



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
31 MARCH 2022

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Note	1st quarter ended		Variance %
		31 Mar 2022 RM'000	31 Mar 2021 RM'000	
Revenue	1	4,163,058	3,945,780	6%
Other operating income		99,468	95,189	4%
Inventories and consumables		(862,197)	(818,232)	-5%
Purchased and contracted services		(378,952)	(355,936)	-6%
Staff costs	2	(1,507,117)	(1,441,479)	-5%
Depreciation and impairment of property, plant and equipment	3	(222,544)	(237,161)	6%
Depreciation of right-of-use ("ROU") assets		(77,072)	(76,546)	-1%
Amortisation of intangible assets		(10,239)	(12,420)	18%
Operating lease expenses		(20,065)	(17,420)	-15%
Other operating expenses	4	(495,291)	(443,546)	-12%
Finance income	5	50,233	175,910	-71%
Finance costs	5	(126,564)	(244,219)	48%
Share of profits of associates (net of tax)		7,860	7,401	6%
Share of profits of joint ventures (net of tax)	6	570	9,176	-94%
Profit before tax		621,148	586,497	6%
Income tax expense	7	(51,088)	(153,610)	67%
Profit for the period		570,060	432,887	32%
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	8	(216,658)	84,843	NM
Hedge of net investments in foreign operations	8	130,473	44,793	191%
Cash flow hedge		7,906	7,831	1%
Cost of hedging reserve		771	1,853	-58%
		(77,508)	139,320	-156%
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities		1,282	2,145	-40%
Total comprehensive income for the period		493,834	574,352	-14%
Profit attributable to:				
Owners of the Company		493,259	375,621	31%
Non-controlling interests		76,801	57,266	34%
Profit for the period		570,060	432,887	32%
Total comprehensive income attributable to:				
Owners of the Company		466,887	467,550	0%
Non-controlling interests		26,947	106,802	-75%
Total comprehensive income for the period		493,834	574,352	-14%
Earnings per share (sen)				
Basic		5.36	4.04	33%
Diluted		5.35	4.03	33%

NM: Not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

SUPPLEMENTARY INFORMATION

	Note	1st quarter ended		Variance %
		31 Mar 2022 RM'000	31 Mar 2021 RM'000	
Profit attributable to owners of the Company, excluding EI^v		407,423	335,826	21%
Add/(Less): Exceptional items ("EI")				
Reveral of impairment on assets ⁱ		4,402	-	
Deferred tax asset benefits ⁱⁱ	7	101,137	-	
Change in fair value of cross currency swaps ⁱⁱⁱ	5	18,701	155,893	
Exchange loss on net borrowings ^{iv}	5	(29,587)	(99,204)	
		<u>94,653</u>	<u>56,689</u>	
Less: Tax effects on EI		2,722	(12,472)	
Less: Non-controlling interests' share of EI		(11,539)	(4,422)	
		<u>85,836</u>	<u>39,795</u>	
Profit attributable to owners of the Company		<u>493,259</u>	<u>375,621</u>	31%
Earnings per share, excluding EI^v (sen)				
Basic		4.38	3.58	22%
Diluted		4.38	3.58	22%

NM: Not meaningful

Note:

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

- i. Reversal of 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) upon receipt of recoverables.
- ii. Deferred tax assets arising from the indexation of property, plant and equipment in the local tax books, as allowed by the Turkey government to cushion the effects of higher inflation.
- iii. Change in fair value of cross-currency swaps which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
- iv. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 31 March 2022, Euro/TL=16.2855)
- v. Exceptional items, net of tax and non-controlling interests

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

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

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

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

1. Q1 2022 saw an increase in revenue as compared to last year across most regions. The higher revenue was mainly due to recovery from local patient revenue, contribution from COVID-19 related-services rendered and continuous ramp-up of operations at GHK Hospital. The acquisitions of DDRC SRL Diagnostics Private Limited ("DDRC SRL") on 5 April 2021, and General Hospital Acibadem Bel Medic ("Bel Medic") on 20 July 2021 also contributed to the increase.

These were partially offset by the effects from disposal of Continental Hospitals Private Limited ("Continental Hospitals") on 14 December 2021, temporary closure of all clinics in China for a period during March 2022 imposed as a result of spike in COVID-19 cases in Shanghai and the effects of a weakening TL on the Group's revenue from its operations in Turkey.

2. Increase in Q1 2022 staff costs was mainly due to annual increments, bonus provision and hire of contract employees for COVID-19 related services. In addition, the consolidation of staff costs of DDRC SRL and Bel Medic staff costs upon acquisition also contributed to the higher staff costs.
3. Decrease in Q1 2022 depreciation and impairment of property, plant and equipment was mainly due to Gleneagles Chengdu Hospital assets being impaired in Q2 2021 and hence no depreciation, as well as fully depreciated assets at GHK Hospital.
4. Increase in Q1 2022 other operating expenses was driven by higher revenue, cost inflation as well as higher foreign exchange losses.
5. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. Acibadem Holdings manages its foreign exchange exposures by entering into cross-currency swaps ("CCS").

In Q1 2022, the Group recognised a net loss of RM10.9 million as compared to net gain of RM56.7 million in Q1 2021. Excluding this, net finance costs was lower Q1 2022 due to lower interest on loans and borrowings as a result of repayment as well as higher interest income from bank deposits.

