IHH Healthcare Berhad

IHH HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 JUNE 2020

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

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

		2nd quarter ended			Financial period ended		
	Note	30 Jun 2020 RM'000	30 Jun 2019 RM'000	Variance %	30 Jun 2020 RM'000	30 Jun 2019 RM'000	Variance %
Revenue	1	2,565,110	3,645,335	-30%	6,120,286	7,288,022	-16%
Other operating income	2	158,491	66,214	139%	264,087	149,269	77%
Inventories and consumables		(561,235)	(722,582)	22%	(1,277,133)	(1,426,997)	11%
Purchased and contracted services		(266,855)	(394,509)	32%	(634,063)	(775,258)	18%
Staff costs		(1,239,125)	(1,347,076)	8%	(2,608,801)	(2,673,015)	2%
Depreciation and impairment losses of property, plant and equipment		(235,150)	(251,607)	7%	(473,986)	(498,750)	5%
Depreciation of right-of-use ("ROU") assets		(90,235)	(69,635)	-30%	(175,563)	(139,702)	-26%
Amortisation and impairment losses of intangible assets and prepaid lease payments		(14,282)	(13,242)	-8%	(31,286)	(26,392)	-19%
Operating lease expenses		(15,520)	(25,756)	40%	(31,417)	(44,269)	29%
Other operating expenses	3	(370,485)	(434,363)	15%	(1,264,516)	(929,955)	-36%
Finance income	4	58,184	53,348	9%	130,916	88,695	48%
Finance costs	4	(217,356)	(244,478)	11%	(505,990)	(539,637)	6%
Share of profits/(losses) of associates (net of tax)	5	1,011	978	3%	1,991	(24,375)	108%
Share of (losses)/profits of joint ventures (net of tax)	6	(4,585)	3,017	NM	(3,914)	5,094	-177%
(Loss)/Profit before tax		**(232,032)**	**265,644**	**-187%**	**(489,389)**	**452,730**	**NM**
Income tax expense	7	(114)	(63,727)	100%	(109,417)	(259,755)	58%
(Loss)/Profit for the period		**(232,146)**	**201,917**	**NM**	**(598,806)**	**192,975**	**NM**
Other comprehensive income/(expenses), net of tax							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences from foreign operations	8	31,932	365,848	-91%	(91,582)	195,806	-147%
Realisation of FCTR[1] upon substantive abandonment of joint venture project		434	-	-	60,419	-	-
Hedge of net investments in foreign operations	8	44,263	(48,266)	192%	(85,031)	(24,441)	NM
Cost of hedging reserve		(702)	-	-	(75)	-	-
Cash flow hedge		(6,689)	1,302	NM	(9,108)	614	NM
		69,238	318,884	-78%	(125,377)	171,979	-173%
Items that will not be reclassified subsequently to profit or loss							
Effect of change in tax rate on the past revaluation of property, plant and equipment upon transfer to investment properties		-	(50)	100%	-	(2,454)	100%
Net change in FVOCI[2] financial instruments		-	(9,241)	100%	-	(9,241)	100%
Remeasurement of defined benefits liabilities		(1,730)	(937)	-85%	(4,573)	(694)	NM
		(1,730)	(10,228)	83%	(4,573)	(12,389)	63%
Total comprehensive (expenses)/income for the period		**(164,638)**	**510,573**	**-132%**	**(728,756)**	**352,565**	**NM**
(Loss)/Profit attributable to:							
Owners of the Company		(120,642)	184,994	-165%	(440,428)	274,504	NM
Non-controlling interests		(111,504)	16,923	NM	(158,378)	(81,529)	-94%
(Loss)/Profit for the period		**(232,146)**	**201,917**	**NM**	**(598,806)**	**192,975**	**NM**
Total comprehensive (expenses)/income attributable to:							
Owners of the Company		(34,891)	458,226	-108%	(489,703)	399,571	NM
Non-controlling interests		(129,747)	52,347	NM	(239,053)	(47,006)	NM
Total comprehensive (expenses)/income for the period		**(164,638)**	**510,573**	**-132%**	**(728,756)**	**352,565**	**NM**
Earnings per share (sen)							
Basic		(1.64)	1.86	-188%	(5.54)	2.63	NM
Diluted		(1.64)	1.86	-188%	(5.53)	2.63	NM

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 JUNE 2020

SUPPLEMENTARY INFORMATION

		2nd quarter ended			Financial period ended		
	Note	**30 Jun 2020 RM'000**	**30 Jun 2019 RM'000**	**Variance %**	**30 Jun 2020 RM'000**	**30 Jun 2019 RM'000**	**Variance %**
(Loss)/Profit attributable to owners of the Company		**(120,642)**	**184,994**	**-165%**	**(440,428)**	**274,504**	**NM**
Add back/(less): Exceptional items ("EI")							
Gain on disposal of a subsidiary[i]		-	-		(13,188)	-	
Share of losses of an associate[ii]	5	-	415		-	29,367	
Impairment loss on goodwill[iii]	3	(1,330)	-		399,153	-	
Insurance compensation for Chennai flood		-	(3,473)		-	(3,473)	
Realisation of foreign currency translation reserve upon substantive liquidation of a joint venture[iv]	3	434	-		60,419	-	
Provision for financial guarantee given on a joint venture's loan facility[v]		1,279	599		2,441	1,193	
Change in fair value of put option		-	(11,334)		-	(11,334)	
Change in fair value of cross currency swaps[vi]	4	(43,252)	-		(96,216)	-	
Exchange loss on net borrowings[vii]	4	94,826	79,526		228,652	206,699	
		51,957	65,733		581,261	222,452	
Less: Tax effects on EI		(11,459)	(3,634)		(26,347)	(31,612)	
Less: Non-controlling interests' share of EI		(4,011)	(6,968)		(9,290)	(36,835)	
		36,487	55,131		545,624	154,005	
Profit attributable to owners of the Company, excluding EI[viii]		**(84,155)**	**240,125**	**-135%**	**105,196**	**428,509**	**-75%**
Earnings per share, excluding EI[viii] (sen)							
Basic		(1.22)	2.49	-149%	0.68	4.39	-85%
Diluted		(1.22)	2.49	-149%	0.68	4.39	-85%

NM: Not meaningful

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

i. Disposal of 70% interest in Famicord Acibadem Kordon Kani Saglik Hizmetleri Anonim Sirketi
ii. Share of losses of an associate, RHT Health Trust ("RHT")
iii. Impairment of goodwill over Ravindranath GE Medical Associates Pte Ltd (also known as "Global Hospitals")
iv. Realisation of foreign currency translation reserve ("FCTR") upon substantive liquidation of Khubchandani Hospital
v. Proportionate share of corporate guarantee in relation to accrued interest on Khubchandani Hospital's loan
vi. Fair value changes of the cross-currency swaps which was entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
vii. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 30 June 2020, Euro/TL=7.7082, USD/TL=6.842)
viii. Exceptional items, net of tax and non-controlling interests

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 year as compared to the corresponding period last year.

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

1. QTD 2020 revenue and YTD 2020 revenue were lower than QTD 2019 and YTD 2019 revenue mainly due to the COVID-19 pandemic. Patients postponed non-urgent and non-essential 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 receipt of the government grants and reliefs given by the various governments of the countries the Group operates in.

