

Impact of Value Creation

At IHH Healthcare, our year-on-year growth, success and repute have only been possible through our proactive value generation for all our stakeholders.

To us, value transcends share price and earnings, taking into account the interests of our diverse stakeholder groups. Cultivating a healthcare ecosystem that is sustainable is how we generate the highest benefit for our patients, employees, shareholders and the public.

The following segment highlights how we have created value for our stakeholders in 2023.

Patients

We take pride in ensuring that patients receive trusted high-quality care with our exceptional clinical teams, fast-expanding facilities and swift services. We deliver optimal performance keeping sustainable practices in mind.

16

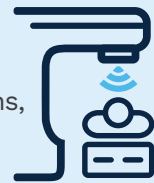
new facilities across all markets were launched



Our Value-Driven Outcomes (VDO) programme has expanded to include 157 conditions, up from 113 in 2022

500

free radiotherapy and radiosurgery sessions, through IHH Malaysia's hospital network, to help the underserved patients



Investors and Shareholders

The support from our investors and shareholders is pertinent to IHH's share price performance. We regularly keep this stakeholder group abreast of all IHH financial updates and corporate developments, and proactively forge positive relationships for the long run.

Total dividend of 18.6 sen declared for FY2023, comprising interim cash dividend of 3.5 sen, special dividend of 9.6 sen and a final cash dividend of 5.5 sen

For more information refer to Investor Relations Report on page 119.



Total Shareholder Value – also known as 'Return on Shareholders' Funds (excluding exceptional items)' –

of **4.63%** based on FY2023

348

investor meetings held

13

conferences and NDR attended

8

awards won



Employees

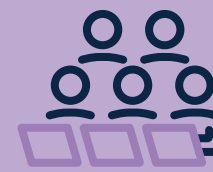
Our global network creates a natural synergy for our people to grow and thrive. We continually present opportunities for our colleagues around the world to upskill, empower them to speak their minds, and provide platforms for them to be recognised.



Over

1 million

training hours were conducted across 2023



Our Planet

Reduced

3.9%

emission intensity per patient bed day, across our operations



Reduced

99%

single-use virgin plastics in non-clinical areas in Singapore and 79% single-use virgin plastics in non-clinical areas in Malaysia



Outcome of employee engagement survey: 81% of employees feel they have opportunities to develop and grow with IHH



42.5%

of leadership roles in IHH are held by women

Chartered buses to send Malaysian healthcare workers living in Johor Bahru to our hospitals in Singapore



Ranked 250 out of 700 best employers globally in the Forbes World's Best Employers 2023 list



Local Communities and the Public

Brands under IHH are well recognised and trusted by patients all over the world. Year after year, we continue to spearhead initiatives to benefit local communities, contributing to the improvement of overall population health by being the go-to healthcare partner in all our markets.

Close to 1.3m lives touched

in our effort to build healthier communities



ZERO

workplace fatalities



US\$5m

raised in aid of earthquake victims in Türkiye and Syria



Operations Review

Malaysia

IHH is one of the largest private healthcare providers in Malaysia. We provide clinical services and ancillary care through our extensive network of four Gleneagles hospitals, 11 Pantai hospitals, Prince Court Medical Centre, Pantai Integrated Rehab and primary care clinic Twin Towers Medical Centre.

All 16 hospitals are accredited by the Malaysian Society for Quality in Health (MSQH); of these, three are also accredited by the Joint Commission International (JCI).

Performance Indicators

Financial	FY2022	FY2023
Revenue	RM3.1 billion¹	RM3.7 billion
EBITDA	RM846.8 million¹	RM937.3 million
Operational		
Average occupancy	63%	72%
Inpatient admissions	205,459	241,123
Average revenue per inpatient admission	RM9,587	RM9,925

Performance Highlights

- Strong growth in inpatient volume and revenue due to higher domestic and foreign admissions and higher-acuity cases.
- Improved medical outcomes and care for patients attributed to Value-Driven Outcomes (VDO) initiatives. For example, our dedication to VDO has led to significant enhancements in colonoscopy procedures. With better bowel preparation through education, tracking of caecal intubation rates and withdrawal time, we have achieved a remarkable 50% polyp detection rate and 27% adenoma detection rate, surpassing international benchmarks. These improvements increase the detection and removal of adenomas during colonoscopy, hence reducing the risk of colorectal cancer and can lead to better patient outcomes, including reduced mortality rates associated with the disease.
- Completed the acquisition of Timberland Medical Centre in Central Kuching, Sarawak in February 2024. This acquisition allows IHH Malaysia to expand its range of quality healthcare offerings in East Malaysia.
- IHH Malaysia signed a memorandum of understanding (MOU) with Pelaburan Hartanah (PH) to develop a new medical block adjacent to Gleneagles Hospital Kuala Lumpur (GKL). Post-expansion, GKL will be one of the largest private hospitals in Malaysia by 2027, with over 700 beds in a single location.

Outlook

The Malaysian healthcare sector is poised for significant growth, following the government's unveiling of Budget 2024. The budget allocates RM41.2 billion to the Health Ministry, marking a substantial 13.5% increase from the previous year.

With the introduction of the Health White Paper (HWP), it paves the way for increased public-private collaborations and rerouting of medical cases to private operators such as IHH Healthcare, thus easing over-crowding in public healthcare institutions. We believe the medium-term prospect of the Malaysian healthcare sector will remain intact, supported by increasing demand for medical services due to an ageing population.

In anticipation of an increase in patient volume and occupancy rates, IHH is strategically planning to expand its capacity by adding 1,300 beds to its hospitals over the next five years. Concurrently, IHH will continue to explore earnings-accretive merger and acquisition opportunities within its clusters to further strengthen its market position and enhance its service offerings.

IHH has also set aside approximately RM1.0 billion for capital expenditure to upgrade and uplift its hospitals in Malaysia over the next five years.

¹ FY2022's revenue and EBITDA numbers have been restated as Labs is carved out as a separate business segment in FY2023.

Singapore

We are the largest private healthcare operator in Singapore, with reputable brands that are trusted by both locals and healthcare consumers in the region. Our network includes Gleneagles Hospital, Mount Elizabeth Hospital, Mount Elizabeth Novena Hospital and Parkway East Hospital. These JCI-accredited hospitals house over 1,000 licensed beds and over 1,500 world-class clinical specialists across all specialties. IHH Singapore also reaches international patients via 35 patient assistance centres located in various parts of the world.

Also included under the IHH Singapore umbrella are Parkway MediCentre Woodleigh, IHH's first ambulatory centre; the Parkway Shenton network of over 50 primary care clinics; iXchange, which administers employee benefits plans; and numerous centres delivering specialty and ancillary care services such as Parkway Cancer Centre, Parkway Radiology, Parkway Rehab and Parkway Emergency Services.

Performance Indicators

Financial	FY2022	FY2023
Revenue	RM4.9 billion¹	RM5.6 billion
EBITDA	RM1.5 billion¹	RM1.6 billion
Operational		
Average occupancy	56%	61%
Inpatient admissions	61,951	61,197
Average revenue per inpatient admission	RM52,769	RM59,529

Performance Highlights

- Higher revenue mainly driven by improved case mix. Despite ongoing renovations taking place at Mount Elizabeth Hospital, coupled with the conversion of multi-bed to single-bed rooms across our hospitals, our inpatient admits remain stable from a year ago.
- Mount Elizabeth Novena Hospital was the first private hospital in Southeast Asia to open a Proton Therapy Centre, providing advanced precision therapy to cancer patients.
- Plans are underway to have more ambulatory centres within our network, with the intention to move the lower-acuity treatments out of the hospitals. This will optimise hospital bed availability for those requiring higher-acuity care. For example, Parkway MediCentre, IHH's first ambulatory centre in Singapore, opened at Woodleigh Mall. It offers a wide range of medical services from GP consultations, urgent care, chronic disease management and specialist consultations to health screenings and more.
- In line with the Healthier SG government initiative, we are looking to increase our primary care clinics by more than 15 in the next five years to support Singapore's ageing population and serve as referrals into our hospitals.
- Formed strategic partnership with FPT Long Chau in Vietnam to bring advanced medicine, particularly in the area of oncology services, closer to the Vietnamese people.

Outlook

Aligned with the Ministry of Health's (MOH) national initiative focusing on preventive health, Healthier SG, IHH Singapore is executing its "out of hospital" strategy. We will add more than 15 primary care clinics over the next five years to our network, as well as expand in the ambulatory care space. The addition of ambulatory care centres, both in the community and near our hospital facilities, will serve to decant lower-acuity patients from the hospitals, freeing up hospital beds for higher-acuity cases.

Additionally, IHH Singapore continues to upgrade and bring in the latest medical equipment such as the Proton Therapy machine, enabling doctors to perform complex procedures with the best possible outcomes for patients.

IHH Singapore will endeavour to continue attracting and retaining our healthcare workforce, especially our nursing population which is currently fully resourced.

¹ FY2022's revenue and EBITDA numbers have been restated as Labs is carved out as a separate business segment in FY2023.

Operations Review

Türkiye and Europe

IHH is present in Türkiye, North Macedonia, Bulgaria, Serbia and the Netherlands via our Acibadem brand, renowned for its clinical excellence. Out of 24 Acibadem hospitals, five are accredited by Joint Commission International (JCI), the international gold standard for quality and patient safety.

Acibadem hospitals are well-equipped with over 5,000 beds, state-of-the-art medical technologies, such as smart radiotherapy, robotic surgery, intraoperative radiotherapy, and digital tomosynthesis mammography.

Performance Indicators

Financial	FY2022	FY2023
Revenue	RM4.5 billion	RM5.9 billion
EBITDA	RM1.1 billion	RM1.2 billion
Operational		
Average occupancy	74%	70%
Inpatient admissions	234,831	249,829
Average revenue per inpatient admission	RM7,736	RM10,703

Performance Highlights

- Higher revenue in 2023 was attributed to improved performance of existing hospitals and the addition of new hospitals which increased overall inpatient admissions.
- Revenue has been consistently growing for the past five years despite challenges faced from operating in a hyperinflationary economy.
- Acquired Kent Hospital in Izmir, the third largest city in Türkiye, which was in line with IHH's geo-cluster growth strategy.
- Acibadem Atasehir Hospital opened in September 2022, and its capabilities continue to ramp up.
- Increased contribution from European business and foreign patient volumes as part of currency risk diversification strategy. Around half of Acibadem's business are in non-Turkish Lira denominations, such as Euros. Acibadem will continue to attract more foreign patients from its surrounding regions and grow its Euro-based revenue portion.
- Acibadem's hospital in Netherlands completed its expansionary works, doubling the number of its inpatient beds.

Outlook

In the immediate term, we are focused on integrating and expanding existing capacity at Acibadem Kent Hospital in Izmir, ensuring a seamless transition and unchanged quality of care for patients. We continue to be on the lookout for opportunities in Türkiye, particularly in Istanbul, and Europe.

Currently, more than 45% of Acibadem's revenue is from foreign medical travellers who seek treatment in Türkiye, and from its European operations. We will focus on growing this portion of the business as part of our currency risk diversification strategy to mitigate the effects of a volatile Lira on the Group. Our Türkiye operations will continue to focus on attracting more medical travellers into our network of hospitals in Istanbul. Also, a portion of its foreign currency denominated bank borrowings will be fully repaid by mid-2024.

Acibadem is also managing its inflationary costs through streamlining operations for cost efficiencies and boosting revenue growth and presence in the market via our cluster strategy.

India

IHH boasts one of the most extensive healthcare networks in India with 28 Fortis Healthcare hospitals, six Gleneagles Hospitals, and three medical centres.

Our network of hospitals in India offers a full spectrum of integrated healthcare services ranging from clinics to quaternary care facilities and a wide range of ancillary services. Our hospitals have a strong reputation for clinical excellence. For example, Gleneagles Hospitals India is renowned for world class multi-organ transplant procedures, while Fortis Escort Heart Institute is well-known for cardiac sciences.

Performance Indicators

Financial	FY2022	FY2023
Revenue	RM3.2 billion¹	RM3.6 billion
EBITDA	RM492.3 million¹	RM600.4 million
Operational		
Average occupancy	69%	70%
Inpatient admissions	298,437	299,506
Average revenue per inpatient admission	RM9,300	RM10,596

Performance Highlights

- Strong growth in revenue intensity due to greater domestic elective procedures, more acute surgical cases undertaken and the recovery of medical travel.
- Acquisition of the 350-bed Medeor Hospital in Manesar, Gurugram by Fortis Healthcare.
- Divestment of Fortis Arcot Road Hospital and Fortis Malar Hospital as part of portfolio recalibration to improve profitability.
- The launch of a new 70-bed unit in Fortis Ludhiana. This is the second facility in Ludhiana and the fourth in Punjab. This will take Fortis' total bed strength to about 800 in the Punjab region.
- The new Fortis Cancer Institute Outpatient Department Block was inaugurated in August 2023, at Fortis Vasant Kunj Hospital. It can provide complete and holistic cancer care and offers a wide range of services such as medical oncology, surgical oncology and bone marrow transplant.
- Over 800 cancer specialists from India and abroad discussed the latest advancements in diagnostic tools and therapeutic oncology innovations at the Fortis Cancer Summit 2024 in Bengaluru.
- Increased our stake in Gleneagles Global Hospitals – now rebranded to Gleneagles Hospitals – to almost 100% to promote growth.

Outlook

The national focus on building a "Healthy India" and strengthening medical hubs in the country are favourable trends for IHH. We foresee a long-term growth trajectory due to additional factors like increasing income among residents, higher insurance penetration and the growing emergence of chronic lifestyle diseases.

With that in mind, we will continue to drive organic expansion by increasing bed capacity by more than a third by 2028 to capture the growing demand for healthcare services. In addition, via our twin engines of growth (Fortis Healthcare and Gleneagles Hospitals), we will invest in cutting edge medical equipment to offer the best treatments and upgrade our hospital facilities to provide a better patient experience. We will explore earnings-accretive opportunities as well as turnaround underperforming assets within this market.

India continues to be a key market for IHH, with further room for broadening our influence and growing our operations.

¹ FY2022's revenue and EBITDA numbers have been restated as Labs is carved out as a separate business segment in FY2023.

Operations Review

Greater China

The IHH network in Hong Kong comprises Gleneagles Hong Kong Hospital (GHK), Gleneagles Healthcare Wong Chuk Hang Clinic and Gleneagles Healthcare South Horizons Clinic and Parkway Health Central Hong Kong Medical Centre. In the Chinese mainland, our network comprises the newly opened Parkway Shanghai Hospital and a chain of medical centres.

When fully ramped up, Parkway Shanghai Hospital will offer a comprehensive range of specialties and healthcare services, with a focus on seven key areas: cardiology, cardiac surgery, gastroenterology, urology, minimally invasive surgery, general surgery and internal medicine.

Performance Indicators

Financial	FY2022	FY2023
Revenue	RM998.4 million	RM1.3 billion
EBITDA	RM(60.3) million	RM74.5 million

Performance Highlights

- Gleneagles Hong Kong Hospital (GHK)
 - EBIT breakeven achieved in May 2023.
 - Increased clinical offerings such as the launch of its Gynaecological Oncology Centre in April 2023, to provide one-stop and personalised treatments for patients with gynaecological cancer.
 - The hospital has also recently expanded its Dialysis Centre to continue offering excellent dialysis services to take care of the needs of all dialysis patients including those with hepatitis B.
- Opened Gleneagles Healthcare Wong Chuk Hang clinic, a multidisciplinary ambulatory care centre in October 2023.
- Gleneagles Healthcare South Horizons clinic opened in February 2024, extending the reach of its professional primary healthcare services to more residents in the Southern District.
- Mainland China
 - Retained our presence in China, building upon our network of clinics as a feeder to complement Parkway Shanghai Hospital.
 - Embarking on rebranding initiatives of the clinics in Shanghai to attract local patients.
 - Continual ramp-up of Parkway Shanghai Hospital while minimising losses.

Outlook

With increased government spending in healthcare and a focus on easing resource pressure on public hospitals, IHH will continue to support the healthcare needs of the people with expanded cluster offerings via its hospitals, clinics and laboratories.

GHK will be setting up more clinics and ambulatory care centres in the next five years to further support the cluster growth in Southern Hong Kong. GHK will also ramp up hospital bed capacity over the next five years by adding around 170 beds.

In China specifically, plans to rebrand its clinics' positioning as well as to enhance its operations are currently underway. Additionally, efforts are made to attract more healthcare professionals to join the private healthcare sector, while simultaneously improving private insurance penetration among the locals.

Parkway Life REIT

IHH holds a 35.56% equity stake in Parkway Life Real Estate Investment Trust (PLife REIT), one of Asia's largest listed healthcare REITs by asset size. PLife REIT invests in income-producing real estate and related assets used mainly for healthcare and healthcare-related purposes. The trust owns a diversified portfolio of 63 properties worth about RM7.8 billion as at 31 December 2023.

Performance Highlights

- FY2023 total revenue increased 8.4% y-o-y mainly due to contribution from the properties acquired in 2022 and 2023, and higher rent from the Singapore hospitals under new master lease agreements³. The revenue increase was partially offset by depreciation of the Japanese Yen.

Performance Indicators

Financial Indicators	FY2022	FY2023
Total revenue ¹	RM376.2 million	RM407.8 million
EBITDA	RM278.4 million	RM325.8 million
Gearing ²	36.4%	35.6%

- Acquired two nursing homes in Osaka, fortifying PLife REIT's portfolio in Japan.
- PLife REIT continues to display robust financial positioning and resilience with a weighted average all-in cost of debt of 1.27%, one of the lowest cost of debt amongst all S-REITs.

Outlook

The healthcare industry remains vital with rapidly ageing populations and an increasing need for better quality healthcare and aged care services.

PLife REIT is ready and poised to benefit from the resilient growth of the healthcare industry in the Asia Pacific region and generate greater value for unitholders.

¹ Includes inter-segment revenue.

² From PLife REIT standalone perspective.

³ Higher rent from the Singapore hospitals arising from the guaranteed step-up rent and the straight-lining of rental income over the lease term i.e. effective rent. There is no distribution impact arising from effective rent treatment. From a consolidated IHH Group perspective, the effects are eliminated.

Laboratories

Committed to providing better healthcare solutions, IHH Laboratories aims to be among the largest, most trusted and data-driven laboratory services groups in the world. IHH Laboratories comprises leading medical laboratories in four geographies.

Performance Highlights

Malaysia: Pantai Premier Pathology rebranded to Premier Integrated Labs (PIL) and aims to be a reference lab. Collaborations with global healthcare companies have brought high-end tests to the market, making them accessible, affordable, and raising awareness.

Singapore: Parkway Laboratory Services opened a new outpatient unit at Mount Elizabeth Hospital. With eight purpose-built stations, the lab provides more convenient services and access for patients visiting the clinics.

Türkiye: Acıbadem Labmed achieved dual milestones: first medical laboratory

Performance Indicators

Financial Indicators	FY2022	FY2023
Total revenue ⁴	RM1.7 billion	RM1.7 billion
EBITDA	RM369.3 million	RM345.4 million
Test volumes (million)	90.1	96.0

in Türkiye to reach 5th ISO15189 accreditation and 'Labgen' became Türkiye's first College of American Pathologists (CAP) accredited genetics laboratory. Labmed opened four new laboratories, expanding high-end test offerings and geographical coverage.

India: Our renown laboratory, instituted in 1995 and one of India's leading networks of diagnostic centres, was rebranded as 'Agilus Diagnostics'.

Outlook

IHH Laboratories, one of IHH's new engines of growth, will be a key service provider to the next generation of healthcare professionals and consumers who are

more discerning and focused on preventive health and wellness.

Through digitalisation, we look to harvest synergies and economies of scale to drive operating cost down, as well as enhance outreach to customers by offering convenient digital touchpoints. We aim to have core reference laboratories within our core markets that are able to provide advance high-end tests to keep pace with the growing complexities of diseases and treatments, thereby enhancing the overall quality and accessibility of healthcare services.

⁴ Includes inter-segment revenue

Financial Review

Overview

In 2023, IHH achieved remarkable financial performance across all business units – our hospitals, clinics, and laboratories. This mirrors the success of previous years, and our financial resilience has been a strong contributor to the trust fostered between the Group and all stakeholders, and vice versa.

Throughout the year, IHH has demonstrated robust earnings driven by its core operations, with 2023 standing out for surpassing expectations and achieving double-digit growth across most of its financial indicators.

IHH’s lauded financial performance comes on the back of strong inpatient volumes and higher revenue intensity from higher-acuity treatments, along with our strategic portfolio recalibration. Collectively, these factors have driven positive growth for the Group across all markets, underscoring our operational excellence and strategic foresight.

Organic Growth Plans

We are working to add close to 4,000 beds by 2028 to our existing hospitals facilities in Malaysia, India, Türkiye, Europe and Hong Kong, giving us a total added capacity of 33%. We are positive on our brownfield expansion strategy as it is considered low-risk and capital efficient.

The capacity expansion will also encompass facelifts and renovations to existing facilities, building of extensions, new constructions and relocating some of its complementary ancillary services to alternative sites near the hospitals to avail more space for inpatient admits.

In Singapore, we embarked on Project Renaissance, a three-year refurbishment project on the iconic Mount Elizabeth Hospital. The major refurbishment and overhaul is primarily to enhance patient care and experience, such as increasing the number of single bed wards to address the sophisticated needs of both local and foreign patients more effectively.

Additionally, we opened the Haematology and Stem Cell Transplant Centre at Mount Elizabeth @ The Heeren. Integrated with a tertiary hospital in its immediate vicinity, this facility serves to right-site lower-acuity healthcare services, freeing up hospital beds for higher-acuity treatments. This ensures greater convenience and accessibility for those who require inpatient services or a closer proximity to in-hospital facilities, thereby enhancing overall patient experience and optimising care delivery.

Overall, the increase in bed capacity will allow IHH to remain on a sustained growth trajectory while meeting the increasing inpatient healthcare needs of local communities.

Inorganic Growth Decisions

In Türkiye, Acibadem solidified its expansion strategy by acquiring Kent Health Group, the largest private hospital operator in Izmir, the third largest city in Türkiye. This move is a strategic step in solidifying our presence within the Turkish healthcare landscape.

Furthering our footprint in India, We increased our stake in Gleneagles Healthcare India Private Limited (formerly known as Ravindranath GE Medical Associates Private Limited) (GH IPL) by an additional 24.53% stake, bringing our total ownership to 98.17%. In a strategic branding initiative that took place in March 2024, Gleneagles Global Hospitals will be rebranded as Gleneagles Hospitals. Gleneagles Hospitals operates six multi-super-specialty hospitals across Hyderabad, Chennai, Bangalore, and Mumbai, with a capacity of approximately 1,500 beds and state-of-the-art, world-class facilities. Together with Fortis Healthcare, which acquired the 350-bed Medeor Hospital in Manesar, Gurugram, these two brands will spearhead IHH’s expansion in India and represent our twin growth engines in this important market.

Another noteworthy acquisition was that of Timberland Medical Centre in Sarawak, Malaysia, which has a vacant plot of land earmarked to construct a new 200-bed tertiary hospital. This acquisition, which

completed in February 2024, has strengthened IHH’s market dominance in Malaysia and amplified our influence, catering to both domestic healthcare demands and the burgeoning medical sector from Indonesia.

In 2023, we completed the sale of International Medical University (IMU) in Malaysia to focus on our core business of providing hospital and healthcare services. The gains from this divestment were fully distributed in a special dividend payout to shareholders. In addition, we divested Fortis hospitals at Arcot Road and Malar, both situated in Chennai, as part of Fortis’s ongoing portfolio rationalisation strategy.

Our FY2023 Performance

IHH continued to exceed financial expectations, achieving strong performance year-on-year.

Revenue: Revenue increased 16% to RM20.9 billion from higher inpatient admission and on higher revenue intensity across all markets. As per the year before, the Group’s hospital segment continues to be a core contributor to our total revenue. The growing inpatient volumes are a strong testament to the trust that local and foreign patients have in our hospital brands to deliver optimal medical outcomes.

EBITDA: We closed the year with an EBITDA of RM4.6 billion, a 15% increase from the previous year, mainly from higher revenue and strong core operational growth.

PATMI: IHH’s PATMI, excluding exceptional items, stands at RM1.3 billion. PATMI increased by 91% to RM3.0 billion, including one-off gains from the sale of IMU.

Capital Management and Liquidity: Financial sustainability is of utmost importance to a global healthcare organisation like IHH. We maintain a solid capital base and a healthy debt-to-equity ratio by way of prudence and strategic investments.

In 2023, our net debt-to-equity ratio was 0.24. Our net cash generated from operations was RM3.8 billion and the total cash balance was RM2.4 billion. Our strong

cash position will help IHH meet the working capital and capital expenditure needs in the immediate term.

Return on Equity: IHH is committed to increasing Return on Equity (ROE) for all shareholders. Our refined strategic ACE Framework will guide us towards greater growth in the coming years. Including the MFRS 129 application, our full year ROE for December 2023 stands at 10.7%. Excluding the MFRS 129 effects, our ROE stands at 12.3%

Dividends

Our commitment to deliver shareholder value was reflected through regular and strategic dividend payouts. The Board of Directors declared a final cash dividend of 5.5 sen per share to be paid on 26 April 2024, bringing the total ordinary dividend for FY2023 to 9.0 sen per share (previously paid interim cash dividend of 3.5 sen per share on 27 October 2023). The total dividend declared for FY2023 amounts to 18.6 sen per share, including a special

dividend of 9.6 sen per share paid in end June 2023 from the divestment of IMU.

Furthermore, the Group enhanced its dividend policy to distribute no less than 30% of its PATMI (excluding exceptional items) for the financial year, up from 20%. This comes on the back of yet another strong fiscal year, and is a sustainable dividend that will contribute to the long-term success of IHH and all stakeholders.

Capital Allocation Framework

Key Priorities for Capital Deployment	
Operating Cash Flow	Invest in Growth <ul style="list-style-type: none"> Organic growth by adding new beds in existing facilities and driving bed occupancy Investing in medical technology to improve clinical outcomes Renovate and rejuvenate hospitals for improved patient experience Digital innovation and transformation initiatives Develop and grow the laboratory segment
	Drive Shareholder Returns <ul style="list-style-type: none"> Total FY2023 ordinary dividend: 9.0 sen per share Including special dividend of 9.6 sen, total dividend for FY2023 is 18.6 sen per share. Dividend yield: 3.1% Dividend policy enhanced to distribute no less than 30% of PATMI (excluding exceptional items), up from 20% 10.7% Return on Equity (12.3% excluding MFRS 129)
	Acquire Strategic Asset <ul style="list-style-type: none"> Strict discipline with a focus on returns Merger and acquisition in existing and/or new adjacent markets EPS and ROE accretive

Awards

IHH’s excellent financial management and investor relations did not go unnoticed by industry peers and the investment community. In 2023, IHH was named one of Time magazine’s ‘World’s Best Companies’ (ranked 726 out of 750) and IHH Singapore was recognised as the ‘Most Outstanding Company in Singapore – Healthcare Sector’ in Asiamoney Asia’s Outstanding Companies Poll.

IHH also picked up numerous accolades at the Institutional Investor 2023 Asia Pacific (Ex-Japan) Executive Team Rankings, such as ‘Most Honored Companies – Rest of Asia’ and other awards for the healthcare, pharma and biotech category.

In addition, we were also recognised at the IR Magazine Awards South East Asia 2023 for Best ESG Reporting (Large Cap); The Edge Singapore’s Billion Dollar Club 2023 Award for Growth in Profit after Tax (PAT) over three years; and at the Adam Smith Awards Asia as a Highly Commended Winner of the Best Treasury Transformation Project.

Outlook

Looking forward, the Group anticipates navigating a landscape that continues to be marked by macroeconomic uncertainties, including rising energy prices, overall inflation and higher labour costs due to a global shortage of healthcare workers. These challenges,

while not unique to IHH, positions us to chart further growth with guidance from the ACE Framework for sustained growth (see page 3 for details).

Our strategic priorities encompasses both organic and inorganic growth drivers, expansion of IHH’s services in the healthcare continuum, developing new engines of growth as well as turning around underperforming assets. We are committed to strive for continued revenue growth and maintaining a healthy ROE.