6. Lower share of profits of joint ventures in Q1 2022 was attributed to DDRC SRL which became a subsidiary of the Group and consolidated since April 2021.
7. Refer to Section B5 for details on income tax expenses.
8. 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 Mar 2022	31 Mar 2021
1 SGD	3.0991	3.0506
1 TL	0.3010	0.5522

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	31 Mar 2022 RM'000	31 Dec 2021 RM'000
Assets			
Property, plant and equipment		10,808,198	10,840,572
Right-of-use assets		6,540,626	6,529,336
Investment properties		3,784,799	3,875,123
Goodwill on consolidation		12,161,233	12,170,705
Intangible assets		1,986,487	2,022,627
Interests in associates	1	133,052	157,613
Interests in joint ventures		6,191	6,307
Other financial assets	2	105,880	76,345
Trade and other receivables		132,435	131,425
Tax recoverables	3	326,608	302,224
Derivative assets		281,075	297,208
Deferred tax assets	4	633,409	567,731
Total non-current assets		36,899,993	36,977,216
Development properties		73,963	73,862
Inventories		466,002	455,065
Trade and other receivables		2,597,582	2,497,529
Tax recoverables	3	30,234	18,373
Other financial assets	2	309,222	340,733
Derivative assets		142,394	127,967
Cash and cash equivalents		4,921,519	5,017,680
		8,540,916	8,531,209
Assets classified as held for sale		1,611	1,844
Total current assets		8,542,527	8,533,053
Total assets		45,442,520	45,510,269

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	31 Mar 2022 RM'000	31 Dec 2021 RM'000
Equity			
Share capital		19,661,037	19,614,918
Other reserves		(2,925,000)	(2,846,392)
Retained earnings		5,615,953	5,656,406
Total equity attributable to owners of the Company		22,351,990	22,424,932
Perpetual securities		2,135,791	2,158,358
Non-controlling interests		2,700,053	2,693,541
Total equity		27,187,834	27,276,831
Liabilities			
Loans and borrowings	5	7,540,913	7,609,491
Lease liabilities		1,792,856	1,783,904
Employee benefits	6	144,755	135,225
Trade and other payables	7	1,350,095	1,420,424
Derivative liabilities		198	471
Deferred tax liabilities		1,232,588	1,234,665
Total non-current liabilities		12,061,405	12,184,180
Bank overdrafts		42,402	24,229
Loans and borrowings	5	1,080,024	1,237,427
Lease liabilities		232,876	218,630
Employee benefits	6	143,682	165,127
Trade and other payables	7	4,275,229	4,052,574
Derivative liabilities		38	-
Tax payable		419,030	351,271
Total current liabilities		6,193,281	6,049,258
Total liabilities		18,254,686	18,233,438
Total equity and liabilities		45,442,520	45,510,269
Net assets per share attributable to owners of the Company ¹ (RM)		2.54	2.55

¹ Based on 8,802.7 million and 8,796.7 million shares issued as at 31 March 2022 and 31 December 2021 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 March 2022 as compared to 31 December 2021.

1. Decrease in interest in associates was attributed to lower carrying value of Lanka Hospitals Corporation Plc as a result of the depreciation of the Sri Lankan Rupee.
2. Non-current other financial assets increased mainly due to RM16.0 million investment in convertible notes issued by Lucence Life Sciences Pte. Ltd. Current other financial assets decreased due to net withdrawal of fixed deposits with tenor of more than 3 months.
3. Tax recoverables increased as a result of tax paid by the Group's subsidiaries.
4. Deferred tax assets increased mainly due to the indexation of property, plant and equipment in the local tax books, as allowed by the Turkey government to cushion the effects of higher inflation.
5. Loans and borrowings decreased due to net repayment of loans.
6. Employee benefits decreased due to lower provision for utilised leave by Fortis as a result of a change in its policy implemented during the period which reduced the number of days of paid leave its employees are allowed to accumulate.
7. Non-current trade and other payables decreased mainly due to a decrease in the fair value of a put option liability relating to SRL Diagnostics Private Limited. Current trade and other payables increased due to RM528.2 million dividends payable by IHH on 30 April 2022, offset by staff bonus paid during the period.

Note:

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

	31 Mar 2022	31 Dec 2021
1 SGD	3.1104	3.0817
1 TL	0.2840	0.3122

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	←----- Attributable to owners of the Company ----->								-----> Distributable				
	Non-distributable												
	Share capital	Share option reserve	Revaluation reserve	Hedge reserve	Cost of hedging reserve	Capital reserve	Legal reserve	Foreign currency translation reserve	Retained earnings	Total	Perpetual securities	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	19,614,918	33,874	83,434	16,587	332	(4,451,467)	57,814	1,413,034	5,656,406	22,424,932	2,158,358	2,693,541	27,276,831
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	(76,172)	-	(76,172)	-	(140,486)	(216,658)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	46,396	-	46,396	-	84,077	130,473
Cash flow hedge	-	-	-	2,811	-	-	-	-	-	2,811	-	5,095	7,906
Cost of hedging reserve	-	-	-	-	274	-	-	-	-	274	-	497	771
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	319	319	-	963	1,282
Total other comprehensive income for the period	-	-	-	2,811	274	-	-	(29,776)	319	(26,372)	-	(49,854)	(76,226)
Profit for the period	-	-	-	-	-	-	-	-	493,259	493,259	-	76,801	570,060
Total comprehensive income for the period	-	-	-	2,811	274	-	-	(29,776)	493,578	466,887	-	26,947	493,834
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	550	-	-	-	-	-	-	-	550	-	-	550
Transfer to share capital for share options exercised	46,119	(9,718)	-	-	-	-	-	-	-	36,401	-	-	36,401
Dividends declared	-	-	-	-	-	-	-	-	(528,162)	(528,162)	-	(47,193)	(575,355)
Payment of coupon on perpetual securities	-	-	-	-	-	(428)	-	-	-	(428)	(44,590)	-	(45,018)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(22,023)	(22,023)	22,023	-	-
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(26,167)	-	-	-	(26,167)	-	26,758	591
Transfer per statutory requirements	-	-	-	-	-	-	26	-	(26)	-	-	-	-
Transfer from hedge reserve to retained earnings	-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-
Total transactions with owners	46,119	(9,168)	-	(16,180)	-	(26,595)	26	-	(534,031)	(539,829)	(22,567)	(20,435)	(582,831)
At 31 March 2022	19,661,037	24,706	83,434	3,218	606	(4,478,062)	57,840	1,383,258	5,615,953	22,351,990	2,135,791	2,700,053	27,187,834