3. YTD 2020 other operating expenses included impairment of goodwill over Global Hospitals amounting to RM399.2 million and realisation of foreign currency translation reserve ("FCTR") amounting to RM60.4 million upon the substantive liquidation of Khubchandani Hospital. Excluding the above, QTD 2020 and YTD 2020 other operating expenses were lower than QTD 2019 and YTD 2019 as a result of cost management.

4. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. In Q3 2019 and Q1 2020, Acibadem Holdings entered into cross-currency swaps ("CCS") to convert Euro 103.0 million of bank loans and its related interest into Turkish Lira.

   The Group recognised RM94.8 million and RM228.7 million exchange loss on translation of such non-TL balances in QTD 2020 and YTD 2020 respectively, and were partially offset by RM43.3 million and RM96.2 million net fair value gain on the above-mentioned CCS respectively. The net loss of RM51.5 million and RM132.5 million for QTD 2020 and YTD 2020 respectively were lower 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.

5. YTD 2019 share of losses of associates relates mainly to RHT Health Trust ("RHT") loss on disposal of assets.

6. QTD 2020 and YTD 2020 share of losses of joint venture was mainly due to lower profitability in our joint ventures as a result of the effects of COVID-19 on the business.

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

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

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

	30 Jun 2020	30 Jun 2019
1 SGD	3.0384	3.0307
1 TL	0.6587	0.7339

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	30 June 2020 RM'000	31 Dec 2019 RM'000
Assets			
Property, plant and equipment		11,040,212	11,196,308
Right-of-use assets		6,651,324	6,736,016
Investment properties		3,613,791	3,508,182
Goodwill on consolidation	1	12,101,489	12,574,673
Intangible assets		2,009,832	2,081,266
Interests in associates		95,794	92,454
Interests in joint ventures	2	114,510	212,529
Other financial assets	3	123,315	46,763
Trade and other receivables		165,250	155,809
Tax recoverable		418,072	385,512
Derivative assets		69,123	9,220
Deferred tax assets		462,213	428,228
Total non-current assets		**36,864,925**	**37,426,960**
Development properties		89,728	84,213
Inventories		397,521	350,321
Trade and other receivables	2, 4	1,909,529	2,107,897
Tax recoverable		10,591	17,081
Other financial assets		306,366	344,283
Derivative assets		-	85
Cash and cash equivalents		4,280,514	4,714,669
		6,994,249	7,618,549
Assets classified as held for sale	2	76,878	7,780
Total current assets		**7,071,127**	**7,626,329**
Total assets		**43,936,052**	**45,053,289**
Equity			
Share capital		19,473,363	19,455,138
Other reserves		(1,599,477)	(1,529,495)
Retained earnings		3,578,894	4,413,888
Total equity attributable to owners of the Company		**21,452,780**	**22,339,531**
Perpetual securities		2,159,269	2,158,169
Non-controlling interests		3,274,607	3,596,269
Total equity		**26,886,656**	**28,093,969**
Liabilities			
Loans and borrowings	5	7,788,558	8,266,065
Lease liabilities		1,821,969	1,851,567
Employee benefits		104,479	99,821
Trade and other payables		251,684	249,514
Derivative liabilities		5,194	33,124
Deferred tax liabilities		1,119,093	1,110,002
Total non-current liabilities		**11,090,977**	**11,610,093**
Bank overdrafts		84,968	121,814
Loans and borrowings	5	1,469,209	637,834
Lease liabilities		236,994	222,366
Employee benefits		152,355	145,484
Trade and other payables	4	3,608,049	3,858,162
Derivative liabilities		26,928	12,964
Tax payable		379,916	350,418
		5,958,419	5,349,042
Liabilities classified as held for sale		-	185
Total current liabilities		**5,958,419**	**5,349,227**
Total liabilities		**17,049,396**	**16,959,320**
Total equity and liabilities		**43,936,052**	**45,053,289**
Net assets per share attributable to owners of the Company[1] (RM)		2.44	2.55

[1] Based on 8,777.2 million and 8,774.0 million shares issued as at 30 June 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 were also impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL as at 30 June 2020 as compared to 31 December 2019.

1. Goodwill decreased mainly as a result of RM399.2 million goodwill impairment made over Global Hospitals during the year.
2. Investment in joint ventures decreased mainly as a result of the transfer of RM69.4 million and RM19.8 million to assets held for sale and current trade and other receivables respectively during the quarter as the Group has plans to sell off its investments in some joint ventures in the near term.
3. Other financial assets increased with the placement of additional RM47.3 million in long-term fixed deposits and RM28.5 million equity investment into a telehealth start-up, Doctor Anywhere Pte. Ltd.
4. Current trade and other receivables/payables balances decreased in 2020 in line with the lower revenues and purchases during the COVID-19 pandemic.
5. Loans and borrowings increased mainly due to the drawdown of facilities to finance working capital and capital expenditure.

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

	30 Jun 2020	31 Dec 2019
1 SGD	3.0731	3.0553
1 TL	0.6239	0.6905

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

	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Cost of hedge 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
	<------ Attributable to owners of the Company								------>				
	<------ Non-distributable						------>		Distributable				
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	-	-	-	-	-	-	-	(75,057)	-	(75,057)	-	(16,525)	(91,582)
Realisation of FCTR upon substantive liquidation of a joint venture	-	-	-	-	-	-	-	60,419	-	60,419	-	-	60,419
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	(30,280)	-	(30,280)	-	(54,751)	(85,031)
Costs of hedge reserve	-	-	-	(27)	-	-	-	-	-	(27)	-	(48)	(75)
Cash flow hedge	-	-	-	-	(3,241)	-	-	-	-	(3,241)	-	(5,867)	(9,108)
Remeasurement of defined benefits liabilities	-	-	-	-	-	-	-	-	(1,089)	(1,089)	-	(3,484)	(4,573)
Total other comprehensive expenses for the period	-	-	-	(27)	(3,241)	-	-	(44,918)	(1,089)	(49,275)	-	(80,675)	(129,950)
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	(440,428)	(440,428)	-	(158,378)	(598,806)
Total comprehensive expenses for the period	-	-	-	(27)	(3,241)	-	-	(44,918)	(441,517)	(489,703)	-	(239,053)	(728,756)
Contributions by and distributions to owners of the Company													
- Share-based payment	-	17,925	-	-	-	128	-	-	-	18,053	-	283	18,336
- Issue of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(350,960)	(350,960)	-	-	(350,960)
	-	17,925	-	-	-	128	-	-	(350,960)	(332,907)	-	283	(332,624)
Transfer to share capital for share options exercised	18,225	(18,225)	-	-	-	-	-	-	-	-	-	-	-
Cancellation of vested share options	-	(5,360)	-	-	-	-	-	-	5,360	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	1	943	-	2	-	946	-	391	1,337
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	259	259
Transfer per statutory requirements	-	-	-	-	-	-	2,563	-	(2,563)	-	-	-	-
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	(20,403)	-	-	-	(20,403)	-	(3,005)	(23,408)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(80,537)	(80,537)
Payment of coupon on perpetual securities	-	-	-	-	-	630	-	-	-	630	(44,214)	-	(43,584)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(45,314)	(45,314)	45,314	-	-
Total transactions with owners of the Company	18,225	(5,660)	-	-	1	(18,702)	2,563	2	(393,477)	(397,048)	1,100	(82,609)	(478,557)
At 30 June 2020	19,473,363	77,840	83,434	298	12,011	(3,727,687)	55,654	1,898,973	3,578,894	21,452,780	2,159,269	3,274,607	26,886,656