At the core of our financial strategy is the commitment to bolster IHH’s position as a global healthcare network that is future-ready, adaptable and poised for excellence.

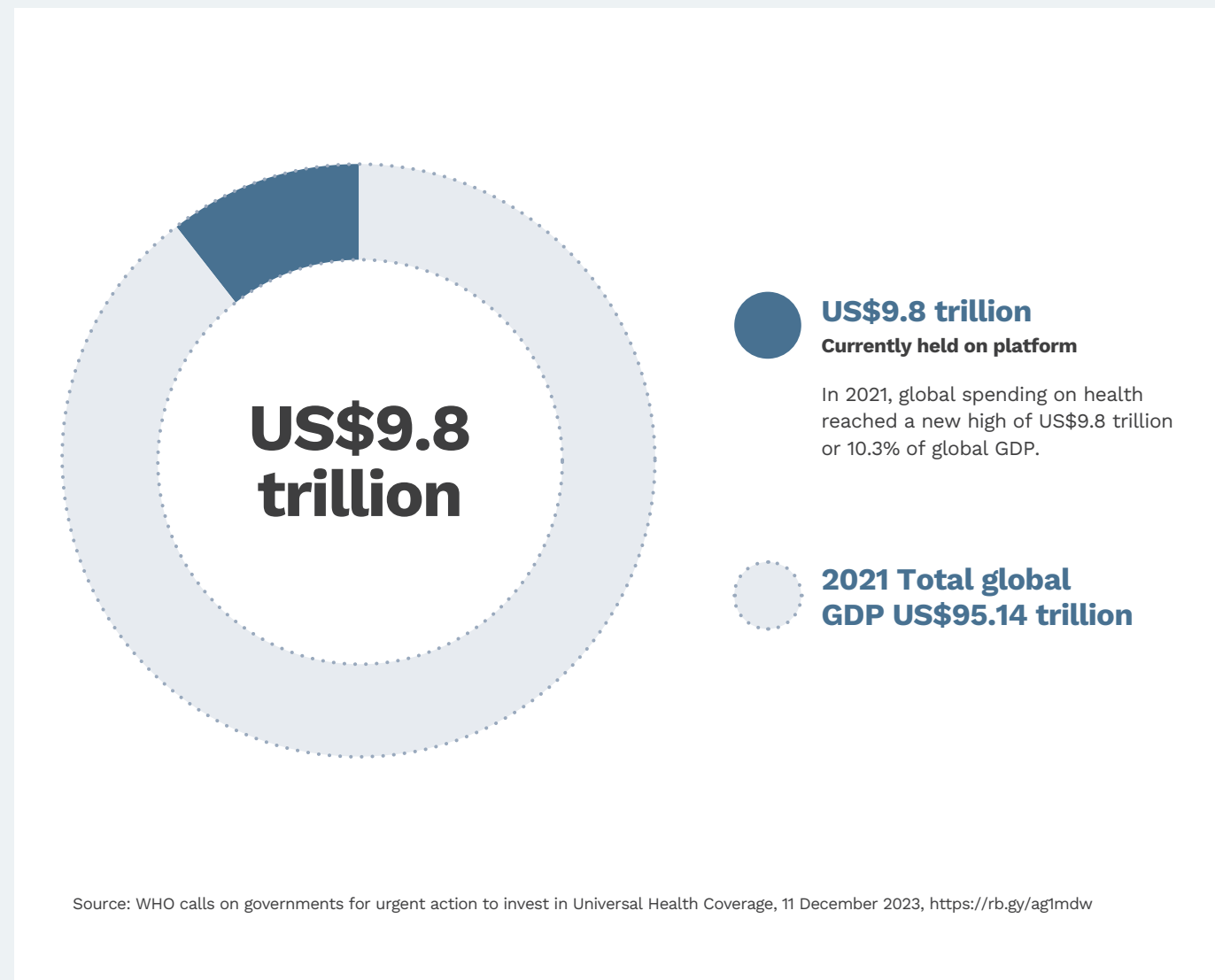
Market Outlook

Total Addressable Market

By all measures, the global healthcare services market is on a strong growth trajectory, driven by an increased focus on preventive health, adoption of medical technology and ageing populations with rising medical needs.

In 2021, there was a significant increase in healthcare spending, reaching a record high of US\$9.8 trillion, which accounted for 10.3% of the global Gross Domestic Product (GDP).

With strategic investments aimed at expanding our facilities, inpatient capacities and services, IHH Healthcare is well-positioned to meet these increasing demands within the markets that we serve. With a diverse portfolio spanning hospitals, ambulatory care centres, clinics and laboratories across 10 countries, we boast a strong track record of clinical and service excellence. Our strategic approach and efficient management in operations also ensures business sustainability.



Growth Drivers

The following factors contribute to the increasing demand for healthcare worldwide.

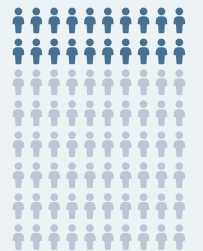


Demographics

It is projected that by 2050, one in four people in the Asia-Pacific region will be 60 years and older. The healthcare services sector must swiftly increase operational capacities and set up support infrastructure – from community care and diagnostics to telemedicine – to meet the needs of this group. Not only must healthcare be made accessible to wide swathes of populations, but more medical professionals, allied health professionals and facilities must be tailored for geriatric care.

Aside, there is a growing affluent middle class that displays a preference for higher-quality private healthcare. This group has a strong awareness of preventive care and is willing to invest more resources to attain better health outcomes.

By 2050, one in four people in the Asia-Pacific region will be 60 years and older



Government

Policy and governmental initiatives greatly affect the healthcare industry. In particular, governments around the world have been working to make healthcare services more accessible and affordable to the masses, be it via subsidies or infrastructure development.

The effective public-private partnerships witnessed during the COVID-19 pandemic – such as the facilitation of vaccinations for country populations – also highlighted the importance of collaboration for pandemic preparedness. Similar partnerships down the road could make general healthcare more convenient for communities across our markets.



Technology

Medical technology is constantly improving, providing better clinical outcomes and faster recovery for patients. For example, Prince Court Medical Centre is the first medical facility in Malaysia to adopt the cutting edge O-Arm imaging and navigation system which enables surgeons to visualise the spine from multiple perspectives during surgery.

From wearable devices to telemedicine, med-tech adoption continues to grow and change the way patient care is being delivered. Combining physical clinical consultations with remote health tracking will continue to proliferate as the model brings efficiency and convenience to patients and healthcare institutions alike.



In addition, data analytics has enhanced decision making by healthcare teams and also helped personalise patient care, ultimately improving patient outcomes and the healthcare experience.









Market Outlook

Five Strategic Priorities

-  Grow Organically
-  Expand across Healthcare Continuum
-  Develop New Growth Engines
-  Capture Inorganic Opportunities
-  Turnaround Underperforming Assets

Principal Risks






-  Geopolitical
-  Cybersecurity and Data Privacy
-  Climate Change
-  Foreign Exchange
-  Nursing Shortage

	1	2	3	4
Trend	Prolonged Global Economic Uncertainty	Shortage of Healthcare Professionals	Shifting Consumer Expectations	Increasing Pressure to Adopt Sustainable Healthcare Practices
Impact to Group	The macroeconomic environment remains uncertain, impacted by ongoing geopolitical tensions, escalating inflation rates, and increased energy costs. We anticipate this trend to continue throughout 2024.	Globally, healthcare institutions are still feeling the effects of healthcare labour shortage, a situation exacerbated by the COVID-19 pandemic. The challenge of hiring and retaining nursing talents is compounded by the growing needs of ageing populations and expanding healthcare infrastructures. A lean nursing workforce potentially impacts patient experience, error rates and malpractice occurrences.	The impact of the COVID-19 pandemic and the rise of medical digital technologies have contributed to changes in consumer expectations. There is now greater demand for personalised and accessible care, with consumers taking a more proactive approach to managing their health.	The healthcare sector would rank as the world's fifth largest carbon emitter if it were a country. There is a growing awareness and sense of urgency to reduce the environmental footprint of healthcare systems. The industry is mandated to enhance healthcare waste management practices, especially after the challenges faced during the pandemic.
Link to Strategic Priorities				
Link to Principal Risks				
Our Response	<p>In order to address risks stemming from energy price fluctuations and other potential transition risks associated with our reliance on grid electricity, we are exploring alternative electricity sources such as renewable energy in some of our operational markets.</p> <p>Simultaneously, we have strategically invested in measures to mitigate the volatility of foreign currency exposures.</p>	<p>IHH has intensified its recruitment initiatives by sourcing talent globally and introducing employee referral schemes to enhance staffing capabilities. Our goal is to restore staffing levels to pre-pandemic levels.</p> <p>Additionally, we have implemented strategies to attract and retain nurses and other healthcare professionals within our workforce.</p> <p>For example, IHH Singapore piloted the Johor Bahru-Singapore shuttle bus service to ferry our staff between Johor Bahru and IHH Singapore hospitals in 2023. With travel time to work significantly reduced, our nurses and staff can spend more quality time with their family and have the much-needed rest during the bus journey. IHH Singapore also stepped up its nursing sponsorship programmes, by sponsoring students for both diploma and degree programmes, to build a healthy nursing talent pipeline. We also offer upskilling opportunities for our employees.</p>	<p>MyHealth360, accessible to IHH patients in Malaysia and Singapore, empowers users to proactively manage their health and medical records. As part of our commitment to enhance care and accessibility, virtual consultations are facilitated through our range of digital healthcare applications. Moreover, AI-driven bill estimates assist patients in cost management. Embracing cutting-edge technology, we strive to deliver superior diagnoses and outcomes.</p> <p>Additionally, in the area of cancer care treatment, we were the first among private hospitals in Southeast Asia to offer proton beam therapy as well as the first in Türkiye to introduce Ethos radiotherapy for advanced cancer treatment.</p>	<p>We set clear and measurable sustainability goals in 2022, including a set of short and long term environmental goals geared towards protecting our planet. Progress against these goals are monitored and tracked closely on a quarterly basis.</p> <p>We made good progress in 2023 focusing on introducing anaesthetic gas emissions reduction targets, increasing energy efficiency across our operations, and increasing renewable energy generation. Concurrently, we are working towards sustainable waste and water management with adherence to stringent waste management guidelines and continual efforts to improve water efficiency.</p>





Stakeholder Engagement

As a global healthcare organisation, IHH undertakes business decisions with the priorities of all stakeholders in mind. Our success rests upon the input of our doctors, nurses, employees, investors, shareholders, patients, accreditation bodies, regulators, local communities, intermediaries, suppliers and service providers.

Through proactive engagements every year, we collectively foster the long-term growth of the Group.

Stakeholder Group	Stakeholder Profiles	Methods and Frequency of Engagement	Key Expectations	IHH's Response	Priorities for the Upcoming Year
Senior Management 	Senior Management reports to the Board of Directors as depicted in the IHH governance structure. This stakeholder group is tasked with decision making in economic, environmental and social matters.	<ul style="list-style-type: none"> • Monthly Country Business Review meetings • Regular IHH operations meeting • Quarterly Board meetings and ad-hoc meetings as required • Quarterly Board Audit Committee meeting and ad-hoc meetings as required • Quarterly Board Risk Management Committee meeting and ad-hoc meetings as required • Monthly Board Steering Committee meeting • Board Nomination and Remuneration Committee meetings as required • Quarterly Sustainability Committee meeting 	<ul style="list-style-type: none"> • Financial performance • Talent attraction and retention • Succession planning • Operational performance • Sustainable growth 	With resources and support systems at IHH, Senior Management can lead high-performing teams, hence directly impacting the reputation of IHH.	<ul style="list-style-type: none"> • Focus on strengthening IHH's purpose, vision, mission and strategy • Continue exploring new ways to enhance support for Senior Management
Patients 	Delivering the most optimal clinical outcomes and exemplary healthcare experience are our topmost priorities. This is how we build trust and loyalty between IHH and one of our most valued stakeholder groups.	<ul style="list-style-type: none"> • Consultations as required • Patient satisfaction surveys conducted throughout the year • Admission and discharge processes • Patient education and family conferences as required • Track and review internationally benchmarked clinical quality and patient safety indicators on a monthly basis 	<ul style="list-style-type: none"> • Top-quality care and patient experience • Improved health awareness and knowledge • Cost-effectiveness • Patient privacy and data protection • Convenience and accessibility 	In addition to providing consistently excellent clinical care, IHH conducts regular satisfaction surveys to uncover unmet needs and enhance our service.	<ul style="list-style-type: none"> • Continue providing value-driven care that is cost-effective and of high-quality • Continue harnessing the best of medical technology for improved patient outcomes
Doctors, Nurses and Employees 	Our frontliners are critical to daily operations in both clinical and non-clinical environments. They must be provided a safe and conducive workplace that contributes to their total well-being and enables them to perform at their best.	<ul style="list-style-type: none"> • Annual Town Hall meeting • Annual focus group sessions • Annual/Bi-annual employee engagement survey • Weekly physician's meetings • Annual Quality Summit • IHH Medical Symposiums • IHH HR Global Summit 2023 • IHH TRUST Nursing Leadership Symposium 	<ul style="list-style-type: none"> • Staff and doctor engagement/ feedback sessions • Positive workplace culture and conducive work environment • Career development and training • Quality improvement sharing and celebration across the Group • Embarking on innovative approaches to inspire idea generation at work 	IHH provides training and development programmes for employees to upskill, improve their knowledge and pursue career growth. We also hold open dialogues via townhall meetings to address concerns and feedback.	<ul style="list-style-type: none"> • Foster strong and positive relationships with doctors and clinical partners in relevant markets • Focus on employee retention rate and to continue enhancing avenues for employee
Investors and Shareholders 	Investors and shareholders play a vital role in IHH's development by providing capital funding. The performance and reputation of the IHH Group directly translate into value creation for this important stakeholder group.	<ul style="list-style-type: none"> • Annual General Meeting (AGM) • Extraordinary General Meeting (EGM) as required • Ongoing investor conferences, site visits and ad hoc events with investors, engagement sessions with sell-side and buy-side analysts • Ongoing non-deal roadshows • Corporate website announcements • Updates via social media platform 	<ul style="list-style-type: none"> • Continued operational growth and financial sustainability • Clear and transparent reporting • Strong Corporate Governance framework • Effective and timely shareholder engagement • Succession planning 	IHH's financial and operational performance directly affects our investors and shareholders' interest in the Group. We foster trust and confidence among these stakeholders through active engagements on multiple platforms.	<ul style="list-style-type: none"> • Achieve positive performance in all of IHH's business units to boost investor confidence • Continue facilitating timely and transparent two-way communication between IHH and investors and shareholders
Accreditation Bodies 	IHH's healthcare services and education meet rigorous accreditation requirements and standards set out by bodies including the Malaysia Society for Quality in Health (MSQH) and Joint Commission International (JCI).	<ul style="list-style-type: none"> • Triennial JCI audit and inspection • Annual MSQH surveillance audit • Quarterly internal clinical audits • MSQH certification inspection conducted every four years • Triennial NABH certification audit • MQA audit as required • Biennial SETARA assessment • Annual Malaysia Research Assessment (MyRA) 	<ul style="list-style-type: none"> • Regular audits and verifications • Meeting international benchmarks 	Regular audits and inspections are conducted to evaluate IHH's performance and identify improvement areas.	<ul style="list-style-type: none"> • Stay up to date with various accreditation body requirements

Stakeholder Engagement

Stakeholder Group	Stakeholder Profiles	Methods and Frequency of Engagement	Key Expectations	IHH's Response	Priorities for the Upcoming Year
Regulators 	Regulators assess and ensure that IHH operations are compliant with relevant laws and regulations.	<ul style="list-style-type: none"> Formal correspondence and meetings as required Hospital visits as required Biennial audit and inspection by the Ministry of Health 	<ul style="list-style-type: none"> Compliance Regulatory reform relating to hospital planning Employee and patient safety 	We are in frequent communication with regulators to keep abreast of the latest laws and requirements. Regular inspections and audits are conducted to ensure compliance.	<ul style="list-style-type: none"> Follow up on areas of improvement from various inspections and assessments from the previous year Keep abreast of the latest reporting requirements amid a fast-evolving sustainability reporting landscape
Local Communities 	Our Corporate Responsibility (CR) initiatives, such as improving public health awareness, are targeted at local communities in markets where we operate.	<ul style="list-style-type: none"> Ongoing programmes for free medical treatment Health awareness initiative Support causes outside healthcare in areas such as environmental awareness, diversity and inclusion and so forth through various community outreach programmes Scholarships and professorships are endowed and carried out in perpetuity Sponsorships and donations 	<ul style="list-style-type: none"> Improved accessibility to healthcare services Increased public awareness of healthcare Education opportunities for disadvantaged, aspiring healthcare professionals Funding for community projects 	IHH health and education programmes contribute to the well-being of local communities.	<ul style="list-style-type: none"> Expand IHH's reach to more groups in the community via events, scholarships and opportunities Refresh partnership with the Malaysian government to provide free cancer care to disadvantaged patients
Intermediaries 	Intermediaries are third parties who provide healthcare or related services across IHH hospitals and clinics. They include insurance companies, corporate customers and third-party administrators.	<ul style="list-style-type: none"> Daily Guarantee Letter/Referrals Health talks, forums and Continuing Medical Education (CME) carried out monthly or every two months Process and service improvements carried out monthly, quarterly or when required Hospital empanelment/renewal as required Claim and charges review meeting as required 	<ul style="list-style-type: none"> At the service level – timeliness of the guarantee letter issuance from intermediaries The cost of healthcare in private hospitals, especially in medical treatment packages and services 	IHH maintains positive relationships with intermediaries to ensure healthcare operations remain smooth and optimal for the well-being of all patients.	<ul style="list-style-type: none"> Expand partnerships with more business intermediaries, while strengthening existing ones
Suppliers and Service Providers 	Suppliers and service providers support our operations with essential provisions. IHH maintains a transparent and sustainable supply chain by ensuring ethical and professional dealings with this stakeholder group.	<ul style="list-style-type: none"> Vendor presentations and product demonstrations Knowledge updates on product information conducted at least twice a year Objective and transparent supplier's selection Segregation of duties between the evaluation team and decision team during tenders process True partnership to drive continuous, and proactive innovation 	<ul style="list-style-type: none"> Cost-effectiveness Fair and transparent negotiations Value proposition price and quality 	We are fair and transparent in our tender processes and in evaluating providers' service performance.	<ul style="list-style-type: none"> Continue reviewing relevant policies and processes Update and publish the IHH Group Procurement Policy with sustainability in consideration Revise ESG-related scoring matrix in the vendors selection process and requests for tender


Our Material Matters

Material matters are tangible areas that impact the Group’s ability to create long-term value to the business and all stakeholders. We are meticulous in identifying and evaluating these issues, priorities and opportunities, mapping them against our strategic priorities to ensure the growth and sustainability of IHH.

Our Sustainability Pillars and Material Matters*

Patients Empowering Our Patients		People Shaping the Best Place to Work	
Quality of Care and Patient Stewardship** <ul style="list-style-type: none"> Clinical Excellence Value-Driven Outcomes Operational Excellence Service Excellence Transparency Healthcare Digitalisation Data Privacy and Security	  	Employee Safety and Total Well-Being Diversity and Inclusion People Engagement and Talent Development	  
Public Nurturing a Healthier Society		Planet*** Protecting Our Planet	
Antimicrobial Stewardship Reducing Disease Burden Corporate Responsibility	 	Emissions Management Waste and Water Management	 


* Developed based on a materiality assessment exercise conducted in 2022.
 ** Quality of Care and Patient Stewardship* combines five closely intertwined material matters.
 *** We have re-categorised the material matters for our Planet Pillar to accommodate a wider reporting scope. 'Energy Management' is now 'Emissions Management', while 'Waste Management' has been renamed 'Waste and Water Management'.

 Please refer to our Sustainability Report for descriptions on each of these material matters, as well as key metrics and actions taken to manage them.

Developing Our Materiality Matrix

The following steps outline the processes we underwent in 2022 to arrive at our current set of 11 material matters. We plan to conduct our next materiality assessment exercise in 2024.

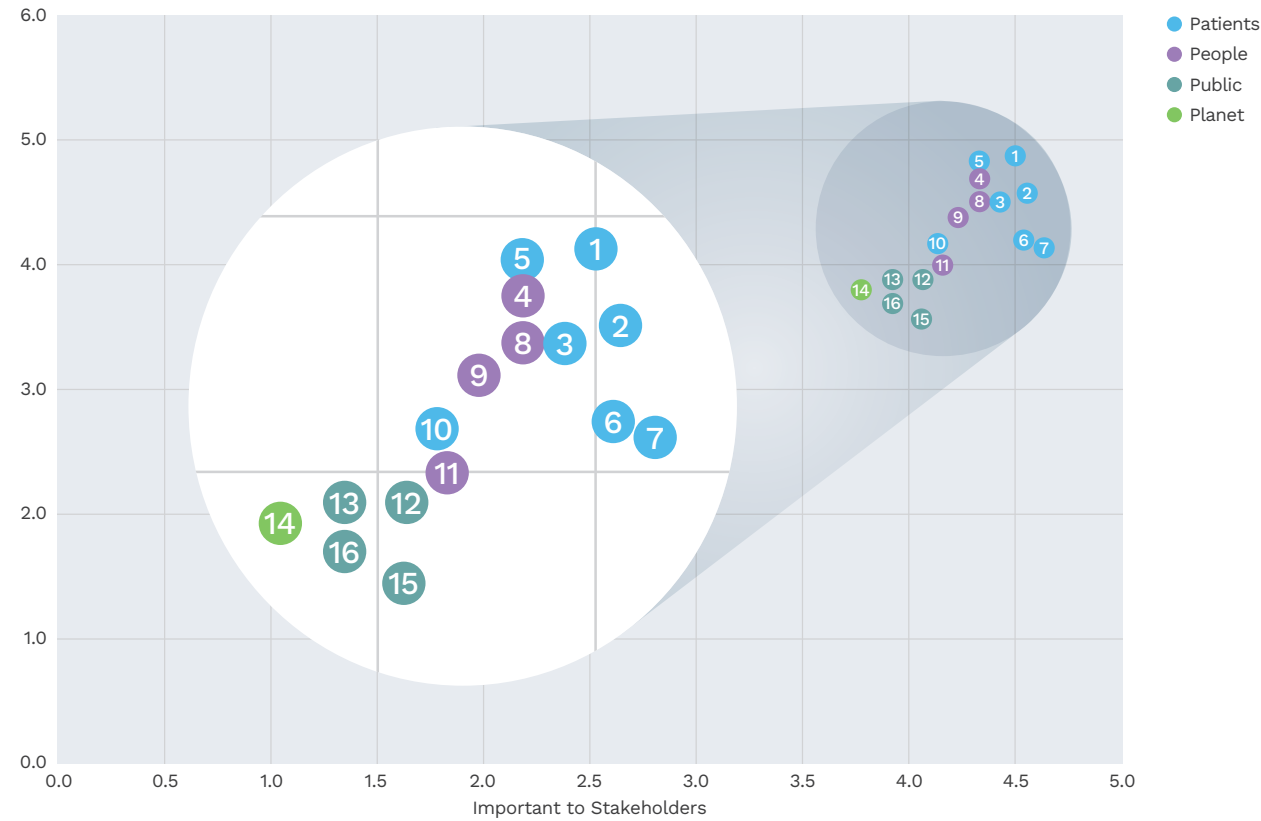


 Please refer to our Sustainability Report for more information.

Our Material Matters

Materiality Matrix

Based on 2022 Materiality Assessment



- | | |
|--------------------------------------|--|
| 1 Clinical Excellence | 9 Talent Development |
| 2 Operational Excellence | 10 Healthcare Digitalisation (Accessibility/Convenience) |
| 3 Service Excellence | 11 Diversity |
| 4 Employee Safety & Total Well-being | 12 Antimicrobial Stewardship |
| 5 Data Privacy and Security | 13 Corporate Responsibility |
| 6 Value-Driven Outcomes (VDO) | 14 Carbon Footprint + Environmental Stewardship |
| 7 Transparency | 15 Reducing Disease Burden |
| 8 People Engagement | 16 Private Public Partnerships (PPP) |

The Patients Pillar holds four out of our top five material matters. They include clinical excellence, operational excellence, service excellence and data privacy and security. These are areas of priority that will not be compromised amidst our organisation's strides towards eventual net-zero. Our Value-Driven Outcomes (VDO) initiative ensures that we uphold our bar of excellence in clinical care and is now being practiced in all markets.



Please refer to our Sustainability Report for more information.

Risk Management

Effectively managing risk is an integral part of our business strategy, fostering resilience and driving stronger, more sustainable strategies to achieve long-term growth and profitability. A collaborative risk culture with clearly defined ownership and accountability for risk management at all levels serves as the foundation for IHH Healthcare's robust risk management framework.

Risk Management Framework

The Board has overall responsibility for risk governance and provides oversight of effective risk management systems and internal controls implemented by Group management within all business units and functions.

The Audit Committee (AC) and Risk Management Committee (RMC) oversee the design and effectiveness of the Risk Management framework and policies.

The AC and RMC examine and recommend the Group's degree of risk appetite and tolerance to the Board while actively highlighting, evaluating, and monitoring the Group's key business risks.

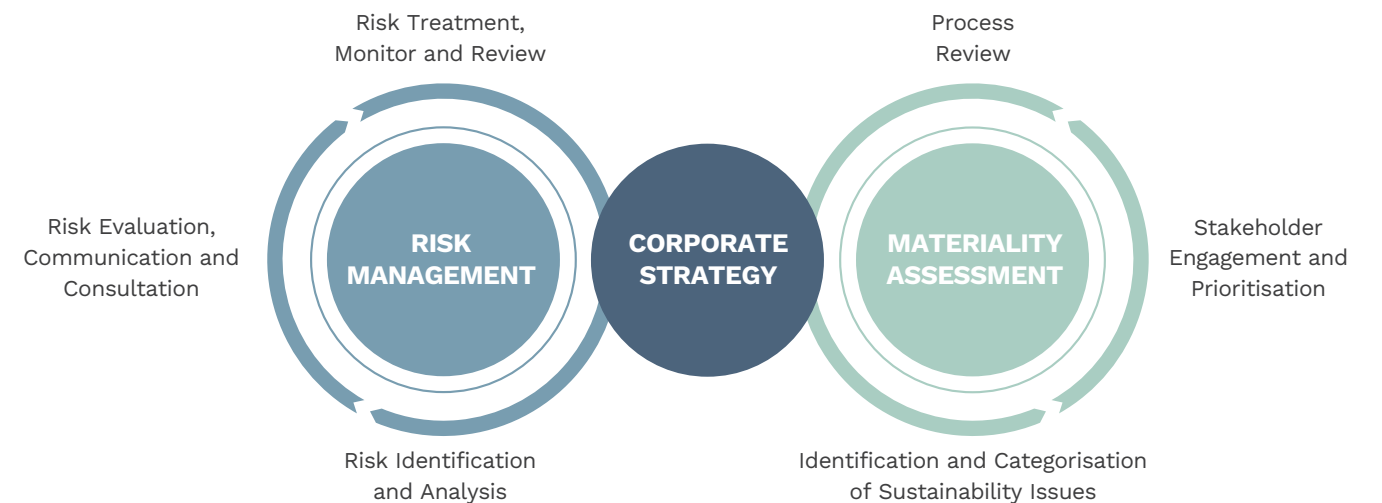
The AC also assists the Board in fulfilling its statutory and fiduciary responsibilities by ensuring a sound and robust internal control framework is implemented throughout the Group.

The AC further ensures that the framework is implemented effectively to improve the Group's ability to meet our strategic goals.

An Enterprise Risk Management (ERM) framework is deployed at the Group level and strategic business units. This framework facilitates a systematic process for the Group and our business units to identify, assess and mitigate key business risks in a proactive and timely manner, with quarterly updates to the RMC.

Our Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Audit Committee Report and Risk Management Committee Report are described in more detail on pages 80 to 118.

Integration of Risk Management and Material Matters



The Group faces an evolving landscape of environmental, social and governance-related (ESG) risks and opportunities that have the potential to significantly influence our business performance and sustainability.