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	←----- Attributable to owners of the Company ----->							-----> Distributable					Total equity RM'000
	←----- Non-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	
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	-	-	-	-	-	-	-	71,895	-	71,895	-	12,948	84,843
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	15,938	-	15,938	-	28,855	44,793
Cash flow hedge	-	-	-	2,786	-	-	-	-	-	2,786	-	5,045	7,831
Cost of hedging reserve	-	-	-	-	659	-	-	-	-	659	-	1,194	1,853
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	651	651	-	1,494	2,145
Total other comprehensive income for the period	-	-	-	2,786	659	-	-	87,833	651	91,929	-	49,536	141,465
Profit for the period	-	-	-	-	-	-	-	-	375,621	375,621	-	57,266	432,887
Total comprehensive income for the period	-	-	-	2,786	659	-	-	87,833	376,272	467,550	-	106,802	574,352
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	3,300	-	-	-	4	-	-	-	3,304	-	8	3,312
Transfer to share capital on share options exercised	10,127	(10,127)	-	-	-	-	-	-	-	-	-	-	-
Cancellation of vested share options	-	(385)	-	-	-	-	-	-	385	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	-	(351,163)	(351,163)	-	(56,235)	(407,398)
Payment of coupon on perpetual securities	-	-	-	-	-	1,457	-	-	-	1,457	(44,431)	-	(42,974)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(21,368)	(21,368)	21,368	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	(262)	-	-	-	(262)	-	1,013	751
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(49,050)	-	-	-	(49,050)	-	(85,209)	(134,259)
Transfer per statutory requirements	-	-	-	-	-	-	180	-	(180)	-	-	-	-
Total transactions with owners	10,127	(7,212)	-	-	-	(47,851)	180	-	(372,326)	(417,082)	(23,063)	(140,423)	(580,568)
At 31 March 2021	19,483,491	72,956	83,434	15,240	1,067	(3,825,079)	55,770	1,644,726	4,258,682	21,790,287	2,134,998	3,103,868	27,029,153

The unaudited 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.

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Financial period ended	
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	621,148	586,497
Adjustments for:		
Dividend income	(47)	(643)
Finance income	(50,233)	(175,910)
Finance costs	126,564	244,219
Depreciation and impairment of property, plant and equipment	222,544	237,161
Depreciation of ROU assets	77,072	76,546
Amortisation of intangible assets	10,239	12,420
Impairment loss made/(written back):		
- Trade and other receivables	9,467	15,177
- Inventories	270	(383)
Write-off:		
- Property, plant and equipment	123	54
- Trade and other receivables	1,819	648
- Inventories	836	620
Gain on disposal of property, plant and equipment	(864)	(1,527)
Gain on disposal of an investment property	-	(15,604)
Change in fair value of investment properties	1,893	-
Share of profits of associates (net of tax)	(7,860)	(7,401)
Share of profits of joint ventures (net of tax)	(570)	(9,176)
Equity-settled share-based payment	550	3,312
Operating profit before changes in working capital	1,012,951	966,010
Changes in working capital:		
Development properties	(100)	38
Inventories	(28,704)	4,510
Trade and other receivables	(189,030)	(277,245)
Trade and other payables	(233,990)	(8,570)
Cash generated from operations	561,127	684,743
Tax paid	(96,700)	(117,379)
Net cash from operating activities	464,427	567,364
Cash flows from investing activities		
Interest received	21,323	15,057
Purchase of investments	(15,988)	-
Net withdrawal of fixed deposits with tenor of more than 3 months	15,734	38,656
Purchase of property, plant and equipment	(303,648)	(203,691)
Purchase of investment properties	(1,984)	(1,832)
Development and purchase of intangible assets	(5,201)	(3,800)
Proceeds from disposal of property, plant and equipment	2,782	20,991
Proceeds from disposal of an investment property	-	109,728
Proceeds from disposal of intangible assets	-	960
Dividends received from associates	1,275	13,148
Dividends received from joint ventures	564	9,925
Net cash used in investing activities	(285,143)	(858)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Financial period ended	
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
Cash flows from financing activities		
Finance costs paid	(56,889)	(76,026)
Proceeds from loans and borrowings	940,326	317,811
Repayment of loans and borrowings	(994,280)	(251,165)
Payment of lease liabilities	(95,014)	(103,521)
Payment of perpetual securities distribution	(45,018)	(42,974)
Dividends paid to non-controlling interests	(47,193)	(56,235)
Proceeds from exercise of share options	36,401	-
Proceeds from issue of shares by subsidiaries to non-controlling interests	-	369
Net cash used in financing activities	(261,667)	(211,741)
Net (decrease)/increase in cash and cash equivalents	(82,383)	354,765
Effect of exchange rate fluctuations on cash and cash equivalents held	11,896	5,617
Cash and cash equivalents at beginning of the period	3,089,870	2,264,047
Cash and cash equivalents at end of the period	3,019,383	2,624,429

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 Mar 2022	31 Mar 2021
	RM'000	RM'000
Cash and bank balances	2,310,830	1,947,165
Fixed deposits with tenor of 3 months or less	2,610,689	2,629,130
Cash and cash equivalents in the statement of financial position	4,921,519	4,576,295
Add:		
- Cash and cash equivalents included in assets classified as held for sale	-	6,833
Less:		
- Bank overdrafts	(42,402)	(24,613)
- Deposits placed in escrow account	(1,856,414)	(1,919,939)
- Restricted cash	(3,320)	(14,147)
Cash and cash equivalents in the statement of cash flows	3,019,383	2,624,429

The unaudited 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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

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 unaudited consolidated interim financial report are consistent with those adopted for the 2021 Audited Financial Statements, except for the adoption of the following new, revised and amendments to MFRS as issued by the Malaysian Accounting Standards Board.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

A2 AUDIT REPORT OF THE PRECEDING 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.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

**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 March 2022, other than the COVID-19 pandemic impact on the performance of the Group.

A5 CHANGE IN ACCOUNTING ESTIMATES

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

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

A6 DEBT AND EQUITY SECURITIES

Between 1 January 2022 to 31 March 2022, IHH issued 5,984,000 new ordinary shares pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units.

Except as disclosed above, there were no other issuance of shares, share buy-backs and repayments of debt and equity securities by IHH during the financial period 1 January 2022 to 31 March 2022.

As at 31 March 2022, the issued share capital of IHH comprised of 8,802,701,463 ordinary shares.

