revenue per inpatient admission increased 18.3% to RM8,020 with more complex cases undertaken and price adjustments to counter inflation.

Acibadem Holdings' YTD 2021 EBITDA was mainly driven by higher revenue, offset by higher staff costs. Notwithstanding higher expenses, Acibadem Holdings' EBITDA margins improved from 23% in YTD 2020 to 28% in YTD 2021 with the implementation of stringent cost management measures and operational efficiencies from higher patient volumes.

IMU Health

IMU Health's YTD 2021 revenue increased 4% to RM257.6 million while its YTD 2021 EBITDA increased by 15% to RM86.7 million. The increase in revenue was a result of postponement of academic courses from last year due to various movement restriction orders amidst the COVID-19 pandemic, as well as better student intake in YTD 2021. This partially offset by a higher base in YTD 2020 which included seminar income of RM4.0 million from a major conference organised by IMU Health.

IMU Health's higher EBITDA YTD 2021 was driven by higher revenue and a lower base in YTD 2020 during which IMU granted hardship allowance of RM5.0 million to students. This was partially offset by higher staff costs and other operating expenses.

PLife REIT

PLife REIT's YTD 2021 external revenue was marginally below last year at RM153.2 million while its EBITDA increased by 13% to RM349.9 million. The lower revenue was largely attributed to divestment of a property in January 2021 and depreciation of Japanese Yen, offset by revenue contribution from properties acquired in December 2020, July 2021 and December 2021. On the other hand, YTD 2021 EBITDA was boosted by RM16.3 million gain on divestment of property in January 2021 and higher valuation gains recorded.

Others

YTD 2021 revenue decreased by 47% to RM2.6 million due to lower dividends received from investments in MMF. YTD 2021 EBITDA losses increased by 5% as a result of lower revenue and higher staff cost, partially offset by a low base last year with IT-related professional fees incurred.

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B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	4th quarter ended 31 Dec 2021 RM'000	3rd quarter ended 30 Sep 2021 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	1,297,115	1,318,815	-2%
- Malaysia	742,942	709,923	5%
- India	948,217	977,204	-3%
- Greater China	237,438	233,271	2%
- PPL Others*	1,157	1,014	14%
Parkway Pantai	**3,226,869**	**3,240,227**	**0%**
Acibadem Holdings	**1,134,537**	**1,098,924**	**3%**
IMU Health	**69,993**	**65,598**	**7%**
Others^	**650**	**647**	**0%**
Group (Excluding PLife REIT)	**4,432,049**	**4,405,396**	**1%**
PLife REIT total revenue	93,584	94,395	-1%
Less: PLife REIT inter-segment revenue	(54,917)	(54,795)	0%
PLife REIT	**38,667**	**39,600**	**-2%**
Group	**4,470,716**	**4,444,996**	**1%**
EBITDA[2]			
Parkway Pantai:			
- Singapore	484,861	367,502	32%
- Malaysia	223,210	200,802	11%
- India	181,388	180,817	0%
- Greater China	(10,364)	(9,110)	-14%
- PPL Others*	(78,952)	(21,282)	NM
Parkway Pantai	**800,143**	**718,729**	**11%**
Acibadem Holdings	**318,259**	**300,218**	**6%**
IMU Health	**16,918**	**25,038**	**-32%**
Others^	**(16,453)**	**(30,050)**	**45%**
Group (Excluding PLife REIT)	**1,118,867**	**1,013,935**	**10%**
PLife REIT[3]	**50,318**	**137,207**	**-63%**
Eliminations[4]	**(55,163)**	**(55,014)**	**0%**
Group	**1,114,022**	**1,096,128**	**2%**

Note:

[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 associate 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*

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Q4 2021 vs Q3 2021

The Group reported a 1% quarter-on-quarter increase in revenue and a 2% quarter-on-quarter increase in EBITDA. The growth in revenue was driven by recovery of patient volumes, offset by decrease of COVID-19 related revenues in the core markets the Group operates in.

Q4 2021 EBITDA increased with higher government grant income and lower staff costs, offset by higher other operating expenses The EBITDA increase is despite a higher base in Q3 2021 with RM65.2 million valuation gains on investment properties of PLife REIT, compared to RM24.6 million valuation loss in Q4 2021. EBITDA margins remained flat at 25%.

The Group's PATMI (Excl EI) increased 24% quarter-on-quarter mainly due to higher EBITDA and lower net finance costs.

Parkway Pantai

Parkway Pantai's revenue decreased marginally quarter-on-quarter while its EBITDA increased 11% quarter-on-quarter.

The drop in revenue quarter-on-quarter was mainly attributed to decline in revenue from COVID-19 related services rendered across all markets. This is offset by growth from a lower base in Malaysia whereby there was movement restriction orders in place during Q3 2021.