Through stakeholder engagement and materiality assessments, the Group regularly reviews and assesses our ESG risks – including the risk dimension of missed opportunities – that exist or may be emerging in our business environment. Sustainability has been integrated into our ERM framework, where matters that are critical to the Group are assessed and managed based on defined risk rating criteria of likelihood and impact.

This approach allows us to compare sustainability issues with other business risks, and prioritisation of resources in risk management. For more information on material sustainability matters, refer to page 52.



Furthermore, the Group acknowledges that climate change increasingly poses significant financial risk to our business. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our evolving world. We are aiming to align with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations on climate-related financial disclosures by

2025 to enable us to effectively evaluate climate-related risks, make well-informed decisions on capital allocation and improve our short-, medium- and long-term strategic planning capabilities.



Across our business units, we manage key risks through responses needed to counter threats and seize opportunities. To ensure our Risk Management framework and processes are sound and effective, and that the risk implication of any change in strategy is identified, assessed, and documented, annual risk reviews and risk attestations are carried out with independent assurance. Refer to page 111 for more on our risk management strategy.

Principal Risks




With a well-designed risk management system, the Group is able to identify, track, and mitigate the principal risks associated with our operations. This system enables the Group to make well-informed decisions and have visibility of risk-return trade-offs.

Key Area	Principal Risks Factor	Description	Mitigation Measures	Potential Opportunities	Material Matters	Trend
Strategic		<p>In the countries where we operate, we are subject to political, economic, and social developments, conditions, and adverse global economic conditions induced by heightened geopolitical conflicts.</p> <p>Our geopolitical risk outlook may change in the pursuit of expanding into new markets.</p>	<p>The Group's key mitigating strategy involves diversifying our business model and geographic focus. In doing so, we can spread out exposure to different markets, reducing overall risks arising from political instability and market volatility.</p> <p>We proactively monitor all investments with political uncertainty to ensure full understanding of potential adverse effects and undertake mitigation efforts where possible.</p> <p>We continually build government relationships and avenues for IHH to present its voice regarding any issues around such matters, in addition to conducting comprehensive due diligence and risk horizon scanning for new overseas investments.</p>	<p>Expanding into new markets provides accretive revenue, strengthens our global healthcare value proposition, and the opportunity to shape healthcare reforms in underserved markets and enhance access to quality healthcare services.</p> <p>This will also reinforce IHH's standing as one of the world's largest multi-country healthcare services operators.</p>	<ul style="list-style-type: none"> Quality of Care and Patient Stewardship Employee Safety and Total Well-being 	↑
Cyber and Technology		<p>The healthcare industry faces an increased risk of information security breaches. The industry is an appealing and lucrative target due to the sensitive nature of personal and medical information that is required to maintain healthcare operations and patient care.</p> <p>The interconnected nature of healthcare infrastructure, combined with the growing dependence on digital technologies, intensifies the vulnerability to potential breaches.</p> <p>Such breaches may result in disruptions to business activities and may also subject the respective markets to penalties and legal action should such breaches result in violating any regulations. There is also potential impact on trust accorded by patients and other stakeholders.</p>	<p>Our Cybersecurity Centre of Excellence (COE) oversees the Group's management of cyber risks. It also serves as an internal shared service to support countries in reviewing potential risks from emerging cyber threats, provide continuous monitoring of networks and systems for threat detection, conduct vulnerability assessments and penetration tests and respond to cybersecurity incidents.</p> <p>To drive the culture of upholding data privacy, we have developed and implemented the Group Personal Data Protection governance framework to guide Data Protection regulatory compliance and Data Protection best practices.</p> <p>As an added measure, the Group maintains insurance coverage to counter the various cybersecurity risks.</p> <p>However, there can be no guarantee that all costs and losses will be fully covered.</p>	<p>Our investments in robust cybersecurity and data protection provide us with a competitive advantage by ensuring the high availability of our IT systems and that patient personal information is secured and accessible to support medical treatments.</p>	<ul style="list-style-type: none"> Data Privacy and Security 	↑

Trend indicates change in pre-mitigation risk level over the year:

 Pre-mitigation risk increased
  Pre-mitigation risk remained unchanged
  Pre-mitigation risk decreased

Principal Risks

Key Area	Principal Risks Factor	Description	Mitigation Measures	Potential Opportunities	Material Matters	Trend
Environmental, Social, and Governance (ESG)		<p>There has been a notable uptick in the occurrence of extreme weather events worldwide largely attributed to climate change, driving greater attention from regulators and other stakeholders towards organisations' sustainable practices.</p> <p>ESG expectations and compliance evolve rapidly and this poses challenges to the Group, given that regulatory requirements vary across countries.</p> <p>More crucially, extreme and adverse weather events in certain markets can significantly impact hospital operations, in which essential services and supplies would be disrupted, hampering a facility's ability to deliver medical care.</p>	<p>The Group is highly committed towards ESG and have taken actionable measures to amplify good practices which drive us towards achieving our sustainability goals.</p> <p>The Group has set concrete, short-, mid- and long-term sustainability goals of which the implementation progress is tracked and closely monitored by the Board.</p> <p>We adhere to a standing policy that dictates business resilience initiatives throughout the Group, aiming to enhance coordination and disaster preparedness.</p> <p>Operationally, all our hospitals adopt emergency response plans where protocols and procedures are in place for different emergencies.</p>	<p>Our commitment to sustainability initiatives generates positive impact at every touch point with our patients, people, public and planet.</p> <p>Of equal importance is a robust business resilience system, which could be a competitive differentiator, strengthening trust between IHH and patients, investors and business partners.</p>	<ul style="list-style-type: none"> All identified Material Matters as indicated on page 52 in the Annual Report 	↑
Financial		<p>The Group has experienced an overall increase in inflation rate. Türkiye's hyperinflation can pose a challenge to the Group's financial performance, as its associated uncertainties hamper our ability to accurately forecast costs and revenues.</p> <p>Further, the healthcare supply chain is experiencing a rise in input costs due to inflation at the global level. If this trend continues, the Group may have to choose between passing on the increased costs to patients and maintaining affordability of healthcare and ensuring adequate access to patient care.</p>	<p>The Group continues to monitor market and pricing trends, while working on minimising costs through efficiency and productivity improvements in affected countries.</p> <p>We purchase most drugs on agreed-rate contracts and actively negotiate with suppliers to maintain the prices or obtain additional discounts from distributors through consolidation of purchases at the Group level.</p> <p>Despite an increase in the input prices, most markets were able to make appropriate price adjustments.</p>	None	<ul style="list-style-type: none"> Quality of Care and Patient Stewardship Emissions Management Waste and Water Management Employee Safety and Total Well-being 	↔
People and Culture		<p>The notable trend of nurses leaving the profession, leading to manpower constraints remains a global concern faced by both the private and public sectors.</p> <p>A prolonged nursing shortage may have severe implications to our hospital operations, especially on the quality of care delivered in which patient experience and safety could be compromised.</p>	<p>Our team has designed a comprehensive strategy from 2023 to 2025 to impact all employees at any stage of their career. The strategy focuses on continuous and sustainable talent attraction, increasing employee engagement, enhancing employee listening channels, promoting and supporting well-being and overall focusing on nurses' overall career trajectory with IHH.</p> <p>Among the key initiatives in 2023 are new leadership programmes for nurses, career mobility initiatives, total health and well-being programs, nursing job redesign, and the development of a nursing pipeline strategy.</p> <p>Other measures deployed focus on day-to-day activities and the employee experience, such as providing transport and commuting logistics support.</p> <p>Attrition has shown improvement after the combined implementation of structural and operational measures.</p> <p>Due to its high dependence on external economic and social variables, voluntary attrition is expected to remain high given evolving economic conditions and job fatigue in some key markets.</p>	<p>An optimised nursing population will ensure both the well-being of our teams and their sustained performance.</p> <p>Our comprehensive approach to reduce nursing attrition across markets and different nursing populations ensures the best possible service delivery and quality of care for our patients. This is in addition to maintaining business continuity and enhancing productivity across our facilities.</p>	<ul style="list-style-type: none"> Quality of Care and Patient Stewardship People Engagement and Talent Development Employee Safety and Total Well-being 	↓

Sustainable through Care

Our growth as a business and delivery of value to stakeholders happen in tandem with our ability to practice sustainability in all aspects of our operations. The IHH sustainability agenda has depth and breadth in caring for our patients, people, public and planet.

Sustainability

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Our Sustainability Report 2023

Sustainability Opening Statement

When we pledge to Care. For Good., we take on the duty to critically examine all aspects of our business, to create a sustainable healthcare system for our patients, people, public and planet.

As a global healthcare operator in 10 countries, IHH is in a unique position to create real change in the industry. To truly touch lives and transform care, we must go beyond 'doing no harm' to Care. For Good., and challenge ourselves to do better by all our stakeholders.

When we pledge to Care. For Good., we take on the duty to critically examine all aspects of our business, to create a sustainable healthcare system for our patients, people, public and planet. It is through which we strive to become the world's most trusted healthcare network.

Creating positive change in an uncertain world

It is increasingly impossible to turn a blind eye to the implications of ageing populations, medical inflation, antimicrobial resistance, the climate crisis and increasing mental health concerns among healthcare workers.

The COVID-19 pandemic has also brought about unprecedented disruptions, not only placing immense strains on healthcare systems and threatening vulnerable communities, but also shone a spotlight on the environmental impact of clinical operations. Researchers have estimated that the healthcare industry accounts for 4.4% of the world's net carbon emissions.

While multiple challenges abound, there are four key urgent questions IHH seeks to address to achieve true sustainability for all stakeholders:

- How can we make healthcare better, faster, easier and more accessible?
- What are the ways to shape a workplace where all of IHH can realise their full potential?
- How can we reduce disease burden and make available quality healthcare to underserved communities?
- Last but not least, how can we work towards a net-zero future and contribute towards a healthier environment?

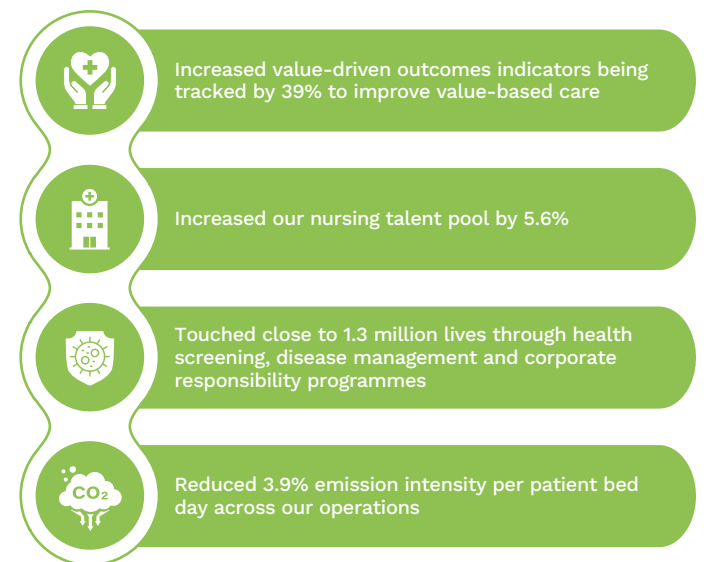


Please refer to our Sustainability Report for more information.

Our Work in Progress

We are continually making strides towards our sustainability goals that were first unveiled in September 2022 and are aligned with the UN's Sustainable Development Goals. Below is a snapshot of the milestones we reached in 2023:

Snapshot of our 2023 milestones



Outlook

These are early days yet. From achieving 50-50 gender diversity in leadership roles and improving billing estimate accuracy by 2025, to reaching net-zero emissions by 2050, these are ambitions that call for unwavering commitment to Care. For Good.

At IHH, sustainability is here to stay – and will remain our north star that helps secure a healthier tomorrow for our patients, people, public and planet.

Sustainability Approach

With over 80 hospitals in 10 countries, our actions have far-reaching impact on all our stakeholders.

IHH Healthcare emphasizes the importance of sustainability by going beyond the principle of "doing no harm" and embracing the aspiration to "Care. For Good."

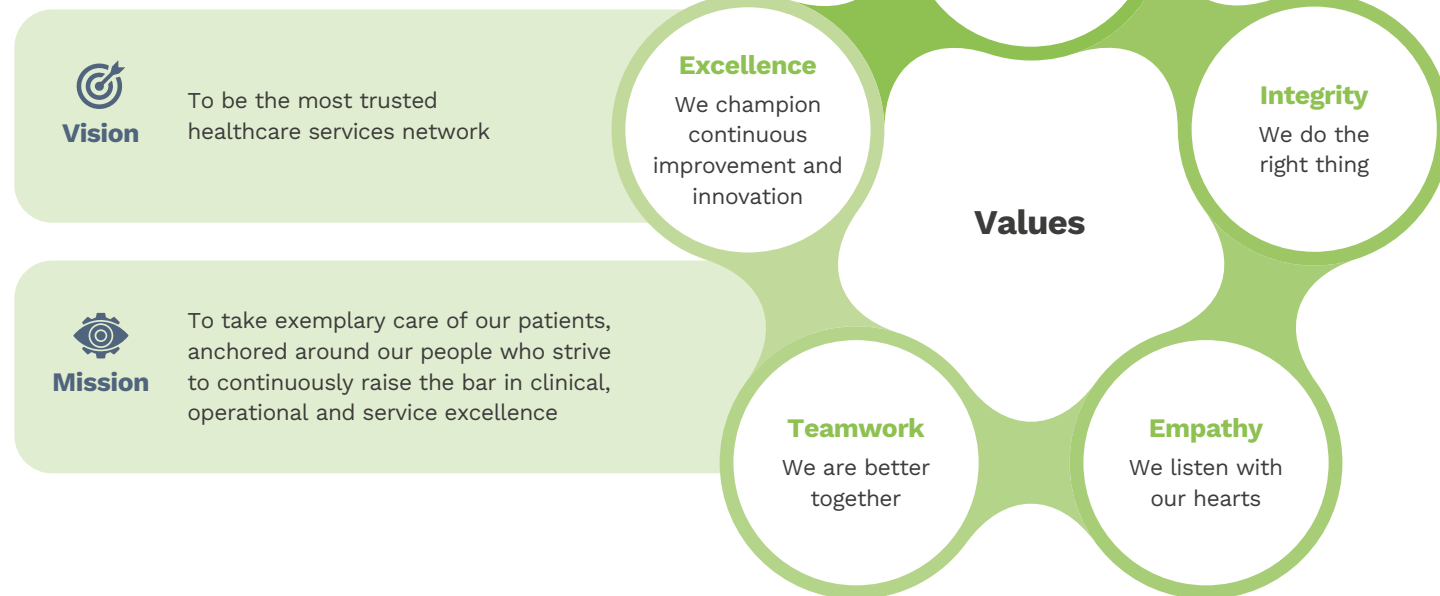
This reflects our purpose, vision, mission, and core values. IHH Healthcare is committed to touching lives and transforming care, attracting individuals who are driven to make a positive impact on patients and their loved ones.

Our global reach enables us to leverage diverse capabilities and best practices, setting higher standards for healthcare across different regions. This is achieved through creating synergies within the Group, ultimately leading to a transformative approach to care.

We stay true to our purpose by:

- Empowering our patients through better, faster and more accessible healthcare
- Shaping the best place to work so our people can deliver the best care
- Nurturing a healthier society through medical intervention, improving health literacy among the public and outreach programmes
- Protecting our planet through prioritising waste management and carbon footprint reduction efforts in energy efficiency projects

Our Vision, Mission and Core Values



Our Sustainability Framework

With trust as the cornerstone of all our relationships, we start by first understanding our stakeholders' expectations and honouring our commitments to them.

Our sustainability framework, corresponding with the ESG framework, outlines the key positive impact IHH strives to make for our key stakeholders: patients, our people, the public and our planet.

We believe that a sound sustainability framework lends to positive business performance. It is thus embedded into IHH's business strategy and is tied to performance and remuneration in the Group's Balanced Scorecard.



Sustainability Highlights

Following a firm foundation set in 2022, we capped 2023 with further strides made for our Patients, People, Public and Planet, as well as sustainability governance. Here are some progress highlights.



Patients

Empowering Our Patients



Comprehensively reviewed our existing **17 clinical quality indicators** and undertook a crosswalk analysis to align them with international indicators

Increased number of **Value-Drive Outcomes (VDO)ⁱ quality indicators tracked from 113 to 157** to improve value based care

Increased billing estimate accuracy from **85% to 87%ⁱⁱ** using AI

Over **7.4 million patients** have access to their medical records online

Expanded our innovative partnerships to include Annalise and Airdoc offering **AI-powered digital imaging capabilities**



People

Shaping the Best Place to Work



42.5% women in leadership roles across IHH

Partnered with Intellect to provide **comprehensive mental well-being services** for employees


5.6% increase in nursing talent

Zero workplace fatalities

Over **1 million training hours** achieved to foster a culture of Learning & Development across IHH


EESⁱⁱⁱ score on employee engagement was **2% above** Global Healthcare benchmarking score

86% of our employees felt that we **collaborate well**, and **85%** of our employees **trust** their immediate managerⁱⁱⁱ



Public

Nurturing a Healthier Society




As part of our **Antimicrobial Stewardship Programme**, 100% of our markets established relevant committees and guidelines for common infections and procedures

Conducted **667,560** health screenings

Conducted **297,049** cancer screenings for breast, cervical and colorectal cancers


Contributed close to **USD\$5 million** in aid of earthquake victims in Türkiye and Syria

Expanded our flagship corporate responsibility initiative – **Life Renewed** – from Malaysia to Singapore via a two-year partnership with Para Athletics (Singapore)



Planet

Protecting Our Planet



Reduced **3.9%** emission intensity per patient bed day, across our operations

Reduced **99%** single-use virgin plastics in non-clinical areas in Singapore and **79%** single-use virgin plastics in non-clinical areas in Malaysia

Expanded **Group's Balanced Scorecard** to include anaesthetic gas emissions reduction targets

Began to **chart a roadmap for climate disclosures** aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

ⁱ VDO is about using data to improve quality and outcomes while ensuring cost effectiveness.
ⁱⁱ Applicable to our hospitals in Malaysia and Singapore.
ⁱⁱⁱ Global IHH Employee Engagement Survey.

Sustainability Goals

We stay accountable to our sustainability promises through clear, measurable targets, all aligned with the United Nations' Sustainability Development Goals. These are the targets we have set, and the progress we have made to date.



Patients

Empowering Our Patients



To be the most trusted private healthcare provider in all our markets Progress

Achieve 90% of value-driven outcomes (VDO) at or above international benchmarks	Ongoing
Reach 90% accuracy in bill estimates in core markets	Ongoing
Admission A&E cases within 1 hour of doctors' instructions in core markets	Ongoing
Be in the top 25% in Net Promoter Score (NPS) in core markets	Ongoing



People

Shaping the Best Place to Work



Be the employer of choice in private healthcare in all our markets Progress

Achieve 50-50 male to female ratio in leadership roles	Ongoing
Increase global nursing talent pool by 10%	Ongoing
Reduce lost time injuries and have zero workplace fatalities	Ongoing
Rank above country and world healthcare norms in Employee Engagement Survey (EES) in all markets	Ongoing




Public

Nurturing a Healthier Society




Touch 5 million lives to build healthier communities Progress

Implement antimicrobial resistance interventions in all IHH hospitals, in line with CDC, WHO and national guidelines	Ongoing
Reduce disease burden on cancer and cardiovascular diseases through screenings, and health literacy and disease management programmes	Ongoing
Establish public corporate responsibility programmes in at least two core markets for the underserved to access quality healthcare services	Achieved



Planet

Protecting Our Planet



Cap carbon growth by 2025 and achieve net-zero by 2050 Progress

Cap Scope 1 and 2 emissions at 2022 baseline (inclusive of growth) and reduce year-on-year carbon emissions per patient bed-day	Ongoing
Strategise Scope 3 carbon accounting by 2023	Achieved
Be SBTi (Science Based Targets initiative) ready	Ongoing
Reduce single-use virgin plastic by 90% in non-clinical areas in Malaysia and Singapore in 2023	Partially met



Please refer to our Sustainability Report for more information.

Sustainability Snapshots

To Care. For Good., IHH Healthcare is focused on delivering sustainable value to our Patients, People, Public and Planet through initiatives that go beyond delivery of healthcare services. Being able to bring about positive change to all our stakeholders is what makes IHH worthy of our reputation. Here are a few highlights from 2023. Kindly refer to our Sustainability Report for the full list of highlights.

Patients

Doubling of VDO Procedures for Improved Care

Our VDO Roadmap						Target
	2020	2021	2022	2023	2024	2025
Procedures	4		8			
Indicators	73	113	157	To be determined		226
Outcomes	96.1%	94.3%	95.7%			90%

Since the implementation of our Value-Driven Outcomes (VDO) strategy in Q4 2020, we have increased our number of VDO procedures from four to eight. This number reflects the high volume of medical procedures and conditions of significant health importance being handled across IHH. VDO is important for our patients as it leads to improved outcomes and care while ensuring cost-effectiveness. Moving forward, more countries will adopt and implement VDO for procedures applicable for each market.

IHH Healthcare's Suite of Digital Healthcare Apps



Available in Malaysia and Singapore



Available in Türkiye and Europe



Available in Hong Kong

As part of IHH Healthcare's commitment towards enhancing patients' accessibility to their healthcare records and services, we have been introducing relevant healthcare apps for our different markets. These include Acibadem Online Doctor in Türkiye, My Gleneagles SmartHealth in Hong Kong, and MyHealth360 in Malaysia and Singapore.

The common benefits of these apps include easier access to our hospitals, doctors, and services.

People

Partnering With Intellect to Promote Mental Well-being



Intellect is a digital mental health platform offering end-to-end services including telehealth coaching, clinical therapy, psychiatry, self-guided cognitive behavioural therapy-based programmes and more. The fast-growing platform has over 3 million users in 20 countries. IHH will co-develop and customise digital mental health programmes with Intellect for patients, corporate clients and staff.

IHH Global Leadership of Business Enterprise (I.GLOBE) programme



In 2023, we launched the I.GLOBE programme to strengthen the professional capabilities and mindset of our business leaders across the Group. The programme centres around the key themes of Patient Centricity, Business Growth Mindset and Building Ecosystem Partnerships. The programme, which has had over 100 participants from a variety of leadership functions and a 50-50 gender mix, boasts an 85% Net Promoter Score (NPS1) rating, one of the highest for a leadership development programme.

Public

Aiding Victims of the Türkiye and Syria earthquakes



Following two devastating earthquakes in February 2023 displacing communities in Türkiye and Syria, IHH has collectively contributed close to US\$5 million in disaster relief. Across the Group, various markets came together to provide support through medical relief and the donation of essential items. In addition, Acibadem Healthcare Group constructed a 40,000sqm housing quarter, named Solidarity Quarter, for displaced victims.

Antimicrobial Stewardship (AMS) Centre of Excellence (COE) Day Symposium



Healthcare leaders and experts from public, private and global healthcare organisations came together in November 2023 for the landmark AMS CoE symposium. Jointly organised by bioMérieux, IHH Healthcare Malaysia, and Premier Integrated Labs, the event facilitated knowledge exchange and collaborations between AMS teams from different specialties to address the threats of antimicrobial resistance, a global health concern leading to prolonged illness, higher medical costs and increased deaths.

Planet

Advancing Green Practices in Malaysia



IHH Malaysia has implemented a set of measures that will take us closer to our net-zero goal. They include the introduction of the Building Efficiency Index (BEI) across all 16 hospitals in the country to assess and improve energy efficiency, solar panel installations on all hospitals to increase the use of renewables, making operating theatres more environmentally friendly by reducing desflurane usage and joining Malaysia's ministerial effort to plant 1 million mangrove trees by 2030.

Making Strides in Sustainable Waste Management in Singapore



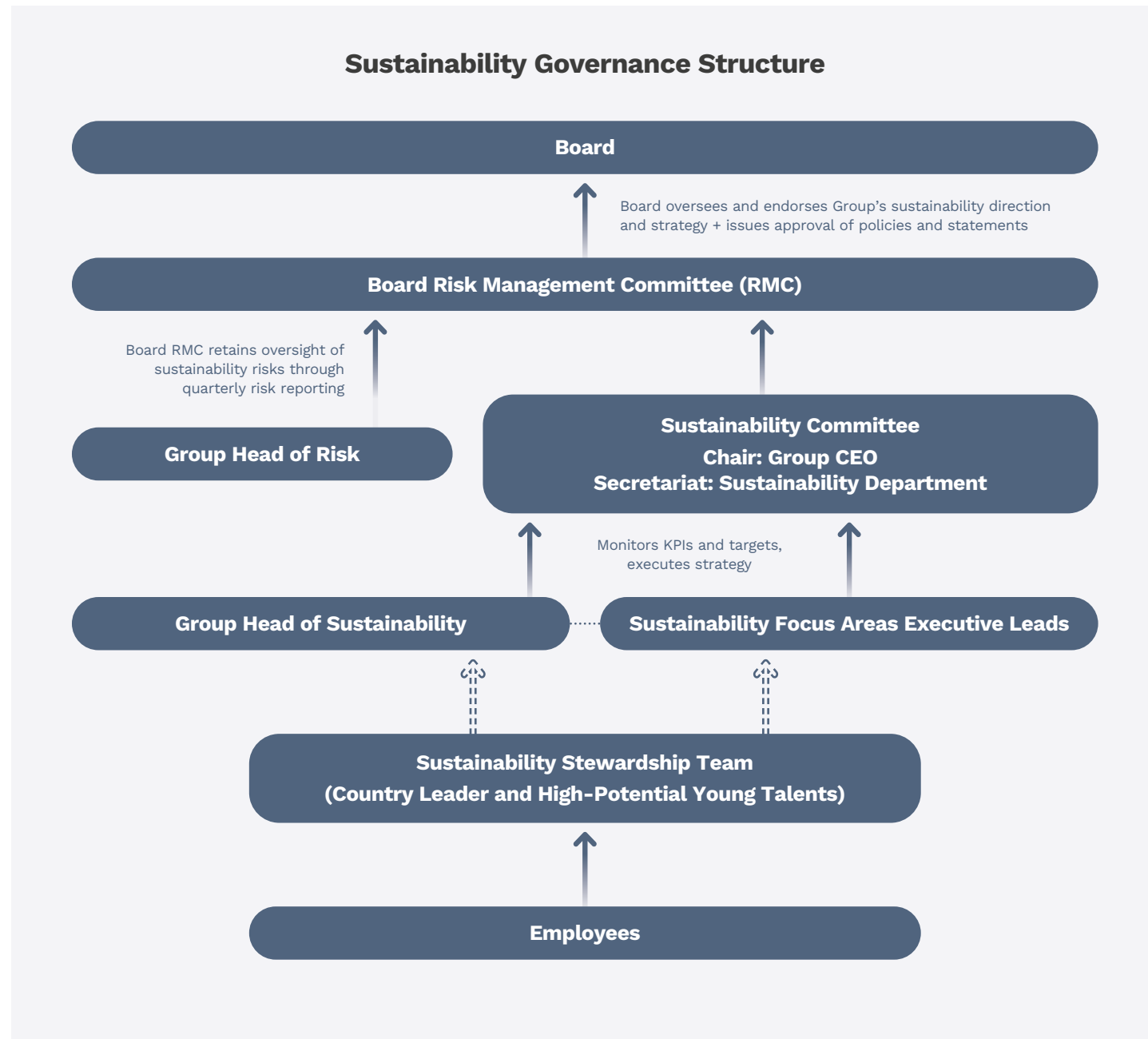
Through diligent tracking, facility inspections and collaborations with vendors, IHH Singapore hospitals achieved a 99% reduction in single-use virgin plastics in non-clinical areas at the end of 2023. In addition, Mount Elizabeth Novena Hospital improved its biohazard waste segregation processes, leading to a 36% reduction in biohazardous waste. The hospital's waste management exercise also opened up potential avenues for greater recycling on general waste.

Sustainability Governance

Our sustainability agenda is backed by a robust governance structure with top-down commitment. This structure keeps us on track in our sustainability journey and prescribes clear lines of accountability. It also ensures that sustainability is embedded throughout the business and that legal and regulatory obligations are met.