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

	<------ Attributable to owners of the Company ------>													
	<------ Non-distributable ------>									Distributable				
	Share capital RM'000	Share option reserve RM'000	Fair value reserves RM'000	Revaluation reserve RM'000	Cost of hedge reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2019	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	-	-	-	-	-	-	-	-	145,549	-	145,549	-	50,257	195,806
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	-	(8,701)	-	(8,701)	-	(15,740)	(24,441)
Cash flow hedge	-	-	-	-	-	219	-	-	-	-	219	-	395	614
Net change in fair value of FVOCI financial instruments	-	-	(9,241)	-	-	-	-	-	-	-	(9,241)	-	-	(9,241)
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)
Remeasurement of defined benefits liabilities	-	-	-	-	-	-	-	-	-	(305)	(305)	-	(389)	(694)
Total other comprehensive (expenses)/income for the period	-	-	(9,241)	(2,454)	-	219	-	-	136,848	(305)	125,067	-	34,523	159,590
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	274,504	274,504	-	(81,529)	192,975
Total comprehensive (expenses)/income for the period	-	-	(9,241)	(2,454)	-	219	-	-	136,848	274,199	399,571	-	(47,006)	352,565
Contributions by and distributions to owners of the Company														
- Share-based payment	-	28,849	-	-	-	-	199	-	-	-	29,048	-	440	29,488
- Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	(263,220)	(263,220)	-	-	(263,220)
	-	28,849	-	-	-	-	199	-	-	(263,220)	(234,172)	-	440	(233,732)
Transfer to share capital for share options exercised	27,552	(27,552)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	1	(1,884)	-	(5)	-	(1,888)	-	(468,932)	(470,820)
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	99,565	99,565
Transfer per statutory requirements	-	-	-	-	-	-	-	1,539	-	(1,539)	-	-	-	-
Changes in fair value of put options granted to non-controlling interests	-	-	-	-	-	-	26,811	-	-	-	26,811	-	3,513	30,324
Transfer of accumulated fair value loss to retained earnings upon disposal of the FVOCI equity instruments	-	-	9,241	-	-	-	-	-	-	(9,241)	-	-	-	-
Transfers from hedge reserves to revenue reserves	-	-	-	-	-	(1,811)	-	-	-	1,811	-	-	-	-
Overprovision of transaction costs in prior years' dilution in interest in subsidiaries	-	-	-	-	-	-	73,966	-	-	-	73,966	-	-	73,966
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(94,037)	(94,037)
Payment of coupon on perpetual securities	-	-	-	-	-	-	413	-	-	-	413	(44,510)	-	(44,097)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	-	(43,574)	(43,574)	43,574	-	-
Purchase price allocation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	127,942	127,942
Total transactions with owners of the Company	27,552	1,297	9,241	-	-	(1,810)	99,505	1,539	(5)	(315,763)	(178,444)	(936)	(331,509)	(510,889)
At 30 June 2019	19,455,138	62,676	-	83,436	-	15,124	(3,828,017)	53,061	2,183,344	4,190,366	22,215,128	2,157,007	3,976,626	28,348,761

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.

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

	Financial period ended	
	30 Jun 2020	30 Jun 2019
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(489,389)	452,730
Adjustments for:		
Dividend income	(3,362)	(1,652)
Finance income	(130,916)	(88,695)
Finance costs	505,990	539,637
Depreciation and impairment losses of property, plant and equipment	473,986	498,750
Depreciation of ROU assets	175,563	139,702
Amortisation and impairment losses of intangible assets and prepaid lease payments	31,286	26,392
Impairment loss made:		
- Goodwill	399,153	-
- Trade and other receivables	41,484	29,162
- Inventories	436	288
Write-off:		
- Property, plant and equipment	896	1,211
- Inventories	1,541	1,966
- Trade and other receivables	3,418	7,138
Gain on disposal of property, plant and equipment	(4,807)	(384)
Gain on disposal of subsidiary	(13,188)	-
Realisation of FCTR upon substantive liquidation of a joint venture	60,419	-
Provision for financial guarantee given to a joint venture's loan facility	2,441	1,193
Share of (profits)/losses of associates (net of tax)	(1,991)	24,375
Share of losses/(profits) of joint ventures (net of tax)	3,914	(5,094)
Equity-settled share-based payment	18,336	29,488
Net unrealised foreign exchange differences	(11,923)	113,198
Operating profit before changes in working capital	**1,063,287**	**1,769,405**
Changes in working capital:		
Trade and other receivables	138,789	(91,528)
Development properties	(5,514)	(60)
Inventories	(46,695)	11,252
Trade and other payables	(271,954)	(378,282)
Cash generated from operations	**877,913**	**1,310,787**
Tax paid	(149,447)	(228,136)
Net cash from operating activities	**728,466**	**1,082,651**
Cash flows from investing activities		
Interest received	28,284	58,711
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(2,092,169)
Acquisition of business, net of cash and cash equivalents acquired	(594)	-
Development and purchase of intangible assets	(9,341)	(20,169)
Purchase of property, plant and equipment	(413,748)	(498,197)
Purchase of investment properties	(5,067)	(2,672)
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	(8,002)	112,824
Proceeds from disposal of property, plant and equipment	10,749	4,481
Proceeds from disposal of mutual funds	-	36,792
Proceeds from disposal of equity instruments	-	17,224
Proceeds from disposal of intangibles	490	-
Dividends received from joint ventures	428	583
Dividends received from associates	-	532,724
Net cash used in investing activities	**(411,972)**	**(1,849,868)**

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

	Financial period ended	
	30 Jun 2020	30 Jun 2019
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(172,697)	(220,578)
Proceeds from loans and borrowings	1,715,452	1,589,901
Loan from non-controlling interest	627	-
Repayment of loans and borrowings	(1,597,419)	(2,526,996)
Payment of perpetual securities distribution	(43,584)	(44,097)
Payment of lease liabilities	(191,337)	(169,516)
Dividends paid to non-controlling interests	(80,537)	(94,037)
Dividend paid to shareholders	(350,960)	-
Acquisition of non-controlling interests	-	(632,524)
Proceeds from dilution of interest in subsidiaries	-	1,173
Issue of shares by subsidiaries to non-controlling interests	259	99,565
Change in pledged deposits	(7,662)	(17)
Net cash used in financing activities	**(727,858)**	**(1,997,126)**
Net decrease in cash and cash equivalents	**(411,364)**	**(2,764,343)**
Effect of exchange rate fluctuations on cash and cash equivalents held	54,865	(46,052)
Cash and cash equivalents at beginning of the period	2,641,463	5,710,563
Cash and cash equivalents at end of the period	**2,284,964**	**2,900,168**

Cash and cash equivalents

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

	30 Jun 2020	30 Jun 2019
	RM'000	RM'000
Cash and bank balances	1,254,392	2,170,624
Fixed deposits with tenor of 3 months or less	3,026,122	2,868,153
	4,280,514	5,038,777
Less:		
- Bank overdrafts	(84,968)	(129,266)
- Deposits pledged	(1,897,092)	(2,008,507)
- Cash collateral received and cash pledged	(13,490)	(836)
Cash and cash equivalents at end of the period	**2,284,964**	**2,900,168**

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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 applies 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 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."

