

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2020

IHH HEALTHCARE BERHAD

Financial Year End 31 Dec 2020

Quarter 3 Qtr

Quarterly report for the financial period ended 30 Sep 2020

The figures have not been audited

Attachments

[IHH_Q3 2020 Quarterly Report.pdf](#)
351.8 kB

[IHH Q3 2020 Press Release 26.11.2020.pdf](#)
365.7 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2020

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	3,518,331	3,788,364	9,638,617	11,076,386
2	Profit/(loss) before tax	395,969	394,263	-93,420	846,993
3	Profit/(loss) for the period	309,186	281,850	-289,620	474,825
4	Profit/(loss) attributable to ordinary equity holders of the parent	309,952	236,342	-130,476	510,846
5	Basic earnings/(loss) per share (Subunit)	3.28	2.44	-2.26	5.07
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity	2.4200		2.5500	

to Ordinary equity holders of the parent (\$\$)		
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Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	26 Nov 2020
Category	Financial Results
Reference Number	FRA-26112020-00106



IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

		3rd quarter ended			Financial period ended		
	Note	30 Sep 2020	30 Sep 2019	Variance	30 Sep 2020	30 Sep 2019	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1	3,518,331	3,788,364	-7%	9,638,617	11,076,386	-13%
Other operating income	2	295,814	83,008	NM	559,901	232,277	141%
Inventories and consumables		(730,464)	(745,208)	2%	(2,007,597)	(2,172,205)	8%
Purchased and contracted services		(311,626)	(408,473)	24%	(945,689)	(1,183,731)	20%
Development cost of properties sold		-	(481)	100%	-	(481)	100%
Staff costs		(1,324,740)	(1,353,789)	2%	(3,933,541)	(4,026,804)	2%
Depreciation and impairment losses of property, plant and equipment		(236,302)	(250,478)	6%	(710,288)	(749,228)	5%
Depreciation and impairment losses of right-of-use ("ROU") assets	3	(118,629)	(70,703)	-68%	(294,192)	(210,405)	-40%
Amortisation and impairment losses of intangible assets		(14,032)	(13,971)	0%	(45,318)	(40,363)	-12%
Operating lease expenses		(17,934)	(32,380)	45%	(49,351)	(76,649)	36%
Other operating expenses	4	(407,400)	(499,465)	18%	(1,671,916)	(1,429,420)	-17%
Finance income	5	112,899	12,512	NM	243,815	101,207	141%
Finance costs	5	(375,581)	(118,807)	NM	(881,571)	(658,444)	-34%
Share of (losses)/profits of associates (net of tax)	6	(241)	1,344	-118%	1,750	(23,031)	108%
Share of profits of joint ventures (net of tax)	7	5,874	2,790	111%	1,960	7,884	-75%
Profit/(Loss) before tax		395,969	394,263	0%	(93,420)	846,993	-111%
Income tax expense	8	(86,783)	(112,413)	23%	(196,200)	(372,168)	47%
Profit/(Loss) for the period		309,186	281,850	10%	(289,620)	474,825	-161%
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	9	(306,521)	(189,412)	-62%	(398,103)	6,394	NM
Realisation of FCIR ¹ upon substantive liquidation of a subsidiary and a joint venture		(193,403)	-	-	(132,984)	-	-
Hedge of net investments in foreign operations	9	19,290	(37,821)	151%	(65,741)	(62,262)	-6%
Cost of hedging reserve		301	-	-	226	-	-
Cash flow hedge		494	457	8%	(8,614)	1,071	NM
		(479,839)	(226,776)	-112%	(605,216)	(54,797)	NM
Items that will not be reclassified subsequently to profit or loss							
Effect of change in tax rate on past revaluation of property, plant and equipment upon transfer to investment properties		-	-	-	-	(2,454)	100%
Net change in FVOCI ² financial instruments		-	-	-	-	(9,241)	100%
Remeasurement of defined benefit liabilities		3,704	2,006	85%	(869)	1,312	-166%
		3,704	2,006	85%	(869)	(10,383)	92%
Total comprehensive income for the period		(166,949)	57,080	NM	(895,705)	409,645	NM
Profit/(Loss) attributable to:							
Owners of the Company		309,952	236,342	31%	(130,476)	510,846	-126%
Non-controlling interests		(766)	45,508	-102%	(159,144)	(36,021)	NM
Profit/(Loss) for the period		309,186	281,850	10%	(289,620)	474,825	-161%
Total comprehensive income attributable to:							
Owners of the Company		(169,888)	78,158	NM	(659,591)	477,729	NM
Non-controlling interests		2,939	(21,078)	114%	(236,114)	(68,084)	NM
Total comprehensive income for the period		(166,949)	57,080	NM	(895,705)	409,645	NM
Earnings per share (sen)							
Basic		3.28	2.44	34%	(2.26)	5.07	-145%
Diluted		3.28	2.44	34%	(2.26)	5.07	-145%

Note:

1. Foreign currency translation reserve
2. Fair value through other comprehensive income

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

SUPPLEMENTARY INFORMATION

Note	3rd quarter ended			Financial period ended		
	30 Sep 2020 RM'000	30 Sep 2019 RM'000	Variance %	30 Sep 2020 RM'000	30 Sep 2019 RM'000	Variance %
Profit/(Loss) attributable to owners of the Company	309,952	236,342	31%	(130,476)	510,846	-126%
Add back/(less): Exceptional items ("EI")						
Gain on disposal of a subsidiary ⁱ	-	-		(13,188)	-	
Gain on disposal of an associate ⁱⁱ	-	(22,750)		-	(22,750)	
Loss on disposal of joint ventures ⁱⁱⁱ	407	-		407	-	
Share of losses of an associate ^{iv}	6	76		-	29,443	
Impairment loss on goodwill ^v	4	14,762		397,064	14,762	
Insurance compensation for Chennai flood	-	(9)		-	(3,482)	
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture ^{vi}	2, 4	(193,403)	-	(132,984)	-	
Provision for financial guarantee given on a joint venture's loan facility ^{vii}		866	608	3,307	1,801	
Change in fair value of put option		-	-	-	(11,334)	
Change in fair value of cross currency swaps ^{viii}	5	(91,093)	24,600	(187,309)	24,600	
Exchange loss/(gain) on net borrowings ^{ix}	5	265,911	(83,364)	494,563	123,335	
		(19,401)	(66,077)	561,860	156,375	
(Less)/Add: Tax effects on EI		(38,565)	11,749	(64,912)	(19,863)	
(Less)/Add: Non-controlling interests' share of EI		(13,625)	20,326	(22,915)	(16,509)	
		(71,591)	(34,002)	474,033	120,003	
Profit attributable to owners of the Company, excluding EI^x	238,361	202,340	18%	343,557	630,849	-46%
Earnings per share, excluding EI^x (sen)						
Basic	2.46	2.05	20%	3.15	6.44	-51%
Diluted	2.46	2.05	20%	3.14	6.44	-51%

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.

- Disposal of 70% interest in Famicord Acibadem Kordon Kani Saglik Hizmetleri Anonim Sirketi
- Disposal of an associate – The Medical and Surgical Centre Limited
- Disposal of joint ventures – Shanghai Hui Xing Hospital Management Co., Ltd. and Shanghai Hui Xing Jinpu Co., Ltd. ("Shanghai Hui Xing Group")
- Share of losses of an associate, RHT Health Trust ("RHT"), mainly relating to RHT's loss on disposal of assets
- Impairment of goodwill over Ravindranath GE Medical Associates Pte Ltd (also known as "Global Hospitals") (2019: Angsana Holdings Pte. Ltd.)
- Realisation of foreign currency translation reserve ("FCTR") upon substantive liquidation of IHH (Bharat) Limited and Khubchandani Hospital
- Proportionate share of corporate guarantee in relation to accrued interest on Khubchandani Hospital's loan
- Fair value changes of cross-currency swaps which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
- Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 30 September 2020, Euro/TL=9.1281)
- Exceptional items, net of tax and non-controlling interests

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2019 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

EXPLANATORY NOTES TO THE STATEMENTS 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 period as compared to the corresponding period last year.

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

1. QTD 2020 revenue and YTD 2020 revenue were lower than QTD 2019 and YTD 2019 revenue mainly due to the COVID-19 pandemic. Patients postponed non-urgent treatment and visits to hospitals and healthcare facilities. The Group also saw a decrease in foreign patient volume especially from March 2020 onwards due to the various travel restrictions implemented across the countries that it operates. The decrease in revenue as a result of lower patient volumes was partially mitigated by COVID-19 related services that the Group rendered.
2. Increase in QTD 2020 and YTD 2020 other income were mainly due to the realisation of foreign currency translation reserve ("FCTR") amounting to RM193.5 million gain upon the substantive liquidation of IHH (Bharat) Limited and the receipt of the government grants and reliefs given by the various governments of the countries the Group operates in.
3. Increase in QTD 2020 and YTD 2020 depreciation and impairment losses of ROU assets was due to impairment losses of RM32.6 million recognised by Global Hospitals.
4. YTD 2020 other operating expenses included impairment of goodwill over Global Hospitals amounting to RM397.1 million and the realisation of foreign currency translation reserve ("FCTR") amounting to RM60.6 million loss upon the substantive liquidation of Khubchandani Hospital. Excluding the above, YTD 2020 other operating expenses were lower than YTD 2019 as a result of cost management.
5. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. Since Q3 2019, Acibadem Holdings periodically entered into cross-currency swaps ("CCS") to convert Euro 127.5 million of bank loans and related interest into Turkish Lira.