A7 DIVIDENDS PAID

There were no dividends paid during the financial period ended 31 March 2022.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

A8 SEGMENT REPORTING

Since 1 January 2022, the Group's segment reporting has been changed to reflect the Group's new reporting structure. The results for the comparative periods have been restated on the same basis.

The Group's reportable segments comprise:

- Hospital and healthcare
 - Singapore
 - Malaysia
 - India
 - Greater China
 - Turkey and Europe
- IMU Health
- PLife REIT
- Others

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

A8 SEGMENT REPORTING

Financial period ended 31 March 2022

	Hospital and Healthcare										
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkey and Europe RM'000	Southeast Asia RM'000	IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<i>Revenue and expenses</i>											
Revenue from external customers	1,250,493	704,594	870,169	220,664	1,014,333	-	62,176	39,474	1,155	-	4,163,058
Inter-segment revenue	141	250	-	1	-	-	379	55,236	46,914	(102,921)	-
Total segment revenue	1,250,634	704,844	870,169	220,665	1,014,333	-	62,555	94,710	48,069	(102,921)	4,163,058
EBITDA	395,684	193,575	134,157	(18,276)	269,147	(239)	21,917	72,803	1,943	(74,241)	996,470
Depreciation and impairment of property, plant and equipment	(45,409)	(53,572)	(38,777)	(36,347)	(38,772)	-	(3,199)	(6,021)	(447)	-	(222,544)
Depreciation of ROU assets	(72,532)	(6,697)	(9,304)	(19,179)	(16,010)	-	(751)	(3,185)	(1,477)	52,063	(77,072)
Amortisation of intangible assets	-	(439)	(7,145)	(1,009)	(1,493)	-	(153)	-	-	-	(10,239)
Foreign exchange differences	(70)	(204)	(3,488)	19	134	(2,502)	(1)	2,406	1,738	-	(1,968)
Finance income	55	1,215	2,805	1,092	29,331	1	735	5,006	10,171	(178)	50,233
Finance costs	(1,276)	(2,261)	(21,372)	(17,268)	(79,127)	-	-	(3,419)	(2,832)	991	(126,564)
Share of profits/(losses) of associates (net of tax)	135	-	3,505	-	-	4,220	-	-	-	-	7,860
Share of profits of joint ventures (net of tax)	564	-	6	-	-	-	-	-	-	-	570
Others	-	-	-	4,402	-	-	-	-	-	-	4,402
Profit/(Loss) before tax	277,151	131,617	60,387	(86,566)	163,210	1,480	18,548	67,590	9,096	(21,365)	621,148
Income tax expense	(51,453)	(37,641)	(20,560)	(621)	73,437	-	(4,919)	(4,894)	(4,437)	-	(51,088)
Profit/(Loss) for the period	225,698	93,976	39,827	(87,187)	236,647	1,480	13,629	62,696	4,659	(21,365)	570,060
<i>Assets and liabilities</i>											
Cash and cash equivalents	294,260	355,096	2,154,123	336,514	278,084	6,716	115,362	88,970	1,292,394	-	4,921,519
Other assets	14,005,818	6,087,763	7,192,270	3,753,849	4,623,492	60,918	550,002	4,966,983	3,974,544	(4,694,638)	40,521,001
Segment assets as at 31 March 2022	14,300,078	6,442,859	9,346,393	4,090,363	4,901,576	67,634	665,364	5,055,953	5,266,938	(4,694,638)	45,442,520
Loans and borrowings	-	290,000	635,286	3,273,260	1,495,193	-	43,271	2,474,749	409,178	-	8,620,937
Other liabilities	4,840,462	802,079	2,908,404	1,012,617	2,495,176	20,208	164,773	382,728	1,620,841	(4,613,539)	9,633,749
Segment liabilities as at 31 March 2022	4,840,462	1,092,079	3,543,690	4,285,877	3,990,369	20,208	208,044	2,857,477	2,030,019	(4,613,539)	18,254,686

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

Financial period ended 31 March 2021

	Hospital and Healthcare						IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkey and Europe RM'000	Southeast Asia RM'000					
<u>Revenue and expenses</u>											
Revenue from external customers	1,155,489	611,918	830,631	187,311	1,060,504	-	59,819	37,947	2,161	-	3,945,780
Inter-segment revenue	412	250	-	-	-	-	764	53,487	372,722	(427,635)	-
Total segment revenue	1,155,901	612,168	830,631	187,311	1,060,504	-	60,583	91,434	374,883	(427,635)	3,945,780
EBITDA	414,250	150,666	115,882	(36,262)	279,811	(90)	22,414	89,049	326,226	(401,318)	960,628
Depreciation and impairment of property, plant and equipment	(41,335)	(53,349)	(37,448)	(44,773)	(50,416)	(1)	(3,587)	(5,872)	(380)	-	(237,161)
Depreciation of ROU assets	(70,734)	(6,645)	(8,155)	(18,182)	(22,060)	-	(1,116)	(3,162)	(158)	53,666	(76,546)
Amortisation of intangible assets	-	(1,202)	(6,331)	(976)	(3,750)	-	(161)	-	-	-	(12,420)
Foreign exchange differences	(509)	(6)	2,678	598	83	(116)	(1)	434	567	-	3,728
Finance income	68	3,008	2,865	9,870	157,873	-	640	9,787	665	(8,866)	175,910
Finance costs	(2,742)	166	(30,978)	(25,150)	(187,489)	-	(9)	(3,274)	(5,761)	11,018	(244,219)
Share of profits of associates (net of tax)	85	-	1,364	-	-	5,952	-	-	-	-	7,401
Share of profits of joint ventures (net of tax)	207	-	8,969	-	-	-	-	-	-	-	9,176
Profit/(Loss) before tax	299,290	92,638	48,846	(114,875)	174,052	5,745	18,180	86,962	321,159	(345,500)	586,497
Income tax expense	(55,481)	(21,643)	(25,780)	(942)	(32,051)	-	(4,601)	(7,831)	(5,281)	-	(153,610)
Profit/(loss) for the period	243,809	70,995	23,066	(115,817)	142,001	5,745	13,579	79,131	315,878	(345,500)	432,887
<u>Assets and liabilities</u>											
Cash and cash equivalents	205,035	472,093	2,089,188	393,327	182,225	145	38,003	179,642	1,016,637	-	4,576,295
Other assets	13,013,112	6,073,930	7,202,018	3,867,100	4,905,143	92,532	582,941	4,751,842	2,560,457	(2,651,049)	40,398,026
Segment assets as at 31 March 2021	13,218,147	6,546,023	9,291,206	4,260,427	5,087,368	92,677	620,944	4,931,484	3,577,094	(2,651,049)	44,974,321
Loans and borrowings	-	-	942,693	2,998,096	1,937,031	-	18,661	2,375,683	1,410,458	-	9,682,622
Other liabilities	3,621,325	794,313	2,488,845	912,031	1,913,075	19,366	172,074	388,342	516,625	(2,563,450)	8,262,546
Segment liabilities as at 31 March 2021	3,621,325	794,313	3,431,538	3,910,127	3,850,106	19,366	190,735	2,764,025	1,927,083	(2,563,450)	17,945,168