While the Board oversees IHH's sustainability strategy, the Sustainability Committee (SC) plays a supporting role by monitoring regulatory requirements, trends and KPIs and ensures follow-through of sustainability initiatives across the organisation. The SC, led by the IHH Healthcare Group CEO and the Group Head of Sustainability, comprises country CEOs, Executive Leads for material matters and the Sustainability Stewardship team (assigned by respective country CEOs).

The IHH Healthcare Balanced Scorecard includes a range of key performance indicators including sustainability matters and is clearly linked to managerial and executive remuneration.



Ethics and Integrity

At IHH Healthcare, ethics and integrity are non-negotiables in all clinical and non-clinical practices – sustainability governance is no exception.

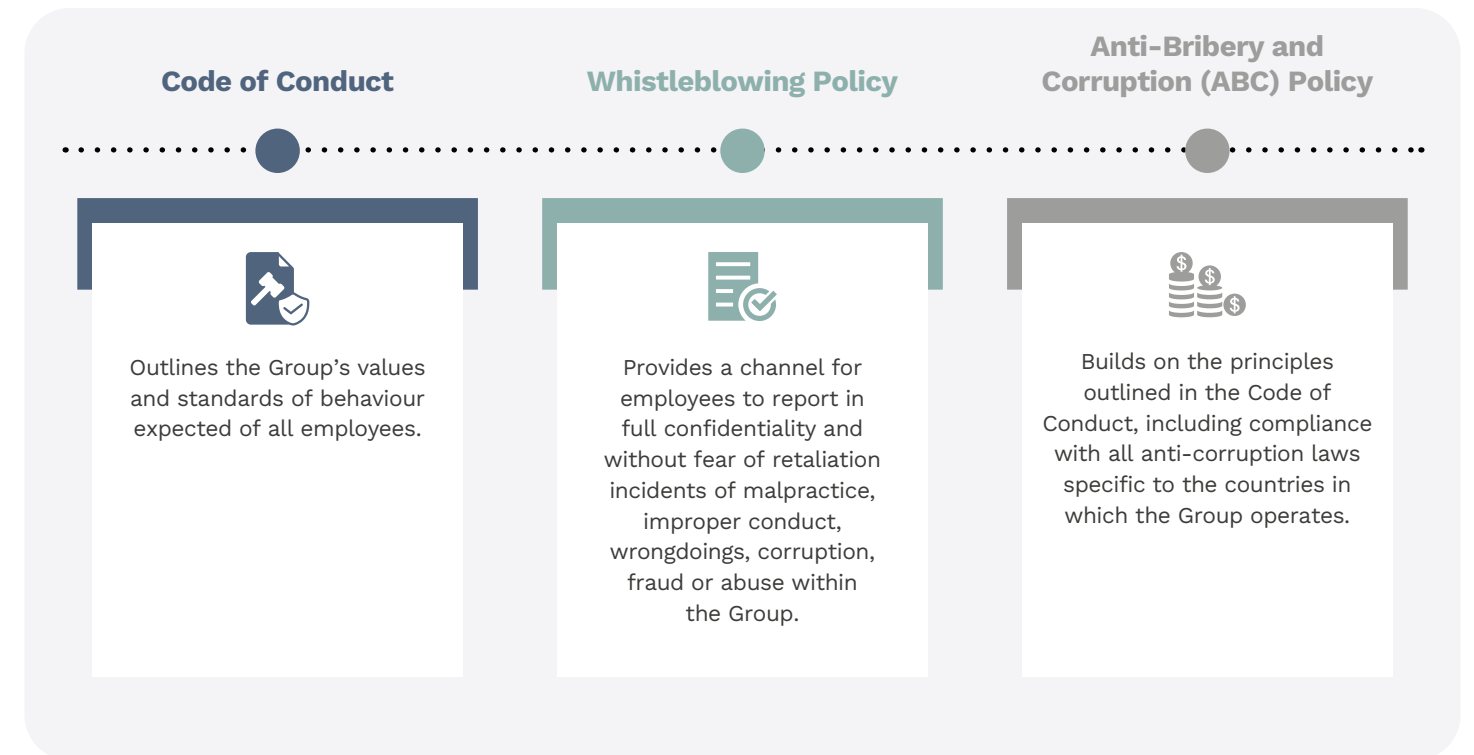
Employees are comprehensively trained and updated on Group-wide policies and the Code of Conduct, strengthening overall awareness of the Group's expectations and standards. IHH also empowers staff through providing channels for incident reporting and whistle blowing without fear of repercussions.

To reinforce the trust placed in us by key stakeholders, we continually review existing policies that hold us accountable

to our commitments and that comply with the latest regulations and standards in each market.

In 2023, there were three confirmed incidents¹ relating to Embezzlement, Theft and Fraud. In allegations of bribery and corruption, complaints are investigated and consequential management is undertaken where necessary.

For more information on our business codes and policies, see the Corporate Governance section (page 84) or visit <https://www.ihhhealthcare.com/investors/corporate-governance/corporate-governance-policy-disclosures>.



¹ In reporting against this indicator, IHH has considered the provisions of the IHH ABC Policy, which is aligned to the Malaysian Anti-Corruption Commission Act 2009 and other local and international anti-corruption related laws and/or regulations.

Responsible Business

Championed by the Board, our robust governance structure ensures that business is conducted responsibly, ethically and at the highest levels of integrity.

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Board of Directors



Tan Sri Mohammed Azlan bin Hashim

Chairman, Independent, Non-Executive
Chairman of the Steering Committee

Nationality: Malaysian

Gender: Male

Age: 67

Date of Appointment: 30 March 2011

Length of Service: 13 years (As at 1 April 2024)

Date of Last Re-election: 31 May 2022

Work Experience

Tan Sri Mohammed Azlan bin Hashim was appointed to the Board of IHH Healthcare Berhad in March 2011 as Deputy Chairman and was re-designated from Non-Independent Non-Executive Deputy Chairman to Non-Independent Non-Executive Chairman on 1 January 2018. On 27 November 2018, Tan Sri Azlan was re-designated from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman following his cessation as a nominee director of Khazanah Nasional Berhad.

Tan Sri Azlan also serves as Chairman, Investment Panel of Employees Provident Fund, a role he held since 1 September 2020.

Tan Sri Azlan previously served as Board Member of Khazanah Nasional Berhad, Employees Provident Fund, Telekom Malaysia Berhad, Executive Chairman of the (then) Kuala Lumpur Stock Exchange Group and in various other senior management roles at Bumiputra Merchant Bankers Berhad and Amanah Capital Malaysia Berhad.

Academic/Professional Qualification(s)

- Bachelor of Economics, Monash University
- Fellow Member, Institute of Chartered Accountants, Australia
- Member, Malaysian Institute of Accountants
- Fellow Member (Hon), The Malaysian Institute of Chartered Secretaries and Administrators

Present Directorship(s)

- D&O Green Technologies Berhad
- Marine & General Berhad

Board of Directors



Yoichiro Endo

Non-Independent, Non-Executive
Member of the Nomination and Remuneration Committee

Nationality: Japanese

Gender: Male

Age: 58

Date of Appointment: 1 April 2024

Length of Service: - (As at 1 April 2024)

Date of Last Re-election: -

Work Experience

Appointed to the Board of IHH Healthcare Berhad in April 2024, Mr Yoichiro Endo is the Executive Managing Officer & Chief Operating Officer of the Wellness Business Unit at Mitsui & Co., Ltd (Mitsui) in its Tokyo Headquarters.

Mr Endo has over 30 years of working experience in Mitsui, mainly in the food business, the buyout fund, and the venture capital investment field. He has held various executive roles in Mitsui and Mitsui's key subsidiaries. Most recently, he served as the Managing Officer and Chief Operating Officer of the Food Business Unit since April 2020 and was promoted to Executive Managing Officer in April 2023. In the field of food business, he managed various trading and investment projects such as grain, oil and fats, sugar, animal protein, aquaculture, dairy products, coffee and tea, pulses and staple food.

Between 2007 to 2011, he was involved in launching a buyout fund and served as Chief Executive Officer of Mitsui & Co. Principal Investments Ltd, which has now become a prominent buyout fund in Japan. He worked in the United States between 1991 and 2004, where he established a corporate venture capital arm of Mitsui and served as CEO of Mitsui & Co. Venture Partners, Inc., from 2001 to 2004, after having worked for Mitsui & Co. (U.S.A.), Inc. and Orien Ventures, Inc (Venture Capital, USA). He led startup investment projects, especially in IT, pharmaceuticals, and medical devices.

Academic/Professional Qualification(s)

- Bachelor of Engineering, University of Tokyo, Department of Applied Physics, Faculty of Engineering

Present Directorship(s)

- Nil



Tomo Nagahiro

Non-Independent, Non-Executive
Member of Steering Committee

Nationality: Japanese

Gender: Male

Age: 48

Date of Appointment: 3 February 2023

Length of Service: 1 year 2 months (As at 1 April 2024)

Date of Last Re-election: 30 May 2023

Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in February 2023, Mr Tomo Nagahiro was an alternate director to Mr Takeshi Akutsu on the Board of IHH, a role he assumed in April 2022 until January 2023. He was also the alternate director to Mr Masato Sugahara and Mr Koji Nagatomi during their tenure as Directors of IHH between April 2019 and March 2022.

Mr Nagahiro has been appointed as Co-CEO and Director of MBK Healthcare Management Pte Ltd, a wholly-owned subsidiary of Mitsui since January 2024. He also serves on the boards of a few IHH subsidiaries.

Mr Nagahiro has over 20 years of working experience having served in multiple divisions in Mitsui, spanning from strategic planning, business development and operations management with the last five years primarily overseeing Mitsui's investment in IHH. He was seconded to MIMS Pte Ltd which is based in Singapore as the Chief Operating Officer from 2015 to 2018.

Prior to this, Mr Nagahiro was seconded to Parkway Pantai Limited, a wholly-owned subsidiary of IHH, as Assistant Vice President of Strategic Planning and Business Development where he led multiple business development projects from 2013 to 2015.

Academic/Professional Qualification(s)

- Bachelor of Arts in Law, University of Tokyo, Japan
- Master of Business Administration, Kellogg School of Management, Northwestern University
- U.S. Certified Public Accountant

Present Directorship(s)

- Nil



Lim Tsin-Lin

Non-Independent, Non-Executive
Member of the Steering Committee
Member of the Nomination and Remuneration Committee

Nationality: Malaysian

Gender: Male

Age: 45

Date of Appointment: 16 February 2023

Length of Service: 1 year 1.5 months (As at 1 April 2024)

Date of Last Re-election: 30 May 2023

Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in February 2023, Mr Lim Tsin-Lin is currently the Head of Healthcare and Head of Dana Impak of Khazanah Nasional Berhad (Khazanah). He also serves on the boards of a few IHH subsidiaries.

Mr Lim was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008 and was subsequently appointed Head of China in 2017. After serving 13 years overseas, he returned to Malaysia in 2021 to assume his current role in Khazanah. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd and ECM Libra Securities Sdn Bhd.

Academic/Professional Qualification(s)

- Chartered Financial Analyst (CFA)
- Master in Business Administration from the MIT Sloan Fellows Programme, The Massachusetts Institute of Technology, United States
- Bachelor of Commerce and Management, Lincoln University, New Zealand

Present Directorship(s)

- Nil



Mehmet Ali Aydinlar

Non-Independent, Non-Executive
Member of the Steering Committee

Nationality: Turkish

Gender: Male

Age: 67

Date of Appointment: 24 January 2012

Length of Service: 12 years 2 months (As at 1 April 2024)

Date of Last Re-election: 31 May 2022

Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2012, Mr Mehmet Ali Aydinlar is also the Chairman of Acibadem Saglik Yatirimlari Holding A.S. (ASYH), a 90%-owned subsidiary of IHH. He was re-designated from Executive Director to Non-Executive Director of IHH on 1 March 2019 following his cessation as the Chief Executive Officer (CEO) of ASYH. Mr Aydinlar, after an illustrious tenure as founding CEO of ASYH, continues to serve as the Chairman of the Board of Acibadem group of companies. He also serves on the boards of a few IHH subsidiaries.

Mr Aydinlar is also the Chairman of the Turkish Accredited Hospitals Association and Vice Chairman of Private Hospitals and Healthcare Institutions Association (OHSAD). A certified public accountant-turned-entrepreneur, Mr Aydinlar has been recognised for his extensive experience in management and involvement in the healthcare sector since 1993 and received numerous prestigious awards including but not limited to "Ernst & Young Entrepreneur of the Year, Turkiye" for the year 2018 for his entrepreneurship and contributions in healthcare industry.

Being a philanthropist, Mr Aydinlar is also the Chairman of the Board of Trustees of Acibadem University, an ambitious social responsibility undertaking initiated by Mr Aydinlar to advance healthcare in Turkiye through education and research.

Academic/Professional Qualification(s)

- Business Administration Degree, Galatasaray Economy and Management College

Present Directorship(s)

- Nil

Board of Directors



Mohd Shahazwan bin Mohd Harris

Non-Independent, Non-Executive
Member of the Nomination and Remuneration Committee

Nationality: Malaysian

Gender: Male

Age: 52

Date of Appointment: 29 March 2023

Length of Service: 1 year (As at 1 April 2024)

Date of Last Re-election: 30 May 2023

Work Experience

Appointed to the Board of IHH Healthcare Berhad in March 2023, Mr Mohd Shahazwan bin Mohd Harris is the Head, Strategic Investment & Research of the Employees Provident Fund (EPF).

He has more than 25 years of experience in investments, mergers and acquisitions, portfolio and asset management, corporate strategy and restructuring. Prior to joining EPF, he was the Chief International Officer at Tenaga Nasional Berhad (TNB), where he led all of TNB's International business and helped TNB to pivot its international business to focus on renewables and new energy opportunities.

Mr Shahazwan began his career at TNB, before joining PA Consulting Group in Kuala Lumpur and Jakarta, and then Boston Consulting Group. He then worked at Khazanah Nasional Berhad (Khazanah) from 2005 to 2016, where he covered investments across Asia and Europe. After Khazanah, he assumed senior advisory roles at Bain & Co (Kuala Lumpur/Southeast Asia) and Temasek International Advisory (Singapore) and remains on the Advisory Board of Stashaway.

Mr Shahazwan previously served as Board Member of UMW Holdings Berhad.

Academic/Professional Qualification(s)

- Sloan Fellows Master of Business Administration in Leadership and Innovation, Massachusetts Institute of Technology (MIT), Cambridge MA, United States of America
- Master of Science in Advanced Mechanical Engineering, Imperial College of Science, Technology and Medicine, London, United Kingdom
- Bachelor of Engineering Degree in Mechanical Engineering, University of Warwick, Coventry, United Kingdom

Present Directorship(s)

- Nil



Jill Margaret Watts

Independent, Non-Executive
Chairman of the Risk Management Committee
Member of the Audit Committee
Member of the Nomination and Remuneration Committee

Nationality: Australian

Gender: Female

Age: 65

Date of Appointment: 4 April 2018

Length of Service: 6 years (As at 1 April 2024)

Date of Last Re-election: 30 May 2023

Work Experience

Appointed to the Board of IHH Healthcare Berhad in April 2018, Ms Jill Margaret Watts currently serves on several Boards of Directors, including St Vincent's Health Australia Ltd, Icon Group, Keyton Retirement (formerly known as Lendlease Retirement Living Trust) and NIB Holdings Limited. She was previously a Director of the Australian Chamber of Commerce, United Kingdom, the Royal Australian Flying Doctor Service, United Kingdom, Ramsay Sante in France and the Netcare Group in South Africa. Ms Watts also served on several Industry Boards including NHS Partners Network and the Association of Independent Hospital Operators.

Ms Watts was the Group Chief Executive Officer of BMI (GHG) Health Care Group (BMI Healthcare) in United Kingdom from 2014 to 2017. Prior to her appointment at BMI Healthcare, she was the Group Chief Executive Officer of Ramsay Health Care, United Kingdom for over six years. She was the Chair of NHS Partners Network between 2009 and 2012.

Academic/Professional Qualification(s)

- Registered Nurse, Northwick Park Hospital, London, United Kingdom
- Midwifery, Mater Mothers Hospital, Brisbane, Australia
- Grad. Dip Health Administration and Information Systems, University of Central Queensland, Australia
- Master in Business Administration, Griffith University, Queensland, Australia
- Wharton Fellow, Pennsylvania University, United States of America

Present Directorship(s)

- Nil



Dato' Sri Muthanna bin Abdullah

Independent, Non-Executive
Chairman of the Nomination and Remuneration Committee
Member of the Audit Committee
Member of the Risk Management Committee

Nationality: Malaysian

Gender: Male

Age: 64

Date of Appointment: 1 January 2021

Length of Service: 3 years 3 months (As at 1 April 2024)

Date of Last Re-election: 30 May 2023

Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2021, Dato' Sri Muthanna bin Abdullah currently serves as an independent member of several boards of companies. He also serves on the board of an IHH subsidiary.

Dato' Sri Muthanna began his career as a lawyer at Skrine & Co. He then became Partner at Abdullah A. Rahman & Co. before becoming Managing Partner at Lee Hishammudin Allen & Gledhill. Dato' Sri Muthanna then became Managing Partner at Abdullah Chan & Co. before he assumed the role of Consultant at Abdullah Chan & Co., a role he continues to hold at present.

Professionally, Dato' Sri Muthanna has frequently advised companies on local and international cross-border acquisitions and investments including corporate restructurings required to transform businesses.

Dato' Sri Muthanna is the Honorary Consul of The Republic of San Marino to Malaysia.

He is also the Trustee of The Habitat Foundation, Yayasan Siti Sapura, a board member of the Kuala Lumpur Business Club and The Malaysian Aerospace Industry Association.

Previously he served on boards of 2 international chambers – the British and the Swiss and presently is the Avocat Au Con fiance to the Swiss Embassy.

Academic/Professional Qualification(s)

- Bachelor of Law (LLB), University of Buckingham
- Barrister-at-Law, Honourable Society of Middle Temple (England)

Present Directorship(s)

- MSM Malaysia Holdings Berhad
- Malaysian Life Reinsurance Group Berhad
- MSIG Insurance (Malaysia) Berhad



Ong Ai Lin

Independent, Non-Executive
Chairman of the Audit Committee
Member of the Risk Management Committee
Member of the Nomination and Remuneration Committee

Nationality: Malaysian

Gender: Female

Age: 68

Date of Appointment: 1 January 2021

Length of Service: 3 years 3 months (As at 1 April 2024)

Date of Last Re-election: 28 May 2021

Work Experience

Appointed to the Board of IHH Healthcare Berhad in January 2021, Ms Ong Ai Lin is a retired Partner/Senior Executive Director of PricewaterhouseCoopers (PwC) Malaysia where she was involved in financial audits and provided Governance Risk and Compliance, Technology Risk, Cyber Security, Data Privacy and Business Continuity Management services in the United Kingdom, Sri Lanka and South East Asia. She was also the past president of ISACA (Information Systems Audit and Control Association) Malaysia Chapter.

Since her retirement from PwC Malaysia, Ms Ong has been sitting in the Boards of several public listed companies as an independent director.

She was awarded the "Cybersecurity Lifetime Achievement Award" by CyberSecurity Malaysia in 2018 and "Best Certified Business Continuity Professional in Malaysia" award from Disaster Recovery Institute International in 2012.

Academic/Professional Qualification(s)

- BA. (Hons.) in Economics, University of Leeds, United Kingdom
- Fellow of the Institute of Chartered Accountants in England and Wales (FCA)
- Member, Malaysian Institute of Accountants (MIA)

Present Directorship(s)

- RHB Bank Berhad
- RHB Islamic Bank Berhad
- Tenaga Nasional Berhad

Board of Directors



Satoshi Tanaka

Independent, Non-Executive
Member of the Audit Committee
Member of the Nomination and Remuneration Committee

Nationality: Japanese
Gender: Male
Age: 66
Date of Appointment: 1 January 2021
Length of Service: 3 years 3 months (As at 1 April 2024)
Date of Last Re-election: 28 May 2021

Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2021. Mr Tanaka currently serves as Representative Director, Executive Vice President of Sekisui House, Ltd., one of the largest homebuilders in Japan, a role he held since April 2021. He is also a director of Kuraray Co., Ltd.

Mr Tanaka began his career at Mitsui & Co., Ltd. (Mitsui) in 1981 and had been with Mitsui for 38 years until his retirement in June 2019. During his tenure with Mitsui, Mr Tanaka had held various roles including as Representative Director, Executive Vice President since 2017, after serving as Senior Executive Managing Officer and Chief Operating Officer of the Asia Pacific Business Unit of Mitsui since 2015.

From 2010 to 2015, Mr Tanaka has held various positions including as Executive Managing Officer and Chief Operating Officer of the Consumer Service Business Unit. In 2007, he was appointed General Manager of the Corporate Planning and Strategy Division, preceded by his appointment as General Manager of the Investor Relations Division in 2004.

During Mr Tanaka's tenure with Mitsui, he was appointed to IHH Board of Directors as a representative of MBK Healthcare Partners Limited for the period from May 2011 to April 2017.

Academic/Professional Qualification(s)

- Master of Business Administration, Harvard Business School
- Bachelor of Arts in Literature, University of Tokyo, Japan

Present Directorship(s)

- Nil



Mok Jia Mei

Non-Independent, Non-Executive
(Alternate Director to Lim Tsin-Lin)
Alternate Member to Lim Tsin-Lin of the Steering Committee

Nationality: Malaysia
Gender: Female
Age: 38
Date of Appointment: 16 February 2023
Length of Service: 1 year 1.5 months (As at 1 April 2024)
Date of Last Re-election: –

Work Experience

Ms Mok Jia Mei is an alternate director to Mr Lim Tsin-Lin on the Board of IHH Healthcare Berhad (IHH), a role she assumed in February 2023. Prior to her current position in IHH, she was appointed alternate director to Dr Farid bin Mohamed Sani in March 2022 and resigned as Dr Farid's alternate in February 2023.

Ms Mok Jia Mei joined Khazanah Nasional Berhad (Khazanah) in April 2021 and is currently covering the healthcare sector within the Investments Division. Prior to joining Khazanah, she was part of the investment team of Ikhlas Capital, a Southeast Asia-focused private equity fund, from 2019 to 2020. From 2008 to 2019, she was with the Group Strategy division of CIMB Group, where she was responsible for evaluating and executing mergers and acquisitions and various corporate exercises.

Academic/Professional Qualification(s)

- Bachelor of Commerce (Hons) in Actuarial Studies, University of Melbourne, Australia

Present Directorship(s)

- Nil

Notes to Director's Profile

Notes

- None of the Directors has any family relationships with any directors and/or any major shareholders of the Company.
 - The Directors' conflict of interest (COI) (excluding related party transactions) which have been disclosed to the Company are as follows:
 - (i) Tan Sri Mohammed Azlan bin Hashim was a Board member of Khazanah until his resignation on 5 December 2023. During the financial year, Tan Sri Azlan had declared his potential COI in respect of a potential transaction that may involve Khazanah's investee companies and IHH Group. To ensure that all potential COI issues are properly addressed, Tan Sri Azlan had not been involved in such transaction in any manner at all times and had abstained from all deliberations, discussions and votings on such transaction at both operational and board level, where relevant, at Khazanah and IHH level. He did not/shall not have access to all meeting minutes concerning such transaction.
 - (ii) Both Mr Lim Tsin-Lin and Ms Mok Jia Mei are nominee Directors of Khazanah on IHH Board. During the financial year, both of them had declared their potential COI in respect of potential transactions that may involve Khazanah's investee companies and IHH Group. To ensure that all potential COI issues are properly addressed, both Mr Lim Tsin-Lin and Ms Mok Jia Mei had not been/shall not be involved in such transactions in any manner at all times and shall abstain from all deliberations, discussions and votings on such transactions at both operational and board level, where relevant, at Khazanah and IHH level. They did not/shall not have access to all meeting minutes concerning such transactions.
 - (iii) Ms Jill Margaret Watts is a Director of Icon Group, an Australia-based cancer care provider. During the financial year, Ms Jill Margaret Watts had declared her potential COI arising from cancer centre projects of Icon Group in the markets where IHH operates in. She was not involved/shall not be involved in any discussions in relation to the said projects or Icon Group's operations in Asia (Singapore, Malaysia and Hong Kong) where IHH has a presence. She has confirmed that, at Icon Group, she has recused from all deliberations, discussions and voting relating to the said matters or projects, both at the operational and board level, that are deemed to be in conflict with her role as a Director on the IHH Board. She did not/shall not have access to meeting minutes concerning the relevant matters/projects at IHH level.
- Save as disclosed above, other Directors do not have any COI (excluding related party transactions) with the Company and its subsidiaries.
- None of the Directors has any convictions for offences within the past five years and any public sanction or penalty imposed by the regulatory bodies during the financial year, other than for traffic offences, if any.
 - Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on pages 84 to 100 of this Annual Report.

Group Management



Dr Prem Kumar Nair
Group Chief Executive Officer

Nationality: Singaporean
Gender: Male
Age: 63 (As at 5 April 2024)
Date of Appointment: 1 October 2023

Work Experience

Dr Prem Kumar Nair was appointed Group Chief Executive Officer of IHH Healthcare on 1 October 2023, where he leads a team of more than 70,000 employees to realise IHH’s vision to be the world’s most trusted healthcare services network.

Dr Nair sets the strategic direction for the sustainable growth of IHH’s global network which today comprises more than 80 hospitals in 10 countries. Guided by its Care. For Good. aspiration, Dr Nair continues to build on the IHH portfolio of strong and reputable brands including Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai and Parkway – to touch lives and transform care globally.

Prior to his Group CEO appointment, he was CEO of IHH Singapore, where he oversaw the operations and management of IHH’s business units in the country and played an instrumental role in its strategic business growth and outreach efforts in overseas markets.

Dr Nair is a physician and healthcare executive with over three decades of experience in both public and private healthcare sectors. He was with Raffles Medical Group for 27 years, where he held concurrent roles as Chief Corporate Officer, and Managing Director for Singapore Healthcare. He is an Adjunct Associate Professor at the National University of Singapore’s Saw Swee Hock School of Public Health.

An active community citizen, Dr Nair was a recipient of the Public Service Medal (Pingat Bakti Masyarakat) and the Public Service Star (Bintang Bakti Masyarakat) at the 2010 and 2022 National Day Awards respectively, for his contributions to the Singapore Prison Service. He is also a Justice of the Peace.

Academic/Professional Qualification(s)

- Bachelor of Medicine & Surgery, National University of Singapore
- Master of Business Administration (Distinction), Manchester Business School, United Kingdom



Dilip Kadambi
Group Chief Financial Officer

Nationality: Indian
Gender: Male
Age: 49 (As at 5 April 2024)
Date of Appointment: 5 April 2024

Work Experience

Mr Dilip Kadambi, who transitioned from his prior role as Group Head of Corporate Finance and Treasury, assumed the position of Group Chief Financial Officer as of 5 April 2024. In his new capacity, Mr Kadambi is responsible for overseeing the financial strategy and management of the IHH Healthcare network.

Mr Kadambi first joined IHH in May 2020 as Group Head of Business Transformation and subsequently evolved his role to corporate finance and treasury, even double-hatting as Interim Head of Group Procurement.

He has over 27 years of leadership experience in multinational companies, specialising in investment banking, merger and acquisitions, and capital markets. Prior to IHH, he was the Interim Group Chief Executive Officer & Group Chief Financial Officer of Columbia Asia Healthcare, Singapore & Malaysia between 2015 and April 2020. He had also worked in numerous banking institutions including Standard Chartered Bank (Singapore), CIMB Bank Berhad (Singapore), Royal Bank of Scotland (Singapore and India) and ABN AMRO Bank (India).

Academic/Professional Qualification(s)

- Post Graduate Diploma in Business Administration, Institute of Chartered Financial Analyst
- Bachelor of Commerce, Madras University, India

Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any



Ashok Pandit
Group Chief Corporate Officer

Nationality: Indian
Gender: Male
Age: 58 (As at 5 April 2024)
Date of Appointment: 1 April 2024

Work Experience

Mr Ashok Pandit, appointed as Group Chief Corporate Officer of IHH on 1 April 2024, is responsible for reshaping IHH’s portfolio to preserve, capitalise and create value-added opportunities in existing and new markets. He oversees corporate functions such as innovation, group strategy, business development, investments, performance management, IHH Labs and other functions as required to ensure the organisation’s continued success in an ever-evolving healthcare landscape.