The Group recognised RM265.9 million and RM494.6 million exchange loss on translation of such non-TL balances in QTD 2020 and YTD 2020 respectively. These were partially offset by RM91.1 million and RM187.3 million net fair value gain on the above-mentioned CCS respectively. The net loss of RM174.8 million and RM307.3 million for QTD 2020 and YTD 2020 respectively were higher than corresponding prior year periods.

Despite the higher interest rates applicable on Acibadem's borrowings when it swapped its Euro loans to Turkish Lira, net interest expenses had decreased with the settlement of USD250 million of Acibadem Holdings' loans in late Q2 2019 and lower interest rates in 2020.

6. YTD 2019 share of losses of associates relates mainly to RHT Health Trust ("RHT")'s loss on disposal of assets.
7. Increase in QTD 2020 share of profits of joint ventures was attributed to income from COVID-19 related services. Decrease in YTD 2020 share of profits of joint ventures was mainly due to lower profitability in our joint ventures as a result of the effects of COVID-19 on the business in 1H 2020.
8. Refer to Section B5 for details on the tax expenses.
9. PLife REIT hedges its interest in the net assets of its Japanese operations. The effective portion of the hedge was recognised as a hedge of net investments in the statement of other comprehensive income, which offsets the foreign currency translation differences from the translation of the net assets of its Japanese operations. The Group's remaining foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore and Turkish operations.

Note:

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

	30 Sep 2020	30 Sep 2019
1 SGD	3.0451	3.0307
1 TL	0.6338	0.7336

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	Note	30 Sep 2020 RM'000	31 Dec 2019 RM'000
Assets			
Property, plant and equipment		11,235,005	11,196,308
Right-of-use assets		6,901,682	6,736,016
Investment properties		3,567,582	3,508,182
Goodwill on consolidation	1	12,040,988	12,574,673
Intangible assets		1,945,760	2,081,266
Interests in associates		93,501	92,454
Interests in joint ventures	2	117,992	212,529
Other financial assets	3	63,957	46,763
Trade and other receivables	4	172,628	155,809
Tax recoverable		292,819	385,512
Derivative assets		143,204	9,220
Deferred tax assets		466,612	428,228
Total non-current assets		37,041,730	37,426,960
Development properties		90,076	84,213
Inventories		403,596	350,321
Trade and other receivables	2, 5	2,054,506	2,107,897
Tax recoverable		7,183	17,081
Other financial assets	3	392,893	344,283
Derivative assets		-	85
Cash and cash equivalents		4,193,826	4,714,669
		7,142,080	7,618,549
Assets classified as held for sale	2	72,548	7,780
Total current assets		7,214,628	7,626,329
Total assets		44,256,358	45,053,289
Equity			
Share capital		19,473,363	19,455,138
Other reserves		(2,097,575)	(1,529,495)
Retained earnings		3,870,531	4,413,888
Total equity attributable to owners of the Company		21,246,319	22,339,531
Perpetual securities		2,135,753	2,158,169
Non-controlling interests		3,241,740	3,596,269
Total equity		26,623,812	28,093,969
Liabilities			
Loans and borrowings	6	8,308,559	8,266,065
Lease liabilities		1,803,854	1,851,567
Employee benefits		110,328	99,821
Trade and other payables		229,740	249,514
Derivative liabilities		1,489	33,124
Deferred tax liabilities		1,156,825	1,110,002
Total non-current liabilities		11,610,795	11,610,093
Bank overdrafts		44,618	121,814
Loans and borrowings	6	1,393,831	637,834
Lease liabilities		238,071	222,366
Employee benefits		159,443	145,484
Trade and other payables	5	3,809,727	3,858,162
Derivative liabilities		8,725	12,964
Tax payable		367,336	350,418
		6,021,751	5,349,042
Liabilities classified as held for sale		-	185
Total current liabilities		6,021,751	5,349,227
Total liabilities		17,632,546	16,959,320
Total equity and liabilities		44,256,358	45,053,289
Net assets per share attributable to owners of the Company ¹ (RM)		2.42	2.55

¹ Based on 8,777.2 million and 8,774.0 million shares issued as at 30 September 2020 and 31 December 2019 respectively.

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

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position was also impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM strengthened against SGD and TL as at 30 September 2020 as compared to 31 December 2019.

1. Goodwill decreased mainly as a result of RM397.1 million goodwill impairment made over Global Hospitals in 2020, offset by RM150.8 million provisional goodwill recognised on acquisition of Prince Court Medical Centre.
2. Interests in joint ventures decreased mainly as a result of disposal of the Group's investment in Shanghai Hui Xing Group and transfer of RM65.6 million and RM19.5 million to assets held for sale and current trade and other receivables respectively in 2020 as the Group has plans to sell off its investment in Apollo Gleneagles Hospitals Limited in the near term.
3. Other financial assets increased with the placement of additional RM37.5 million in fixed deposits with tenor of more than 3 months and RM28.5 million equity investment in a telehealth start-up, Doctor Anywhere Pte. Ltd.
4. Non-current tax recoverable decreased due to income tax refunds received by India subsidiaries in 2020.
5. Current trade and other receivables/payables balances decreased in 2020 in line with the lower revenues and purchases during the COVID-19 pandemic.
6. Loans and borrowings increased mainly due to the drawdown of facilities to finance working capital, capital expenditure and acquisition of Prince Court Medical Centre.

Note:

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

	30 Sep 2020	31 Dec 2019
1 SGD	3.0294	3.0553
1 TL	0.5447	0.6905

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Attributable to owners of the Company												
	Non-distributable							Distributable					
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Cost of hedging reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020	19,455,138	83,500	83,434	325	15,251	(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	-	-	-	-	-	-	-	(369,800)	-	(369,800)	-	(28,303)	(398,103)
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	-	-	-	-	-	-	-	(132,984)	-	(132,984)	-	-	(132,984)
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	(23,417)	-	(23,417)	-	(42,324)	(65,741)
Cost of hedging reserve	-	-	-	80	-	-	-	-	-	80	-	146	226
Cash flow hedge	-	-	-	-	(3,065)	-	-	-	-	(3,065)	-	(5,549)	(8,614)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	71	71	-	(940)	(869)
Total other comprehensive income for the period	-	-	-	80	(3,065)	-	-	(526,201)	71	(529,115)	-	(76,970)	(606,085)
Loss for the period	-	-	-	-	-	-	-	-	(130,476)	(130,476)	-	(159,144)	(289,620)
Total comprehensive income for the period	-	-	-	80	(3,065)	-	-	(526,201)	(130,405)	(659,591)	-	(236,114)	(895,705)
Contributions by and distributions to owners of the Company													
- Share-based payment	-	20,058	-	-	-	(120)	-	-	-	19,938	-	(266)	19,672
- Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(350,960)	(350,960)	-	-	(350,960)
Transfer to share capital for share options exercised	18,225	(18,225)	-	-	-	(120)	-	-	(350,960)	(331,022)	-	(266)	(331,288)
Cancellation of vested share options	-	(8,066)	-	-	-	-	-	-	8,066	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	1	(6,432)	-	2	-	(6,429)	-	7,766	1,337
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	259	259
Transfer per statutory requirements	-	-	-	-	-	-	2,523	-	(2,523)	-	-	-	-
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	(29,945)	-	-	-	(29,945)	-	(4,905)	(34,850)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(121,269)	(121,269)
Payment of coupon on perpetual securities	-	-	-	-	-	1,310	-	-	-	1,310	(89,951)	-	(88,641)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(67,535)	(67,535)	67,535	-	-
Total transactions with owners of the Company	18,225	(6,233)	-	-	1	(35,187)	2,523	2	(412,952)	(433,621)	(22,416)	(118,415)	(574,452)
At 30 September 2020	19,473,363	77,267	83,434	405	12,187	(3,744,172)	55,614	1,417,690	3,870,531	21,246,319	2,135,753	3,241,740	26,623,812