**A NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

A9 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A10 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Financial period ended	
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	62	56
- Purchase and consumption of services	(3,674)	(3,213)
	<hr/>	<hr/>
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	796	608
- Purchase and consumption of services	(16,377)	(17,473)
	<hr/>	<hr/>

A11 CHANGES IN THE COMPOSITION OF THE GROUP

Between 1 January 2022 to 31 March 2022, there were no changes in the composition of the Group.

A12 SUBSEQUENT EVENTS

- (a) Between 1 April 2022 to 26 May 2022, the Company issued 80,000 new ordinary shares pursuant to the exercise of vested EOS options.
- (b) On 5 April 2022, Parkway Trust Management Limited (“PTM”) transferred 123,500 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 35.60% to 35.58%.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 26 May 2022, there were no material changes in contingent liabilities or contingent assets from those disclosed in the 2021 Audited Financial Statements.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

A14 CAPITAL COMMITMENTS

	31 Mar 2022 RM'000	31 Dec 2021 RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for	605,958	541,431
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,852,348	1,896,122
Maximum amount committed for Malar Open Offer ¹	15,699	16,070
	<u>1,868,047</u>	<u>1,912,192</u>

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

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 as 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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

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
<u>31 March 2022</u>				
Assets				
Unquoted shares at FVOCI	-	-	73,258	73,258
Money market funds at FVTPL	-	111,938	-	111,938
Foreign exchange forward contracts	-	30,802	-	30,802
Interest rate caps	-	5,209	-	5,209
Cross currency interest rate swaps	-	39,290	-	39,290
Cross currency swaps	-	348,168	-	348,168
	-	535,407	73,258	608,665
Liabilities				
Liabilities on put options granted to non-controlling interest ¹	-	-	(1,869,625)	(1,869,625)
Foreign exchange forward contracts	-	(38)	-	(38)
Interest rate swaps	-	(198)	-	(198)
	-	(236)	(1,869,625)	(1,869,861)
<u>31 December 2021</u>				
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)

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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

A16 UPDATE ON 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.

SEBI has passed an order dated 19 April 2022 with regards to the SCN directing Fortis and FHsL to pursue the measures already taken to recover the amount of approximately INR3,971.2 million (equivalent to RM219.6 million) along with the interest thereon from the Erstwhile Promoters, and for the Audit Committee of Fortis to regularly monitor progress of such measures and report the same to the Board of Directors of Fortis. SEBI has imposed a penalty of INR5.0 million (equivalent to RM0.3 million) and INR10.0 million (equivalent RM0.6 million) on FHsL and Fortis respectively. Lawyers are evaluating the outcome, implications and next steps with regards to SEBI order dated 19 April 2022.

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.

SEBI has passed an order dated 18 May 2022 with regards to the EHIRCL SCN and has imposed a penalty of INR10.0 million (equivalent RM0.6 million) on EHIRCL. Lawyers are evaluating the outcome, implications and next steps with regards to the SEBI order dated 18 May 2022.

As at 26 May 2022, there were no further developments in the ongoing investigation on Fortis by the SFIO, Ministry of Corporate Affairs of India, from that disclosed in Note 46 of the 2021 Audited Financial Statements.

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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

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

	1st quarter ended		Variance %
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	
<u>REVENUE</u>¹			
Singapore	1,250,493	1,155,489	8%
Malaysia	704,594	611,918	15%
India	870,169	830,631	5%
Greater China	220,664	187,311	18%
Turkey and Europe	1,014,333	1,060,504	-4%
Hospital and Healthcare	4,060,253	3,845,853	6%
IMU Health	62,176	59,819	4%
Others[^]	1,155	2,161	-47%
Group (Excluding PLife REIT)	4,123,584	3,907,833	6%
PLife REIT total revenue	94,710	91,434	4%
Less: PLife REIT inter-segment revenue	(55,236)	(53,487)	-3%
PLife REIT	39,474	37,947	4%
Group	4,163,058	3,945,780	6%
<u>EBITDA</u>²			
Singapore	395,684	414,250	-4%
Malaysia	193,575	150,666	28%
India	134,157	115,882	16%
Greater China	(18,276)	(36,262)	50%
Turkey and Europe	269,147	279,811	-4%
Southeast Asia	(239)	(90)	-166%
Hospital and Healthcare	974,048	924,257	5%
IMU Health	21,917	22,414	-2%
Others[^]	(16,808)	(21,359)	21%
Group (Excluding PLife REIT)	979,157	925,312	6%
PLife REIT	72,803	89,049	-18%
Eliminations³	(55,490)	(53,733)	-3%
Group	996,470	960,628	4%

¹: Relates to external revenue only

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

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

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

Q1 2022 vs Q1 2021

The Group's Q1 2022 revenue and EBITDA increased by 6% and 4% respectively over Q1 2021.

The growth in EBITDA was driven by higher revenue, offset by higher staff costs, higher other operating expenses, lower government grant income and higher base last year with RM15.6 million gain on disposal of an investment property. The Group's Q1 2022 EBITDA margins was on par with Q1 2021 at 24%.