Mr Pandit joined IHH in May 2021 as Group Chief Special Projects Officer, with over 28 years of investment banking experience in Asia Pacific. In August 2021, he took on an enlarged portfolio as Group Chief Strategy and Business Development Officer overseeing special projects, business strategy and business development.

Before joining IHH, he was Managing Director, Global Co-Head of Sovereign Wealth and Pension Funds and Head of Financial Sponsor Coverage (Asia Pacific) at Deutsche Bank AG, Singapore. During his 15-year tenure at Deutsche Bank, Mr Pandit held senior investment banking positions, advising leading global institutions and corporations on capital raising, mergers and acquisitions, and advisory and capital restructuring. He led deals that raised over US\$100 billion in the capital markets and was a key player in IHH’s US\$2 billion IPO in 2012, which was ranked the world’s third largest IPO of the year.

Academic/Professional Qualification(s)

- Post Graduate Diploma in Management, Indian Institute of Management, Bangalore, India
- Bachelor of Engineering (Mechanical), Delhi College of Engineering, India



Ida Suryati Ab. Rahim
Group General Counsel and Company Secretary

Nationality: Malaysian
Gender: Female
Age: 51 (As at 5 April 2024)
Date of Appointment: 27 June 2019

Work Experience

Ms Ida Suryati brings with her more than 26 years of experience in various legal and company secretarial roles in agribusiness, oil and gas and fast moving consumer goods companies. Ida has been admitted to the High Court of Malaya as an advocate and solicitor in 1997. She leads the IHH Group’s legal and secretarial functions and acts as the Company Secretary of IHH Healthcare Berhad.

She began her career as Management Trainee in Unilever Malaysia in 1997 and worked there as an Assistant Manager in legal and company secretarial roles until year 2000. Thereafter she moved to hold legal and company secretarial positions in Golden Hope Plantations Berhad (now a part of Sime Darby Group) (2000–2002), Tradewinds (M) Berhad (2002–2009) and MISC Berhad (2009–2011).

Immediately prior to joining IHH in June 2019, Ida served in FGV Holdings Berhad (FGV), a Malaysian-based global agribusiness public listed company, between 2011 and 2019. Her last position in FGV was as its Chief Counsel and she had held various leadership roles including as Head, Sustainability & Environment leading FGV’s sustainability initiatives, reporting, stakeholders engagements and Roundtable on Sustainable Palm Oil (RSPO) certification exercise, as Head, Group Governance & Compliance as well as Vice President, International Business.

Academic/Professional Qualification(s)

- Bachelor of Law (Hons), Universiti Kebangsaan Malaysia
- Master of Law (LLM) (Commercial), University of Cambridge, United Kingdom
- Master of Law (LLM), University of Malaya, Malaysia

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Group Management



Stephen Byrne

Group Head, Internal Audit

Nationality: Australian

Gender: Male

Age: 51 (As at 5 April 2024)

Date of Appointment: 4 January 2021

Work Experience

Mr Stephen Byrne was appointed the Group Head of Internal Audit of IHH on 4 January 2021. In this position, he is responsible for designing a proactive strategy to mitigate corporate risk and improve business processes and internal control mechanisms.

Mr Byrne has 29 years of international experience in both corporate and site-based roles. His career spans numerous sectors including manufacturing, resources and healthcare, the most current being his position as Group Manager, Risk and Assurance with global packaging company Orora in Melbourne, Australia.

Academic/Professional Qualification(s)

- Board Member (Board of Governors) for the Institute of Internal Auditors Malaysia
- Member of the Institute of Chartered Accountants UK (FCA)
- Bachelor of Science (Honours) in Physics with Study in Continental Europe from the University of Bristol, UK and University of Mainz, Germany



Nili Shayrina binti Saat

Group Head,
Risk Management & Compliance

Nationality: Malaysian

Gender: Female

Age: 49 (As at 5 April 2024)

Date of Appointment: 19 November 2018

Work Experience

Ms Nili Shayrina binti Saat has more than 25 years of experience in Risk Management with broad industry experience and market exposure in Southeast Asia, Middle East, North Africa and the European region.

Prior to joining IHH in 2018, Nili was the Director of Risk Management and Business Process for Eagle Hills Properties in Abu Dhabi, United Arab Emirates where she oversaw the risk management and business process improvement functions for the group.

Preceding this, she was attached to Iskandar Investment Berhad for six years, holding several roles including the Innovation Chief, spearheading the Innovation initiatives for the organisation, and Head of Risk Management & Compliance where she was responsible for setting up the function.

Academic/Professional Qualification(s)

- Bachelor of Arts (Hons) in Accounting and Finance of Lancaster University, UK
- Certified Integrity Officer (CeIO) of Malaysia Anti-Corruption Academy

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Jean-François Naa

Chief Executive Officer,
IHH Healthcare Malaysia

Nationality: Belgian

Gender: Male

Age: 57 (As at 5 April 2024)

Date of Appointment: 1 March 2020

Work Experience

Mr. Jean-François Naa was appointed the Chief Executive Officer of IHH Healthcare Malaysia on 1 March 2020. He provides the strategic direction and maintains high standards of operational and clinical excellence for IHH's integrated healthcare businesses in Malaysia, which includes a network of 17 hospitals encompassing Gleneagles Hospitals, Pantai Hospitals, Prince Court Medical Centre and Timberland Medical Centre, as well as ancillary services such as Pantai Integrated Rehab and Premier Integrated Labs, and a chain of primary care clinics under Twin Towers Medical Centre.

Mr. Jean-François has more than 25 years' experience in the healthcare industry and has held the role of Chief Executive Officer of several IHH Healthcare entities since 2012. He has been the Chief Executive Officer of Gleneagles Hospital Medini Johor and Gleneagles Hospital Kota Kinabalu in Malaysia, Regional Chief Executive Officer of South and East Malaysia and interim Chief Executive Officer of IHH Healthcare India. In Singapore, he was the covering Chief Executive Officer for Gleneagles Hospital Singapore, Deputy Chief Executive Officer for Mount Elizabeth Novena Hospital and Chief Executive Officer of Gleneagles Clinical Research Centre.

Mr. Jean-François spent the early part of his career in sales and marketing for the pharmaceutical industry in Europe. He joined Novartis in 2002 as the Oncology Medical Advisor/Clinical Research Manager before being appointed as Head, Global Patient Access, Asia Pacific for Novartis Oncology. In 2006, he became the General Manager of Novartis Pharmaceuticals to oversee the business in Indochina. In 2009, Jean-François took on the role of Vice President of Primary Care at Astra Zeneca in Thailand.

Academic/Professional Qualification(s)

- Master of Sciences, Engineer in Biochemistry and Biotechnology, HEPL, Liege, Belgium
- Genetic engineering specialisation, EU scholarship program, Comett, France
- Oncology preceptorship, Baylor College of Medicine, USA



Dr Peter Chow

Chief Executive Officer,
IHH Healthcare Singapore

Nationality: Singaporean

Gender: Male

Age: 49 (As at 5 April 2024)

Date of Appointment: 1 April 2024

Work Experience

Dr Peter Chow was appointed Chief Executive Officer of IHH Healthcare Singapore from 1 April 2024. He spearheads strategic initiatives and drives operational excellence across IHH's business units in Singapore, which include Gleneagles, Mount Elizabeth, Mount Elizabeth Novena, and Parkway East hospitals, the primary healthcare group Parkway Shenton, Parkway MediCentre Woodleigh, as well as ancillary and education entities such as Parkway Radiology, Parkway Rehab, Parkway Cancer Centre, and Parkway College. Prior to this appointment, Dr Chow held the position of Acting Chief Executive Officer of IHH Singapore from 1 October 2023.

Dr Chow joined IHH in 2018 and was appointed as Chief Executive Officer of Mount Elizabeth Novena Hospital in 2020. Despite challenges from the COVID-19 pandemic, he led the hospital through a period of strategic development and growth, strengthening its position as a regional centre of clinical excellence. He was awarded the Public Service Medal (COVID-19) and COVID-19 Resilience Medal in 2022 and 2023 respectively for his healthcare leadership role during the pandemic and for supporting various national pandemic efforts in Singapore.

Dr Chow has over 20 years of healthcare management experience spanning both public and private sectors in Singapore. Trained as a dental surgeon with the National University of Singapore, he started his career as a dental officer. Subsequently he took on different management roles including quality, training, manpower, as well as managed outpatient clinical services, giving him broad-based experience in healthcare.

Prior to IHH, he was with National Healthcare Group (NHG) during which he assumed various roles including Director of Quality & College, Director of Corporate Development & Communications and Chief Operating Officer of NHG Polyclinics.

Academic/Professional Qualification(s)

- Bachelor of Dental Surgery, National University of Singapore
- Master of Health Science (Management), University of Sydney
- Executive Program (Managing Health Care Delivery), Harvard Business School

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Group Management



Tahsin Güney

Chief Executive Officer,
Acibadem Saglik Yatirimlari
Holding A.S

Nationality: Turkish

Gender: Male

Age: 57 (As at 5 April 2024)

Date of Appointment: 1 March 2019

Work Experience

Mr Tahsin Güney was appointed as the Chief Executive Officer of Acibadem Saglik Yatirimlari Holding A.S on 1 March 2019. He is a highly experienced healthcare professional with deep knowledge on hospital operations and management. He first joined Acibadem in 2008 as Planning and Business Development Director and has served as Deputy General Manager since 2013.

Armed with a Bachelor's degree in Public Administration and a Master's degree in Actuarial Science and Statistics, Mr Tahsin Güney started his career in 1990 as an Assistant Inspector at Türkiye's Social Security Agency, where he rose through the ranks to become Acting President and Acting President of the Board in 2008.

He was one of the top leading bureaucrats during the social security and general health insurance reform studies in Türkiye between 2003-2008.

Academic/Professional Qualification(s)

- Bachelor of Public Administration, Middle East Technical University, Ankara, Türkiye
- Master of Actuarial Science and Statistics, City University, London, UK



Anurag Yadav

Chief Executive Officer,
Gleneagles Healthcare India

Nationality: Indian

Gender: Male

Age: 54 (As at 5 April 2024)

Date of Appointment: 14 January 2022

Work Experience

Mr Anurag Yadav joined Gleneagles Healthcare India as its Chief Financial Officer on 1 April 2017 before assuming the position of Chief Executive Officer on 14 January 2022. With more than 25 years of experience under his belt, Mr Yadav is an expert in business leadership, financial management, strategic planning, mergers and acquisitions and post-merger integration.

Prior to IHH, Mr Yadav was the Regional Operations Head (North India) of Manipal Health Enterprises, responsible for its financial delivery, the commissioning of a greenfield project in the National Capital Region of India as well as its radiology joint venture with Philips.

As a senior leader with Fortis Healthcare, he was involved in the listing of the company in 2007 as well as its subsequent rights issue in 2009. Mr Yadav was also part of the Fortis leadership team managing acquisitions and the effective integration of 10 Wockhardt, 4 Escorts and Malar Hospitals and 4 greenfield hospital projects.

Academic/Professional Qualification(s)

- Fellow Member, Institute of Chartered Accountants of India
- Post graduate degree in Commerce, Himachal University, India
- Bachelor of Law, Punjab University, India



Dr Kenneth Tsang

Regional Chief Executive Officer,
IHH Healthcare North Asia

Nationality: Chinese

Gender: Male

Age: 54 (As at 5 April 2024)

Date of Appointment: 1 April 2024

Work Experience

Dr Kenneth Tsang was appointed as Regional Chief Executive Officer, IHH Healthcare North Asia, effective from 1 April 2024. In conjunction with his role as Chief Executive Officer of Gleneagles Hospital Hong Kong, he provides oversight for Gleneagles Hospital, Gleneagles Healthcare ambulatory care centres and primary clinics, and Parkway Laboratory Services in Hong Kong. His strategic leadership, including his position as Chairman of IHH China Operations Steering Committee, plays a pivotal role in advancing our operations in China towards sustainable long-term growth.

Dr Tsang joined Gleneagles Hospital Hong Kong in 2019 as Chief Operating Officer before rising to become its Chief Executive Officer in 2021.

Prior to IHH, Dr Tsang was with the Hospital Authority in Hong Kong for over 25 years, first as a practising physician in Queen Elizabeth Hospital before becoming a full-time medical administrator at its Head Office, taking up management roles in patient safety, strategy and service planning, infection control and cluster services.

Dr Tsang is a Fellow of the Hong Kong Academy of Medicine (Community Medicine), a Fellow of the Hong Kong College of Community Medicine and a Fellow of The Royal Australasian College of Medical Administrators. He is also an Honorary Clinical Associate Professor of School of Public Health, Li Ka Shing Faculty of Medicine of The University of Hong Kong.

Academic/Professional Qualification(s)

- Bachelor of Medicine & Surgery, The University of Hong Kong
- Master of Occupational Medicine, The Chinese University of Hong Kong



Dr Zhiping Li

Chief Executive Officer,
IHH Healthcare China

Nationality: American

Gender: Male

Age: 58 (As at 5 April 2024)

Date of Appointment: 26 October 2020

Work Experience

Dr Zhiping Li is responsible for the strategic business planning and management of IHH's operations and facilities in China. Apart from hospital and clinic operations, he also oversees the corporate, governance and control functions of the China corporate office.

A healthcare veteran with over 30 years of experience in the United States and Chinese healthcare industry, Dr Li has assumed diverse roles and risen through the ranks across his career. His past employers include the University of North Carolina at Chapel Hill, North Carolina, John Hopkins Medicine in Baltimore, Maryland, and most recently Taikang Xianlin Drum Tower Hospital in Nanjing, China, where he served as President.

Academic/Professional Qualification(s)

- Bachelor of Medicine & Surgery, Shanghai Second Medical University, China
- Residency, Case Western Reserve University, Cleveland, Ohio, USA
- Fellowship, Johns Hopkins Medicine, Baltimore, Maryland, USA

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Corporate Governance Overview Statement

Our Commitment to Good Corporate Governance

At IHH Healthcare Berhad (IHH or the Company), together with its subsidiaries (the Group), we strongly believe that sound corporate governance practices are essential for delivering shareholder value, enhancing business integrity, maintaining investors' confidence and achieving the Group's corporate objectives and vision.

The Board, Management and employees of the Group are committed to achieving and maintaining the highest standards of corporate governance. We continuously strive to refine the Group's corporate governance practices and processes and shall always uphold the pillars of corporate governance such as ethical behaviour, accountability, transparency and sustainability.

The Board is committed to ensure that the Group's Corporate Governance Framework complies with the following requirements and guidelines:

- Companies Act 2016;
- Malaysian Code on Corporate Governance (MCCG);

- Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities); and
- Bursa Securities Corporate Governance Guide.

The Board is pleased to present this statement, pursuant to Paragraph 15.25 of the MMLR, for the financial year ended 31 December 2023 (CG Overview Statement) in respect of the following principles:

Principle A – Board Leadership and Effectiveness;

Principle B – Effective Audit and Risk Management; and

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Overview Statement shall be read together with the Corporate Governance Report 2023, which is available on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance/corporate-governance-reports>.

The existing IHH Corporate Governance Framework ensures orderly and effective discharge of our Board's roles and

responsibilities where certain roles and responsibilities of the Board are delegated to the relevant Board Committees, the Group Chief Executive Officer (GCEO) and Management committees, as depicted below.

Principle A – Board Leadership and Effectiveness

1. Board Responsibilities

The Board directs and oversees the management of the business and affairs of IHH and the Group, with the goal of achieving long-term success of the Company and delivering sustainable value to its stakeholders. Apart from making major policy decisions, the Board determines the strategic direction of the Company, ensures that the necessary resources are in place for the Company to meet its objectives and oversees the Management's execution of strategy and financial performance. Together with Management, the Board sets the tone from the top by providing thought leadership, championing good corporate governance culture within the Company and formalising and committing to ethical values.

The Board is also mindful of their wider obligations and considers the impact their decisions will have on the Group's various stakeholders such as its patients, employees, shareholders, the community and the environment as a whole. Sustainability considerations have been integrated in corporate strategy, governance and decision-making to create sustainable value to its stakeholders.

Board Charter

The Board Charter describes the roles and responsibilities of the Board, Board Committees, individual Directors and Management. The Board Charter contains, among others, the principles for the operation of the Board and has a formal schedule of matters specifically reserved for the Board's decision.

The Board Charter is available for reference on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

The Board reviews the Board Charter as and when it deems fit to ensure its applicability to the Company's operating environment and to align with the applicable rules and regulations. The Board Charter was last reviewed and approved for adoption by the Board in June 2020.

Limits of Authority

The Limits of Authority (LOA) is a Group policy which prescribes the authority limits for the Board, Board Committees, GCEO and Senior Management personnel, to facilitate compliance with the principles of good corporate governance. Although the operations of the Group are governed by the LOA, the overall management and control of the business and affairs of the Group are vested in the Board. Where necessary, the Board shall review the LOA to fit the Group's operating environment. The LOA was last updated in February 2020.

Corporate Integrity

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board has, since 2013, established a Code

of Conduct (the Code) which has been implemented throughout the Group. The Code provides for the ethics and standard of conduct expected of all employees when performing their roles for the Group. The Code was last reviewed and approved by the Board in November 2020 for adoption on 1 January 2021.

The Group has also established a Third Party Code of Conduct which outlines the minimum standards for compliance by third parties in all business dealings with the Group. The Group expects all third parties with business dealings with the Group to comply with all applicable laws, regulations and standards as well as the Third Party Code of Conduct.

The Board has also put in place a Board of Directors Conflict of Interest (COI) Policy since 2018 which provides a framework for all Directors of IHH and its subsidiaries in relation to disclosure of actual or potential conflicts of interest and the protocol in managing the conflicts.

In August 2019, the Group established the Anti-Bribery and Corruption Policy (ABC Policy) which spells out the steps required in managing, escalating, assessing, preventing and reporting any potential or actual bribery and corruption during the course of business. IHH Group is committed to conducting its business with integrity and has a zero-tolerance policy against all forms of bribery and corruption and upholds all applicable laws in relation to anti-bribery and corruption. The ABC Policy was last revised in June 2023. In June 2023, the Group also established the Gifts, Hospitality, Donations & Sponsorship Policy (GHDS Policy) which serves to regulate the acceptable practices for the giving and receiving of gifts, hospitality, donations and sponsorships across IHH's operations.

The ABC Policy and GHDS Policy are aligned with the Whistleblowing Policy (further details as elaborated below) and the Code, aim to further enhance the Group's existing processes in combating

bribery and corruption consistent with the corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Read about the Code, Third Party Code of Conduct, ABC Policy and GHDS Policy at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Whistleblowing Policy

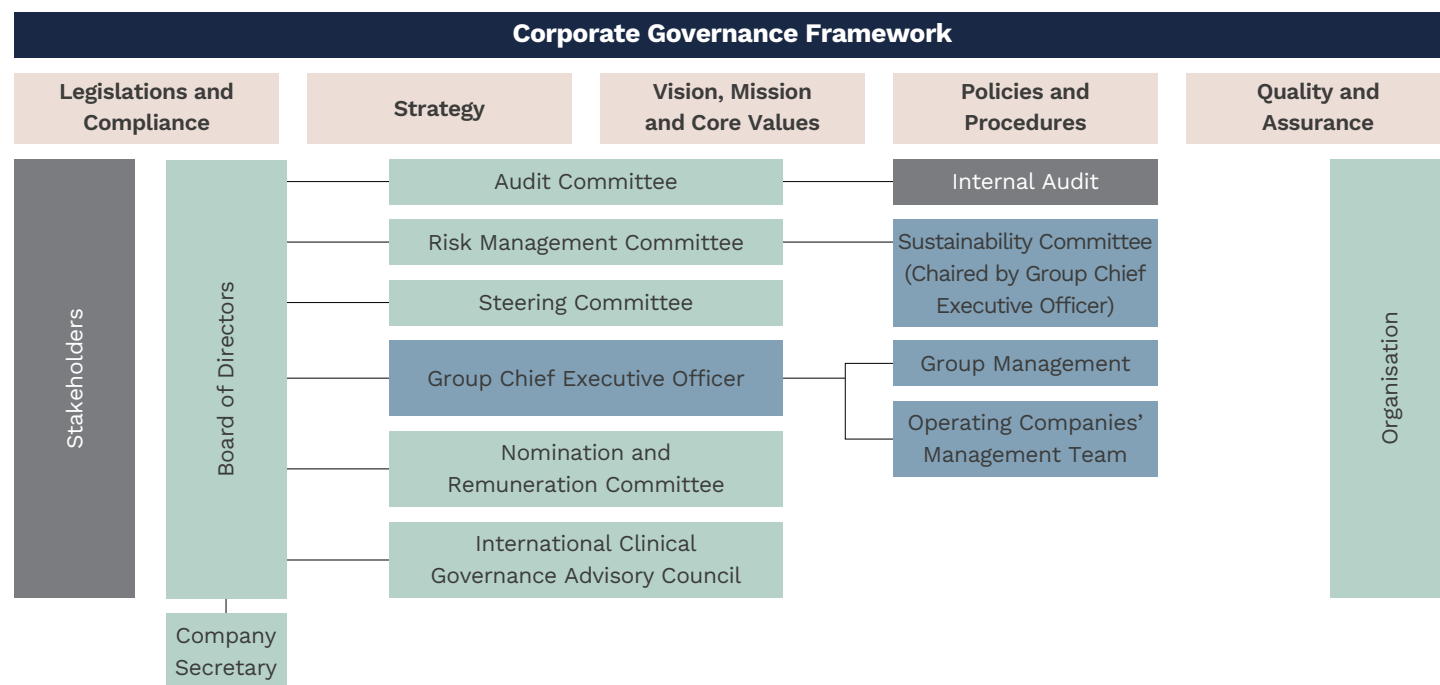
It is in the interest of our stakeholders that we maintain confidence in the integrity of the operations of IHH and all its operating subsidiaries. We have established a confidential reporting procedure that enables external parties, suppliers, contractors, key stakeholders, shareholders and employees to raise concerns to prevent or deter improper activities. A Whistleblowing Policy is in place within the Group since 2013 and it ensures that whistleblowers are protected from reprisals or victimisation as a result of making the information known in good faith.

Read about our Whistleblowing Policy at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Division of Roles and Responsibilities between the Chairman and the GCEO

At IHH, the roles and responsibilities of the Chairman and GCEO are separated and clearly defined in the Board Charter in line with best practices. The separation of the positions of the Chairman and GCEO promotes accountability and facilitates the division of responsibilities between them so that no one individual can influence the Board's discussion and decision-making.

The Chairman is responsible for the leadership of the Board in its collective oversight of Management and is instrumental in creating the necessary conditions inside and outside the boardroom. The Chairman promotes and oversees the highest standards in the adoption and implementation of good corporate governance practices within the Board and Company. The Chairman also sets the Board agenda,



Corporate Governance Overview Statement

leads board meetings and discussions, encourages active participation and allows dissenting views to be freely expressed as well as ensures proper governance of the board proceedings.

The GCEO focuses on the business and the day-to-day management of the Company, in line with the strategy and objectives approved by the Board.

Board Committees

Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference (TOR). This ensures that the members of the Board can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues. The Chairman of each Board Committee reports to the Board on salient matters discussed at the respective Board Committee meetings.

The Board has to date established the following Board Committees:

- Audit Committee (AC)
- Risk Management Committee (RMC)
- Nomination and Remuneration Committee (NRC)
- Steering Committee (SC)

The Board Chairman is not a chairman or member of the AC, RMC and NRC of the Company. Board committee meetings are conducted separately from the board meetings to enable objective and independent discussion during the meetings.

The TOR of the relevant Board Committees are available on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Audit Committee

The AC's primary role is to assist the Board in fulfilling its statutory and fiduciary responsibilities for oversight of the quality and integrity of the accounting, auditing and financial reporting of the Group and monitoring

the effectiveness of the systems of internal control. To achieve these, the AC oversees the reports of external and internal auditors and safeguards the integrity of financial reporting, as well as ensures a sound system of internal controls to safeguard and enhance enterprise value. It also oversees the implementation of the Whistleblowing Policy for the Group.

Besides these, the AC also reviews and reports to the Board, any COI situation that arose, persist or may arise together with the measures taken to resolve, eliminate or mitigate such conflicts.

The composition and the summary of meetings attended by the AC members, as well as the activities carried out by the AC, are set out separately in the AC Report as laid out on pages 106 to 108 of this Annual Report.

Risk Management Committee

The RMC assists the Board in overseeing the establishment and implementation of the risk management framework of the Group by Management so that the Group has in place a sound, effective and robust risk management and internal control framework. The RMC also assists the Board in fulfilling its key risk oversight responsibilities in an integrated and strategic manner and provides oversight, direction and guidance to Management on the Group's risk management matters.

The RMC was also entrusted to assist the Board in driving the Group's sustainability and climate-related agenda and providing oversight of material sustainability matters across the Group's business strategies, operations and decision-making process.

The composition and the summary of meetings attended by the RMC members, as well as the activities carried out by the RMC, are set out separately in the RMC Report as laid out on pages 109 to 110 of this Annual Report.

Nomination and Remuneration Committee

In relation to the nomination responsibilities, the NRC plays a key role in the oversight of the nomination and selection process of the Board members (including fit and proper assessments) and Senior Management, assesses and monitors the composition and effectiveness of the Board and undertakes development needs and succession planning initiatives for the Board and the Group as a whole.

In relation to the remuneration responsibilities, the NRC is responsible for recommending and reviewing remuneration policies, the remuneration framework and performance measures of the individual Directors and Senior Management.

The composition and the summary of meetings attended by the NRC members, as well as the activities carried out by the NRC, are set out separately in the NRC Report as laid out on pages 101 to 105 of this Annual Report.

Steering Committee

The SC functions to assist the Board in reviewing the Group's long-term and short-term strategies, evaluating major transactions, material borrowings, any investment projects, financial management (such as operating budgets, capital expenditures, cashflow, dividend payout, etc.), broad procurement strategy and procurement and tender processes that any of the Group entities may undertake.

The SC comprises the following members:

Chairman:
Tan Sri Mohammed Azlan bin Hashim

Members:
Tomo Nagahiro
Lim Tsin-Lin
Mehmet Ali Aydinlar
Dr. Prem Kumar Nair
(Appointed on 1 October 2023)
Mok Jia Mei (Alternate Member of the Steering Committee to Lim Tsin-Lin)

Company Secretaries

The Board has ready and unrestricted access to the advice and services of the Company Secretaries. The Company

Secretaries support the Board in its leadership role, discharge of fiduciary duties and as stewards of governance. They provide an important advisory

role to the Board on issues relating to corporate governance and compliance with applicable statutory and regulatory rules.

Summary of Board Activities in the financial year 2023

Pursuant to the Board Charter, the Board, among others, performed the following roles and responsibilities during the financial year 2023:

Focus Area	Key Discussion Topics
Strategy	<ul style="list-style-type: none"> • Governing and setting of the strategic direction of the Group. The Board ensures that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability. • Reviewing, challenging and deciding on Management's proposals for the Group and monitoring its implementation by Management. • Conducting regular and formal board strategy review on the achievement of the performance against the balanced scorecard (BSC), a strategy execution tool.
Operations	<ul style="list-style-type: none"> • Overseeing the conduct of the Group's businesses, including supervising and assessing Management's performance to determine whether the business is being managed properly. • Ensuring that the necessary resources are in place for the Company to meet its objectives and review Management's performance.
Financial	<ul style="list-style-type: none"> • Reviewing and approving financial statements and the Company's annual reports.
Risk, Compliance and Internal Controls	<ul style="list-style-type: none"> • Ensuring that there is a sound framework for internal controls and risk management. • Understanding the principal risks of the Group's business. • Ensuring the implementation of appropriate systems to manage these risks and that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. • Ensuring the integrity of the Company's financial and non-financial reporting. • Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems to safeguard and enhance enterprise value.
Governance	<ul style="list-style-type: none"> • Setting the Company's core values and standards, and ensuring that the Company's obligations to the Company's shareholders and other stakeholders are understood and met. • Together with Management, promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour. • Together with Management, implementing its policies and procedures, which include managing conflict of interest, preventing the abuse of power, corruption, insider trading and money laundering. • Undertaking a fit and proper assessment of the existing Directors seeking re-election or re-appointment and candidates identified to be appointed as Directors, with the assistance of the NRC, in accordance with the Directors' Fit and Proper Policy adopted. • Undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, its Committees, each individual Director as well as the Board Chairman. • Determining the remuneration of Directors and Management in accordance with the MCCG, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.
Sustainability	<ul style="list-style-type: none"> • Setting the Group's sustainability strategies, priorities and targets and taking into account sustainability considerations when exercising its duties including among others the development and implementation of the Group's strategies, business plans, major plans of action and risk management. • Ensuring that the Group's sustainability strategies, priorities, targets and achievements are communicated by Management to its internal and external stakeholders. • Taking appropriate action to ensure the Directors stay abreast with the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
Succession Planning	<ul style="list-style-type: none"> • Establishing succession plans including appointing, training, fixing the compensation of and replacing key management including ensuring that Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Management.
Investor Relations	<ul style="list-style-type: none"> • Developing and implementing an Investor Relations programme and shareholders' communication policy to enable effective communication with stakeholders.