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Attributable to owners of the Company								Distributable					
	Non-distributable								Foreign currency translation reserve	Retained earnings	Total	Perpetual securities	Non- controlling interests	Total equity
	Share capital RM'000	Share option reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Cost of hedging reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	19,427,586	61,379	-	85,890	-	16,715	(3,927,522)	51,522	2,046,501	4,231,930	21,994,001	2,157,943	4,355,141	28,507,085
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	-	34	-	34	-	6,360	6,394
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(22,165)	-	(22,165)	-	(40,097)	(62,262)
Cash flow hedge	-	-	-	-	-	382	-	-	-	-	382	-	689	1,071
Effect of change in tax rate on the past revaluation of property, plant and equipment upon transfer to investment properties	-	-	-	(2,454)	-	-	-	-	-	-	(2,454)	-	-	(2,454)
Net change in fair value of FVOCI financial instruments	-	-	(9,241)	-	-	-	-	-	-	-	(9,241)	-	-	(9,241)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	327	327	-	985	1,312
Total other comprehensive income for the period	-	-	(9,241)	(2,454)	-	382	-	-	(22,131)	327	(33,117)	-	(32,063)	(65,180)
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	510,846	510,846	-	(36,021)	474,825
Total comprehensive income for the period	-	-	(9,241)	(2,454)	-	382	-	-	(22,131)	511,173	477,729	-	(68,084)	409,645
<i>Contributions by and distributions to owners of the Company</i>														
- Share-based payment	-	40,085	-	-	-	-	279	-	-	-	40,364	-	618	40,982
- Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	(263,220)	(263,220)	-	-	(263,220)
Transfer to share capital for share options exercised	27,552	(27,552)	-	-	-	-	279	-	-	(263,220)	(222,856)	-	618	(222,238)
Cancellation of vested share options	-	(279)	-	-	-	-	-	-	-	279	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	1	(3,601)	-	(5)	-	(3,605)	-	(470,821)	(474,426)
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	99,595	99,595
Transfer per statutory requirements	-	-	-	-	-	-	-	1,930	-	(1,930)	-	-	-	-
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	-	47,245	-	-	-	47,245	-	5,476	52,721
Transfer of accumulated fair value loss to retained earnings upon disposal of the FVOCI equity instruments	-	-	9,241	-	-	-	-	-	-	(9,241)	-	-	-	-
Transfers from hedge reserve to revenue reserve	-	-	-	-	-	(1,812)	-	-	-	1,812	-	-	-	-
Overprovision of transaction costs in prior years' dilution in interest in subsidiaries	-	-	-	-	-	-	73,966	-	-	-	73,966	-	-	73,966
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(160,454)	(160,454)
Payment of coupon on perpetual securities	-	-	-	-	-	-	347	-	-	-	347	(87,946)	-	(87,599)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	-	(65,840)	(65,840)	65,840	-	-
Purchase price allocation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	127,942	127,942
Total transactions with owners of the Company	27,552	12,254	9,241	-	-	(1,811)	118,236	1,930	(5)	(338,140)	(170,743)	(22,106)	(397,644)	(590,493)
At 30 September 2019	19,455,138	73,633	-	83,436	-	15,286	(3,809,286)	53,452	2,024,365	4,404,963	22,300,987	2,135,837	3,889,413	28,326,237

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Financial period ended	
	30 Sep 2020	30 Sep 2019
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(93,420)	846,993
Adjustments for:		
Dividend income	(4,212)	(2,614)
Finance income	(243,815)	(101,207)
Finance costs	881,571	658,444
Depreciation and impairment losses of property, plant and equipment	710,288	749,228
Depreciation and impairment losses of ROU assets	294,192	210,405
Amortisation and impairment losses of intangible assets	45,318	40,363
Impairment loss made:		
- Goodwill	397,064	14,762
- Trade and other receivables	62,415	44,222
- Inventories	215	262
Write-off:		
- Property, plant and equipment	920	1,667
- Trade and other receivables	4,549	10,138
- Inventories	2,471	2,337
(Gain)/Loss on disposal of property, plant and equipment	(6,009)	73
Gain on disposal of subsidiary	(13,188)	-
Gain on disposal of an associate	-	(22,750)
Loss on disposal of joint ventures	407	-
Realisation of FCTR upon substantive liquidation of a subsidiary and a joint venture	(132,984)	-
Provision for financial guarantee given to a joint venture's loan facility	3,307	1,801
Share of (profits)/losses of associates (net of tax)	(1,750)	23,031
Share of profits of joint ventures (net of tax)	(1,960)	(7,884)
Equity-settled share-based payment	19,672	40,982
Net unrealised foreign exchange differences	6,781	117,764
Operating profit before changes in working capital	1,931,832	2,628,017
Changes in working capital:		
Trade and other receivables	(121,065)	(62,804)
Development properties	(5,863)	421
Inventories	(81,711)	1,000
Trade and other payables	74,181	(377,906)
Cash generated from operations	1,797,374	2,188,728
Tax paid	(132,250)	(478,311)
Net cash from operating activities	1,665,124	1,710,417
Cash flows from investing activities		
Interest received	48,490	72,259
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(951,911)	(2,092,170)
Acquisition of business, net of cash and cash equivalents acquired	(594)	-
Development and purchase of intangible assets	(14,939)	(21,582)
Purchase of property, plant and equipment	(630,513)	(718,784)
Purchase of investment properties	(7,825)	(4,741)
Purchase of equity instruments	(28,539)	-
Net cash inflow from disposal of subsidiary	13,368	-
Net (placement)/withdrawal of fixed deposits with tenor of more than 3 months	(37,533)	38,752
Proceeds from disposal of property, plant and equipment	14,276	13,479
Proceeds from disposal of intangibles	488	595
Proceeds from disposal of an associate	-	43,574
Proceeds from disposal of joint ventures	3,233	-
Proceeds from disposal of equity instruments	-	17,224
Proceeds from disposal of mutual funds	-	52,281
Dividends received from joint ventures	605	902
Dividends received from associates	-	535,550
Net cash used in investing activities	(1,591,394)	(2,062,661)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Financial period ended	
	30 Sep 2020	30 Sep 2019
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(250,564)	(304,185)
Proceeds from loans and borrowings	2,667,390	2,673,731
Loan from non-controlling interest	993	398
Repayment of loans and borrowings	(2,052,861)	(3,793,269)
Payment of perpetual securities distribution	(88,641)	(87,599)
Payment of lease liabilities	(291,187)	(274,029)
Dividend paid to shareholders	(350,960)	(263,220)
Dividends paid to non-controlling interests	(121,269)	(160,454)
Acquisition of non-controlling interests	-	(636,130)
Proceeds from dilution of interest in subsidiaries	-	1,173
Issue of shares by subsidiaries to non-controlling interests	259	99,595
Change in pledged deposits	(7,566)	-
Net cash used in financing activities	(494,406)	(2,743,989)
Net decrease in cash and cash equivalents	(420,676)	(3,096,233)
Effect of exchange rate fluctuations on cash and cash equivalents held	22,325	(13,696)
Cash and cash equivalents at beginning of the period	2,641,463	5,710,563
Cash and cash equivalents at end of the period	2,243,112	2,600,634

Cash and cash equivalents

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

	30 Sep 2020	30 Sep 2019
	RM'000	RM'000
Cash and bank balances	1,482,947	1,734,149
Fixed deposits with tenor of 3 months or less	2,710,879	2,910,847
	4,193,826	4,644,996
Less:		
- Bank overdrafts	(44,618)	(67,025)
- Deposits placed in escrow account	(1,892,453)	(1,976,491)
- Deposits pledged	(13,643)	(846)
Cash and cash equivalents at end of the period	2,243,112	2,600,634

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

A1 BASIS OF PREPARATION

a) Basis of accounting

These condensed consolidated financial report are unaudited and prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134: *Interim Financial Reporting* in Malaysia and IAS 34: *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 (“2019 Audited Financial Statements”).

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

b) Significant accounting policies

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

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

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

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

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

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

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The Independent Auditors’ Report on the 2019 Audited Financial Statements was qualified. The details of the qualified opinion is reproduced below:

“Opinion

We have audited the financial statements of IHH Healthcare Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 195.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

As disclosed in Note 49 to the financial statements, the Group completed its acquisition of Fortis Healthcare Limited (“Fortis”) and its subsidiaries (“Fortis Group”) on 13 November 2018. Prior to the acquisition, an investigation

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

report by an independent external legal firm was submitted to the former Fortis Board, indicating systematic lapses and/or override of internal controls. Significant findings, amongst others, highlighted the placement of inter-corporate deposits and existence of possible related parties connected with former controlling shareholders of Fortis which may require appropriate reassessment by Fortis Group on the claims from, or transactions with, such parties. The Fortis Group had also initiated enquiries of the management of the entities in the Fortis Group that were impacted in respect of the matters investigated by the external legal firm.

In addition, there are ongoing investigations by the Securities and Exchange Board of India (“SEBI”) and the Serious Fraud Investigation Office (“SFIO”), Ministry of Corporate Affairs of India. On 17 October 2018, 21 December 2018 and 19 March 2019, SEBI had issued interim orders which, amongst others, stating that certain transactions were structured by some identified entities, which were *prima facie* fictitious and fraudulent in nature, resulting in, *inter alia*, diversion of funds by former controlling shareholders of Fortis.

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

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

Actions taken to address the qualified opinion

The Board of Fortis has initiated additional control procedures and had appointed Ernst & Young LLP, India, (“EY India”) to conduct enquiries of certain entities and transactions in Fortis Group (the “Project”) that were impacted in respect of the issues raised in the qualified opinion with a view of closing them. All amounts identified in the additional procedures and enquiries have been previously provided for or expensed off by Fortis. In connection with the potentially improper transactions, Fortis has undertaken a detailed review of each case to access its legal rights and has initiated necessary action.

A3 SEASONALITY OF OPERATIONS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2020, other than as mentioned in Section A11 of this financial report and COVID-19 pandemic impact on the performance of the Group.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

A5 CHANGE IN ACCOUNTING ESTIMATES

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

In 2020, the Group reassessed and estimated the recoverable amount of Global Hospitals based on value-in-use. This was calculated by applying the discounted cash flow model using cash flow projections based on actual operating results and five year forecast business plans. This has resulted in a full impairment of the remaining goodwill over Global Hospitals of RM397.1 million in YTD 2020.