<u>Actions taken to address the qualified opinion</u>

The Board of Fortis has initiated additional control procedures and had appointed Ernst & Young LLP, India, to conduct enquiries of certain entities and transactions in Fortis Group (the "Project") that were impacted in respect of the issues raised in the qualified opinion with a view of closing them. As at 20 August 2020, the Board of Fortis is reviewing the report from Ernst & Young LLP, India, which has raised no new issues. The Board of Fortis will deliberate on the next additional steps of actions to close the matter.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020**

A5 CHANGE IN ACCOUNTING ESTIMATES

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

In 2020, the Group had reassessed and estimated the recoverable amount of Global Hospitals based on value in use, which is calculated based on applying a discounted cash flow model using cash flow projections based on actual operating results, and 5 years forecast business plans. This has resulted in a full impairment of the remaining goodwill over Global Hospitals of RM399.2 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 June 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 June 2020.

As at 30 June 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

A8 SEGMENT REPORTING

Financial period ended 30 June 2020

	Parkway Pantai[1]					Acibadem Holdings	IMU Health				
	Singapore	Malaysia	India	North Asia	PPL Others[2]	CEE[3]	Malaysia	PLife REIT[1]	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and expenses											
Revenue from external customers	1,820,691	989,747	1,167,185	281,668	80,261	1,569,635	130,527	77,210	3,362	-	6,120,286
Inter-segment revenue	52,920	500	-	-	626	-	1,679	105,335	389,453	(550,513)	-
Total segment revenue	1,873,611	990,247	1,167,185	281,668	80,887	1,569,635	132,206	182,545	392,815	(550,513)	6,120,286
EBITDA	588,402	221,580	(4,365)	(115,515)	11,093	291,712	51,276	143,713	344,937	(530,839)	1,001,994
Depreciation and impairment loss of property, plant and equipment	(79,705)	(91,141)	(83,899)	(89,238)	(2,575)	(111,324)	(5,975)	(9,976)	(153)	-	(473,986)
Depreciation of ROU assets	(139,927)	(10,709)	(22,650)	(36,124)	(3,335)	(52,601)	(2,423)	(8,051)	(9)	100,266	(175,563)
Amortisation and impairment loss of intangible assets	(1,821)	(355)	(16,841)	(3,434)	-	(8,513)	(322)	-	-	-	(31,286)
Foreign exchange differences	419	(123)	3,487	206	5,268	95	34	(256)	6,144	-	15,274
Finance income	329	12,971	5,747	30,082	7,144	106,119	1,954	14	43	(33,487)	130,916
Finance costs	(12,987)	(2,785)	(74,615)	(74,954)	(16,838)	(349,367)	337	(13,098)	(1,760)	40,077	(505,990)
Share of profits/(losses) of associates (net of tax)	667	-	1,593	-	-	(269)	-	-	-	-	1,991
Share of profits/(losses) of joint ventures (net of tax)	428	-	(3,508)	(834)	-	-	-	-	-	-	(3,914)
Others	-	-	(462,012)	-	-	13,188	-	-	(1)	-	(448,825)
Profit/(Loss) before tax	355,805	129,438	(657,063)	(289,811)	757	(110,960)	44,881	112,346	349,201	(423,983)	(489,389)
Income tax expense	(53,274)	(32,184)	(13,379)	(4,040)	(10,819)	27,551	(11,480)	(10,560)	(1,232)	-	(109,417)
Net profit/(loss) for period	302,531	97,254	(670,442)	(293,851)	(10,062)	(83,409)	33,401	101,786	347,969	(423,983)	(598,806)
Assets and liabilities											
Cash and cash equivalents	190,740	860,506	1,985,589	468,066	293,475	206,053	20,109	95,486	160,490	-	4,280,514
Other assets	13,051,788	5,024,053	7,322,965	3,882,896	2,840,776	5,132,620	523,850	4,807,534	211,938	(3,142,882)	39,655,538
Segment assets as at 30 June 2020	13,242,528	5,884,559	9,308,554	4,350,962	3,134,251	5,338,673	543,959	4,903,020	372,428	(3,142,882)	43,936,052
Loans and borrowings	3,073	-	1,038,174	2,841,308	792,333	2,192,684	4,501	2,385,694	-	-	9,257,767
Other liabilities	4,870,341	642,295	2,254,530	899,686	(268,500)	1,964,676	134,643	402,100	34,740	(3,142,882)	7,791,629
Segment liabilities as at 30 June 2020	4,873,414	642,295	3,292,704	3,740,994	523,833	4,157,360	139,144	2,787,794	34,740	(3,142,882)	17,049,396

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

Financial period ended 30 June 2019

	Parkway Pantai[1]					Acibadem	IMU				
	Singapore RM'000	Malaysia RM'000	India RM'000	North Asia RM'000	PPL Others[2] RM'000	Holdings CEE[3] RM'000	Health Malaysia RM'000	PLife REIT[1] RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses											
Revenue from external customers	2,089,843	1,106,379	1,628,564	305,192	96,951	1,862,567	128,371	68,503	1,652	-	7,288,022
Inter-segment revenue	52,790	500	-	-	-	-	1,857	103,384	111,551	(270,082)	-
Total segment revenue	2,142,633	1,106,879	1,628,564	305,192	96,951	1,862,567	130,228	171,887	113,203	(270,082)	7,288,022
EBITDA	727,934	326,346	143,596	(60,130)	17,564	420,597	50,520	139,716	72,259	(251,011)	1,587,391
Depreciation and impairment loss of property, plant and equipment	(104,698)	(88,555)	(86,373)	(75,684)	(3,197)	(116,120)	(6,079)	(17,659)	(385)	-	(498,750)
Depreciation of ROU assets	(23,239)	(7,941)	(16,085)	(37,037)	(3,430)	(49,627)	(2,334)	-	(9)	-	(139,702)
Amortisation and impairment loss of intangible assets	(1,821)	(355)	(12,645)	(2,343)	-	(8,896)	(332)	-	-	-	(26,392)
Foreign exchange differences	(386)	(125)	15,857	(376)	(5,757)	(5,719)	(2)	567	(5,933)	-	(1,874)
Finance income	343	11,616	17,557	25,902	42,135	6,133	2,784	18	13,040	(30,833)	88,695
Finance costs	(8,266)	(2,856)	(94,835)	(68,110)	(28,148)	(355,367)	(346)	(11,210)	(1,332)	30,833	(539,637)
Share of profits/(losses) of associates (net of tax)	1,392	-	(25,767)	-	-	-	-	-	-	-	(24,375)
Share of profits/(losses) of joint ventures (net of tax)	583	-	4,681	(170)	-	-	-	-	-	-	5,094
Others	-	-	2,280	-	-	-	-	-	-	-	2,280
Profit/(Loss) before tax	591,842	238,130	(51,734)	(217,948)	19,167	(108,999)	44,211	111,432	77,640	(251,011)	452,730
Income tax expense	(87,779)	(57,561)	(81,916)	(6,249)	(7,731)	4,993	(11,601)	(10,226)	(1,685)	-	(259,755)
Net profit/(loss) for period	504,063	180,569	(133,650)	(224,197)	11,436	(104,006)	32,610	101,206	75,955	(251,011)	192,975
Assets and liabilities											
Cash and cash equivalents	105,587	778,331	2,281,654	544,324	636,794	131,713	30,617	90,604	439,153	-	5,038,777
Other assets	13,105,652	4,944,786	8,742,267	3,855,015	2,289,622	5,612,227	496,337	4,569,842	217,220	(2,830,908)	41,002,060
Segment assets as at 30 June 2019	13,211,239	5,723,117	11,023,921	4,399,339	2,926,416	5,743,940	526,954	4,660,446	656,373	(2,830,908)	46,040,837
Loans and borrowings	-	-	974,445	2,276,563	1,448,775	2,307,354	-	2,153,182	-	-	9,160,319
Other liabilities	4,596,477	667,040	2,745,839	930,361	(399,723)	2,008,228	138,873	364,906	310,664	(2,830,908)	8,531,757
Segment liabilities as at 30 June 2019	4,596,477	667,040	3,720,284	3,206,924	1,049,052	4,315,582	138,873	2,518,088	310,664	(2,830,908)	17,692,076