Corporate Governance Overview Statement

The Board held its Board Offsite Meeting (Offsite Meeting) in October 2023 to review the Group's performance and set the Group's strategic directions and aspirations. The Offsite Meeting was attended by the Directors, Senior Management and the relevant Heads of Department of the Group. At the Offsite Meeting, the Board and Management discussed the Group's strategic directions and priorities and established common understanding of the Group's strategic goals, objectives and actions moving forward for a sustainable business.

The Board is committed to acting in the best interests of the Group and its shareholders by exercising due diligence and care in discharging its duties and responsibilities to ensure that high ethical standards are applied at all times. This is undertaken through compliance with the relevant rules, regulations, directives and guidelines, in addition to adopting the best practices in the MCCG and CG Guide.

Board Commitment

The Board commitment can be observed from the attendance of Directors at the

Board meetings as depicted below and the attendance of Directors at the Board Committee meetings as disclosed in the respective Board Committee reports in this Annual Report.

During the financial year under review, the Board met thirteen times for its meetings, of which five meetings were pre-scheduled and the remaining eight meetings were convened on ad-hoc basis. The details of the attendance of the Board members during the financial year under review are as follows:

Director	Designation	Total Meetings Attended
Tan Sri Mohammed Azlan bin Hashim	Chairman, Independent Non-Executive Director	13/13
Jill Margaret Watts	Independent Non-Executive Director	10/13
Dato' Sri Muthanna bin Abdullah	Independent Non-Executive Director	13/13
Ong Ai Lin	Independent Non-Executive Director	13/13
Satoshi Tanaka	Independent Non-Executive Director	13/13
Takeshi Akutsu (Resigning on 31 March 2024)	Non-Independent Non-Executive Director	10/13*
Tomo Nagahiro (Appointed on 3 February 2023)	Non-Independent Non-Executive Director	9/10*
Lim Tsin-Lin (Appointed on 16 February 2023)	Non-Independent Non-Executive Director	10/10
Mehmet Ali Aydinlar	Non-Independent Non-Executive Director	12/13
Mohd Shahazwan bin Mohd Harris (Appointed on 29 March 2023)	Non-Independent Non-Executive Director	6/7
Dr Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	Managing Director and Chief Executive Officer, Non-Independent Executive Director	0/4*
Takeshi Saito (Resigned on 27 January 2023)	Non-Independent Non-Executive Director	0/3*
Dr Farid bin Mohamed Sani (Resigned on 10 February 2023)	Non-Independent Non-Executive Director	3/3
Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	Non-Independent Non-Executive Director	5/5

Notes:

* Did not participate in the meetings held during the financial year due to COI as per IHH's COI Policy

During the financial year under review, the Non-Executive Directors met among themselves without the presence of the MD & CEO / GCEO and other Management.

Embedding Sustainability into Business Strategy and Operations

IHH recognises that it has a responsibility to the global community in contributing towards a healthy and sustainable future. To do this, we focus on areas where opportunities for our business intersect with positive social and environmental impact.


The Board ensures that there are adequate processes and frameworks in place for the ongoing sustainability of the business and to maximise value for shareholders and other key stakeholders. The Board, assisted by the Board Committee and Sustainability Committee which is chaired by the GCEO, ensures that the Company has in place a sound and robust risk management and internal control framework and ensures that such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives for

purposes of building trust and brand value of the Group for long term sustainability of the organisation.

IHH's shared aspiration is as follows:

- Our vision to be the world's most trusted healthcare services network;
- Our purpose to touch lives and transform care;
- Our commitment to provide greater good to our patients, our people, the public and our planet.

Our Sustainability Goals



Patients
Empowering Our Patients


To be the most trusted private healthcare provider in all our markets by 2025

Achieve 90% of **value-driven outcomes (VDO)** at or above international benchmarks by 2025

Billing estimates to be 90% accurate in our core markets¹ by 2025

Admission for A&E cases to be within 1 hour of doctors' instructions in our core markets¹ by 2025

To be in top quartile in **Net Promoter Score (NPS)**² in our core markets¹ by 2025



People
Shaping the Best Place to Work


To be the employer of choice in private healthcare in all our markets by 2025

Achieve 50:50 **male to female ratio in leadership roles** by 2025

Increase **global nursing talent pool** by 10% by 2025

Reduce lost time injuries and have zero **workplace fatalities**

Be above Global Healthcare benchmarking scores in **Employee Engagement Survey (EES)** for all of our markets by 2025




Public
Nurturing a Healthier Society

To touch five million lives³ for healthier communities by 2025

Have 100% of hospitals implement **antimicrobial resistance** interventions in line with CDC, WHO, and national guidelines by 2025

Reduce **disease burden on cancer and cardiovascular diseases** through screenings, health literacy, and disease management programmes

Establish public corporate responsibility programmes in at least two of our core markets¹ to make available **quality healthcare to the underserved** by 2023



Planet
Protecting Our Planet

To cap carbon growth by 2025 and achieve Net-Zero by 2050

Cap **Scope 1 and 2 emissions** at 2022 baseline (inclusive of our growth) by 2025 and reduce year-on-year carbon intensity per patient bed-day

Strategise **Scope 3** carbon accounting by 2023

Be **SBTi** (Science Based Targets initiative) **ready** by 2025

Reduce **single-use virgin plastic** by 90% in non-clinical areas in Malaysia and Singapore by 2023

¹ Our core markets refer to Malaysia, Singapore, India and Türkiye.

² Net Promoter Score is a key metric that measures customer loyalty and satisfaction.

³ Number of lives touched includes cumulative number of patient interactions through IHH Healthcare services targeted at reducing antimicrobial resistance and disease burden, and number of beneficiaries reached through our corporate responsibility programmes.

We anchor our sustainability approach to make a positive impact on our patients, our people, the public and our planet. We strive to provide excellent care and outcomes to our patients; champion total well-being, development and inclusiveness for our people; give back to the communities in which we operate; while protecting our only home – our planet.

The Group has established a Sustainability Policy which provides guiding principles on how the culture of sustainability should be promoted across the Group. The Sustainability Policy complements the Group's approach to sustainability by expanding on the key focus areas of IHH's sustainability strategy.

The Sustainability Policy is available on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

The details of the Company's approach to sustainability are set out separately in the Sustainability Section as laid out on pages 52 to 54 and pages 61 to 69 of this Annual Report, the Sustainability Report and the Corporate Governance Report which are available on the Company's website at <https://www.ihhhealthcare.com/investors/reports-presentation/reports-and-presentations>.

2. Board Composition and Effectiveness

Our Board consists of individuals of different backgrounds, academic qualifications, experience, knowledge and skills. This allows the Board as a whole to draw on a diverse yet balanced group of individuals to provide insights, perspectives and independent judgement to lead and steer the business of the Group.

Independent Directors

Independent Directors are appointed to ensure objectivity to the oversight function of the Board and evaluate the performance and well-being of the Company without having any COI or undue influence. They act independently of Management and are free from any business or other relationships that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

IHH aspires to have a majority of Independent Non-Executive Directors (INED) on the Board and the Board views that the appointment of new INEDs on the Board should be based on the skillsets and not be restricted to the independent element.

As at the end of the financial year under review, there were eleven members on the Board comprising five INEDs, five NINEDs and one Alternate Director.

Corporate Governance Overview Statement

Therefore, the INEDs made up 50% of the Board Composition (excluding one Alternate Director).

IHH's Policy on Nomination and Assessment process of Board Members (Policy) provides that an INED which reaches 9 years of cumulative tenure shall be subject to an annual assessment by the Board and the Board will provide justifications if it intends to seek annual shareholders' approval at annual general meeting in the event that it wishes to retain the INED beyond his/her 9-year tenure. The Company shall apply the two-tier voting process consistent with the provisions of the MCCG when seeking such shareholders' approval. The Policy provides that an INED must not remain as an independent director for a period of more than 12 years.

Diversity Policy

The Company recognises that a Board comprising individuals of diverse backgrounds and perspectives, serving a common purpose, is a compelling competitive advantage for the Company. The Board leverages on the strengths of the differences in skills, regional and industry experience, background, age, race, gender and other qualities of our Directors in maintaining a competitive advantage. These differences are considered in determining the optimum composition of the Board. The criteria, process and requirements to be undertaken by the NRC and Board in discharging their responsibilities in terms of nomination, assessment and re-election of the Board members are set out in the Policy. Besides the above, the Company has also adopted a Boardroom Diversity Policy which sets out the approach to diversity on the Board including gender, age, cultural background and ethnic diversity.

The Group has implemented a 5 dimensional Workforce Diversity framework encompassing gender, differently abled, skillset, generational and cultural diversity. This is applicable to employees of the Group across all the regions within which IHH operates.

In 2023, each market has set their own Diversity, Equity and Inclusion targets and strategies for workforce in their respective balanced scorecard (BSC) which are being rolled up to the Group's BSC. The Group aims to achieve a gender diversity target of 50:50 in leadership roles by the end of the financial year 2025 as part of the Group's sustainability agenda. By end of year 2023, we have 42.5% women in leadership roles, well to achieving a gender balanced leadership by 2025.

Read about our Boardroom Diversity Policy and Workforce Diversity Policy at <https://www.ihhhealthcare.com/investors/corporate-governance> and our workforce initiatives at <https://www.ihhhealthcare.com/sustainability/people/diversity-and-inclusion>.

Directors' Fit and Proper Policy

The Company has also adopted the Directors' Fit and Proper Policy since 2022 which sets out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of the Company and its subsidiaries. This Policy serves as a guide for the NRC and the Board in their assessments of the existing Directors seeking for re-election or re-appointment and candidates identified to be appointed as Directors.

The Directors' Fit and Proper Policy is available on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Board Composition, Dynamics and Effectiveness

As at 31 December 2023, the details of the Board diversity (excluding one Alternate Director) are as follows:

a. Tenure

Tenure	Number of Directors	Percentage
0 – 3 years	7	70%
4 – 6 years	1	10%
7 – 9 years	–	–
9 years and above	2	20%

b. Independence

Independence	Number of Directors	Percentage
Independent Directors	5	50%
Non-independent Directors	5	50%

c. Gender Diversity

Gender	Number of Directors	Percentage
Male	8	80%
Female	2	20%

d. Age Diversity

Age	Number of Directors	Percentage
40 – 49 years	2	20%
50 – 59 years	2	20%
60 – 69 years	6	60%

Annual Evaluation

The Board undertakes an annual evaluation to determine the effectiveness of the Board, Board Committees and each individual Director.

In the financial year under review, the Board had carried out the annual Board and Director Effectiveness evaluation (BDEE) on the effectiveness of the Board, Board Committees, individual Directors, individual AC members, INEDs and external and internal auditors. This was conducted internally and facilitated by the NRC/AC and Company Secretaries.

The BDEE was carried out through questionnaires and discussions were held at the NRC and Board meetings in relation to the outcomes and improvement plans. During the BDEE exercise, in addition to the areas of assessment, Board members had provided feedback on the areas of improvement.

The assessment of the Board and Board Committees covered, among others, the following areas:

Board	Board Committees	Individual AC members
<ul style="list-style-type: none"> Board composition, development and structure Board leadership Board governance oversight and processes Sustainability governance Board agenda, meetings and information Board dynamics and culture Board and management relationship Board and stakeholder engagement 	<ul style="list-style-type: none"> Composition and experience of members Fulfilment of objectives in line with their respective TORs Effectiveness and efficiency of decision-making process Quality of information communicated to the Board Effectiveness of the Board Committees' Chairmen 	<ul style="list-style-type: none"> Execution of responsibilities, financial literacy and the understanding of business/industry Understanding of significant accounting policies, accounting estimates and financial reporting practices Understanding of significant financial and non-financial risks Internal control systems and risk management practices

Based on the BDEE exercise carried out for financial year 2023, the NRC and Board opined that the Board and Board Committees have consistently performed well during the financial year, have discharged their duties and responsibilities satisfactorily and each of the Director possesses the required character, experience, integrity, competence and time to effectively discharge his or her respective roles; and the Independent Directors have continuously brought independent and objective judgement to the Board deliberations.

Overall, the results of the BDEE in respect of the financial year under review demonstrated that the Board is working well given its organisational model and board structure and that the Directors have demonstrated a high level of commitment to their fiduciary duties and have consistently fulfilled their responsibilities as members

of the Board and relevant Board Committees. The Board will take the necessary actions in respect of areas that could be further strengthened.

The Board assessed each of the Directors seeking re-election at the Fourteenth Annual General Meeting (AGM) and upon assessing the Directors' performance, commitment, ability to discharge their fiduciary duties to the Company, fitness and propriety, the Board agreed that they are eligible to stand for re-election and supported their re-election as Directors of the Company. Please refer to the explanatory notes of the Notice of Fourteenth AGM for further details on this matter.

Directors' Training

The Board acknowledges the importance of continuous education for the Directors and encourages all Directors to attend appropriate programmes, courses and seminars in order to stay abreast of the

relevant business development and the outlook in the industry and to ensure that they are equipped with the necessary skills and knowledge to perform their duties and responsibilities as Directors. The Company also organises an onboarding programme and orientation for new Directors.

The organisation of such programmes internally is facilitated by the Company Secretaries. The Directors attend trainings on a consistent basis to keep abreast of the latest trends and developments. A few facilities visits were arranged for the Directors during the financial year under review.

Tomo Nagahiro, Lim Tsin-Lin and Mohd Shahazwan bin Mohd Harris, who were appointed as Directors of the Company during the financial year 2023, have attended the Mandatory Accreditation Programme (MAP). All the Directors (including Alternate Director) have also attended the MAP Part II – Leading for Impact (LIP).

Corporate Governance Overview Statement

The training programmes attended by the Directors during the financial year 2023 are as follows:

Director	Training, Conferences, Seminars, Workshops Attended
Tan Sri Mohammed Azlan bin Hashim	<ul style="list-style-type: none"> i. Board Continuous Development Programme Series #7 (Membangun Negara Madani) ii. Cybersecurity Oversight in the Boardroom iii. International Social Wellbeing Conference 2023 – ‘Changing The Game: Building The World We Want’ iv. Board Continuous Development Programme Series #8 (Investments Mandate & Operations in China) v. Board Continuous Development Programme Series #9 (Co-creation Session on Strategic Asset Allocation) vi. Forbes Global CEO Conference – ‘Sea Change’ vii. Visit to Malaysia Hospitals viii. Sustainability in Healthcare ix. Board Continuous Development Programme Series #10 (Exploring Artificial Intelligence) x. EPF Private Markets Summit xi. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) xii. Updates on MMLR – Enhanced Conflict of Interest Measures xiii. KPMG Webinar – MFRS Updates 2023
Jill Margaret Watts	<ul style="list-style-type: none"> i. Australian Non Executive Directors Round Table ii. EQT Director and Management Conference iii. Life Changing Research Symposium iv. Khasahna Megatrends v. Healthcare Round Table Conference for NEDs vi. Sustainability in Healthcare vii. Visit to Malaysia Hospitals viii. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP)
Dato’ Sri Muthanna bin Abdullah	<ul style="list-style-type: none"> i. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) ii. Sustainability in Healthcare iii. Visit to Malaysia Hospitals iv. COP28 UN Climate Change Conference
Ong Ai Lin	<ul style="list-style-type: none"> i. Distinguished Board Leadership Series for 2023 on ‘Can America Stop China’s rise? Will ASEAN be damaged?’ ii. LED 9 – Environmental, Social & Governance Essentials (Core) iii. Key Updates on Malaysia Taxation & Budget 2023 iv. Introducing the first ISSB Standards v. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) vi. Energy Transition Conference (ET) 2023 vii. EY Sharing Session on ‘Net Zero within Financial Institutions & Approach and Recommendation on Net Zero Strategy’ viii. Navigating Sustainability Reporting in the Banking Industry ix. What Amounts to a Conflict of Interest by Directors? x. Sustainability in Healthcare xi. Visit to Malaysia Hospitals xii. PwC Training: ISSB1 and ISSB2 Sustainability and Climate Disclosure and Reporting xiii. Shariah Programme: Islamic Finance, Islamic Fintech and Digital Banking xiv. Enlit Europe 2023

Director	Training, Conferences, Seminars, Workshops Attended
Satoshi Tanaka	<ul style="list-style-type: none"> i. Overview of Business and Human Rights ii. Realization of a vibrant and symbiotic society iii. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) iv. Visit to Malaysia Hospitals v. Sustainability in Healthcare
Takeshi Akutsu (Resigning on 31 March 2024)	<ul style="list-style-type: none"> i. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) ii. Sustainability in Healthcare iii. Visit to Malaysia Hospitals iv. Seminar regarding the Forefront of World Healthcare Business v. Seminar for Business Environment Analysis Report 2024
Tomo Nagahiro (Appointed on 3 February 2023)	<ul style="list-style-type: none"> i. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) ii. Visit to Istanbul Laboratories iii. Sustainability in Healthcare iv. Visit to Malaysia Hospitals v. Seminar regarding the Forefront of World Healthcare Business vi. Seminar for Business Environment Analysis Report 2024 vii. Visit to Hong Kong Hospitals
Lim Tsin-Lin (Appointed on 16 February 2023)	<ul style="list-style-type: none"> i. IHH Board Orientation Programme ii. Bursa Malaysia Mandatory Accreditation Programme (MAP) iii. Sustainability in Healthcare iv. Visit to Malaysia Hospitals
Mehmet Ali Aydinlar	<ul style="list-style-type: none"> i. Sustainability in Healthcare ii. Visit to Malaysia Hospitals
Mohd Shahazwan bin Mohd Harris (Appointed on 29 March 2023)	<ul style="list-style-type: none"> i. IHH Board Orientation Programme ii. Feeding Inflation: Food, Fed & Fixed Income Forum iii. Macquarie Asset Management: Private Markets Global Investor Meeting 2023 iv. Sustainability in Healthcare v. Visit to Malaysia Hospitals vi. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP)
Mok Jia Mei (Alternate Director to Lim Tsin-Lin) (Appointed on 16 February 2023)	<ul style="list-style-type: none"> i. J.P. Morgan 41st Healthcare Conference ii. Khazanah Directors Bootcamp Board Dynamics iii. FT Board Director Programme – Distressed Restructuring & Rescue M&A Webinar iv. KLDP Module 1: Lead Self – Value Based Leadership v. Sustainability in Healthcare vi. Visit to Malaysia Hospitals vii. Mandatory Accreditation Programme (MAP) Part II – Leading for Impact (LIP) viii. Jefferies London Healthcare Conference ix. Managing Performance Workshop x. Crucial Skills: Conversations and Accountability xi. Digital Navigator Pathway

Corporate Governance Overview Statement

The Board is satisfied that the trainings attended by the Directors in year 2023 were sufficient, appropriate and aided the Directors in the discharge of their duties.

During the financial year under review and as part of the BDEE, the Directors completed the assessment of their individual areas for development. The findings of this technical competency assessment would be used to determine the training and development needs of the Directors. The Directors were encouraged to attend relevant training programmes to enhance their ability in discharging their duties and responsibilities as Directors.

3. Remuneration

As the Company grows, we believe in providing appropriate remuneration for our talents by aligning pay and performance against the key strategic drivers of our long-term growth. Our policy on Directors' remuneration serves to attract, retain and motivate capable Directors to manage the Group successfully. The remuneration has been carefully aligned with industry practices,

taking into account the appropriate calibre of each Director, while upholding the interests of our shareholders.

The Executive Directors' remuneration package is designed in such a way that it links the rewards to corporate and individual performance. The NRC is responsible for reviewing and recommending to the Board the policy and framework of the Directors' remuneration and the remuneration package for our Executive Director, where applicable. In the process, the NRC may receive advice from external consultants for the recommendation of the Group's remuneration policy. The Board takes the ultimate responsibility of approving the remuneration of the Executive Director and the Executive Director does not participate in discussions and decisions on his own remuneration.

As per the Board Charter of the Company, a formal independent review of the Non-Executive Directors' (NEDs) remuneration is to be undertaken no less frequently than once every three years. In 2022, Korn Ferry was appointed to

conduct an independent review of the NEDs remuneration which included benchmarking the remuneration with comparable peers (Korn Ferry's Analysis). The objective is to ensure that the remuneration and benefits of the NEDs are competitive, appropriate and in line with the prevalent market practices. Our Directors' remuneration framework serves to attract, retain and motivate capable Directors to manage the Company successfully.

The NEDs' remuneration framework reflects the merits, valuable contribution and level of responsibilities undertaken by the individual NED. The Board determines the fees payable to NEDs, and individual Directors do not participate in decisions regarding their own remuneration package. All Board members are eligible for medical benefits and are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage.

The details of aggregate remuneration of Directors for the financial year ended 31 December 2023 are as follows:

No	Name	Directorate	Company (RM'000)						Total
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Tan Sri Mohammed Azlan bin Hashim	Independent Director	980	–	–	–	16	–	996
2	Jill Margaret Watts	Independent Director	674	–	–	–	–	–	674
3	Dato' Sri Muthanna bin Abdullah	Independent Director	674	–	–	–	–	–	674
4	Ong Ai Lin	Independent Director	674	–	–	–	–	–	674
5	Satoshi Tanaka	Independent Director	499	–	–	–	–	–	499
6	Takeshi Akutsu ¹ (Resigning on 31 March 2024)	Non-Executive Non-Independent Director	387	–	–	–	–	–	387
7	Tomo Nagahiro ¹ (Appointed on 3 February 2023)	Non-Executive Non-Independent Director	361	–	–	–	–	–	361
8	Lim Tsin-Lin ² (Appointed on 16 February 2023)	Non-Executive Non-Independent Director	–	–	–	–	–	–	–
9	Mehmet Ali Aydinlar	Non-Executive Non-Independent Director	399	–	–	–	–	–	399
10	Mohd Shahazwan bin Mohd Harris ³ (Appointed on 29 March 2023)	Non-Executive Non-Independent Director	299	–	–	–	–	–	299
11	Mok Jia Mei (Alternate Director to Lim Tsin-Lin) (Appointed on 16 February 2023)	Non-Executive Non-Independent Director	–	–	–	–	–	–	–
12	Dr Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	Executive Director	–	–	767	–	1	19,902	20,670
13	Takeshi Saito ¹ (Resigned on 27 January 2023)	Non-Executive Non-Independent Director	36	–	–	–	–	–	36
14	Dr Farid bin Mohamed Sani ² (Resigned on 10 February 2023)	Non-Executive Non-Independent Director	–	–	–	–	–	–	–
15	Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	Non-Executive Non-Independent Director	100	–	–	–	–	–	100
Total			5,083	–	767	–	17	19,902	25,769

Notes:

¹ Fees for representatives of MBK Healthcare Management Pte Ltd on the Board are paid directly to Mitsui & Co., Ltd.

² Pulau Memutik Ventures Sdn Bhd had waived the fees payable for its representative on the Board of the Company.

³ Fees for representative of Employees Provident Fund Board (EPF) on the Board are paid equally to EPF and the Nominee Director.

Corporate Governance Overview Statement

No	Name	Directorate	Group (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Mohammed Azlan bin Hashim	Independent Director	980	–	–	–	16	–	996
2	Jill Margaret Watts	Independent Director	674	–	–	–	–	–	674
3	Dato' Sri Muthanna bin Abdullah	Independent Director	697	–	–	–	–	–	697
4	Ong Ai Lin	Independent Director	674	–	–	–	–	–	674
5	Satoshi Tanaka	Independent Director	499	–	–	–	–	–	499
6	Takeshi Akutsu ¹ (Resigning on 31 March 2024)	Non-Executive Non-Independent Director	569	–	–	–	–	–	569
7	Tomo Nagahiro ¹ (Appointed on 3 February 2023)	Non-Executive Non-Independent Director	417	–	–	–	–	–	417
8	Lim Tsin-Lin ² (Appointed on 16 February 2023)	Non-Executive Non-Independent Director	–	–	–	–	–	–	–
9	Mehmet Ali Aydinlar	Non-Executive Non-Independent Director	2,855	–	–	–	–	–	2,855
10	Mohd Shahazwan bin Mohd Harris ³ (Appointed on 29 March 2023)	Non-Executive Non-Independent Director	299	–	–	–	–	–	299
11	Mok Jia Mei (Alternate Director to Lim Tsin-Lin) (Appointed on 16 February 2023)	Non-Executive Non-Independent Director	–	–	–	–	–	–	–
12	Dr Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	Executive Director	–	–	767	–	1	19,902	20,670
13	Takeshi Saito ¹ (Resigned on 27 January 2023)	Non-Executive Non-Independent Director	96	–	–	–	–	–	96
14	Dr Farid bin Mohamed Sani ² (Resigned on 10 February 2023)	Non-Executive Non-Independent Director	–	–	–	–	–	–	–
15	Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	Non-Executive Non-Independent Director	100	–	–	–	–	–	100
Total			7,860	–	767	–	17	19,902	28,546

Notes:

¹ Fees for representatives of MBK Healthcare Management Pte Ltd on the Board are paid directly to Mitsui & Co., Ltd.

² Pulau Memutik Ventures Sdn Bhd had waived the fees payable for its representative on the Board of the Company.

³ Fees for representative of Employees Provident Fund Board (EPF) on the Board are paid equally to EPF and the Nominee Director.

Senior Management's Remuneration

There is a framework in place which defines the IHH Remuneration philosophy and includes compensation tools such as pay ranges (based on market data) of different levels of Senior Management according to job grade structure and location. A review of the job grade structure has been undertaken to enable consistent adoption and application across the Group.

The Company's remuneration policy is based on competitive and market-aligned guidelines, taking into account the different levels of Senior Management according to roles, responsibilities and levels of accountability.

The Board determines all bonuses and share-based payments, where applicable, at the recommendation of the NRC. This is done after reviewing the individual performance appraisals and achievements of the key performance indicators of the Group's Balanced Scorecard, which was approved by the Board. This ensures that the remuneration packages for our Senior Management are fair, equitable, competitive and commensurate with their individual performance, taking the Group's performance into consideration.

Principle B – Effective Audit and Risk Management

1. Audit Committee

The AC plays a crucial role in assisting the Board to fulfil its oversight responsibilities through review of financial information and provides an unbiased review of the effectiveness and efficiency of the Group's internal controls. Besides these, the AC also reviews and reports to the Board, any COI situation that arose, persist or may arise together with the measures taken to resolve, eliminate or mitigate such conflicts.

The AC comprises four INEDs from diverse backgrounds with extensive experience in healthcare, banking, business strategy, risk management, legal, cybersecurity and corporate governance. All the AC members are financially literate, competent and are able to understand matters under

the purview of the AC including the financial reporting process.

Review of External Auditors

In line with market practice, the Company performs a major review of our external auditors every five years, except for under certain circumstances as determined by the Board. Management assesses the industry expertise and experiences, technical competencies, Group coordination and approach to the Group audit process, audit quality, transparency and professional conduct, track records, fees, quality of audit findings, other non-services provided and audit firm's independence and subsequently recommends their appointment or reappointment to the AC for consideration.

As per the Policy in the Independence of Auditors and the Efficiency of Audits, which was revised and approved by the Board in March 2023, the permitted non-audit services for the external auditors are confined to those services that will not undermine the independence of the auditors. There is a prescribed limit for the total remuneration for non-audit services against the total fees of the external auditors in each year to avoid creating a condition of financial dependency and self-interest which will threaten the independence of auditors.