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

A6 DEBT AND EQUITY SECURITIES

(a) Between 1 January 2020 to 30 September 2020, IHH issued 3,229,000 new ordinary shares pursuant to the surrender of vested Long Term Incentive Plan (“LTIP”) units.

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

Except as disclosed above, there were no other issuance of shares, share buy-backs, and repayments of debt and equity securities by IHH during the financial period ended 30 September 2020.

As at 30 September 2020, the issued share capital of IHH comprised of 8,777,219,463 ordinary shares.

A7 DIVIDENDS PAID

	Sen per ordinary share	Total amount RM'000	Date of payment
First and final single tier cash dividend for financial year ended 31 December 2019	4.00	350,960	30-Apr-20

A8 SEGMENT REPORTING

There had been no significant changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2019 Audited Financial Statements.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

A8 SEGMENT REPORTING

Financial period ended 30 September 2020

	Parkway Pantai ¹					Acibadem Holdings	IMU Health				
	Singapore RM'000	Malaysia RM'000	India RM'000	North Asia RM'000	PPL Others ² RM'000	CEE ³ RM'000	Malaysia RM'000	PLife REIT ¹ RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses											
Revenue from external customers	2,821,255	1,568,663	1,861,619	463,681	126,159	2,492,309	184,564	116,155	4,212	-	9,638,617
Inter-segment revenue	80,066	750	-	-	977	-	2,388	158,613	390,239	(633,033)	-
Total segment revenue	2,901,321	1,569,413	1,861,619	463,681	127,136	2,492,309	186,952	274,768	394,451	(633,033)	9,638,617
EBITDA	957,608	381,094	85,358	(130,636)	22,973	515,848	63,249	217,282	325,356	(603,401)	1,834,731
Depreciation and impairment losses of property, plant and equipment	(120,456)	(139,678)	(125,526)	(134,700)	(3,848)	(161,893)	(8,974)	(14,992)	(221)	-	(710,288)
Depreciation and impairment losses of ROU assets	(209,850)	(16,167)	(64,730)	(54,981)	(5,015)	(77,927)	(3,635)	(12,086)	(13)	150,212	(294,192)
Amortisation and impairment losses of intangible assets	(2,429)	(532)	(24,896)	(4,385)	-	(12,593)	(483)	-	-	-	(45,318)
Foreign exchange differences	11	(98)	1,301	(530)	4,876	(120)	28	153	4,678	-	10,299
Finance income	463	17,331	21,524	43,424	8,548	196,752	2,688	18	332	(47,265)	243,815
Finance costs	(17,806)	(1,442)	(106,886)	(105,185)	(29,061)	(658,542)	626	(17,767)	(2,191)	56,683	(881,571)
Share of profits/(losses) of associates (net of tax)	1,234	-	592	-	-	(76)	-	-	-	-	1,750
Share of profits/(losses) of joint ventures (net of tax)	605	-	2,086	(731)	-	-	-	-	-	-	1,960
Others	-	-	(460,923)	(407)	-	13,188	-	-	193,536	-	(254,606)
Profit/(Loss) before tax	609,380	240,508	(672,100)	(388,131)	(1,527)	(185,363)	53,499	172,608	521,477	(443,771)	(93,420)
Income tax expense	(96,470)	(57,842)	(25,542)	(5,946)	(15,970)	36,891	(13,943)	(15,718)	(1,660)	-	(196,200)
Profit/(loss) for the period	512,910	182,666	(697,642)	(394,077)	(17,497)	(148,472)	39,556	156,890	519,817	(443,771)	(289,620)
Assets and liabilities											
Cash and cash equivalents	207,838	632,153	2,001,006	467,800	463,138	128,175	32,897	102,570	158,249	-	4,193,826
Other assets	12,780,046	6,072,365	7,203,464	3,841,792	2,633,618	4,878,205	564,116	4,747,843	211,463	(2,870,380)	40,062,532
Segment assets as at 30 September 2020	12,987,884	6,704,518	9,204,470	4,309,592	3,096,756	5,006,380	597,013	4,850,413	369,712	(2,870,380)	44,256,358
Loans and borrowings	-	-	1,011,531	2,841,821	1,385,989	2,074,190	7,001	2,381,858	-	-	9,702,390
Other liabilities	4,500,890	801,117	2,207,509	938,328	(184,460)	1,927,567	179,492	377,394	52,699	(2,870,380)	7,930,156
Segment liabilities as at 30 September 2020	4,500,890	801,117	3,219,040	3,780,149	1,201,529	4,001,757	186,493	2,759,252	52,699	(2,870,380)	17,632,546

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

2 "PPL Others" comprises of mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai

3 "CEE" refers to Central and Eastern Europe

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

Financial period ended 30 September 2019

	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	North Asia RM'000	PPL Others ² RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue and expenses</u>											
Revenue from external customers	3,180,868	1,712,293	2,504,219	455,748	147,895	2,776,158	192,539	104,052	2,614	-	11,076,386
Inter-segment revenue	77,570	750	-	-	1,197	-	2,766	155,652	172,165	(410,100)	-
Total segment revenue	3,258,438	1,713,043	2,504,219	455,748	149,092	2,776,158	195,305	259,704	174,779	(410,100)	11,076,386
EBITDA	1,103,870	504,176	269,928	(106,534)	22,600	606,679	73,716	211,346	112,474	(382,008)	2,416,247
Depreciation and impairment losses of property, plant and equipment	(151,812)	(133,649)	(130,625)	(114,707)	(4,761)	(177,656)	(9,052)	(26,451)	(515)	-	(749,228)
Depreciation of ROU assets	(183,609)	(13,389)	(23,811)	(55,926)	(5,142)	(75,116)	(3,436)	-	(742)	150,766	(210,405)
Amortisation of intangible assets	(2,733)	(532)	(19,528)	(3,612)	-	(13,465)	(493)	-	-	-	(40,363)
Foreign exchange differences	(230)	(94)	15,239	-	(9,701)	(5,693)	(3)	312	(6,372)	-	(6,542)
Finance income	481	17,908	20,423	38,930	46,443	5,563	3,988	24	13,795	(46,348)	101,207
Finance costs	(24,978)	(4,475)	(134,812)	(98,869)	(40,326)	(392,619)	312	(19,912)	(2,014)	59,249	(658,444)
Share of profits/(loss) of associates (net of tax)	2,089	-	(25,120)	-	-	-	-	-	-	-	(23,031)
Share of profits/(loss) of joint ventures (net of tax)	902	-	7,367	(385)	-	-	-	-	-	-	7,884
Others	(14,762)	-	24,430	-	-	-	-	-	-	-	9,668
Profit/(Loss) before tax	729,218	369,945	3,491	(341,103)	9,113	(52,307)	65,032	165,319	116,626	(218,341)	846,993
Income tax expense	(139,991)	(86,491)	(83,837)	(8,673)	(13,878)	(5,288)	(16,853)	(15,691)	(1,466)	-	(372,168)
Profit/(loss) for the period	589,227	283,454	(80,346)	(349,776)	(4,765)	(57,595)	48,179	149,628	115,160	(218,341)	474,825
<u>Assets and liabilities</u>											
Cash and cash equivalents	146,118	864,273	2,132,003	495,936	480,221	181,465	74,565	98,164	172,251	-	4,644,996
Other assets	12,970,500	4,992,359	8,551,426	3,851,914	2,023,049	5,695,124	504,574	4,573,562	214,190	(2,528,377)	40,848,321
Segment assets as at 30 September 2019	13,116,618	5,856,632	10,683,429	4,347,850	2,503,270	5,876,589	579,139	4,671,726	386,441	(2,528,377)	45,493,317
Loans and borrowings	-	-	962,981	2,377,165	1,053,436	2,369,516	-	2,174,928	-	-	8,938,026
Other liabilities	4,397,788	709,957	2,479,896	928,898	(368,047)	2,000,009	175,489	382,492	50,949	(2,528,377)	8,229,054
Segment liabilities as at 30 September 2019	4,397,788	709,957	3,442,877	3,306,063	685,389	4,369,525	175,489	2,557,420	50,949	(2,528,377)	17,167,080

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

2 "PPL Others" comprises of mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai

3 "CEE" refers to Central and Eastern Europe

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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	
	30 Sep 2020	30 Sep 2019
	RM'000	RM'000
Transactions with substantial shareholders and their related companies		
- Acquisition of a subsidiary	1,020,000	-
- Sales and provision of services	84	704
- Purchase and consumption of services	(30)	-
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	1,960	3,194
- Purchase and consumption of services	(43,349)	(56,032)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