Parkway Pantai's Singapore hospital inpatient admissions decreased 3% quarter-on-quarter, while its revenue per inpatient admission increased 11.2%. Parkway Pantai's Malaysia hospitals inpatient admissions increased 18% quarter-on-quarter, while its revenue per inpatient admission decreased 9.0%. Parkway Pantai's India hospitals inpatient admissions increased 1% quarter-on-quarter, while its revenue per inpatient admission increased 0.6%.

EBITDA increased despite a lower revenue mainly due to lower staff costs, offset by higher other operating expenses.

Acibadem Holdings

Acibadem Holdings' revenue increased 3% quarter-on-quarter while its EBITDA increased 6% quarter-on-quarter. On a constant currency basis, Acibadem Holdings' revenue increased 20% quarter-on-quarter while its EBITDA increased 24% quarter-on-quarter. The growth in revenue was mainly driven by higher patient volumes and the acquisition of Bel Medic in July 2021.

Acibadem Holdings' inpatient admissions increased 11% quarter-on-quarter while its revenue per inpatient increased 2.5% quarter-on-quarter.

IMU Health

IMU Health's revenue increased 7% quarter-on-quarter mainly due timing of semester and intake.

EBITDA decreased 32% quarter-on-quarter due to higher staff costs and expenses such as renewals of subscriptions, marketing and events incurred in Q4 2021.

PLife REIT

PLife REIT's Q4 2021 external revenue was 2% lower than Q3 2021 mainly due to depreciation of Japanese Yen. In addition, PLife REIT's Q4 2021 EBITDA decreased by 63% mainly due to RM24.6 million valuation loss on its investment properties, compared to RM65.2 million gain recorded in Q3 2021.

Others

Revenue was flat against Q3 2021 while EBITDA loss decreased 45% quarter-on-quarter due to lower staff costs and expenses.

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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 repositioning itself for sustainable growth as the world transits to live with COVID-19.

The Group continues to be in active collaboration with the public healthcare sector to provide COVID-19 related services, and stands ready to provide support to the government and public healthcare sector as COVID-19 evolves. COVID-19 related services contributed about 6% - 29% of the Q4 2021 revenues from the Group's operations in its home markets. However, as we start to return to normalcy in 2022, the Group expects its revenues from COVID-19 related services to gradually decrease and see a strong return of its core non-COVID-19 business.

The Group expects staff costs to rise as it strengthens its clinical talent across its hospital services network. Inflationary increase in cost of operations is also expected. The Group will continue to maintain cost discipline and implement active cash management. The Group is confident that its longer-term growth trajectory remains intact. It remains disciplined in delivering its strategy, which is centered on becoming the world's most trusted healthcare services provider. With rising inflation in Turkey, Acibadem Holdings expects to mitigate its higher costs of operations via pricing adjustments and by attracting more foreign patients to its hospitals in Turkey.

COVID-19 has accelerated the Group's push towards greater adoption of digitalisation and technology to boost productivity and to seize disruption opportunities. The Group is making innovation investments part of its digital transformation roadmap to innovate and deliver healthcare digitally so that our patients can receive better, faster and affordable care.

With an international network of hospitals, the Group seeks to extract greater synergies by leveraging economies of scale to achieve lower costs and improve operational efficiencies. At the same time, the Group looks to drive efficient capital growth by deepening its metro cluster strategy through organic and inorganic means, as well as constantly reviewing and calibrating its asset portfolio.

As the Group transits to a post-pandemic world, it is optimistic of a progressive recovery driven by return of patient volumes, normalisation of COVID-19-related contributions, and growth supported by long-term mega trends such as aging population and rising affluence.

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B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	4th quarter ended		Financial year ended	
	31 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax expense	143,622	114,317	558,107	350,679
Deferred tax expense/(credit)	18,581	51,144	(178,955)	10,982
	162,203	165,461	379,152	361,661

QTD 2021 and YTD 2021 effective tax rates* were 24.0% and 15.1% respectively. YTD 2021 effective tax rate was lower than the Malaysia statutory tax rate due to Acibadem Holding's recognition of deferred tax assets that were previously unrecognised as well as certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items).

QTD 2020 and YTD 2020 effective tax rates* were 25.6% and 65.9% respectively, mainly due to certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items). YTD 2020 effective tax rate was higher than the Malaysia statutory tax rate due to 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 were not taxable.

* 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 23 February 2022:

1. <u>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");</u>

   <u>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</u>

   <u>Mandatory Open Offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each, representing 26% of the fully diluted voting equity share capital of Fortis Malar Hospitals Limited ("Malar") by the Acquirer ("Malar Open Offer").</u>

   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.