On an annual basis, Management will review the service levels of the auditors, agree on amendments to their scope of work to address new developments in the business and recommend their reappointment to the AC.

The annual evaluation of the external auditors is also carried out via evaluation forms by the GCEO, Group Chief Financial Officer, Group Head, Internal Audit and the AC. The evaluated areas include objectivity and independence, technical competence and ability, understanding of IHH Group's businesses and industry, resources assigned and capability of the engagement partner and engagement team, as well as the ability to provide constructive observations, recognise implications and make recommendations

in areas needing improvement, particularly with respect to the organisation's internal control system over financial reporting. The AC and Management also took into consideration the information presented in the external auditors' Annual Transparency Report when evaluating the external auditors.

Oversight of Financial Reporting

The Board, assisted by the AC, oversees the financial reporting processes and the quality of the financial reporting by the Group. The AC reviews the quarterly financial results and audited financial statements which are then approved by the Board before their release to Bursa Securities and Singapore Exchange Securities Trading Limited (SGX).

Review of Conflict of Interest

The AC reviews and reports to the Board, any COI situation that arose, persist or may arise together with the measures taken to resolve, eliminate or mitigate such conflicts in accordance with the MMLR, Bursa Securities' Guidance on COI (ICN 1/2023) as well as IHH's COI Policy. On a quarterly basis, the AC reviews the COI declarations received from the Directors and key senior management (KSM) and ensures that appropriate measures have been taken to mitigate the conflicts. The Directors and KSM would provide periodic disclosure to ensure that the COI has been declared and reviewed. At the employees' level, the COI is governed by the Company's Code of Conduct which is administered by the Human Resources department.

Please refer to the following reports/statements as contained in this Annual Report for further details:

- Directors' Responsibility Statement for the audited financial statements of the Company and the Group on page 124;
- Company and the Group financial statements for financial year ended 31 December 2023 on pages 126 to 248; and
- AC Report on pages 106 to 108.

Corporate Governance Overview Statement

2. Risk Management and Internal Control Framework

Organisations worldwide face a wide range of uncertain internal and external factors that may affect the achievement of their objectives. Risk Management focuses on identifying and evaluating threats and opportunities across the Group while Internal Control helps mitigate threats and take advantage of opportunities. The RMC assists the Board to oversee the Group’s overall risk management framework and quality delivery of the Group’s medical services, with the assistance of the International Clinical Governance Advisory Council (ICGAC).

The RMC comprises three INEDs from diverse backgrounds, namely healthcare, banking, business strategy, risk management, legal, cybersecurity and corporate governance. These appointed members have been carefully chosen for their sound judgement, objectivity, integrity, management experience and keen knowledge of the industry.

The Board is of the view that the system of internal control and risk management in place during the financial year 2023 is sound and sufficient to safeguard the Group’s assets and shareholders’ investments, as well as the interests of customers, regulators, employees and other stakeholders.

Please refer to the AC Report, RMC Report and Statement on Risk Management and Internal Control as laid out on pages 106 to 108, pages 109 to 110 and pages 111 to 118 respectively of this Annual Report for further details on the risk management and internal control framework of the Group.

Internal Audit

A key duty of the AC is to oversee the Company’s internal controls. The independent internal audit function of the Group is an important resource to help carry out this responsibility. Apart from Gleneagles Hong Kong and Parkway Life Real Estate Investment Trust, the Group’s Internal Audit function is undertaken in-house supported by co-sourcing with independent external subject matter experts, where necessary, and reports directly to the AC. The internal audit function of Fortis Healthcare Limited Group is undertaken in-house and supported by outsourced independent internal audit firms periodically. The Group’s Internal Audit is guided by international standards and professional best practices of Internal Audit. Group Internal Audit uses structured risk-based and strategic-based approaches to develop its strategic audit plan, which is reviewed and approved by the AC at least annually.

The internal audit function is further disclosed in the AC Report and Statement on Risk Management and Internal Control on pages 106 to 108 and pages 111 to 118 respectively of this Annual Report.

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

1. Engagement with Stakeholders

The Group recognises the importance of effective and timely communication with stakeholders to ensure they are informed of the Group’s latest financial performance and pertinent business matters. Open, clear and timely communication plays a pivotal role in fostering confidence and trust between the Group and its stakeholders, shareholders and the investing community at large. Management is dedicated to providing information that accurately and fairly represents the Group to ensure our stakeholders have clear and factual insights into the Group’s strategy, financial performance and all material matters affecting the Company through announcements made on Bursa Securities and SGX including the Company’s quarterly financial results. The Company ensures that its communication with various stakeholders through various means complies with the following criteria:

In view of the Company’s dual listing status, we adopt the MCCG and Singapore Code of Corporate Governance, as well as the disclosure obligations under the MMLR and the Mainboard Rules of SGX, where applicable, in all our communications.

Please refer to pages 48 to 51 of this Annual Report for more about how the Company engages our key stakeholders and pages 119 to 121 of this Annual Report for our Investor Relations Report section on shareholder engagement.

2. Conduct of General Meetings

AGM

IHH regards accountability as a key value for our stakeholders, including shareholders. Shareholders are invited to attend or participate virtually at our AGM, which serves as the Group’s principal platform for meaningful dialogue between private and institutional shareholders with the Board and Management of the Group. This engagement also offers the opportunity for the Group to obtain constructive and valuable feedback from IHH’s shareholders.

Before commencing the AGM agenda, shareholders are provided with comprehensive presentation on the Group’s business strategy, operational and financial performance for the year under review, as well as an overview of its strategic priorities moving forward. This accords our shareholders with a better understanding of the sustained growth trajectory of the business and returns on their investment.

IHH highly values the feedback and input from our stakeholders, particularly our shareholders. Shareholders are encouraged to participate in the AGM proceedings and in instances where the AGM is conducted virtually, shareholders may pose questions real-time whilst the meeting is in progress. We ensure sufficient time is provided for shareholders to ask questions about the Group’s performance, and on any resolutions proposed, with the Board members and Management

present to address concerns raised by them, ensuring an interactive platform for a transparent and meaningful dialogue.

During the AGM, queries raised by the Minority Shareholder Watch Group (MSWG) on IHH’s business or other pertinent governance issues raised prior to the AGM, and feedback, are shared with all shareholders. All the questions posed by shareholders during the AGM were made visible to all meeting participants and answered by the relevant members of the Board or Senior Management at the virtual AGM for the benefit of all shareholders present. In addition, the results of the voting for each resolution are immediately announced after the voting and verification process by the independent scrutineers.

The Notice and agenda of the AGM, together with the Form of Proxy, are given to shareholders at least 28 days prior to the AGM. This gives shareholders sufficient time to prepare to attend or appoint a proxy or proxies to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of the issues involved.

The Chairman of the Board ensures that the AGM supports meaningful interactive engagement and robust discussions between the Board, Senior Management and shareholders. All Directors and Senior Management attend or virtually participate and are available at the AGM to address shareholders’ questions relating to functions and activities within their purview, unless other commitment precludes them from doing so.

The minutes of the general meetings will be published on IHH’s corporate website no later than 30 business days after the conclusion of the general meeting.

The shareholders also can channel feedback and pose questions to the Company via info@ihhhealthcare.com.

The Company had leveraged the use of technology available by conducting its Thirteenth AGM on 30 May 2023 on a virtual basis entirely via Remote Participation and Electronic Voting (RPEV) facilities, pursuant to Section 327(2) of the Companies Act 2016 and Clause 78 of the Company’s Constitution. The electronic means of conducting the Thirteenth AGM on a virtual basis had facilitated and enabled shareholders to participate in the proceedings by audio and/or video capabilities without the need to be physically present at the meeting venue.

Key Focus Areas and Future Priorities

Moving forward, the Company will continue working towards achieving higher standards of corporate governance. To achieve this objective, the Board has identified the following key focus areas and future priorities in relation to the corporate governance practices.

1. Board Independence

At the end of the financial year, the INEDs made up 50% of the Board comprising ten members (excluding one Alternate Director). The INEDs reinforce the objectivity and impartiality of the Board. The Board believes the current board composition provides the appropriate balance in terms of skills, knowledge, experience and independent elements to promote the interests of all shareholders and to govern the Group effectively.

Presently, there is a proper check and balance provided by the INEDs and by the representatives of different shareholders. Additionally, there is no single largest shareholder who is controlling the Company through Board representation.

The Board acknowledges that promoting good corporate governance practices is an ongoing process and, as such, the Board will continuously assess and implement relevant measures to enhance and safeguard the Board’s independence in the long term whilst simultaneously ensuring it remains dynamic and in line with the needs of the Group.



Corporate Governance Overview Statement

2. Women Representation on Board

At the end of the financial year, the Board had two women Directors, representing 20% of the Board composition (excluding Alternate Director). Notwithstanding that there are less than 30% women Directors, the Board is comprised of Directors with diverse backgrounds, international expertise, experience and culture, all of whom contribute to the diverse perspectives and insights to the Board decisions.

The Board does not specify a target for boardroom gender diversity. In ensuring Board diversity, the Board aims to achieve synergies of thinking through diverse cultures, experience, skills, etc. rather than just in terms of gender as the appointment of Board members should be based on objective criteria, merit and with due regard for diversity.

Nevertheless, the Board remains committed in its efforts to actively continue to work towards having at least 30% women representation on the Board depending on the availability of the right candidates and the requirements of the Board from a skills perspective.

3. Sustainability

The Board and the Board Committees will oversee the effective delivery of strategies, priorities and targets identified under our Sustainability Goals in an integrated and strategic manner to support the Group's long-term strategy and success. Led by the GCEO

and Group Head of Sustainability, the Sustainability Committee comprises country CEOs, the Executive Leads assigned to each material matter, and the Sustainability Stewardship team (assigned by respective country CEOs). The Sustainability Committee monitors regulatory obligations, sustainability trends, sustainability risks, sustainability key performance indicators and strategy execution, ensuring the implementation of sustainability initiatives across the Group's operations.

Compliance Statement

IHH's corporate governance structure is central to the operation of the Board and the Group, and maintaining its high standards is critical for our sustainable growth.

In this vein, we continuously explore new measures to refine the Company's governance framework to improve our system of policies and procedures to meet the expectations of our stakeholders. We strive towards a model of governance that reflects our culture of performance, compliance and accountability. We are committed to strengthening the Group's position and status as the world's most trusted healthcare services network and the Group's aspiration to Care. For Good.

The Board has reviewed, deliberated upon and approved this CG Overview Statement and the Corporate Governance Report 2023 in line with the practices and guidance of the MCCG and in accordance with the resolution of the Board, dated 27 March 2024.

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee (NRC) was first established on 18 April 2012 prior to its division into the Nomination Committee (NC) and Remuneration Committee (RC) on 1 July 2018. On 28 May 2021, functions of the NC and RC have been combined into the Board Committee known as the Nomination and Remuneration Committee.

Roles of the NRC

The NRC's primary role is to assist the Board in fulfilling its fiduciary responsibilities relating to the review and assessment of the nomination and selection process of Board members and Senior Management, review of Board and Senior Management succession plans and talent management, assessment of the Board, its Committees and each individual Director's performance, evaluation of the training and development needs of the Board members as well as implementation of policies and procedures on remuneration, including reviewing the Group's executive remuneration policy, remuneration framework and performance measures criteria and the various incentive or retention schemes implemented by the Group.

In carrying out its duties and responsibilities, the NRC has the following authorities:

- Perform the activities required to discharge its responsibilities and make recommendations to the Board;
- Select, engage and seek approval from the Board (within the Group's Limits of Authority) for fees for professional advisors that the NRC may require to carry out its duties;
- Have full and unrestricted access to information, records, properties and employees of the Group;
- Seek input from the concerned individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration; and
- Have access to the advice and services of the Company Secretary.

Terms of Reference

The NRC is governed by a clearly defined and documented Terms of Reference (TOR). The NRC's TOR is reviewed and updated

from time to time, as the need arises, to ensure that it remains up-to-date and in conformity with the applicable regulations and Group's policies. The TOR of the NRC was last reviewed and approved for adoption by the Board in May 2021.

The TOR of the NRC is published on the Company's website at <https://www.ihhealthcare.com/investors/corporate-governance>.

Composition and Meetings

The NRC is comprised exclusively of Non-Executive Directors, a majority of whom are independent and represent an appropriate balance and diversity of skills, experience, gender and knowledge. The NRC met ten times during the financial year under review. The composition of the NRC and the attendance record of its members for the year under review are as follows:

Director	Designation	Total Meetings Attended in 2023
Dato' Sri Muthanna bin Abdullah (Chairman)	Independent Non-Executive Director	10/10
Jill Margaret Watts (Member)	Independent Non-Executive Director	9/10
Ong Ai Lin (Member)	Independent Non-Executive Director	9/10
Satoshi Tanaka (Member)	Independent Non-Executive Director	9/10
Lim Tsin-Lin (Member) (Appointed on 16 February 2023)	Non-Independent Non-Executive Director	8/8
Takeshi Akutsu (Member) (Appointed on 16 February 2023)	Non-Independent Non-Executive Director	7/8
Mohd Shahazwan bin Mohd Harris (Member) (Appointed on 1 May 2023)	Non-Independent Non-Executive Director	4/5
Takeshi Saito (Member) (Ceased on 27 January 2023)	Non-Independent Non-Executive Director	0/0
Dr Farid bin Mohamed Sani (Member) (Ceased on 10 February 2023)	Non-Independent Non-Executive Director	0/1
Tunku Alizakri bin Raja Muhammad Alias (Member) (Ceased on 16 March 2023)	Non-Independent Non-Executive Director	3/3

Nomination and Remuneration Committee Report

The NRC meetings were attended by the Chief Executive Officer and Group Chief Human Resources Officer together with other relevant members of the Senior Management and professional advisors engaged on particular subject matters, upon invitation by the NRC.

Minutes of the NRC meetings would be circulated to all members for comments and the decisions made by the NRC would be communicated to the relevant process owners for action. The Chairman of the NRC would provide a report highlighting significant points of the decisions and recommendations made by the NRC to the Board and significant matters reserved for the Board's approval, if any.

Summary of Activities

During the financial year under review, the NRC carried out, among others, the following key activities:

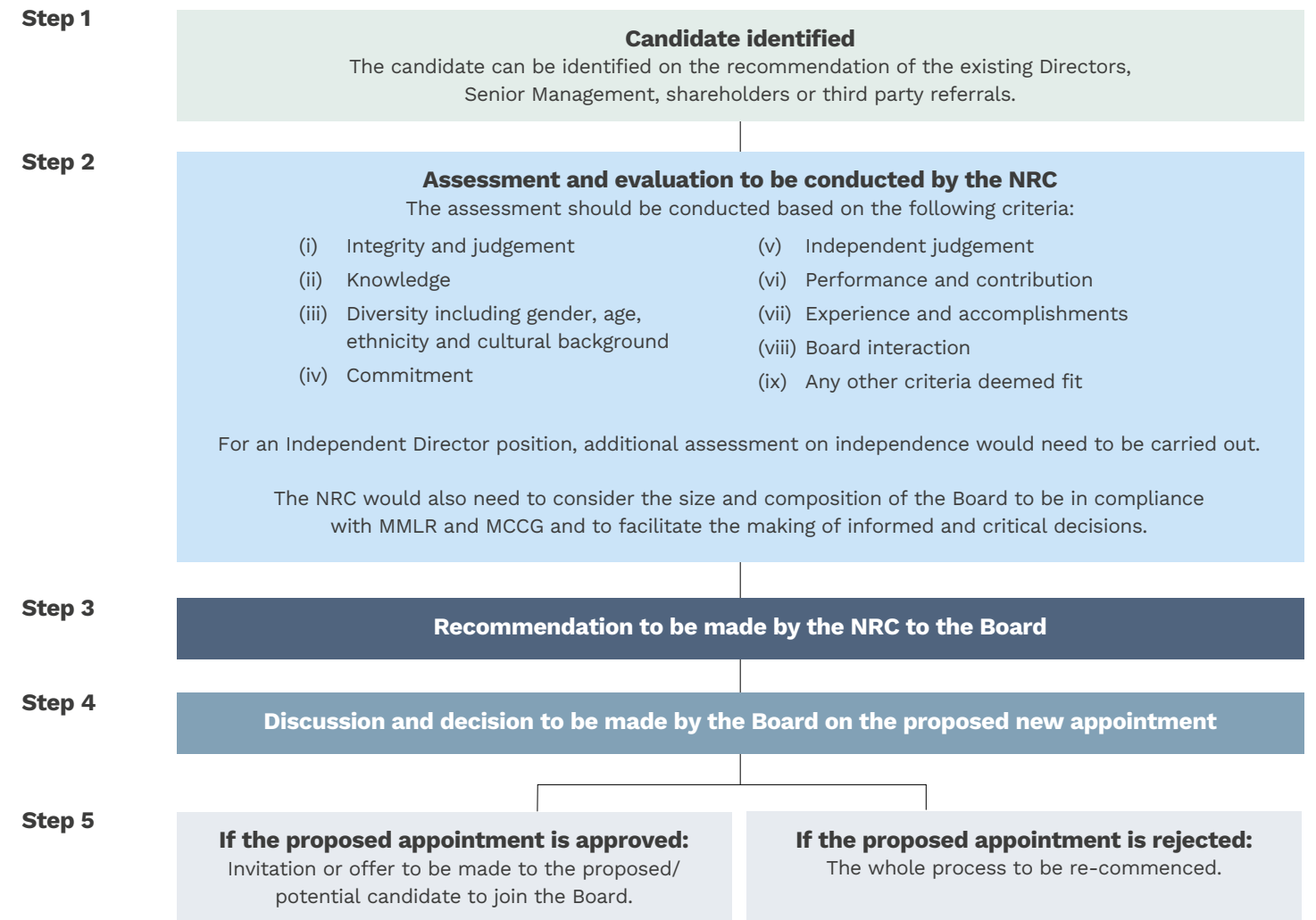
1. Assessed and recommended to the Board, the composition of the Board of Directors of the subsidiaries;
2. Assessed and recommended to the Board, the appointment of new Directors;
3. Recommended the re-election of Directors at the Thirteenth Annual General Meeting (AGM) to the Board for consideration;
4. Assessed the Board and Board Committees' composition, performance, quality, skills, competencies and effectiveness for the year 2022;
5. Assessed the performance and achievement of the key performance indicators of the Group for 2022 against the approved balanced scorecard (BSC);
6. Deliberated and recommended to the Board for approval, the BSC framework of the Group for the year 2023 and 2024, taking into account the Group's sustainability strategies, priorities and targets;
7. Reviewed the Non-Executive Directors fees from 1 July 2023 until 30 June 2024;
8. Discussed and recommended to the Board for approval, the bonus and salary increment (where applicable) for the Group and long term incentive and enterprise option scheme grant for the eligible employees of the Group upon assessing the performance of the Group for year 2022 and 2023;
9. Discussed and recommended to the Board for approval, the retention plans for selected roles in key markets;
10. Reviewed and recommended to the Board for approval, the NRC Report for inclusion in the Annual Report 2022;
11. Discussed the annual evaluation of the Board and Board Committees;
12. Reviewed and recommended to the Board for approval, the salary revision, appointment and employment contract where applicable, of the relevant Senior Management members; and
13. Discussed the succession planning of key positions of the Group.

Selection and Appointment of Directors

The Group has adopted the Policy on the Nomination and Assessment Process of Board Members (Policy on Nomination and Assessment) that sets out the process and requirements to be undertaken by the NRC and Board in discharging their responsibilities in terms of the nomination, assessment and re-election of Board members in compliance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance (MCCG). The Policy on Nomination and Assessment is administered by the NRC.

The Group had on 28 November 2022 adopted the Directors' Fit and Proper Policy (F&P Policy) which sets out the criteria for the appointment and re-appointment of Directors on the Board of the Company and its subsidiaries in compliance with the MMLR of Bursa Malaysia Securities Berhad. The F&P Policy is administered by the NRC and Board, and shall be read together with the Policy on Nomination and Assessment.

The process for the appointment of a new director is summarised in the diagram below:



Nomination and Remuneration Committee Report

Re-Election of Directors

The NRC ensures that the Directors retire and are re-elected in accordance with the relevant laws, regulations and the Constitution of the Company.

Pursuant to Clause 113(1) of the Constitution of the Company, at least one-third of the Directors (excluding Directors seeking re-election pursuant to Clause 120 of the Constitution of the Company) are required to retire by rotation at each AGM, provided always that all Directors, including the Managing Director and Executive Directors, shall retire from office at least once every three years. A retiring Director is eligible for re-election.

Pursuant to Clause 120 of the Constitution of the Company, any Director so appointed to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The Directors recommended to be re-elected at the AGM are subject to prior assessment by the NRC in accordance with the Policy on Nomination and Assessment and they are required to give their consent on their re-election as well as undergo the fit and proper assessment in accordance with the F&P Policy. In assessing the candidates, the NRC takes into consideration, among others, their character, experience, integrity, competence and time to effectively discharge their role as Directors, as well as their contribution and performance based on the performance evaluation undertaken during the year under review. The NRC's recommendations are submitted to the Board for deliberation prior to recommending to the shareholders for approval.

The list of directors who are standing for re-election under Clause 113(1) of the Constitution of the Company and Clause 120 of the Constitution of the Company are as stipulated in the Notice of AGM of the Company.

The NRC was satisfied that the Directors standing for re-election, after having undergone the fit and proper assessment, are competent, have contributed effectively to the Board's deliberations, diligent, committed and have effectively discharged their role as Directors. At the recommendation of the NRC, the Board had at its meeting held on 27 March 2024 agreed to recommend to the shareholders for approval the re-election of the retiring Directors at the Fourteenth AGM.

Tenure of Independent Directors

The NRC acknowledges the role played by the Independent Non-Executive Directors (INEDs) in bringing independent and objective judgement to Board's discussions.

Upon reaching nine years of cumulative tenure and beyond, an INED shall be subject to the annual assessment pursuant to the Policy on Nomination and Assessment. Pursuant to the said assessment and subject to the Policy on Nomination and Assessment, the Board will provide justifications when seeking annual shareholders' approval at AGM in the event that it wishes to retain the Director as INED. The Board should undertake a rigorous review to determine whether the "independence" of the Director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.

In accordance with the Policy on Nomination and Assessment, an INED must not remain as an INED in such capacity for a period of more than twelve years.

During the financial year under review, none of the INEDs have reached the nine-year tenure.

Board and Directors' Effectiveness Evaluation

The Board undertakes an annual evaluation to determine the effectiveness of the Board, its committees and each individual director. During the financial year under review, the Board had carried out the annual Board and Directors' Effectiveness Evaluation (BDEE) exercise conducted internally and facilitated by the Company Secretary.

The BDEE exercise was carried out through questionnaires and discussions were held at the NRC and Board meetings in relation to the outcomes and improvement plans. During the BDEE exercise, in addition to the areas of assessment, Board members had provided feedback on the areas of improvement moving forward.

Based on the BDEE exercise carried out for financial year 2023, the Board concurred with the NRC that the Board and Board Committees have consistently performed well during the financial year, have discharged their duties and responsibilities satisfactorily; the Directors possess the required character, experience, integrity, competence and time to effectively discharge his or her respective roles; and the INEDs have continuously brought independent and objective judgement to the Board deliberations.

Overall, the results of the BDEE in respect of the financial year under review demonstrated that the Board is working well given its organisational model and board structure and that the Directors demonstrated a high level of commitment to their fiduciary duties as well as have consistently fulfilled their responsibilities as members of the Board and relevant Board Committees. The Board will take the necessary actions in respect of areas that could be further strengthened.

The details of the process and the findings of the annual performance evaluation are disclosed in the Corporate Governance Report for the financial year ended 31 December 2023 which can be downloaded from corporate website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Boardroom Diversity

The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining competitive advantage. Thus, the Board will take the necessary measures to ensure that in every possible event, boardroom diversity will be taken into consideration in the board appointment, as well as annual assessment.

Gender Diversity

The Company appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enables better problem solving to gain competitive advantage in serving an increasingly diverse customer base, compared to the boardroom dominated by one gender.

The Board also takes cognisance of the MCCG's recommendation to have at least 30% women participation on the board of Large Companies. Large Companies are defined in the MCCG as companies on the FTSE Bursa Malaysia Top 100 Index or companies with market capitalisation of RM2 billion and above. The Company does not set any specific target for women Directors on the Board but will actively continue to work towards having at least 30% women Directors on the Board.

The Company has been and shall continue to provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.

Presently, there are two women Directors (excluding an Alternate Director) representing 20% women representation on the Board.

Age Diversity

The Board acknowledges the benefits of having diversity in the boardroom in terms of age demographics, which would create professional environments that are rich with experience and maturity, as well as youthful exuberance. The Board with a wide range of age has the advantage of creating a dynamic, multi-generational workforce with a diverse range of skill sets that are beneficial to the Company.

The Company does not set any specific target for boardroom age diversity but will work towards having appropriate age diversity on the Board.

The Company does not fix a maximum age for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company.

The Board is composed of Directors from diversified age groups ranging from the age of 38 to 68, which enables the Board to drive the Group in delivering operational excellence. The Board would be able to tap on experience from Directors of different age groups in order to have better understanding of the needs and the sensitivities of the stakeholders in their age group.

Cultural Background and Ethnic Diversity

The Board recognises that as today's world becomes increasingly global in its outlook and as the marketplace becomes increasingly global in nature, cultural background and ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper, including but not limited to, sharing of knowledge in different markets where the Group is operating to enhance the Group's global presence as well as sharing of viewpoints by Directors from different cultural and ethnic backgrounds as when a variety of viewpoints are thrown into the problem solving mix, new and innovative solutions can be reached.

The Company does not set any specific target for ethnic and cultural background diversity in the boardroom but will work towards having appropriate ethnic and cultural background diversity on the Board. The Board is comprised of Directors from different ethnic and cultural backgrounds and foreign countries where the Group has significant presence. The Company believes that the Board members from different ethnicity and cultures contribute to more holistic and quality discussions, as well as more effective and feasible ideas compared to a Board with predominantly the same ethnic and culture. Having Board members from different ethnic and cultural backgrounds widens the Board's perspectives, especially when making a decision that touches on issues that are peculiar to a particular ethnic or cultural group or country.

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age, ethnicity and cultural background, the selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority and the Board will ensure that Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. The Company continuously strives to achieve the appropriate boardroom diversity mix covering gender, age, ethnicity and cultural background to enhance its effectiveness and governance performance.

The NRC is responsible for ensuring that the boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

The Boardroom Diversity Policy is accessible for reference on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Audit Committee Report

The Audit Committee (AC) was established on 1 July 2018 consequent to the division of the Audit and Risk Management Committee (ARMC) into two separate committees, namely the AC and Risk Management Committee, respectively. The ARMC was established on 18 April 2012.

Roles of the AC

The AC’s primary role is to assist the Board in fulfilling its statutory and fiduciary responsibilities for oversight of the quality and integrity of the accounting, auditing and financial reporting of the Group and monitoring the effectiveness of the systems of internal control.

In carrying out its duties and responsibilities, the AC has the following authorities:

- Approve any appointment or termination of senior staff members of the internal audit function;
- Convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary, and such meetings with the external auditors shall be held at least twice a year;
- Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- Investigate any matter within its Terms of Reference (TOR), have the resources which it needs to do so and have full and unrestricted access to information pertaining to the Group and

the Management whereby all employees of the Group are required to comply with the requests made by the AC;

- Have direct communication channels to engage with the external auditors and internal auditors and also engage with the Senior Management, such as the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer of the Group and its operating subsidiaries, on a continuous basis in order to be kept informed of matters affecting the Group;
- Appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the AC;
- Authorise the AC Chairman to carry out the AC’s responsibilities as required under the Whistleblowing Policy for the Group; and
- Have access to the advice and services of the Company Secretary.

Terms of Reference

The AC is governed by a clearly defined and established TOR. The AC TOR is reviewed and updated from time to time, as the need arises, to ensure that it remains up-to-date and in conformity with the applicable laws, regulations and

the Group’s policies. The TOR of the AC was last reviewed and approved by the Board in August 2022.