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

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 Jun 2020	**30 Jun 2019**
	RM'000	**RM'000**
Transactions with substantial shareholders and their related companies		
- Sales and provision of services	110	84
- Purchase and consumption of services	-	(92)
Transactions with Key Management Personnel and their related companies		
- Sales and provision of services	1,329	2,048
- Purchase and consumption of services	(26,280)	(36,783)

A11 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 10 March 2020, Parkway Shenton Vietnam Limited, an indirect wholly-owned subsidiary of IHH, was dissolved pursuant to member's voluntary winding-up.

(b) On 19 March 2020, ASH disposed 70% equity interest in Famicord Acibadem Kordon Kani Sağlik 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, the Group's interest in Famicord decreased from 100.0% to 30.0% and Famicord ceased to be a subsidiary of IHH Group but remains an associate of IHH Group.

(c) On 31 March 2020, Acibadem Sağlık Hizmetleri ve Ticaret A.S. ("ASH") established a wholly-owned subsidiary, Acibadem International Healthcare Gmbh, formerly known as Acıbadem International Healthcare Group GmbH ("AIHC") in Germany. The issued and paid-up share capital of AIHC is EUR25,000 (equivalent to RM118,598) and its intended principal activity is the operation of hospitals, clinics and other medical facilities as well as the provision of services in the healthcare sector.

(d) On 7 April 2020, Parkway Trust Management Limited ("PTM") transferred 128,400 Parkway Life Real Estate Investment Trust ("Parkway Life REIT") units that it owned to its eligible employees in accordance to PTM's LTIP. Consequential thereto, IHH Group's effective interest in Parkway Life REIT was diluted from 35.64% to 35.62%.

(e) On 5 June 2020, M&P Investments Pte Ltd disposed 60% equity interest in ParkwayHealth Zifeng Nanjing OBGYN Hospital Company Limited to Healthcare Corporation (Hong Kong) Limited. Post the disposal, ParkwayHealth Zifeng Nanjing OBGYN Hospital Company Limited has ceased to be a subsidiary of IHH Group.

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

A12 SUBSEQUENT EVENTS

There are no subsequent events to report.

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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.

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.

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 20 August 2020 from that disclosed in the 2019 Audited Financial Statements.

A14 CAPITAL COMMITMENTS

	30 June 2020 RM'000	31 Dec 2019 RM'000
a. Capital expenditure commitments		
Property, plant and equipment and investment properties		
- Contracted but not provided for in the financial statements	698,134	710,362
b. Other commitments		
Maximum amount committed for Fortis Open Offer[1]	1,892,936	1,941,302
Maximum amount committed for Malar Open Offer[1]	16,043	16,453
	1,908,979	1,957,755

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

A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2020				
Assets				
FVOCI unquoted shares	-	-	60,306	60,306
FVTPL money market funds	-	188,885	-	188,885
Foreign exchange forward contracts	-	3,083	-	3,083
Interest Rate Cap	-	2,584	-	2,584
Cross currency swaps	-	63,456	-	63,456
	-	258,008	60,306	318,314
Liabilities				
Put options granted to non-controlling interest[i]	-	-	(1,018,826)	(1,018,826)
Interest rate swaps	-	(1,034)	-	(1,034)
Foreign exchange forward contracts	-	(458)	-	(458)
Cross currency interest rate swaps	-	(30,630)	-	(30,630)
	-	(32,122)	(1,018,826)	(1,050,948)
31 December 2019				
Assets				
FVOCI unquoted shares	-	-	30,645	30,645
FVTPL money market funds	-	186,148	-	186,148
Foreign exchange forward contracts	-	7,567	-	7,567
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

As at 20 August 2020, there were no further developments in the ongoing investigations on Fortis by the Securities and Exchange Board of India ("SEBI") and the Serious Fraud Investigation Office ("SFIO"), Ministry of Corporate Affairs of India, from that disclosed in Note 49 of the 2019 Audited Financial Statements.

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

As at 20 August 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

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

	2nd quarter ended			Financial period ended		
	30 Jun 2020	**30 Jun 2019**	**Variance**	**30 Jun 2020**	**30 Jun 2019**	**Variance**
	RM'000	**RM'000**	**%**	**RM'000**	**RM'000**	**%**
REVENUE[1]						
Parkway Pantai:						
- Singapore	805,852	1,065,940	-24%	1,820,691	2,089,843	-13%
- Malaysia	434,314	565,557	-23%	989,747	1,106,379	-11%
- India	416,609	811,858	-49%	1,167,185	1,628,564	-28%
- North Asia	152,959	158,760	-4%	281,668	305,192	-8%
- PPL Others*	37,249	45,885	-19%	80,261	96,951	-17%
Parkway Pantai	**1,846,983**	**2,648,000**	**-30%**	**4,339,552**	**5,226,929**	**-17%**
Acibadem Holdings	**613,858**	**895,485**	**-31%**	**1,569,635**	**1,862,567**	**-16%**
IMU Health	**63,232**	**66,692**	**-5%**	**130,527**	**128,371**	**2%**
Others^	**1,549**	**649**	**139%**	**3,362**	**1,652**	**104%**
Group (Excluding PLife REIT)	**2,525,622**	**3,610,826**	**-30%**	**6,043,076**	**7,219,519**	**-16%**
PLife REIT total revenue	92,533	86,324	7%	182,545	171,887	6%
Less: PLife REIT inter-segment revenue	(53,045)	(51,815)	-2%	(105,335)	(103,384)	-2%
PLife REIT	**39,488**	**34,509**	**14%**	**77,210**	**68,503**	**13%**
Group	**2,565,110**	**3,645,335**	**-30%**	**6,120,286**	**7,288,022**	**-16%**
EBITDA[2]						
Parkway Pantai:						
- Singapore	224,120	345,982	-35%	552,351	691,704	-20%
- Malaysia	71,970	163,767	-56%	221,580	326,346	-32%
- India	(73,451)	75,053	-198%	(4,365)	143,596	-103%
- North Asia	(48,810)	(29,651)	-65%	(115,515)	(60,130)	-92%
- PPL Others*	4,689	8,913	-47%	11,093	17,564	-37%
Parkway Pantai	**178,518**	**564,064**	**-68%**	**665,144**	**1,119,080**	**-41%**
Acibadem Holdings	**74,452**	**186,850**	**-60%**	**291,712**	**420,597**	**-31%**
IMU Health	**22,800**	**24,811**	**-8%**	**51,276**	**50,520**	**1%**
Others^	**(28,421)**	**(20,633)**	**-38%**	**(44,516)**	**(39,238)**	**-13%**
Group (Excluding PLife REIT)	**247,349**	**755,092**	**-67%**	**963,616**	**1,550,959**	**-38%**
PLife REIT[3]	**73,274**	**70,378**	**4%**	**143,713**	**139,716**	**3%**
Eliminations[4]	**(53,045)**	**(51,815)**	**-2%**	**(105,335)**	**(103,284)**	**-2%**
Group	**267,578**	**773,655**	**-65%**	**1,001,994**	**1,587,391**	**-37%**