The Group's Q1 2022 PATMI excluding exceptional items ("PATMI (Excl EI)") increased 21% to RM407.4 million on the back of a higher EBITDA, lower depreciation expense as well as lower net finance costs.

Hospital and Healthcare

Hospital and Healthcare's Q1 2022 revenue increased 6% to RM4,060.3 million and its Q1 2022 EBITDA increased 5% to RM974.0 million. Q1 2022 revenue was higher as compared to last year across most regions. The growth was mainly due to recovery from local patient revenue, contribution from COVID-19 related-services rendered and continuous ramp-up of operations at GHK Hospital. The Group continued to be in active collaboration with the public healthcare sector of the countries it operates in to provide COVID-19 screening, laboratory testing, vaccination services and treatment of COVID-19 patients. The Group's operations in Singapore also performed temperature screenings and on-arrival tests at the Singapore borders. The acquisitions of DDRRC SRL on 5 April 2021, and Bel Medic on 20 July 2021 also contributed to the increase. These were partially offset by the effects from disposal of Continental Hospitals on 14 December 2021 and temporary closure of all clinics in China for a period during March 2022 imposed as a result of spike in COVID-19 cases in Shanghai. The weakening TL also eroded the revenue and EBITDA growth of the Group's operations in Turkey.

Singapore hospital inpatient admissions decreased 6% to 15,852 in Q1 2022 while its revenue per inpatient admission increased 20.2% to RM43,011 as beds were allocated to COVID-19 patients and a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 19% to 41,671 in Q1 2022 while its revenue per inpatient admission decreased 1.7% to RM9,780. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in Q1 2022 as compared to Q1 2021 when the Movement Control Order was in place in Malaysia. India hospital inpatient admissions decreased 8% to 75,613 in Q1 2022 while its revenue per inpatient admission increased 9.6% to RM7,865. Turkey and Europe hospital inpatient admissions increased 11% to 57,543 in Q1 2022 while its revenue per inpatient admission increased 20.0% to RM8,769 with price adjustments to counter inflation.

Recovery of foreign patient volume remained soft for Singapore, Malaysia and India while foreign patient volume in Turkey and Europe continued to increase.

Hospital and Healthcare's Q1 2022 EBITDA was driven by higher revenue, offset by higher staff costs and other operating expenses. EBITDA margin for Q1 2022 was on par with Q1 2021 at 24%.

IMU Health

IMU Health's Q1 2022 revenue increased 4% to RM62.2 million and its Q1 2022 EBITDA decreased 2% to RM21.9 million. The increase in revenue was mainly due to higher student population and revenue recognised over a shorter course period for certain programmes. This was more than offset by higher expenses as operations gradually resumed to post COVID-19 pandemic levels and there were more campus activities and maintenance costs.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

PLife REIT

PLife REIT's Q1 2022 external revenue was 4% higher than Q1 2021 while its EBITDA decreased 18%. The higher revenue was contributed by two nursing homes acquired in July 2021 and one nursing home property acquired in December 2021, partially offset by the divestment of P-Life Matsudo on 29 January 2021 and depreciation of the Japanese Yen. The lower EBITDA was due to higher professional fees incurred and a higher base in Q1 2021 with RM15.6 million gain on divestment of P-Life Matsudo.

Others

Q1 2022 revenue decreased by 47% to RM1.2 million due to lower dividends received from investments in Money Market Funds ("MMF") following partial redemption made in December 2021. In addition, there was lower management fee income from Gleneagles JPMC Sdn Bhd.

Q1 2022 EBITDA losses decreased 21% mainly due to reversal of bonus provisions.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	1st quarter ended 31 Mar 2022 RM'000	4th quarter ended 31 Dec 2021 RM'000	Variance %
<u>REVENUE</u>¹			
Singapore	1,250,493	1,297,115	-4%
Malaysia	704,594	742,942	-5%
India	870,169	948,206	-8%
Greater China	220,664	237,438	-7%
Turkey and Europe	1,014,333	1,134,537	-11%
Hospital and Healthcare	4,060,253	4,360,238	-7%
IMU Health	62,176	69,993	-11%
Others[^]	1,155	1,818	-36%
Group (Excluding PLife REIT)	4,123,584	4,432,049	-7%
PLife REIT total revenue	94,710	93,584	1%
Less: PLife REIT inter-segment revenue	(55,236)	(54,917)	-1%
PLife REIT	39,474	38,667	2%
Group	4,163,058	4,470,716	-7%
<u>EBITDA</u>²			
Singapore	395,684	484,457	-18%
Malaysia	193,575	223,210	-13%
India	134,157	181,192	-26%
Greater China	(18,276)	(10,364)	-76%
Turkey and Europe	269,147	318,259	-15%
Southeast Asia	(239)	20	NM
Hospital and Healthcare	974,048	1,196,774	-19%
IMU Health	21,917	16,918	30%
Others[^]	(16,808)	(94,826)	82%
Group (Excluding PLife REIT)	979,157	1,118,866	-12%
PLife REIT	72,803	50,318	45%
Eliminations³	(55,490)	(55,162)	-1%
Group	996,470	1,114,022	-11%

¹: Relates to external revenue only

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

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

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

Q1 2022 vs Q4 2021

The Group reported a 7% quarter-on-quarter decrease in revenue and a 11% quarter-on-quarter decrease in EBITDA. Revenue varied in tandem with the amount of COVID-19 related services rendered and the ebb and flow of the COVID-19 waves in the countries that the Group operates. EBITDA declined quarter-on-quarter as a result of lower revenue, higher staff costs, offset by lower other operating expenses. EBITDA margin decreased slightly from 25% in Q4 2021 to 24% in Q1 2022.

The Group's PATMI (Excl EI) decreased 8% quarter-on-quarter due to a lower EBITDA, partially offset by lower depreciation expense, finance cost and tax expenses.

Hospital and Healthcare

Hospital and Healthcare's revenue decreased 7% quarter-on-quarter while its EBITDA decreased 19% quarter-on-quarter.