   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

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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." [Contempt Petition (Civil) No. 2120 of 2018] ("Original Contempt Petition"), 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.

On 5 March 2020, Fortis has filed a detailed reply to 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 the Suo Moto Contempt and present its case stating that its rights are impacted by orders that may be passed in the Fortis Contempt Petition.

c) SEBI has sought resumption of the Fortis Open Offer citing larger public interest at stake.

On 5 March 2020, NTK has through its legal counsel, filed applications to intervene in the aforementioned Supreme Court Proceedings, as follows:

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(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.

On 14 August 2020 Fortis has filed an application before the Supreme Court of India seeking approval to undertake a change in Fortis name, brand and logo for Fortis and its subsidiaries ("Fortis Rebranding Application").

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

Fortis has filed an additional affidavit responding to the queries put forth by Supreme Court. Arguments are being heard by the Supreme Court of India for adjudication of the matters pending before it.

In light of the Judgement, the Fortis Open Offer as well the Malar Open Offer (which is subject to the completion of the Fortis Open Offer) will not proceed for the time being.

Hearings in the Supreme Court Proceedings have concluded on 12 May 2021 and the judgement is now reserved.

B7 OTHER MATTERS

On 16 June 2020, Emqore Envesecure Private Capital Trust ("Emqore") filed a suit against, among others, IHH. IHH was served on 26 July 2021 with Emqore's original complaint and Emqore's Motion to Amend its original complaint ("Motion to Amend"). The Motion to Amend was pending adjudication before the United States Federal District Court for the District of New Jersey ("US District Court") until 30 November 2021 when Emqore's amended complaint was allowed at the US District Court ("Amended Complaint"). Emqore subsequently filed its Amended Complaint on 3 December 2021. The Amended Complaint is now an operative pleading.

Pursuant to the Amended Complaint, Emqore is seeking for, among others, damages in excess of USD 6.5 billion comprising compensatory damages plus treble damages and attorneys' fees pursuant to the U.S. Racketeer, Influenced and Corrupt Organizations Act, against 28 named defendants and 20 non-party defendants.

Emqore's claim against IHH essentially arises from and/or relates to allegations relating to the issuance of the shares of Fortis Healthcare Ltd. ("Fortis") to IHH's subsidiary in/or around 2018. Emqore broadly alleges that it has purportedly suffered losses as the defendants had allegedly conspired to frustrate a proposed share acquisition transaction between Fortis and Emqore's supposed predecessors.

On 28 January 2022, IHH has filed a motion to dismiss Emqore's Amended Complaint for lack of personal jurisdiction, failure to state a claim, and the forum non conveniens and international abstention doctrines.

Based on opinions from external legal counsel, the Group is of the view that it has strong grounds for seeking dismissal of Emqore's claims and intends to defend vigorously against the claims.

Based on the opinions from external legal counsel, the outcome of the proceedings in the US District Court cannot be predicted at this juncture and the financial impact, if any, to the Group will be recognised in the period the outcome is known.

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B8 LOANS, BORROWINGS AND OVERDRAFTS

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

	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Non-current		
Secured		
Bank loans	1,079,929	1,091,363
Loans from corporates	2,221	2,296
Unsecured		
Bank loans	5,162,308	6,183,745
Fixed rate medium term notes	431,713	462,925
Loans from corporates*	933,320	924,347
	7,609,491	8,664,676
Current		
Secured		
Bank overdrafts	24,229	22,401
Bank loans	179,823	336,204
Loans from corporates	1,008	988
Unsecured		
Bank loans	1,055,928	658,534
Loans from corporates	668	658
	1,261,656	1,018,785
Total	8,871,147	9,683,461

* Includes loans from non-controlling interests of RM869,305,000 (2020: RM863,921,000)

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

	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Hong Kong Dollar	2,689,200	2,584,177
Japanese Yen	2,027,290	1,786,607
Singapore Dollar	1,546,758	2,711,869
Euro	977,658	1,244,247
Indian Rupees	712,460	1,015,116
Renminbi	512,686	310,301
Ringgit Malaysia	338,025	13,677
Turkish Lira	47,499	-
Macedonian Denar	18,257	16,182
Others	1,314	1,285
	8,871,147	9,683,461

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B9 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 December 2021:

	Notional amount as at 31 Dec 2021 RM'000	Fair value amount as at 31 Dec 2021 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	22,103	3,530
- Between 1 - 3 years	122,253	10,105
- More than 3 years	96,276	7,816
	240,632	21,451
Interest rate caps		
- More than 3 years	863,268	2,143
Cross currency interest rate swaps		
- More than 3 years	252,311	27,199
Cross currency swaps		
- Within 1 year	119,782	124,437
- Between 1 - 3 years	240,707	249,945
	360,489	374,382
	1,716,700	425,175
Derivative liabilities		
Interest rate swaps		
- Between 1 - 3 years	161,085	(471)
Call option granted to non-controlling interests		
- Within 1 year	28,305	-
	189,390	(471)

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.