[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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

Q2 2020 vs Q2 2019

The Group's Q2 2020 revenue and EBITDA decreased 30% and 65% respectively in Q2 2020 over Q2 2019. With the COVID-19 pandemic since late January 2020, patients postponed non-urgent and non-essential 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. The Group is in active collaboration with the public healthcare sector of the countries that it operates in to provide COVID-19 screening services and laboratory testing. 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 treats walk-in COVID-19 patients.

The Group's Q2 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. The decrease was partially mitigated by government grants and reliefs.

The Group's Q2 2020 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 135% to RM84.2 million loss due to flow through from EBITDA. In addition, Q2 2020 PATMI (Excl EI) was eroded with the recognition of lower foreign exchange gain, which was partially offset by lower net interest expenses incurred with the repayment of loans in second half of 2019.

Parkway Pantai

Parkway Pantai's Q2 2020 revenue decreased 30% to RM1,847.0 million whilst its Q2 2020 EBITDA decreased 68% to RM178.5 million. The decrease in revenue was due to decrease in patient volumes as a result of the COVID-19 pandemic. It was partially mitigated by COVID-19-related services rendered.

Parkway Pantai's Singapore hospitals inpatient admissions decreased 34.4% to 12,940 in Q2 2020, while its revenue per inpatient admission increased 9% to RM35,731. Parkway Pantai's Malaysia hospitals inpatient admissions decreased 42.8% to 29,777 inpatient admissions in Q2 2020, while its revenue per inpatient admission increased 21.9% to RM8,712. Parkway Pantai's India hospitals inpatient admissions decreased 46.0% to 47,586 in Q2 2020, while its revenue per inpatient admission increased 3.4% to RM6,424.

Parkway Pantai's Q2 2020 EBITDA also decreased as a result of 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.

Acibadem Holdings

Acibadem Holdings' Q2 2020 revenue decreased 31% to RM613.9 million whilst its EBITDA decreased 60% to RM74.5 million. The decrease in revenue was due to decrease in patient volumes as a result of the COVID-19 pandemic, and exacerbated by the weaker TL in Q2 2020. On a constant currency basis, Acibadem Holdings' Q2 2020 revenue decreased 25% while its EBITDA decreased 55% over corresponding period last year.

Acibadem Holdings' hospitals inpatient admissions decreased 34.1% to 35,821. Meanwhile its revenue per inpatient admission increased 23.7% to RM10,114 in Q2 2020 with price increases to compensate for inflation and more complex cases taken.

Acibadem Holdings' Q2 2020 EBITDA also decreased as a result of 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.

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

IMU Health

IMU Health's Q2 2020 revenue decreased 5% to RM63.2 million mainly due to changes in academic year for certain courses, which affected the timing of revenue recognition for these courses.

IMU Health's EBITDA decreased 8% in Q2 2020. It was eroded by the decrease in revenue, implementation of the COVID-19 precautionary and safety measures, as well as pre-operating costs incurred for the new IMU Hospital under development.

PLife REIT

PLife REIT's Q2 2020 external revenue increased 14% to RM39.5 million, while its EBITDA increased 4% to RM73.3 million as a result of rent contribution from properties acquired in Q4 2019.

Others

Q2 2020 revenue increased from RM0.6 million in Q2 2019 to RM1.5 million mainly due to the timing of the declaration of returns by the investment in Money Market Funds ("MMF").

Q2 2020 EBITDA decreased by RM7.8mil mainly due to an increase in workforce and IT related professional fees.

YTD 2020 vs YTD 2019

The Group's YTD 2020 revenue and EBITDA decreased 16% and 37% respectively in YTD 2020 over YTD 2019. With the COVID-19 pandemic since January 2020, patients postponed non-urgent and non-essential 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. The Group is in active collaboration with the public healthcare sector of the countries that it operates in to provide COVID-19 screening services and laboratory testing. 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 treats walk-in COVID-19 patients.

The Group's YTD 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. 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 75% to RM105.2 million gain. The decrease was mitigated by foreign exchange gains recognised in YTD 2020 and lower net interest expenses incurred with the repayment of loans in second half of 2019. In YTD 2019, the Group recognised higher tax expenses 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 17% to RM4,339.6 million whilst its YTD 2020 EBITDA decreased 41% to RM665.1 million. The decrease in revenue was due to decrease in patient volumes as a result of the COVID-19 pandemic. It is partially mitigated by COVID-19-related services rendered.

Parkway Pantai's Singapore hospitals inpatient admissions decreased 22.2% to 30,218 in YTD 2020, while its revenue per inpatient admission increased 10% to RM35,857. Parkway Pantai's Malaysia hospitals inpatient admissions decreased 23.3% to 79,539 inpatient admissions in YTD 2020, while its revenue per inpatient admission increased 10.5% to RM7,785. Parkway Pantai's India hospitals inpatient admissions decreased 24.8%

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

to 131,309 in YTD 2020, while its revenue per inpatient admission increased 1.5% to RM6,386.

Parkway Pantai's YTD 2020 EBITDA also decreased as a result of 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 whereby 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 16% to RM1,569.6 million whilst its EBITDA decreased 31% to RM291.7 million. The decrease in revenue was due to lower patient volumes as a result of the COVID-19 pandemic, and exacerbated by the weaker TL in YTD 2020. On a constant currency basis, Acibadem Holdings' YTD 2020 revenue decreased 9% while its EBITDA decreased 24% over corresponding period last year.

Acibadem Holdings' hospitals inpatient admissions decreased 18.8% to 91,520. Meanwhile its revenue per inpatient admission increased 17.7% to RM9,340 in YTD 2020 with price increases to compensate for inflation and more complex cases taken.

Acibadem Holdings' YTD 2020 EBITDA also decreased as a result of 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 increased 2% to RM130.5 million due to the higher seminar income of RM3.5 million from a major conference organised by IMU Health in Q1 2020.

IMU Health's EBITDA increased 1% in YTD 2020 mainly as a flow through from the major conference organised by IMU Health in Q1 2020. It was partially eroded by the implementation of the COVID-19 precautionary and safety measures, as well as pre-operating costs incurred for the new IMU Hospital under development.

PLife REIT

PLife REIT's YTD 2020 external revenue increased 13% to RM77.2 million, while its EBITDA increased 3% to RM143.7 million as a result of rent contribution from properties acquired in Q4 2019.