- On 10 March 2020, Parkway Shenton Vietnam Limited, an indirect wholly-owned subsidiary of IHH, was dissolved pursuant to member's voluntary winding-up.
- On 19 March 2020, Acibadem Sağlık Hizmetleri ve Ticaret A.S. ("ASH") disposed 70% equity interest in Famicord Acibadem Kordon Kani Sağlık Hizmetleri Anonim Şirketi ("Famicord") to Polski Bank Komórek Macierzystych S.A. at a total consideration of EUR2,800,000 (equivalent to RM13,446,160). Consequential thereto, ASH's interest in Famicord decreased from 100.0% to 30.0% and Famicord ceased to be a subsidiary of IHH Group but remains an associate of IHH Group.
- On 31 March 2020, ASH established a wholly-owned subsidiary, Acibadem International Healthcare GmbH, formerly known as Acibadem International Healthcare Group GmbH ("AIHC") in Germany. The issued and paid-up share capital of AIHC is EUR25,000 (equivalent to RM118,598) and its intended principal activity is the operation of hospitals, clinics and other medical facilities as well as the provision of services in the healthcare sector.
- On 7 April 2020, Parkway Trust Management Limited ("PTM") transferred 128,400 Parkway Life Real Estate Investment Trust ("Parkway Life REIT") units that it owned to its eligible employees in accordance to PTM's LTIP. Consequential thereto, IHH Group's effective interest in Parkway Life REIT was diluted from 35.64% to 35.62%.
- On 5 June 2020, M&P Investments Pte Ltd disposed 60% equity interest in ParkwayHealth Zifeng Nanjing OBGYN Hospital Company Limited to Healthcare Corporation (Hong Kong) Limited. Post the disposal, ParkwayHealth Zifeng Nanjing OBGYN Hospital Company Limited has ceased to be a subsidiary of IHH Group.
- On 1 September 2020, Pantai Holdings Sdn Bhd completed the acquisition of the entire issued share capital of Prince Court Medical Centre Sdn Bhd ("PCMC") comprising 100,000,000 ordinary shares and 35,176 redeemable preference shares in PCMC for a cash consideration of RM1,020.0 million pursuant to the conditional share purchase agreement with Pulau Memutik Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad. Consequential thereto, PCMC has become a wholly-owned subsidiary of IHH Group.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	PCMC (Provisional) RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	419,579
Right-of-use assets	435,733
Inventories	10,058
Trade and other receivables	35,780
Cash and cash equivalents	68,089
Trade and other payables	(49,169)
Deferred tax liabilities	(41,495)
Lease liabilities	(9,362)
Fair value of net identifiable assets acquired	<u>869,213</u>
Net cash outflow arising from acquisition of subsidiaries	
Purchase consideration settled in cash and cash equivalents	1,020,000
Less: cash and cash equivalents acquired	<u>(68,089)</u>
	<u>951,911</u>
Goodwill	
Fair value of consideration transferred	1,020,000
Fair value of net identifiable assets acquired	<u>(869,213)</u>
Goodwill	<u>150,787</u>

As at 30 September 2020, the Group is in the midst of performing a purchase price allocation (“PPA”) for the acquisition of PCMC, and would adjust the goodwill amount accordingly upon the completion of the PPA.

- (g) On 21 September 2020, Gleneagles Development Pte Ltd (“GDPL”) subscribed for 4,010,503 equity shares at INR124.10 per share in Ravindranath GE Medical Associates Private Limited (“RGMA”) for a total consideration of INR497,703,422 (equivalent to approximately RM27.6 million) pursuant to the rights issue of 5,237,711 equity shares having face value of INR10 each. Parkway-Healthcare (Mauritius) Limited (“PHML”) had renounced its proportionate share of the Rights Issue in favour of GDPL. Consequential thereto, GDPL’s equity interest in RGMA increased from 72.26% to 73.71% (on a fully diluted basis), and PHML’s equity interest in RGMA decreased from 1.61% to 1.53% (on a fully diluted basis).

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

A12 SUBSEQUENT EVENTS

- (a) On 27 October 2020, Acibadem City Clinic EAD acquired 100% equity interest in Acibadem City Clinic Mladost EOOD (“Mladost”) from Nikmi AD for a total consideration of EUR20.0 million (equivalent to RM98,468,000). The principal activities of Mladost are construction and technological design, construction industry, furniture and design, hospitality, tourism, transport, trade and services, entertainment, furniture production and foreign trade. Consequential thereto, Mladost becomes a subsidiary of IHH Group.
- (b) On 31 October 2020, Parkway Holdings Limited (“PHL”) disposed 9% equity interest in Gleneagles JPMC Sdn Bhd (“GJPMC”) to Jerudong Park Medical Centre Sdn Bhd at a total consideration of BND3,310,912 (equivalent to RM10,092,321). Consequential thereto, PHL’s equity interest in GJPMC decreased from 49% to 40% and GJPMC ceased to be a subsidiary of IHH Group but remains an associate of IHH Group.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

- (c) SEBI issued a show cause notice (“SCN”) dated 20 November 2020 to Fortis and Fortis Hospitals Limited (“FHsL”, a wholly owned subsidiary of Fortis) in furtherance of the SEBI investigation. The SCN provides an opportunity to Fortis and FHsL, respectively, to provide written responses prior to an in-person hearing before SEBI on 5 January 2021 on the matter. The management and Board of Fortis are evaluating the SCN in detail, in consultation with its legal advisors to determine the course of action.

Other than the above, there are no other material subsequent events and/or changes in composition of the Group as at 26 November 2020.

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

- i. In regards to the civil suit that had been filed by a third party (“Claimant”) against Fortis and certain entities (together “Defendants”) before the District Court, Delhi alleging, inter alia, implied ownership of the “Fortis”, “SRL” and “La-Femme” brands in addition to certain other financial claims and seeking a decree that consequent to a term sheet with a certain party, Fortis is liable for claims due to the Claimant from that certain party. In connection with this, the District Court had passed an ex-parte order directing that any transaction undertaken by the defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed by the District Court in the said civil suit. Additionally, the said certain party with whom the term sheet had been allegedly signed also claimed that Fortis has not abided by the aforementioned term sheet and has therefore claimed alleged ownership over the brands apart from the alleged claim to have a right to invest in Fortis.

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

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

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

- ii. In 2019, Continental Hospitals Private Limited received letters from the Reserve Bank of India (“RBI”) pointing out certain non-compliances with Foreign Exchange Management Act 1999 (“FEMA”). RBI sought clarifications on the status of this matter before the Singapore Arbitral Tribunal. During the year, RBI has directed that the compounding application be re-submitted upon receipt of the final orders from the Singapore Arbitral Tribunal, where the dispute continues to remain pending. Arbitration has been deferred at the mutual request of the parties until 30 November 2020.

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

- iii. Centre for Digestive and Kidney Diseases (India) Private Limited (“CDKD”) is defending an ongoing dispute with a service provider for the difference in the amounts claimed for laboratory diagnostic and other services being rendered. On 12 July 2019, the arbitrator allowed the amended claim of INR474.9 million (equivalent to RM27.5 million). The ultimate financial impact cannot be determined till final arbitration. Separately, CDKD has issued a cure notice dated 13 October 2020 to the service provider providing a period of 30 days (from receipt) to cure certain identified breaches of the agreement failing which CDKD will have a right to terminate the agreement.

Except for above developments to the contingent liabilities disclosed in Note 48 of the 2019 Audited Financial Statements, there were no other material changes in the contingent liabilities or contingent assets as at 19 November 2020 from that disclosed in the 2019 Audited Financial Statements.

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

A14 CAPITAL COMMITMENTS

	30 Sep 2020 RM'000	31 Dec 2019 RM'000
a. Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for in the financial statements	652,996	710,362
b. Other commitments		
Maximum amount committed for Fortis Open Offer ¹	1,888,307	1,941,302
Maximum amount committed for Malar Open Offer ¹	16,004	16,453
	<u>1,904,311</u>	<u>1,957,755</u>

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

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

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

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

A15 FAIR VALUE HIERARCHY

Fair value hierarchy

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>30 September 2020</u>				
Assets				
FVOCI unquoted shares	-	-	59,045	59,045
FVTPL money market funds	-	189,703	-	189,703
Foreign exchange forward contracts	-	3,621	-	3,621
Interest rate cap	-	2,757	-	2,757
Cross currency swaps	-	136,826	-	136,826
	-	332,907	59,045	391,952
Liabilities				
Put options granted to non-controlling interest ⁱ	-	-	(1,009,687)	(1,009,687)
Interest rate swaps	-	(967)	-	(967)
Foreign exchange forward contracts	-	(329)	-	(329)
Cross currency interest rate swaps	-	(8,918)	-	(8,918)
	-	(10,214)	(1,009,687)	(1,019,901)
<u>31 December 2019</u>				
Assets				
FVOCI unquoted shares	-	-	30,645	30,645
FVTPL money market funds	-	186,148	-	186,148
Foreign exchange forward contracts	-	7,567	-	7,567
Interest rate cap	-	1,738	-	1,738
	-	195,453	30,645	226,098
Liabilities				
Put options granted to non-controlling interest ⁱ	-	-	(1,033,565)	(1,033,565)
Interest rate swaps	-	(985)	-	(985)
Foreign exchange forward contracts	-	(5,402)	-	(5,402)
Cross currency swaps	-	(30,627)	-	(30,627)
Cross currency interest rate swaps	-	(9,074)	-	(9,074)
	-	(46,088)	(1,033,565)	(1,079,653)

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

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

A16 UPDATE ON INVESTIGATIONS BY SEBI AND SFIO ON FORTIS

SEBI issued a show cause notice ("SCN") dated 20 November 2020 to Fortis and FHsL in furtherance of the SEBI investigation. The SCN provides an opportunity to Fortis and FHsL, respectively, to provide written responses prior to an in-person hearing before SEBI on 5 January 2021 on the matter. The management and Board of Fortis are evaluating the SCN in detail, in consultation with its legal advisors to determine the course of action.