Cross currency interest rate swaps and cross currency swaps

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

Interest rate swaps

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

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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 B14 for the fair value gain/loss recognised in the statement of profit or loss.

B10 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 B14.

B11 MATERIAL LITIGATIONS

Except as mentioned in Section A13 and B7, there were no other material contingent material litigations as at 23 February 2022.

B12 DIVIDENDS

The Board of Directors have declared that a first and final single tier cash dividend of 6 sen per ordinary share for the financial year ended 31 December 2021 to be paid on 29 April 2022 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 2022. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 31 March 2022 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

For details of the dividends paid by the Company during the year ended 31 December 2021, please refer to Section A7.

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B13 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 year.

	4th quarter ended		Financial year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
i) Net profit attributable to ordinary shareholders				
Profit after tax and non-controlling interests	453,598	419,358	1,862,525	288,882
Perpetual securities distribution accrued	(22,466)	(22,308)	(88,300)	(89,843)
	431,132	397,050	1,774,225	199,039
ii) Net profit attributable to ordinary shareholders (excluding EI)				
Profit after tax and non-controlling interests (excluding EI)	440,750	371,788	1,594,752	715,345
Perpetual securities distribution accrued	(22,466)	(22,308)	(88,300)	(89,843)
	418,284	349,480	1,506,452	625,502
(a) Basic EPS				
	'000	'000	'000	'000
Weighted average number of shares	8,791,778	8,777,219	8,782,187	8,775,950
	sen	sen	sen	sen
Basic EPS	4.90	4.52	20.20	2.27
Basic EPS (excluding EI)	4.76	3.98	17.15	7.13

(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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,791,778	8,777,219	8,782,187	8,775,950
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	-	2,164	459	3,137
Weighted number of unissued ordinary shares from share options under EOS	949	-	85	-
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,792,727	8,779,383	8,782,731	8,779,087
	sen	sen	sen	sen
Diluted EPS	4.90	4.52	20.20	2.27
Diluted EPS (excluding EI)	4.76	3.98	17.15	7.12

At 31 December 2021, 21,509,000 outstanding EOS options (31 December 2020: 46,831,000) were excluded from the diluted weighted average number of ordinary shares calculation for the financial year ended 31 December 2021 (2020: 4th quarter and financial year ended 31 December 2020) 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 2021

B14 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	4th quarter ended		Financial year ended	
	31 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Dividend income	650	641	2,585	4,853
Other operating income	97,235	120,398	312,051	460,874
Foreign exchange differences	2,025	(3,068)	10,512	7,231
Impairment loss (made)/written back:				
- Goodwill	(6,090)	551	(6,090)	(396,513)
- Trade and other receivables	5,615	(45,018)	(80,605)	(107,433)
- Inventories	604	(342)	973	(557)
Write off:				
- Property, plant and equipment	(617)	(2,001)	(1,863)	(2,921)
- Trade and other receivables	(11,767)	(5,617)	(20,749)	(10,166)
- Inventories	(1,050)	(1,381)	(3,601)	(3,852)
Remeasurement to fair value of interest in a joint venture	(116)	-	86,061	-
Gain on disposal of property, plant and equipment	11,054	4,015	14,975	10,024
Gain on disposal of an investment property	(4)	-	16,335	-
Change in fair value of investment properties	21,923	45,471	87,107	45,471
Gain/(Loss) on disposal of a subsidiaries	53,032	(7,339)	53,032	5,849
Gain/(Loss) on disposal of joint ventures	-	-	139,053	(407)
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	-	(13)	-	132,971
Provision for loan taken by a joint venture	1	3,321	(2,563)	14
Finance income				
Interest income	12,603	17,539	49,084	69,144
Fair value gain/(loss) on financial instruments	361,022	(18,499)	494,517	173,711
	373,625	(960)	543,601	242,855
Finance costs				
Interest on loans and borrowings	(58,943)	(77,154)	(287,029)	(304,425)
Interest on lease liabilities	(37,249)	(40,160)	(157,529)	(162,034)
Exchange (loss)/gain on net borrowings	(478,638)	57,791	(604,966)	(436,772)
Fair value gain/(loss) on financial instruments	-	3,725	-	(5,881)
Other finance costs	(9,095)	(10,217)	(38,103)	(38,474)
	(583,925)	(66,015)	(1,087,627)	(947,586)