Others

YTD 2020 revenue increased from RM1.7 million in YTD 2019 to RM3.4 million mainly due to the timing of the declaration of returns by the investment in MMF.

YTD 2020 EBITDA decreased RM5.3 million mainly due to an increase in workforce and IT related professional fees.

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

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

	2nd quarter ended 30 Jun 2020 RM'000	1st quarter ended 31 Mar 2020 RM'000	Variance %
REVENUE[1]			
Parkway Pantai:			
- Singapore	805,852	1,014,839	-21%
- Malaysia	434,314	555,433	-22%
- India	416,609	750,576	-44%
- North Asia	152,959	128,709	19%
- PPL Others*	37,249	43,012	-13%
Parkway Pantai	**1,846,983**	**2,492,569**	**-26%**
Acibadem Holdings	**613,858**	**955,777**	**-36%**
IMU Health	**63,232**	**67,295**	**-6%**
Others^	**1,549**	**1,813**	**-15%**
Group (Excluding PLife REIT)	**2,525,622**	**3,517,454**	**-28%**
PLife REIT total revenue	92,533	90,012	3%
Less: PLife REIT inter-segment revenue	(53,045)	(52,290)	-1%
PLife REIT	**39,488**	**37,722**	**5%**
Group	**2,565,110**	**3,555,176**	**-28%**
EBITDA[2]			
Parkway Pantai:			
- Singapore	224,120	328,231	-32%
- Malaysia	71,970	149,610	-52%
- India	(73,451)	69,086	NM
- North Asia	(48,810)	(66,705)	27%
- PPL Others*	4,689	6,404	-27%
Parkway Pantai	**178,518**	**486,626**	**-63%**
Acibadem Holdings	**74,452**	**217,260**	**-66%**
IMU Health	**22,800**	**28,476**	**-20%**
Others^	**(28,421)**	**(16,095)**	**-77%**
Group (Excluding PLife REIT)	**247,349**	**716,267**	**-65%**
PLife REIT[3]	**73,274**	**70,439**	**4%**
Eliminations[4]	**(53,045)**	**(52,290)**	**-1%**
Group	**267,578**	**734,416**	**-64%**

[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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

Q2 2020 vs Q1 2020

The Group reported a 28% and 64% quarter-on-quarter decrease in revenue and EBITDA respectively as a result of the COVID-19 pandemic.

The Group's Q2 2020 PATMI (Excl EI) decreased 144% quarter-on-quarter on the back of lower EBITDA in Q2 2020. The decrease was partially mitigated by the Group's recognition of RM8.9 million fair value gain on financial derivatives in Q2 2020 as compared to RM12.4 million fair value losses in Q1 2020.

Parkway Pantai

Parkway Pantai's revenue and EBITDA decreased 26% and 63% quarter-on-quarter respectively.

Parkway Pantai's Singapore hospitals inpatient admissions decreased 25.1% quarter-on-quarter, while its revenue per inpatient admission decreased 0.6% quarter-on-quarter. Parkway Pantai's Malaysia hospitals inpatient admissions decreased 40.2% quarter-on-quarter, while its revenue per inpatient admission increased 20.5% quarter-on-quarter. Parkway Pantai's India hospitals inpatient admissions decreased 43.2%, while its revenue per inpatient admission increased 0.9% quarter-on-quarter.

Acibadem Holdings

Acibadem Holdings' revenue and EBITDA decreased 36% and 66% quarter-on-quarter respectively

Acibadem Holdings' inpatient admissions decreased 35.7% quarter-on-quarter while its revenue per inpatient admission increased 14.4% quarter-on-quarter.

IMU Health

IMU Health's revenue decreased 6% quarter-on-quarter due to a high base whereby IMU Health recognised seminar income from a major conference organised in Q1 2020. In addition, IMU Health recorded lower fee income in Q2 2020 due to changes in academic year for certain courses, which affected the timing of revenue recognition for these courses in Q1 2020 instead of Q2 2020.

EBITDA decreased 20% quarter-on-quarter mainly on lower revenues. In addition, IMU Health incurred higher expenses in relation to the implementation of the COVID-19 precautionary and safety measures, as well as pre-operating costs incurred for the new IMU Hospital.

PLife REIT

PLife REIT's Q2 2020 external revenue and EBITDA increased 5% and 4% quarter-on-quarter respectively as a result of the strengthening of Japanese Yen and SGD against RM in Q2 2020.

Others

Revenue decreased 15% quarter-on-quarter mainly due to lower dividends received from MMF investment. EBITDA losses was higher by 77% quarter-on-quarter mainly due to 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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. Foreign patients, which makes up 5% and 25% of revenue across various markets, decreased to less than 1% of revenues in Malaysia and India and decreased to about 7% of revenues in Singapore and Turkey following the closure of international borders. 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 40%-60%. Occupancies at the Group's hospitals in Malaysia, Singapore and Turkey recovered to about 80% of pre-COVID-19 levels in June 2020. Meanwhile, occupancies at the hospitals in India recovered incrementally to about 65% of pre-COVID-19 levels in June 2020 and broke even on operational EBITDA in the same month. 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 about 10% of its total revenues 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. The Group's hospitals in Turkey and India receives some walk-in COVID-19 patients, and had even dedicated 1,500 beds in India to treat COVID-19 patients should demand in India arise. COVID-19 related services contributed about 10%, 9% and 15% of the Q2 2020 revenues from the Group's operations in Singapore, Turkey and India respectively. In addition, the Group also receives non-COVID-19 patients decanted from public hospitals. Since May 2020, the Group rolled out telemedicine in its key markets to complement its existing healthcare service offering and to cater to evolving patient needs especially during this period. 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 also expects incremental costs arising from supplies particularly for personal protective equipment given the pandemic. Such cost pressures may reduce the Group's profitability and margins. The Group continually maintains a tight rein on costs and has strict cash management, which includes deferment of non-critical purchases and non-critical capital expansion projects. The Group expects to defer about 30% of its capital expenditure to beyond 2020. 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 received final approvals in August 2020 to complete its acquisition of Prince Court Medical Centre which will be part of the Klang Valley cluster in Malaysia, and will augment the Group's pursuit for more efficient growth via its geographical cluster strategy. In addition, subject to the approval of the Supreme Court of India, the Group will rebrand its "Fortis" hospitals to "Parkway" in order to leverage on the Group's strong suite of brands and achieve stronger synergies.

The Group had decreased its forex exposure on its unhedged non-Lira gross debt to EUR158.0 million in July 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2020

B4 PROFIT FORECAST/GUARANTEE

Not applicable as no profit forecast/guarantee was issued.

B5 TAXATION

	2nd quarter ended		Financial period ended	
	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000
Current tax expense	60,097	183,575	139,798	307,463
Deferred tax expense	(59,983)	(119,848)	(30,381)	(47,708)
	114	63,727	109,417	259,755

QTD 2020 and YTD 2020 effective tax rate* were 0% and -22.42% respectively, mainly due to 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 rate* were 24.4% and 55.5% respectively due to certain non-taxable income and non-tax deductible expenses (refer to page 2 for list of exceptional items), and unrecognised tax losses arising from the Group's new hospitals and hospitals under construction. 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 the effective tax rate.

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

B6 STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at 20 August 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.