As at 19 November 2020, there were no further developments in the ongoing investigation on Fortis by the SFIO, Ministry of Corporate Affairs of India, from that disclosed in Note 49 of the 2019 Audited Financial Statements.

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

As at 19 November 2020, there were no further developments in the suo-moto contempt notice to Fortis, from that disclosed in Note 50 of the 2019 Audited Financial Statements. Please refer to section B6(1) for details.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

	3rd quarter ended			Financial period ended		
	30 Sep 2020	30 Sep 2019	Variance	30 Sep 2020	30 Sep 2019	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE¹						
Parkway Pantai:						
- Singapore	1,000,564	1,091,025	-8%	2,821,255	3,180,868	-11%
- Malaysia	578,916	605,914	-4%	1,568,663	1,712,293	-8%
- India	694,434	875,655	-21%	1,861,619	2,504,219	-26%
- North Asia	182,013	150,556	21%	463,681	455,748	2%
- PPL Others*	45,898	50,944	-10%	126,159	147,895	-15%
Parkway Pantai	2,501,825	2,774,094	-10%	6,841,377	8,001,023	-14%
Acibadem Holdings	922,674	913,591	1%	2,492,309	2,776,158	-10%
IMU Health	54,037	64,168	-16%	184,564	192,539	-4%
Others[^]	850	962	-12%	4,212	2,614	61%
Group (Excluding PLife REIT)	3,479,386	3,752,815	-7%	9,522,462	10,972,334	-13%
PLife REIT total revenue	92,223	87,817	5%	274,768	259,704	6%
Less: PLife REIT inter-segment revenue	(53,278)	(52,268)	-2%	(158,613)	(155,652)	-2%
PLife REIT	38,945	35,549	10%	116,155	104,052	12%
Group	3,518,331	3,788,364	-7%	9,638,617	11,076,386	-13%
EBITDA²						
Parkway Pantai:						
- Singapore	350,708	358,625	-2%	903,059	1,050,329	-14%
- Malaysia	159,514	177,830	-10%	381,094	504,176	-24%
- India	89,723	126,332	-29%	85,358	269,928	-68%
- North Asia	(15,121)	(46,404)	67%	(130,636)	(106,534)	-23%
- PPL Others*	11,880	5,036	136%	22,973	22,600	2%
Parkway Pantai	596,704	621,419	-4%	1,261,848	1,740,499	-28%
Acibadem Holdings	224,136	186,082	20%	515,848	606,679	-15%
IMU Health	11,973	23,196	-48%	63,249	73,716	-14%
Others[^]	(20,367)	(20,453)	0%	(64,883)	(59,691)	-9%
Group (Excluding PLife REIT)	812,446	810,244	0%	1,776,062	2,361,203	-25%
PLife REIT³	73,569	71,630	3%	217,282	211,346	3%
Eliminations⁴	(53,278)	(53,018)	0%	(158,613)	(156,302)	-1%
Group	832,737	828,856	0%	1,834,731	2,416,247	-24%

¹: Relates to external revenue only

It excludes PLife REIT's rental income earned from Parkway Pantai

Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT

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

³: Includes rental income earned from lease of hospitals to Parkway Pantai

⁴: Relates to the elimination of inter-segment income and expenses

*: PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai

^: Others comprise mainly IHH Group's corporate office as well as other investment holding entities

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

Q3 2020 vs Q3 2019

The Group's Q3 2020 revenue decreased 7% in Q3 2020 over Q3 2019 while EBITDA is marginally higher. With the COVID-19 pandemic since late January 2020, patients volume was softer than last year period due to postponement of non-urgent treatment and visits to hospitals and healthcare facilities. Foreign patient volume remains low since March 2020 due to the various travel restrictions implemented across the countries that it operates.

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

The Group's Q3 2020 EBITDA was impacted by lower revenues and additional cost incurred to implement COVID-19 precautionary and safety measures at the Group's hospitals and healthcare facilities. However, the decrease was mitigated by government grants and reliefs, as well as cost containment efforts by the Group.

The Group's Q3 2020 PATMI excluding exceptional items ("PATMI (Excl EI)") increased 18% to RM238.4 million mainly due to lower net interest expense from lower borrowing rates and interest income recorded on receipt of income tax refunds in Q3 2020 .

Parkway Pantai

Parkway Pantai's Q3 2020 revenue decreased 10% to RM2,501.8 million whilst its Q3 2020 EBITDA decreased 4% to RM596.7 million. The decrease in revenue was due to lower patient volumes as a result of the COVID-19 pandemic, in particular the more revenue intense foreign patients. It was partially mitigated by COVID-19 related services rendered.

Parkway Pantai's Singapore hospital inpatient admissions decreased 19% to 16,330 in Q3 2020 while its revenue per inpatient admission increased 1.8% to RM33,115. Parkway Pantai's Malaysia hospital inpatient admissions decreased 29% to 40,864 in Q3 2020 while its revenue per inpatient admission increased 27.1% to RM8,852. Parkway Pantai's India hospital inpatient admissions decreased 33% to 64,984 in Q3 2020 while its revenue per inpatient admission increased 25.4% to RM7,607.

Parkway Pantai's Q3 2020 EBITDA decreased as a result of lower revenues and cost incurred to implement COVID-19 precautionary and safety measures at its hospitals and healthcare facilities. The decrease was partially mitigated by government grants and reliefs received, as well as costs containment measures undertaken.

Acibadem Holdings

Acibadem Holdings' Q3 2020 revenue increased 1% to RM922.7 million while its EBITDA increased 20% to RM224.1 million. The increase in revenue was due to increase in revenue per inpatient admission. The increase was eroded by weaker TL in Q3 2020. On a constant currency basis, Acibadem Holdings' Q3 2020 revenue increased 17% while its EBITDA increased 40% over corresponding period last year.

Acibadem Holdings' hospital inpatient admissions decreased 12% to 45,456 in Q3 2020. Meanwhile, its revenue per inpatient admission increased 34.2% to RM9,888 with more complex cases taken and price adjustments to counter inflation for private insurance and cash patients.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

IMU Health

IMU Health's Q3 2020 revenue decreased 16% to RM54.0 million mainly due to changes in academic calendar for certain courses as a result of disruptions from COVID-19, and hence affected the timing of revenue recognition for these courses.

IMU Health's Q3 2020 EBITDA decreased 48% to RM12.0 million. This is mainly from lower revenue and RM2.0 million hardship allowance granted to students in Q3 2020, but mitigated by cost management.

PLife REIT

PLife REIT's Q3 2020 external revenue increased 10% to RM38.9 million while its EBITDA increased 3% to RM73.6 million as a result of rent contribution from properties acquired in Q4 2019 and appreciation of the Japanese Yen.

Others

Q3 2020 revenue decreased 12% to RM0.9 million mainly due to lower dividends received from investments in Money Market Funds ("MMF").

Q3 2020 EBITDA is on par with Q3 2019 as increase in staff costs are mitigated by cost management.

YTD 2020 vs YTD 2019

The Group's YTD 2020 revenue and EBITDA decreased 13% and 24% respectively in YTD 2020 over YTD 2019. With the COVID-19 pandemic since January 2020, patients postponed non-urgent treatment and visits to hospitals and healthcare facilities. Foreign patient volume remained low since March 2020 due to the various travel restrictions implemented across the countries that it operates. The decrease in revenue as a result of lower patient volumes was partially mitigated by COVID-19 related services the Group rendered. The Group is in active collaboration with the public healthcare sector of the countries that it operates in to provide COVID-19 screening and laboratory testing services. The Group also cared for stable COVID-19 patients that were decanted from public hospitals to the Group's Singapore hospitals, performed temperature screening at the Singapore borders and provided medical services at a community isolation facility in Singapore. In addition, the Group's hospitals in Turkey and India treat walk-in COVID-19 patients.

The Group's YTD 2020 EBITDA was impacted by lower revenues. The decrease was partially mitigated by government grants and reliefs, as well as cost containment measures undertaken.

The Group's YTD 2020 PATMI (Excl EI) decreased 46% to RM343.6 million as a result of a lower EBITDA and RM34.5mil impairment loss mainly on ROU assets of Global hospitals in 2020. The decrease was mitigated by lower net interest expense incurred from lower borrowing rates and lower loan quantum. In addition, the Group incurred higher tax expense in YTD 2019 as a result of tax on cash dividends received from RHT, and on cash that was further upstreamed as dividends from Fortis subsidiaries to Fortis Healthcare Limited.

Parkway Pantai

Parkway Pantai's YTD 2020 revenue decreased 14% to RM6,841.4 million whilst its YTD 2020 EBITDA decreased 28% to RM1,261.8 million. The decrease in revenue was due to lower patient volumes as a result of the COVID-19 pandemic, in particular the more revenue intense foreign patients. It was partially mitigated by COVID-19 related services rendered.