The decline in revenue was due to effects of seasonality and COVID-19 wave in the markets the Group operates in. Revenue from non-COVID-19 related services decreased quarter-on-quarter across most markets, except for Singapore which recorded quarter-on-quarter increase in inpatient admissions and revenue per inpatient admission. However, COVID-19 related services rendered in Singapore were scaled down as the government announced standing down of COVID-19 testing regime and border controls by stages in February and March 2022. The disposal of Continental Hospitals on 14 December 2021 also led to the decrease in revenue quarter-on-quarter.

Singapore hospital inpatient admissions increased 2% quarter-on-quarter, while its revenue per inpatient admission increased 7.5%. Malaysia hospitals inpatient admissions decreased 3% quarter-on-quarter, while its revenue per inpatient admission decreased 2.9%. India hospitals inpatient admissions decreased 11% quarter-on-quarter, while its revenue per inpatient admission increased 1.4%. Turkey and Europe hospital inpatient admissions decreased 5% quarter-on-quarter while its revenue per inpatient increased 12.9%.

The decrease in EBITDA quarter-on-quarter was mainly due to lower revenue, lower government grant and subsidies and higher staff costs, offset by lower other operating expenses. EBITDA margin decreased from 27% in Q4 2021 to 24% in Q1 2022.

IMU Health

IMU Health's revenue decreased 11% quarter-on-quarter due to timing of academic calendar for certain programmes in Q1 2022.

EBITDA increased 30% quarter-on-quarter despite a lower revenue as Q4 2021 EBITDA was a low base with higher bonus provision and expenses such as renewals of subscriptions, marketing and events.

PLife REIT

PLife REIT's Q1 2022 external revenue was 2% above Q4 2021 due to one nursing home property acquired in December 2021.

Q1 2022 EBITDA was 45% higher quarter-on-quarter mainly due to a lower base in Q4 2021 with revaluation losses of RM24.6million on the investment properties.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

Others

Q1 2022 revenue was 36% lower quarter-on-quarter mainly due to lower dividends received from investments in MMF.

Q1 2022 EBITDA losses decreased 82% quarter-on-quarter due to lower staff costs in Q1 2022 coupled with a lower base in Q4 2021.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

B3 CURRENT YEAR FINANCIAL PROSPECTS

The COVID-19 pandemic has presented unprecedented challenges to the global economy, across all industries including healthcare. The Group is adapting nimbly to the new normal and is seeking new opportunities as it transits into 'living with COVID-19'. As borders reopen and restrictions lifted, the Group is ramping up its efforts to improve its core businesses by growing its domestic and foreign patient load back to pre-COVID levels.

The Group is confident that its longer-term growth trajectory remains intact. It will focus on four strategic pillars: Trust, Synergy, Growth underpinned by a compelling Environmental, Social and Governance agenda to drive its operational and financial performance in 2022.

The Group will leverage synergies from its international network to achieve cost savings, acquire strategic assets to drive capital efficient growth through its cluster strategy and build distinct platforms such as its laboratories businesses. The Group will continue to roll out its digital transformation initiatives and allocate approximately RM400 million for investments over the next three years to innovate and deliver healthcare capabilities digitally.

The Group continues to deepen its metro cluster strategy to grow its returns on equity by constantly reviewing and calibrating its asset portfolio.

Whilst the Group is optimistic of the rebound in its non-COVID business, it expects some short term headwinds such as the tapering of COVID-19 related revenues and inflationary pressure. With global rising inflation, most costs are expected to increase over time. The Group will continually maintain a tight rein on costs and make appropriate price adjustment, yet continually building trust with our patients and delivering excellent clinical outcomes.

Notwithstanding that the Group is managing the effects of rising inflation on its operations, Turkey is expected to be classified as a hyper-inflationary economy. As such, Acibadem Holdings may have to apply IAS29 *Financial Reporting in Hyperinflationary Economies* in Q2 2022. The Group is in the midst of evaluating the implications on its financial reporting.

Overall, there will be some impact on the Group from the global inflationary trend. However, with the Group's strong financial position and cash flow, operational resilience and continued focus on delivering its strategy, the Group is confident that it will be able to ride out the short-term heads winds and deliver long-term sustainable growth for all stakeholders.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	1st quarter ended	
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
Current tax expense	131,872	102,678
Deferred tax (credit)/expense	(80,784)	50,932
	<u>51,088</u>	<u>153,610</u>

Q1 2022 effective tax rate* was 8.3%, lower than the Malaysia statutory tax rate as a result of Acibadem Holding’s recognition of RM101.1 million deferred tax assets arising from the indexation of property, plant and equipment in the local tax books, as allowed by the Turkey government to cushion the effects of higher inflation. Excluding this, Q1 2022 effective tax rate* would be 24.8%.

Q1 2021 effective tax rate* was 27.0% which is higher than the Malaysia statutory tax rate. Q1 2021 tax expense included RM15.5 million reversal of deferred tax assets by Fortis.

* 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 26 May 2022:

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

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

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

On 13 July 2018, pursuant to a board resolution passed by the Board of Directors of Fortis, NTK, as subscriber, entered into a share subscription agreement (“Fortis SSA”) with Fortis, as issuer, where NTK has agreed to subscribe 235,294,117 new equity shares of Fortis with a face value of INR10 each (“Subscription Shares”), constituting approximately 31.17% of the total voting equity share capital of Fortis on a fully diluted basis (“Expanded Voting Share Capital”) for a total consideration of INR4,000 crore and Fortis has agreed to issue and allot the Subscription Shares by way of preferential allotment in accordance with the terms of the Fortis SSA (“Proposed Subscription”). The Proposed Subscription was completed in accordance with the terms of the Fortis SSA on 13 November 2018 and NTK has become the controlling shareholder of Fortis.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

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

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

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

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

On 13 July 2018, NTK together with the PACs pursuant to the terms of Regulations 3(1), 4 and 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations, have made the Malar Open Offer by filing of the public announcement dated 13 July 2018 ("Malar Public Announcement") to all the public shareholders of Malar excluding the promoter and promoter group of Malar, NTK and the PACs and persons deemed to be acting in concert with NTK and the PACs. Save and except for the PACs, no other person is acting in concert with NTK for the purpose of the Malar Open Offer at the time of the Malar Public Announcement being released.