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

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

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

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

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

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

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

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

(i) Whether the subscription by NTK for the Shares of Fortis was undertaken after the Order, and accordingly if such subscription was in violation of the Order; and

(ii) The consummation of the acquisition of healthcare assets from RHT Health Trust by Fortis.

Fortis has filed a 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 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 as its rights are impacted by orders that may be passed in the Fortis Contempt Petition.

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

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

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

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.

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

Since the Supreme Court has implemented measures to contain the COVID-19 situation, the hearing of the Supreme Court Proceedings now stands adjourned to a date to be notified.

2. <u>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")</u>

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.

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

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

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.

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

B7 LOANS, BORROWINGS AND OVERDRAFTS

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

	30 June 2020 RM'000	31 Dec 2019 RM'000
Non-current		
Secured		
Bank borrowings	778,250	859,875
Loans from non-financial corporates	2,323	4,735
Unsecured		
Bank borrowings	5,593,050	6,044,071
Fixed rate notes	469,021	446,430
Loans from non-financial corporates	655	632
Loans from non-controlling interest of subsidiaries	945,259	910,322
	7,788,558	8,266,065
Current		
Secured		
Bank overdrafts	84,968	121,814
Bank borrowings	548,219	281,153
Loans from non-financial corporates	899	1,455
Unsecured		
Bank borrowings	919,416	354,572
Loans from non-financial corporates	675	654
	1,554,177	759,648
Total	9,342,735	9,025,713

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

	30 June 2020 RM'000	31 Dec 2019 RM'000
Singapore Dollar	2,094,996	2,281,252
Ringgit Malaysia	4,501	-
US Dollar	675	654
Euro	1,461,538	1,429,607
Turkish Lira	37,433	51,376
Japanese Yen	1,758,105	1,646,439
Indian Rupees	1,121,813	1,062,526
Hong Kong Dollar	2,625,917	2,405,325
Renminbi	215,391	127,470
Others	22,366	21,064
	9,342,735	9,025,713

In Q1 2020, two of the subsidiaries, Ravindranath GE Medical Associates Pte Ltd and Centre for Digestive and Kidney Diseases (India) Private Limited breached the loan covenants in respect of bank loans totaling INR3.17 billion (equivalent to RM182.3 million), out of which INR2.49 billion (equivalent to RM143.1 million) were previously classified as non-current liabilities. The subsidiaries did not fulfil 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. Management is in the process of renegotiating the terms of the loan agreements with the relevant bank.

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

B8 FINANCIAL DERIVATIVE INSTRUMENTS

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

	Notional amount as at 30 June 2020 RM'000	Fair value amount as at 30 June 2020 RM'000
Derivative assets		
Foreign exchange forward contracts		
- Between 1 - 3 years	192,310	1,881
- More than 3 years	77,715	1,202
	270,025	3,083
Interest rate cap		
- More than 3 years	937,693	2,584
Cross currency swaps		
- More than 3 years	414,797	63,456
	1,622,515	69,123
Derivative liabilities		
Interest rate swaps		
- Between 1 - 3 years	322,824	(1,034)
Foreign exchange forward contracts		
- Between 1 - 3 years	36,235	(458)
Cross currency interest rate swaps		
- Within 1 year	384,720	(26,928)
- More than 3 years	666,410	(3,702)
	1,051,130	(30,630)
Call option granted to non-controlling interests		
- Within 1 year	28,258	-
	1,438,447	(32,122)

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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 20 August 2020 from that disclosed in the 2019 Audited Financial Statements.

B11 DIVIDENDS

No dividends were declared by the Company during the quarter ended 30 June 2020.

For details of the dividends paid by the Company during the quarter ended 30 June 2020, please refer to Section A7.

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

B12 EARNINGS PER SHARE ("EPS")

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

	2nd quarter ended		Financial period ended	
	30 Jun 2020	**30 Jun 2019**	**30 Jun 2020**	**30 Jun 2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Basic and diluted earnings per share is based on:				
i) Net profit attributable to ordinary shareholders				
Profit after tax and non-controlling interests	(120,642)	184,994	(440,428)	274,504
Perpetual securities distribution accrued	(22,974)	(22,028)	(45,314)	(43,574)
	(143,616)	162,966	(485,742)	230,930
ii) Net profit attributable to ordinary shareholders (excluding EI)				
Profit after tax and non-controlling interests(excluding EI)	(84,155)	240,125	105,196	428,509
Perpetual securities distribution accrued	(22,974)	(22,028)	(45,314)	(43,574)
	(107,129)	218,097	59,882	384,935
(a) Basic EPS				
	'000	**'000**	**'000**	**'000**
Weighted average number of shares	8,775,344	8,771,443	8,774,667	8,770,376
	sen	**sen**	**sen**	**sen**
Basic EPS	(1.64)	1.86	(5.54)	2.63
Basic EPS (excluding EI)	(1.22)	2.49	0.68	4.39

(b) Diluted earnings per share

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

	2nd quarter ended		Financial period ended	
	30 Jun 2020	**30 Jun 2019**	**30 Jun 2020**	**30 Jun 2019**
	'000	**'000**	**'000**	**'000**
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,775,344	8,771,443	8,774,667	8,770,376
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	3,014	748	3,184	661
Weighted average number of dilutive ordinary shares for computation of diluted EPS	8,778,358	8,772,191	8,777,851	8,771,037
	sen	**sen**	**sen**	**sen**
Diluted EPS	(1.64)	1.86	(5.53)	2.63
Diluted EPS (excluding EI)	(1.22)	2.49	0.68	4.39

At 30 June 2020, 50,254,000 outstanding EOS options (30 June 2019: 38,616,000) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

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

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

	2nd quarter ended		Financial period ended	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	RM'000	RM'000	RM'000	RM'000
Dividend income	1,549	649	3,362	1,652
Other operating income	154,253	66,943	236,420	131,701
Foreign exchange differences	3,185	10,734	15,274	(1,874)
Impairment loss (made)/written back:				
- Goodwill	1,330	-	(399,153)	-
- Trade and other receivables	(28,360)	(16,037)	(41,484)	(29,162)
- Inventories	(335)	(260)	(436)	(288)
Write off:				
- Property, plant and equipment	(709)	(605)	(896)	(1,211)
- Inventories	(880)	(1,623)	(1,541)	(1,966)
- Trade and other receivables	(1,494)	(413)	(3,418)	(7,138)
Gain on disposal of property, plant and equipment	5,251	896	4,807	384
Gain on disposal of a subsidiary	-	-	13,188	-
Realisation of FCTR upon substantive liquidation of a joint venture	(434)	-	(60,419)	-
Provision for financial guarantee given on a joint venture's loan facility	(1,279)	(599)	(2,441)	(1,193)
Insurance compensation for flood	-	3,473	-	3,473
Finance income				
Interest income	12,672	45,524	29,607	70,517
Fair value gain of financial instruments	45,512	7,824	101,309	18,178
	58,184	53,348	130,916	88,695
Finance costs				
Interest expense	(121,974)	(142,258)	(251,067)	(295,758)
Exchange loss on net borrowings	(94,826)	(78,378)	(228,652)	(209,527)
Fair value loss of financial instruments	6,650	(6,839)	(8,610)	(6,839)
Other finance costs	(7,206)	(17,003)	(17,661)	(27,513)
	(217,356)	(244,478)	(505,990)	(539,637)