Parkway Pantai's Singapore hospital inpatient admissions decreased 21% to 46,548 in YTD 2020 while its revenue per inpatient admission increased 7.1% to RM34,564. Parkway Pantai's Malaysia hospital inpatient admissions decreased 25% to 120,413 in YTD 2020 while its revenue per inpatient admission increased 16.1% to RM8,147. Parkway Pantai's India hospital inpatient admissions decreased 28% to 196,293 in YTD 2020 while its revenue per inpatient admission increased 9.3% to RM6,780.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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

Acibadem Holdings

Acibadem Holdings' YTD 2020 revenue decreased 10% to RM2,492.3 million while its EBITDA decreased 15% to RM515.8 million. The decrease in revenue was due to lower patient volumes as a result of the COVID-19 pandemic, in particular the more revenue intense foreign patient. This was exacerbated by the weaker TL in YTD 2020. On a constant currency basis, Acibadem Holdings' YTD 2020 revenue was marginally lower while its EBITDA decreased 5% over corresponding period last year.

Acibadem Holdings' hospital inpatient admissions decreased 17% to 136,976. Meanwhile its revenue per inpatient admission increased 23.5% to RM8,883 in YTD 2020 with more complex cases taken and price adjustments to counter inflation for private insurance and cash patients.

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

IMU Health

IMU Health's YTD 2020 revenue decreased 4% to RM184.6 million mainly due to changes in academic calendar for certain courses as a result of disruptions from COVID-19, and hence affected the timing of revenue recognition for these courses. The decrease is partially offset by seminar income from a major conference organised by IMU Health in Q1 2020.

IMU Health's EBITDA decreased 14% in YTD 2020 mainly due to lower revenue, RM2.0 million hardship allowance granted to students in Q3 2020, implementation of COVID-19 precautionary and safety measures and pre-operating costs incurred for the new IMU Hospital which is under construction, but mitigated by cost management.

PLife REIT

PLife REIT's YTD 2020 external revenue increased 12% to RM116.2 million while its EBITDA increased 3% to RM217.3 million as a result of rent contribution from properties acquired in Q4 2019 and appreciation of the Japanese Yen.

Others

YTD 2020 revenue increased from RM2.6 million in YTD 2019 to RM4.2 million due to higher dividends from investments in MMF.

YTD 2020 EBITDA decreased RM5.2 million mainly due to increase in staff costs and IT-related professional fees.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	3rd quarter ended 30 Sep 2020 RM'000	2nd quarter ended 30 Jun 2020 RM'000	Variance %
<u>REVENUE</u>¹			
Parkway Pantai:			
- Singapore	1,000,564	805,852	24%
- Malaysia	578,916	434,314	33%
- India	694,434	416,609	67%
- North Asia	182,013	152,959	19%
- PPL Others*	45,898	37,249	23%
Parkway Pantai	2,501,825	1,846,983	35%
Acibadem Holdings	922,674	613,858	50%
IMU Health	54,037	63,232	-15%
Others^	850	1,549	-45%
Group (Excluding PLife REIT)	3,479,386	2,525,622	38%
PLife REIT total revenue	92,223	92,533	0%
Less: PLife REIT inter-segment revenue	(53,278)	(53,045)	0%
PLife REIT	38,945	39,488	-1%
Group	3,518,331	2,565,110	37%
<u>EBITDA</u>²			
Parkway Pantai:			
- Singapore	350,708	224,120	56%
- Malaysia	159,514	71,970	122%
- India	89,723	(73,451)	NM
- North Asia	(15,121)	(48,810)	69%
- PPL Others*	11,880	4,689	153%
Parkway Pantai	596,704	178,518	NM
Acibadem Holdings	224,136	74,452	NM
IMU Health	11,973	22,800	-47%
Others^	(20,367)	(28,421)	28%
Group (Excluding PLife REIT)	812,446	247,349	NM
PLife REIT ³	73,569	73,274	0%
Eliminations ⁴	(53,278)	(53,045)	0%
Group	832,737	267,578	NM

¹: Relates to external revenue only

It excludes PLife REIT's rental income earned from Parkway Pantai

Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT

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

³: Includes rental income earned from lease of hospitals to Parkway Pantai

⁴: Relates to the elimination of inter-segment income and expenses

*: PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai

^: Others comprise mainly IHH Group's corporate office as well as other investment holding entities

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

Q3 2020 vs Q2 2020

The Group reported a 37% quarter-on-quarter increase in revenue while its EBITDA increased from RM267.6 million in Q2 2020 to RM832.7 million in Q3 2020. Q2 2020 was a low base where patient volumes decreased significantly as a result of lockdowns and travel restrictions implemented in the major countries that the Group operates in caused by the COVID-19 pandemic. These lockdowns and travel restrictions have since eased to varying extent in different countries. Patients, including elective cases, have started to return to the Group's hospitals in Q3 2020.

The Group's Q3 2020 PATMI (Excl EI) rebounded from a loss of RM84.2 million in Q2 2020 to a profit of RM238.4 million in Q3 2020 on the back of a stronger EBITDA in Q3 2020. In addition, share of profits from joint ventures were higher due to increase in income from COVID-19 related services compared to losses in Q2 2020. Interest expense was lower due to lower borrowing rates and loan quantum while interest income was recorded upon receipt of income tax refunds in Q3 2020.

Parkway Pantai

Parkway Pantai's revenue increased 35% quarter-on-quarter while its EBITDA increased from RM178.5 million in Q2 2020 to RM596.7 million in Q3 2020.

Parkway Pantai's Singapore hospital inpatient admissions increased 26% quarter-on-quarter, while its revenue per inpatient admission decreased 6.0%. Parkway Pantai's Malaysia hospitals inpatient admissions increased 37% quarter-on-quarter, while its revenue per inpatient admission increased 1.6%. Parkway Pantai's India hospitals inpatient admissions increased 37% quarter-on-quarter, while its revenue per inpatient admission increased 18.7%.

Acibadem Holdings

Acibadem Holdings' revenue increased 50% quarter-on-quarter while its EBITDA increased from RM74.5 million in Q2 2020 to RM224.1 million in Q3 2020.

Acibadem Holdings' inpatient admissions increased 27% quarter-on-quarter while its revenue per inpatient admission increased 8.1%.

IMU Health

IMU Health's revenue decreased 15% quarter-on-quarter mainly due to changes in academic calendar for certain courses as a result of disruptions from COVID-19, and hence affected the timing of revenue recognition for these courses.

EBITDA decreased 47% quarter-on-quarter mainly on lower revenue. In addition, IMU Health incurred RM2.0 million expense on hardship allowance granted to students in Q3 2020.

PLife REIT

PLife REIT's Q3 2020 external revenue and EBITDA was consistent with Q2 2020.

Others

Revenue decreased 45% quarter-on-quarter mainly due to lower dividends received from MMF investment in Q3 2020. EBITDA losses was lower by 28% quarter-on-quarter due to a lower base in Q2 2020 with the vesting of the first tranche of LTIP units upon grant in April 2020 and IT-related professional fees incurred.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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 to the new normal and seeking new opportunities amidst this pandemic.

Patients postponed non-urgent (semi-elective and elective) treatment during lockdowns. This impact was at its worst in April and May 2020 as occupancy dropped to 30%-55% in the Group's home markets amid widespread movement restrictions. With the gradual easing of local movement restrictions starting in June, the Group has seen local patient volumes recover and occupancy recover to between 50%-65%. Occupancies at the Group's hospitals in Malaysia, Singapore and Turkey recovered to about 70%-90% of pre-COVID-19 levels in Q3 2020. Foreign patients are expected to return with the gradual opening of international borders. Foreign patient revenues at the Group's hospitals in Turkey recovered to almost pre-COVID-19 levels in Q3 2020 after Turkey reopened its borders on 12 June 2020.

The Group took proactive initiatives to partially mitigate the effects of lower patient volumes by improving case mix and diversifying into new revenue streams. For example, the Group is in active collaboration with the public healthcare sector to provide COVID-19 screening services and laboratory testing, to care for stable COVID-19 patients that was decanted from public hospitals to the Group's Singapore hospitals and to perform temperature screening at the Singapore borders. COVID-19 related services contributed about 10%, 3% and 21% of the Q3 2020 revenues from the Group's operations in Singapore, Turkey and India respectively. Whilst the Group is optimistic of progressive recovery, it expects continued impact from the COVID-19 pandemic for the rest of the year, especially if there are further disruptions from subsequent outbreaks and renewed lockdown.

Given the nature of hospital operations, some costs, such as staff costs and depreciation, remains relatively fixed despite lower patient volumes. The Group continually maintains a tight rein on costs and has strict cash management, which includes deferment of non-critical purchases and non-critical capital expansion projects. In addition, the construction of Parkway Shanghai Hospital (formerly known as Gleneagles Shanghai Hospital) in China will be delayed as a result of halting of construction during the lockdown.

The Group is confident that its longer-term growth trajectory remains intact as it delivers on its refreshed strategy. For example, the Group has completed its acquisition of Prince Court Medical Centre on 1 September 2020, which will be part of the Klang Valley cluster in Malaysia and will augment well in terms of the Group's pursuit for more efficient growth via its geographical cluster strategy. The Group has also entered into an agreement to dispose its 50% interest in Apollo Gleneagles Hospital Limited, a joint venture, and the disposal is expected to be completed by 15 December 2020.