On 14 December 2018, the Supreme Court of India passed an order in the matter of "Mr Vinay Prakash Singh v. Sameer Gehlaut & Ors." [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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

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:

- (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.

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

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

Fortis has filed an additional affidavit responding to the queries put forth by Supreme Court.

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.

2. Proposed renewal of authority for the Company to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company ("Proposed Renewal of Share Buy-Back Authority")

On 29 March 2022, the Company announced the proposal to seek from its shareholders, at its forthcoming Twelfth Annual General Meeting to be held on 31 May 2022 ("Twelfth AGM"), the authority to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company at the point of purchase through stockbroker(s) to be appointed by the Company at a later date.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

A statement containing the details of the Proposed Renewal of Share Buy-Back Authority has been published on the website of the Company on 29 April 2022 together with the Annual Report 2021 of the Company. The Proposed Renewal of Share Buy-Back Authority is subject to shareholders' approval at the Twelfth AGM.

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 ("Motion to Dismiss").

On 5 April 2022, IHH has filed a reply brief to respond to Emqore's memorandum in opposition dated 7 March 2022 and in support of its Motion to Dismiss.

Based on opinions from the Group's 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. 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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

B8 LOANS, BORROWINGS AND OVERDRAFTS

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

	31 Mar 2022	31 Dec 2021
	RM'000	RM'000
Non-current		
Secured		
Bank loans	1,096,653	1,079,929
Loans from corporates	2,225	2,221
Unsecured		
Bank loans	5,101,780	5,162,308
Fixed rate medium term notes	408,971	431,713
Loans from corporates*	931,284	933,320
	<u>7,540,913</u>	<u>7,609,491</u>
Current		
Secured		
Bank overdrafts	42,402	24,229
Bank loans	150,251	179,823
Loans from corporates	1,079	1,008
Unsecured		
Bank loans	928,029	1,055,928
Loans from corporates	665	668
	<u>1,122,426</u>	<u>1,261,656</u>
Total	<u><u>8,663,339</u></u>	<u><u>8,871,147</u></u>

* Includes loans from non-controlling interests of RM866,949,000 (2021: RM869,305,000)

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

	31 Mar 2022	31 Dec 2021
	RM'000	RM'000
Hong Kong Dollar	2,706,553	2,689,200
Japanese Yen	1,933,003	2,027,290
Singapore Dollar	1,431,792	1,546,758
Euro	858,242	977,658
Indian Rupees	676,380	712,460
Renminbi	566,706	512,686
Ringgit Malaysia	333,271	338,025
Turkish Lira	139,255	47,499
Macedonian Denar	16,829	18,257
Others	1,308	1,314
	<u>8,663,339</u>	<u>8,871,147</u>

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

B9 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 31 March 2022:

	Notional amount as at 31 Mar 2022 RM'000	Fair value amount as at 31 Mar 2022 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Within 1 year	1,591,387	9,924
- Between 1 - 3 years	190,406	10,738
- More than 3 years	30,162	10,140
	1,811,955	30,802
Interest rate caps		
- Between 1 - 3 years	406,810	1,239
- More than 3 years	796,152	3,970
	1,202,962	5,209
Cross currency interest rate swaps		
- More than 3 years	254,666	39,290
Cross currency swaps		
- Within 1 year	111,044	132,470
- Between 1 - 3 years	182,316	215,698
	293,360	348,168
	3,562,943	423,469
Derivative liabilities		
Interest rate swaps		
- Between 1 - 3 years	152,597	(198)
Foreign exchange forward contracts		
- Within 1 year	6,752	(38)
Call option granted to non-controlling interests		
- Within 1 year	27,652	-
	187,001	(236)

Foreign exchange forward contracts

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

Interest rate caps

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

Cross currency interest rate swaps and cross currency swaps

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

Interest rate swaps

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

Call option granted to non-controlling interests

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

There are no changes to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Refer to Section 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, there were no other material changes in the contingent material litigations as at 26 May 2022 from that disclosed in the 2021 Audited Financial Statements.

B12 DIVIDENDS

No dividends were declared or paid by the Company during the financial period ended 31 March 2022.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

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 period.

	1st quarter ended	
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
Basic and diluted earnings per share is based on:		
i) <u>Net profit attributable to ordinary shareholders</u>		
Profit after tax and non-controlling interests	493,259	375,621
Perpetual securities distribution accrued	(22,023)	(21,368)
	471,236	354,253
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>		
Profit after tax and non-controlling interests (excluding EI)	407,423	335,826
Perpetual securities distribution accrued	(22,023)	(21,368)
	385,400	314,458
(a) Basic EPS		
	'000	'000
Weighted average number of shares	8,799,469	8,777,652
	sen	sen
Basic EPS	5.36	4.04
Basic EPS (excluding EI)	4.38	3.58

(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.

	1st quarter ended	
	31 Mar 2022	31 Mar 2021
	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,799,469	8,777,652
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	-	1,861
Weighted number of unissued ordinary shares from share options under EOS	1,709	-
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,801,178	8,779,513
	sen	sen
Diluted EPS	5.35	4.03
Diluted EPS (excluding EI)	4.38	3.58

At 31 March 2021, 46,644,000 outstanding EOS options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

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

	1st quarter ended	
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
Dividend income	47	643
Other operating income	89,800	72,922
Foreign exchange differences	(1,968)	3,728
Impairment loss (made)/written back:		
- Trade and other receivables	(9,467)	(15,177)
- Inventories	(270)	383
Write off:		
- Property, plant and equipment	(123)	(54)
- Trade and other receivables	(1,819)	(648)
- Inventories	(836)	(620)
Gain on disposal of property, plant and equipment	864	1,527
Gain on disposal of an investment property	-	15,604
Change in fair value of investment properties	(1,893)	-
Finance income		
Interest income	21,036	9,786
Fair value gain on financial instruments	29,197	166,124
	50,233	175,910
Finance costs		
Interest on loans and borrowings	(54,052)	(95,738)
Interest on lease liabilities	(34,254)	(40,474)
Exchange loss on net borrowings	(29,587)	(99,204)
Fair value (loss)/gain on financial instruments	(785)	252
Other finance costs	(7,886)	(9,055)
	(126,564)	(244,219)