The Group had further reduced its forex exposure on its unhedged non-Lira gross debt to EUR92.0 million in November 2020, and continues to explore avenues to further deleverage it. With the Group's robust financial position, strong cash flow, operational resilience and continued focus on delivering its refreshed strategy, it believes it is well-prepared to ride out this pandemic in the short-term and deliver long-term growth.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	3rd quarter ended		Financial period ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense	96,564	146,088	236,362	453,551
Deferred tax expense	(9,781)	(33,675)	(40,162)	(81,383)
	86,783	112,413	196,200	372,168

QTD 2020 and YTD 2020 effective tax rates* were 22.2% and -202.0% respectively. This is mainly due to certain non-taxable income and certain non-tax deductible expenses (refer to page 2 for list of exceptional items), unrecognised tax losses arising from the subsidiaries' operations, and hospitals under construction. In addition, most of the COVID-19 related government grants recognised by the Group are not taxable.

QTD 2019 and YTD 2019 effective tax rates* were 28.8% and 43.2% respectively due to certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items), and unrecognised tax losses arising from the Group's new hospitals and hospitals under construction. YTD 2019 tax expenses was high as it included tax on cash dividends received from RHT, and on cash that was further upstreamed as dividends from Fortis subsidiaries to Fortis Healthcare Limited. On the other hand, the dividend income from RHT (an associate) was eliminated upon consolidation at Fortis Group, hence decreasing the base when computing effective tax rate.

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

B6 STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at 19 November 2020:

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

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

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

On 13 July 2018, 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:

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

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

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

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

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

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

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

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

- d) On 5 March 2020, NTK has through its legal counsel, filed applications to intervene in the aforementioned Supreme Court Proceedings, as follows:
- (i) intervention applications in the Original Contempt Petition and the Fortis Contempt Petition, respectively, and to enable NTK to be heard in the Supreme Court Proceedings before any further orders are passed by the Supreme Court; and
 - (ii) an application to vacate the Order that continues to stay the Fortis Open Offer so as to be able to consummate the Fortis Open Offer; and support SEBI's ask of resuming the same.

Further, NTK may file such other applications, replies and affidavits, as necessary, to respond to the applications filed by any other parties.

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

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

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

The hearing of the Supreme Court Proceedings had been adjourned on several occasions due to measures implemented by the Supreme Court to contain the COVID-19 situation. The next hearing has been scheduled on 1 December 2020.

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

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

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

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

- (i) non-interested shareholders of the Company at the forthcoming EGM to be held on 9 December 2019;
- (ii) Ministry of Health, Malaysia ("MOH");
- (iii) Economic Planning Unit of the Prime Minister's Department ("EPU"); and
- (iv) any other relevant authorities and/or parties, where required.

On 11 October 2019, applications have been submitted to the MOH and Ministry of Economic Affairs, Malaysia, being the ministry charged with the responsibility of the EPU then, respectively.

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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

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

PHSB and PMV have, via a letter of extension issued by PHSB on 12 May 2020 and accepted by PMV, mutually agreed to further extend the Long Stop Date of the SPA from 13 May 2020 to 14 August 2020, for the fulfilment of the remaining conditions precedent under the SPA, namely, regulatory approvals and/or waiver from the MOH and EPU.

MOH had, vide its letter dated 24 July 2020, granted an exemption to PHSB to allow the acquisition of all the Sale Shares by PHSB from PMV.

PHSB and PMV have, via a letter of extension issued by PHSB on 14 August 2020 and accepted by PMV on even date, mutually agreed to further extend the Long Stop Date of the SPA from 14 August 2020 to 14 September 2020.

EPU has, vide its letter dated 14 August 2020, granted its approval for the acquisition of all the Sale Shares by PHSB. Accordingly, all conditions precedent under the SPA in relation to the Proposed Acquisition have been fulfilled and the SPA has become unconditional.

The Proposed Acquisition was completed on 1 September 2020.

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	30 Sep 2020 RM'000	31 Dec 2019 RM'000
Non-current		
Secured		
Bank borrowings	827,457	859,875
Loans from non-financial corporates	2,265	4,735
Unsecured		
Bank borrowings	6,092,406	6,044,071
Fixed rate notes	462,721	446,430
Loans from non-financial corporates	636	632
Loans from non-controlling interest of subsidiaries	923,074	910,322
	<u>8,308,559</u>	<u>8,266,065</u>
Current		
Secured		
Bank overdrafts	44,618	121,814
Bank borrowings	518,559	281,153
Loans from non-financial corporates	856	1,455
Unsecured		
Bank borrowings	873,743	354,572
Loans from non-financial corporates	673	654
	<u>1,438,449</u>	<u>759,648</u>
Total	<u>9,747,008</u>	<u>9,025,713</u>

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

	30 Sep 2020 RM'000	31 Dec 2019 RM'000
Singapore Dollar	2,681,591	2,281,252
Hong Kong Dollar	2,579,480	2,405,325
Japanese Yen	1,748,829	1,646,439
Euro	1,369,241	1,429,607
Indian Rupees	1,054,841	1,062,526
Renminbi	262,341	127,470
Turkish Lira	16,341	51,376
Ringgit Malaysia	7,001	-
US Dollar	673	654
Others	26,670	21,064
	<u>9,747,008</u>	<u>9,025,713</u>

In Q1 2020, two of the subsidiaries, Ravindranath GE Medical Associates Pte Ltd ("RGE") and Centre for Digestive and Kidney Diseases (India) Private Limited breached the loan covenants in respect of bank loans totaling INR3.2 billion (equivalent to RM182.3 million), out of which INR2.5 billion (equivalent to RM143.1 million) were previously classified as non-current liabilities. The subsidiaries did not fulfill the requisite financial ratios as set out in the loan agreements. Consequently, the bank loans became repayable on demand and were classified in full as current liabilities from 31 March 2020 onwards. On 29 September 2020, the bank agreed to extend the covenant testing date to 31 March 2021 on the condition that RGE's rights issue is completed by 30 November 2020.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

B8 FINANCIAL DERIVATIVE INSTRUMENTS

The Group's outstanding net derivative financial instruments as at 30 September 2020:

	Notional amount as at 30 Sep 2020 RM'000	Fair value amount as at 30 Sep 2020 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Between 1 - 3 years	189,572	660
- More than 3 years	76,608	2,961
	<u>266,180</u>	<u>3,621</u>
Interest rate cap		
- More than 3 years	925,056	2,757
Cross currency swaps		
- More than 3 years	480,209	136,826
	<u>1,671,445</u>	<u>143,204</u>
Derivative liabilities		
Interest rate swaps		
- Within 1 year	145,859	(117)
- More than 3 years	172,614	(850)
	<u>318,473</u>	<u>(967)</u>
Foreign exchange forward contracts		
- Between 1 - 3 years	35,719	(329)
Cross currency interest rate swaps		
- Within 1 year	151,469	(8,608)
- More than 3 years	248,031	(310)
	<u>399,500</u>	<u>(8,918)</u>
Call option granted to non-controlling interests		
- Within 1 year	28,188	-
	<u>781,880</u>	<u>(10,214)</u>

Foreign exchange forward contracts

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

Interest rate swaps

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

Cross currency interest rate swaps and cross currency swaps

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

Interest rate caps

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

Call option granted to non-controlling interests

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

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

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

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

B10 MATERIAL LITIGATIONS

Except as mentioned in Section A13, there were no other material changes in the contingent material litigations as at 19 November 2020 from that disclosed in the 2019 Audited Financial Statements.

B11 DIVIDENDS

No dividends were declared or paid by the Company during the quarter ended 30 September 2020.

34

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

	3rd quarter ended		Financial period ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
Dividend income	850	962	4,212	2,614
Other operating income	104,056	57,476	340,476	189,177
Foreign exchange differences	(4,975)	(4,668)	10,299	(6,542)
Impairment loss (made)/written back:				
- Goodwill	2,089	(14,762)	(397,064)	(14,762)
- Trade and other receivables	(20,931)	(15,060)	(62,415)	(44,222)
- Inventories	221	26	(215)	(262)
Write off:				
- Property, plant and equipment	(24)	(456)	(920)	(1,667)
- Inventories	(930)	(371)	(2,471)	(2,337)
- Trade and other receivables	(1,131)	(3,000)	(4,549)	(10,138)
Gain/(Loss) on disposal of property, plant and equipment	1,202	(457)	6,009	(73)
Gain on disposal of subsidiary	-	-	13,188	-
Gain on disposal of an associate	-	22,750	-	22,750
Loss on disposal of joint ventures	(407)	-	(407)	-
Realisation of FCITR upon substantive liquidation of a subsidiary and a joint venture	193,403	-	132,984	-
Provision for financial guarantee given on a joint venture's loan facility	(866)	(608)	(3,307)	(1,801)
Insurance compensation for flood	-	9	-	3,482
Finance income				
Interest income	21,998	12,492	51,605	83,009
Exchange gain on net borrowings	-	141	-	141
Fair value gain/(loss) of financial instruments	90,901	(121)	192,210	18,057
	112,899	12,512	243,815	101,207
Finance costs				
Interest expense	(98,078)	(123,793)	(349,145)	(419,551)
Exchange (loss)/gain on net borrowings	(265,911)	86,192	(494,563)	(123,335)
Fair value loss of financial instruments	(996)	(65,473)	(9,606)	(72,312)
Other finance costs	(10,596)	(15,733)	(28,257)	(43,246)
	(375,581)	(118,807)	(881,571)	(658,444)