The TOR of the AC is published on the Company’s website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Composition and Meetings

The AC is comprised exclusively of Independent Non-Executive Directors, and no Alternate Director is appointed as a member of the AC. The AC members come from diverse backgrounds with extensive experience in healthcare, banking, business strategy, risk management, legal, cybersecurity and corporate governance. The composition of the AC is in compliance with Paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR).

The Board believes that the composition of the AC provides the appropriate balance in terms of skills, experience, gender and knowledge to ensure the effective functioning of the AC. During the financial year under review, the AC held eight meetings in total. The composition of the AC and the attendance record of its members for the year under review are as follows:

Director	Designation	Total Meetings Attended in 2023
Ong Ai Lin (Chairman)	Independent Non-Executive Director	8/8
Jill Margaret Watts (Member)	Independent Non-Executive Director	7/8
Dato’ Sri Muthanna bin Abdullah (Member)	Independent Non-Executive Director	8/8
Satoshi Tanaka (Member)	Independent Non-Executive Director	8/8

The AC meetings were attended by the Senior Management of the Group and Group Head, Internal Audit to brief the AC on agenda items of the AC meetings.

The external auditors also attended and briefed the AC on matters relating to external audit at all the AC meetings held during the financial year and provided a high-level review of the financial position of the Group.

Minutes of the AC meetings were circulated to all members for comments and the decisions made by the AC were communicated to the relevant process owners for action. At the Board meetings, the Chairman of the AC would provide a report, highlight pertinent issues, significant points of the decisions and recommendations made by the AC to the Board and matters reserved for the Board’s approval, if any.

Summary of Activities

During the financial year, the AC carried out the following key activities:

Financial Reporting

1. Reviewed and recommended to the Board for approval the unaudited quarterly financial results of the Group and the draft announcements pertaining thereto;
2. Deliberated on the report of the external auditors on the audit focus areas and key findings arising from their review of the unaudited quarterly financial results of the Group;
3. Deliberated on the annual statutory audit performed by the external auditors, Management’s responses to the audit findings and any changes in or implementation of major accounting policy changes for the financial year ended 31 December 2022;

4. Reviewed and recommended to the Board for approval the Annual Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022;

5. Reviewed and recommended to the Board for approval the Condensed Consolidated Interim Financial Statements for each quarter end;
6. Reviewed the external auditors’ audit plan and strategy for the financial year ended 31 December 2023;
7. Reviewed and recommended to the Board for approval the revaluation of investment properties of the Group which was undertaken by independent valuers to ensure that the current market value of the investment properties was in compliance with MFRS 140, *Investment Property*;

External Auditors

8. Recommended to the Board for approval the re-appointment of KPMG PLT as external auditors for the financial year ended 31 December 2023 upon assessing their independence, suitability and performance;
9. Reviewed and recommended to the Board for approval the proposed fees for the annual and one-time audit and non-audit related services rendered by the external auditors for the financial year ended 31 December 2022;
10. Noted KPMG PLT’s 2022 Transparency Report;
11. Met with the external auditors twice without the presence of the Management during the year under review to discuss any issues or reservations arising from the audits and any other matters the external auditors may wish to discuss, including but not limited to the

cooperation rendered by the Group’s employees to facilitate their audit work;

Internal Audit

12. Reviewed and approved the internal audit work plan for the financial year ending 31 December 2024 and discussed Internal Audit’s focus areas for improvement for the financial year ending 31 December 2024 to ensure that there is adequate scope and comprehensive coverage over the activities of IHH Group, as well as the availability of adequate resources within the internal audit team to carry out the audit work;
13. Deliberated on the internal audit reports issued during the year;
14. Deliberated on the implementation of the management action plans on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are being properly addressed until the issues are fully resolved and rectified;
15. Met with the Group Head, Internal Audit, twice, without the presence of the Management during the year under review to obtain feedback on the internal audit activities, audit findings and any other related matters;
16. Reviewed and approved the Internal Audit Charter for the financial year ending 31 December 2024;
17. Deliberated on the whistleblowing cases received by the Group through the whistleblowing communication channel;
18. Reviewed and recommended to the Board for approval the revision to the Whistleblowing Policy. The revision made was to simplify the Whistleblowing Policy so that it is easier to read and understand;
19. Reviewed integrity and misconduct cases;

Audit Committee Report

Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs)

20. Noted the summary report of the RPTs and RRPTs monitoring and tracking by Management to ensure compliance with the MMLR;
21. Discussed the RPTs and RRPTs to be undertaken by the Group;

Verification of the Allocation of Enterprise Option Scheme (EOS) options

22. Verified the allocation and movement of EOS options for the year 2022 to ensure that it had been carried out in accordance with the approved criteria and matrix as stipulated in the By-Laws of EOS;

Conflict of Interest

23. Reviewed the established conflict of interest process to ensure its relevancy and alignment with Bursa Malaysia Securities Berhad's Guidance on Conflict of Interest Issuers Communication Note No. 1/2023;
24. Assessed the disclosure of conflict of interest by IHH Directors in accordance with IHH's Board of Directors Conflict of Interest Policy;

Other Activities

25. Deliberated on the ancillary governance, control and reputational risk reports as highlighted by the ACs of the relevant operating subsidiaries of the Group;
26. Reviewed and recommended to the Board for approval the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022; and
27. Noted the annual statement by Management in relation to the compliance framework that is implemented in line with the Code of Conduct to Regulate, Monitor and Report Trading in Securities of Specific Indian Companies pursuant to the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Group Internal Audit Function

The internal audit function is under the responsibility of the Group Internal Audit (Group IA) department led by the Group Head, Internal Audit. Group IA is independent and reports directly to the AC. Group IA has direct control over internal audit activities in Malaysia, Singapore, China and India (excluding Fortis Healthcare Limited Group which is a publicly listed company in India). Group IA maintains oversight of Acibadem's internal audit activities through close partnership with the internal audit function of Acibadem. Apart from Gleneagles Hong Kong and Parkway Life Real Estate Investment Trust, the Group's internal audit function is undertaken in-house and supported by co-sourcing with independent external subject matter experts, where necessary. Fortis Healthcare Limited Group undertakes its internal audit function in-house which is also supported by outsourced independent internal audit firms periodically.

Group IA has visibility and the ability to influence those internal audit activities at all levels throughout the Group including in respect of those operating companies' internal audit function which are outsourced to independent internal audit firms. Group IA provides independent, objective assurance on areas of operations reviewed and makes recommendations based on the best practices that will improve and add value to the Group.

Group IA identifies, coordinates, monitors and oversees the internal audits that are to be carried out throughout the Group and also provides standards, policies, guidelines and advice to the subsidiaries' internal audit functions to standardise the internal audit activities within the Group. Group IA adopts a systematic and disciplined approach to evaluate the adequacy and effectiveness of the financial, operational and compliance

processes. Structured risk-based and strategic-based approaches are adopted in identifying the internal audit activities that are aligned with the Group's strategic plans to ensure those risks faced by the Group are adequately reviewed. In addition, international standards and best practices are adopted to enhance the relevancy and effectiveness of the internal audit activities.

The internal audit reports are issued to Management for their comments and for them to agree on action plans with deadlines to complete the necessary preventive and corrective actions. The reports and summary of key findings are tabled to the AC for deliberation to ensure that Management undertakes to carry out the agreed remedial actions.

Please refer to the Statement on Risk Management and Internal Control as laid out on pages 111 to 118 of this Annual Report for the summary of the work of the internal audit function undertaken during the year ended 31 December 2023. The total costs incurred to maintain the internal audit function of the Group in 2023 was RM16.8 million.

Risk Management Committee Report

The Risk Management Committee (RMC) was established on 1 July 2018 consequent to the division of the Audit and Risk Management Committee (ARMC) into two separate committees, namely the Audit Committee and RMC respectively. The ARMC was established on 18 April 2012.

Roles of the RMC

The RMC assists the Board in overseeing the establishment and implementation of the risk management framework of the Group by Management so that the Group has in place a sound, effective and robust risk management and internal control framework. The RMC also assists the Board in fulfilling its key risk oversight responsibilities in an integrated and strategic manner and provides oversight, direction, and guidance to Management on the Group's risk management matters.

In carrying out its duties and responsibilities, the RMC has the following authorities:

- Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- Investigate any matter within its Terms of Reference (TOR), have the resources which it needs to do so and have full and unrestricted access to information pertaining to the Group and the

Management, whereby all employees of the Group are required to comply with the requests made by the RMC;

- Have direct communication channels to engage with Senior Management, on a continuous basis in order to be kept informed of matters affecting the Group;
- Appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the RMC; and
- Have access to the advice and services of the Company Secretary.

Terms of Reference

The RMC is governed by a clearly defined and established TOR. The RMC TOR is reviewed and updated from time to time, as the need arises, to ensure that it remains up-to-date and in conformity with the applicable laws, regulations and the Group's policies. The TOR of the RMC was last reviewed and approved by the Board in February 2022.

The TOR of the RMC is published on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

Composition and Meetings

The RMC is comprised exclusively of Independent Non-Executive Directors. The RMC members come from diverse backgrounds with extensive experience in healthcare, banking, business strategy, risk management, legal, cybersecurity, and corporate governance.

The Board believes that the composition of the RMC provides the appropriate balance in terms of skills, experience, gender and knowledge to ensure the effective functioning of the RMC.

During the financial year under review, the RMC held four meetings in total. The composition of the RMC and the attendance record of its members for the year under review are as follows:

Director	Designation	Total Meetings Attended in 2023
Jill Margaret Watts (Chairman)	Independent Non-Executive Director	4/4
Dato' Sri Muthanna bin Abdullah (Member)	Independent Non-Executive Director	4/4
Ong Ai Lin (Member)	Independent Non-Executive Director	4/4
Tunku Alizakri bin Raja Muhammad Alias (Member) (Ceased on 16 March 2023)	Non-Independent Non-Executive Director	1/1

Risk Management Committee Report

The RMC meetings were attended by among others, the Senior Management of the Group; Group Head, Risk Management & Compliance; Group Head, Internal Audit; Group Head, Medical & Quality; and Group Head, Branding Strategy & Environmental Social Governance to brief the RMC on agenda items of the RMC meetings.

Minutes of the RMC meetings would be circulated to all members for comments and the decisions made by the RMC would be communicated to the relevant process owners for action. At the Board meetings, the Chairman of the RMC would provide a report highlighting pertinent issues, significant points of the decisions and recommendations made by the RMC to the Board and matters reserved for the Board's approval, if any.

Summary of Activities

During the financial year, the RMC carried out the following key activities:

Enterprise Risk Management

1. Reviewed the Group's consolidated Enterprise Risk Management (ERM) reports, including the progress of the ERM transformation, the ERM reports of the respective operating divisions, which covered the ERM reporting status, risk profile, risk priorities and risk mitigation plans to ensure the key risks that arise with the developments in the operating environment are effectively managed;
2. Reviewed and recommended to the Board for approval the updated ERM Policy;
3. Reviewed and recommended to the Board for approval the Group Business Resilience Policy;

Information Technology Risk Management

4. Reviewed the reports pertaining to Information Technology (IT) risk universe, which covered, among others, key IT risks and residual risk profile and cybersecurity threat report, aiming to identify and mitigate any potential IT threats which may impact the IT systems in the respective units in the Group;

Bribery and Corruption Risk Management

5. Reviewed the Group's anti-bribery and corruption risk reports, including the risk profile, key controls and mitigation action plans against possible bribery and corruption, and incident reporting in line with the Group's Anti-Bribery and Corruption (ABC) Policy;
6. Reviewed and recommended to the Board for approval the updated ABC Policy;
7. Reviewed and recommended to the Board for approval the Gift, Hospitality, Donation and Sponsorship Policy;

Medical Quality and Clinical Quality Updates

8. Reviewed the reports on Medical Quality and Clinical Quality Updates, which encompassed the following:
 - (i) clinical quality indicators of the Group's operating divisions in Malaysia, Singapore, India, Hong Kong, Türkiye and Brunei with the key objective of monitoring and assessing the clinical performance of hospitals so as to facilitate continuous quality improvement and benchmarking;
 - (ii) action plans/initiatives undertaken to drive quality improvement activities;

- (iii) trend of serious reportable events which highlighted problem areas in clinical performance and opportunities for improvement;
- (iv) the Group's medico-legal litigation cases;
- (v) clinical assurance framework;
- (vi) clinical audit;

Sustainability

9. Discussed the sustainability roadmap and monitored the progress of the overall sustainability short, mid and long term strategy and action plans;
10. Reviewed and recommended to the Board for approval the Sustainability Report for inclusion in the Annual Report 2022;
11. Deliberated on key environmental, social and governance (ESG) risks and progress of risk mitigation plans;
12. Reviewed the sustainability updates which included the progress against IHH's 2023-2025 sustainability goals and other sustainability metrics;
13. Kept abreast with the evolving ESG reporting landscape, including launch of new sustainability disclosure standards by the International Sustainability Standards Board (ISSB); and

Other Activities

14. Reviewed and recommended to the Board for approval the RMC Report, as well as Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022.

Statement on Risk Management and Internal Control

The Board of Directors of IHH Healthcare Berhad (IHH or the Company), together with that of its subsidiary companies (the Group), is committed to maintaining a sound system of risk management and internal control. In accordance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Board is pleased to provide the following Statement on Risk Management and Internal Control prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

Board Responsibility

The Board, in discharging its responsibilities, is wholly committed to upholding a sound system of risk management and internal control, as well as to regularly review its adequacy, integrity and effectiveness to safeguard shareholders' investment and the Group's assets.

By nature, the risk management and internal control system is designed to manage key risks that could prevent the Group from achieving its business objectives while maintaining an acceptable risk profile. The systems put in place can only manage risks within tolerable and known levels, rather than completely eliminating the risk of failing to achieve business objectives, due to the limitations inherent in any system of risk management and internal control.

Control Structure

The Board is assisted by the Audit Committee (AC) which consists of four Independent Non-Executive members of the Board, and the Risk Management Committee (RMC) which consists of three Independent Non-Executive members.

The Board, through the AC and RMC, maintains risk oversight within the Group to ensure that the implementation of the approved policies and procedures on risks and controls is as intended. The approved policies and appropriate key internal controls have been put in place to mitigate the key risk areas which have been identified and assessed by the respective departments in-charge for the year under review and up to the date of approval of this statement for inclusion in the annual report.

The Board, through the AC, provides constructive focus and an independent view on the financial reporting process and ensuring Management maintains a sound system of internal controls to safeguard and enhance enterprise value.

The internal control system covers areas of finance, operations and compliance, and provides reasonable assurance that the following objectives have been achieved:

- (i) Reliability and integrity of financial reports;
- (ii) Transparent/appropriate disclosure;
- (iii) Compliance with relevant regulations, policies, procedures and laws;
- (iv) Safeguarding of assets;
- (v) Effective and efficient utilisation of resources; and
- (vi) Ensuring the Group's long-term sustainability

The Board believes that the current internal control system is adequate and adhered to the best of its ability for the year ended 2023. The opinion is based on the following key internal controls practised:

Limits of Authority

The Limits of Authority established by the Group serves to govern the operations of all companies within the Group.

It encompasses authority limits for each level of management in the Group and business units for transactions covering both operational matters and non-operational matters. The Limits of Authority comprehensively covers

approval matrices for Procurement and Payment, Treasury & Financing, Human Capital Management, Corporate Transactions, Legal Obligations and Documentation and Donation. Major capital investment, change of business purpose, acquisition and disposal of assets are approved by the respective business unit's Board and the Board of IHH.

Recommendations by Internal Auditors

The Group has an Internal Audit function to review the effectiveness of the material internal controls of the business units, based on the approved annual audit plan. Unannounced visits are sometimes conducted to provide greater assurance.

Consequently, Management ensures that the recommendations made by the Internal Auditors to strengthen and improve the internal controls have been implemented.

Performance Monitoring and Budgets

Annual budgets of the business units are consolidated into the IHH Group Budget for approval by the IHH Board.

The IHH Board discusses and monitors the performance of the Group, together with that of the business units, at the quarterly IHH Board Meetings.

Procurement and Project Management

There is a Centralised Procurement function in each business unit for major purchases, such as hospital equipment, drugs, maintenance expenditures and expansion projects. This ensures adherence to the Group Procurement Guidelines and provides economies of scale during negotiations.

Statement on Risk Management and Internal Control

Major expenditures are subject to Tender procedures and evaluated by the Management Tender Committee or IHH Board Steering Committee as appropriate.

There is also a Centralised Project Management office in each business unit to handle and manage major renovation and expansion projects undertaken by the respective business units.

Legal and Regulatory

The business units adhere strictly to the applicable Acts and Regulations, as required of an institution operating private hospitals, medical clinics, private higher education, and healthcare services. This includes the established Acts and Regulations applicable in the jurisdictions in which the Group operates. Clinical audits are also conducted by the Medical Affairs and Quality Division on an ongoing basis.

Fraud Prevention

The Board strives to have zero incidences of fraud with strong internal controls, proper segregation of duties in the work processes, and regular audits carried out by the Group Internal Audit team.

The inherent system of internal controls is designed to provide a reasonable, though not absolute, assurance against the risk of fraud, material errors or losses.

Clinical Governance

International Clinical Governance Advisory Council (ICGAC)

In its eighth year as an independent high-level advisory committee, the Council continues to serve as an advisory in the areas of Clinical Governance which covers the management of Clinical Affairs, including Quality and Patient Safety, Clinical Risk Management, Continuing Professional Development and Clinical Training.

The Council comprises the following members:

1. **Tan Sri Dato' Abu Bakar Suleiman, Senior Advisor** at International Medical University Malaysia (IMU)

2. **Tan Sri Datuk Dr K. Ampikaipakan, Consultant respiratory physician** at Pantai Hospital Kuala Lumpur, Malaysia
3. **Dr E.H Akalin, Independent academic consultant**, Istanbul, Türkiye
4. **Professor Yeoh Eng Kiong, Director** at Center for Health Systems and Policy Research, JC School of Public Health and Primary Care, The Chinese University of Hong Kong (CUHK)

As of December 31, 2023, Management has achieved noteworthy advancements in the implementation of the recommended actions outlined by the ICGAC:

1. Significant progress has been made in the establishment of National Clinical Governance Committees in China and India, aligning with our commitment to global clinical governance standards;
2. Proactive review of quality indicators and serious reportable events underscores IHH's dedication to healthcare quality and safety enhanced by
 - (a) Communicating changes to respective hospitals by business unit Medical Affairs and Quality (MAQ)s
 - (b) Incorporating revised indicators into reporting processes and close monitoring at relevant platforms
 - (c) Close collaboration by Group MAQ with business unit MAQs for indicators that do not meet target or undesirable special cause identified through root cause analysis;
3. Exceptional efforts in implementing Value Driven Outcomes (VDO) and addressing Antimicrobial Resistance (AMR) noting the following
 - (a) The VDO initiative marks a significant milestone, streamlining processes and fostering a culture of continuous improvement.
 - (b) Progress in AMR highlights IHH's dedication to global healthcare issues.

Review of Clinical Quality Indicator (CQI) and Serious Reportable Event (SRE) Framework

Group MAQ regularly and systematically assessed and refined all the Clinical Quality Indicators (CQIs) and Serious Reportable Events (SREs) through the development of a framework for the following reasons (i) continuous quality improvement (ii) enhanced patient safety (iii) outcome measurement (iv) foster transparency and accountability.

Group MAQ does horizon scanning and literature review of internationally reported CQIs and SREs and performs crosswalk analysis using the indicators from countries such as the US, UK, Australia and Singapore. Key considerations are identified to determine if the indicators should be included, retained, revised or retired. Indicators are grouped into care domains or SRE categories in accordance to international healthcare quality framework and standard. The indicator technical manuals are revised to ensure benchmarks and references are up-to-date; standardise terminologies; ensure indicator definitions and measurements are logical and accurately reflect country differences.

This process ensures relevancy of indicators that gauge safe and quality care as well as effective risk management and control in our healthcare. In 2024, Group MAQ will introduce 2 new indicators, retire 2 current indicators, revise definitions where appropriate and make adjustment to the group targets for all indicators to align with international definitions and benchmarks. This is done in close consultation with business unit MAQs through calls, feedbacks and pilot phase in Q3 2023 to further refine the technical definitions to ensure smooth transition before full implementation in 2024.

The review is also a proactive measure to maintain the relevance of indicators which are crucial steps in our ongoing commitment to delivering the highest standards of patient care and clinical excellence. These actions are meticulously

aligned with international definitions and benchmarks, ensuring that the indicators remain reflective of best practices in the healthcare industry. Moreover, the framework improves risk management by adapting to changing standards and provides greater control over the quality of care, thereby fostering a safer and more effective healthcare environment.

Regular review of CQI and SRE policies

Group MAQ regularly reviews and keeps a running ledger of countries' policies that address CQIs and prevent SREs on half-yearly basis and provide updates at quality and risk management platform. This process ensures a safer and more controlled healthcare environment through adaptation to evolving standards whereby healthcare standards, guidelines, and regulations are dynamic and subject to change.

Regular policy reviews allow IHH to stay abreast of evolving standards related to clinical quality and safety and remain in compliance with regulatory requirements, reducing the risk of non-compliance issues. This proactive approach enables us to address potential issues before they escalate, minimising the impact on patient safety. Additionally, regular policy reviews also facilitate a culture of continuous improvement and alignment with best practices.

IHH Clinical Risk Assurance Framework

The IHH Board, AC and the RMC provided directives that there was a critical need to enhance the risk identification and management process within IHH. Group MAQ took on the task to improve the risk identification and management process for the Clinical Quality and Patient Safety as the designated risk owner for this risk category.

Group MAQ currently monitor this risk through assessment of three key risk indicators on a quarterly basis. However, this is suboptimal as it falls short of addressing the broader spectrum of clinical aspects and evaluating the efficacy of our risk control measures.

Beyond the imperative of auditing high clinical risk areas for compliance with standards in 2023, Group MAQ sought to be more proactive to prevent high risk incidents from occurring. To achieve this objective, we developed a new clinical risk assurance framework designed to preemptively prevent high-incidence risks by ensuring the implementation of robust risk controls, outlined as follows:

- Identifying high risk scenarios in IHH through data-driven approach
- Determining a risk rating (likelihood and severity/impact)
- Identifying the risk control owners for each of the risk categories identified
- Ensuring controls in place to prevent this risk from occurring
- Tracking and monitoring of risk categories, effectiveness of risk controls
- Quarterly and annual assessment of how adequately clinical risk has been controlled for reporting to IHH board and attestation

Group MAQ initiated the comprehensive identification of clinical risks by leveraging a robust dataset comprising two years of historical incident data from IHH Singapore and IHH Malaysia. Through a meticulous analysis, the top 11 clinical risk categories, their sub-categories, and the corresponding risk owners were identified. It is noteworthy that effective risk controls for each category may necessitate collaboration across various departments. To establish transparent accountability lines for risk and control management, distinct roles and responsibilities have been delineated among the Board, Group, country, and hospital.

This integrated approach ensures alignment between clinical risk monitoring, Clinical Quality Indicators (CQIs), incident reports, and audits, assuring effective control over clinical risk. Risk owners, for each category, assess the likelihood and potential

severity of identified risks and assign a risk rating using the IHH risk matrix. This evaluation occurs at three levels – hospital, country, and group – corresponding to distinct accountability lines. Risk owners are charged with the development and implementation of appropriate risk controls, employing preventative, detective, or corrective measures based on priority.

Monitoring the effectiveness of these controls is conducted through key performance indicators, key risk indicators, outcomes tracking, and periodic risk assessments. In instances where controls prove partially effective or ineffective, risk owners are tasked with establishing and monitoring action plans aimed at enhancing risk mitigation. This ensures continuous refinement and strengthening of clinical risk management practices in alignment with international best practices.

In facilitating these initiatives, Group MAQ has devised a detailed timeline outlining a four-phased approach for the successful rollout of the clinical risk framework, with full implementation targeted for April 2025.

Training and Education

Ensuring that MAQ staff attend courses on clinical quality, patient safety, and clinical audit is pivotal for risk management and control in healthcare. Group MAQ identified training programs and certifications to provide staff with the relevant knowledge and skills, enabling them to proactively drive improvements in patient care and overall healthcare quality. By staying abreast of the latest developments in these critical areas, MAQ staff are better equipped to identify and mitigate patient safety risks effectively. The acquired knowledge fosters a culture of safety within the organisation, where staff are attuned to potential risks and are well-versed in implementing preventive measures.

Control Environment

In terms of the management of business units, the operating structure includes a clearly defined delegation of responsibilities. The Group's policies clearly define and outline the limit of authority.

Statement on Risk Management and Internal Control

These policies and procedures are reviewed regularly and, if required, updated.

A Whistleblowing Policy is in place within the Group’s business units. This policy encourages employees to report any wrongdoing by any person in the Group to the proper authorities so that the appropriate business action can be taken immediately.

Whistleblowing Platform:

The Group is committed to a high standard of corporate governance. Consistent with this commitment and to maintain a high standard of integrity in its business conduct, the Group has in place a whistleblowing policy. In January 2023, the Group launched the Navex Whistle Blowing platform, EthicsPoint, where employees and third parties have a trusted channel to report, in confidence, any suspected wrongdoings. Group Internal Audit (GIA) has been designated as the independent function to maintain the whistleblowing channel and investigate all whistleblowing reports. The AC are updated on the status of the reports.

The system of risk management and internal control, covers not only financial controls but also operational, risk and compliance controls as well. These systems are designed to manage, rather than eliminate, the risks arising from failure to comply with policies and deviating from goals and objectives.

Such systems provide reasonable, rather than absolute, assurance against material incidents or loss.

Risk Management

Risk Management and Compliance Department (RMCD) assists the Board and RMC in discharging their risk oversight responsibilities.

Group management and business units have a primary responsibility for managing risk exposures. RMCD is structured to provide comprehensive risk and compliance advisory support to IHH business units worldwide, particularly in the areas of governance, training, and reporting. RMCD serves as the central resource for managing the portfolio of

risks that the Group as a whole has taken on and collaborates closely with business units to strengthen their risk management practices and capabilities as well as to guide the priorities and direction of the Group’s risk management activities. Risk updates are consolidated and analysed for monitoring and reporting to the IHH RMC on a quarterly basis.

The Group recognises that Enterprise Risk Management (ERM) is a proactive management system for anticipating emerging risks and putting in place pre-emptive action plans so that the effect of uncertainties on fulfilling business goals and objectives are minimised. Sustainability risks are managed with the same care and discipline as any other business risks. Sustainability is further governed by a newly formed Sustainability Committee chaired by Group CEO. Sustainability risks are assessed, and metrics tracked in Group’s quarterly risk report. Sustainability has been integrated into our ERM framework, where matters that are critical to the Group are assessed

and managed based on defined risk rating criteria of likelihood and impact. This approach allows us to compare sustainability issues with other business risks and prioritise resources to manage risks.

Furthermore, the Group acknowledges that climate change increasingly poses significant financial risk to our business. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world. We are aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations on climate-related financial disclosures by 2025 to enable us to effectively evaluate climate-related risks, make better-informed decisions on capital allocation and improve our short-, medium- and long-term strategic planning capabilities

Since enhancing our sustainability framework and anchoring it to the expectations of our four key stakeholders – Patient, People, Public and Planet – in 2022, in 2023 we have focused on monitoring and tracking progress against our sustainability goals via quarterly updates to the Sustainability Committee, RMC and the Board. Ensuring the implementation of sustainability initiatives across our operations to meet our goals are the Sustainability Committee’s responsibility.

For more information on our sustainability initiatives, refer to our standalone Sustainability Report.

The Group has in place a Risk Management Framework aligned to Standard ISO 31000:2018 Risk Management – Guidelines and adopting good practices from the Committee of Sponsoring Organisations of the Treadway Commission’s (COSO) Enterprise Risk Management (ERM) Framework.

The framework encompasses practices relating to the identification, assessment

and measurement, response, and action, as well as monitoring and reporting of the strategic and operational control risks pertinent to achieving our key business objectives. This framework is continuously enhanced to remain relevant and resilient in ensuring effective management of risk.

In the formulation of our IHH Business Resilience Policy, we incorporated pertinent resilience standards, such as ISO 22301:2019 for Business Continuity Management Systems and ISO 22361:2022 for Crisis Management.

Our framework and policies are reviewed periodically to ensure the effectiveness, adequacy and integrity of the Group’s risk management and internal control systems.

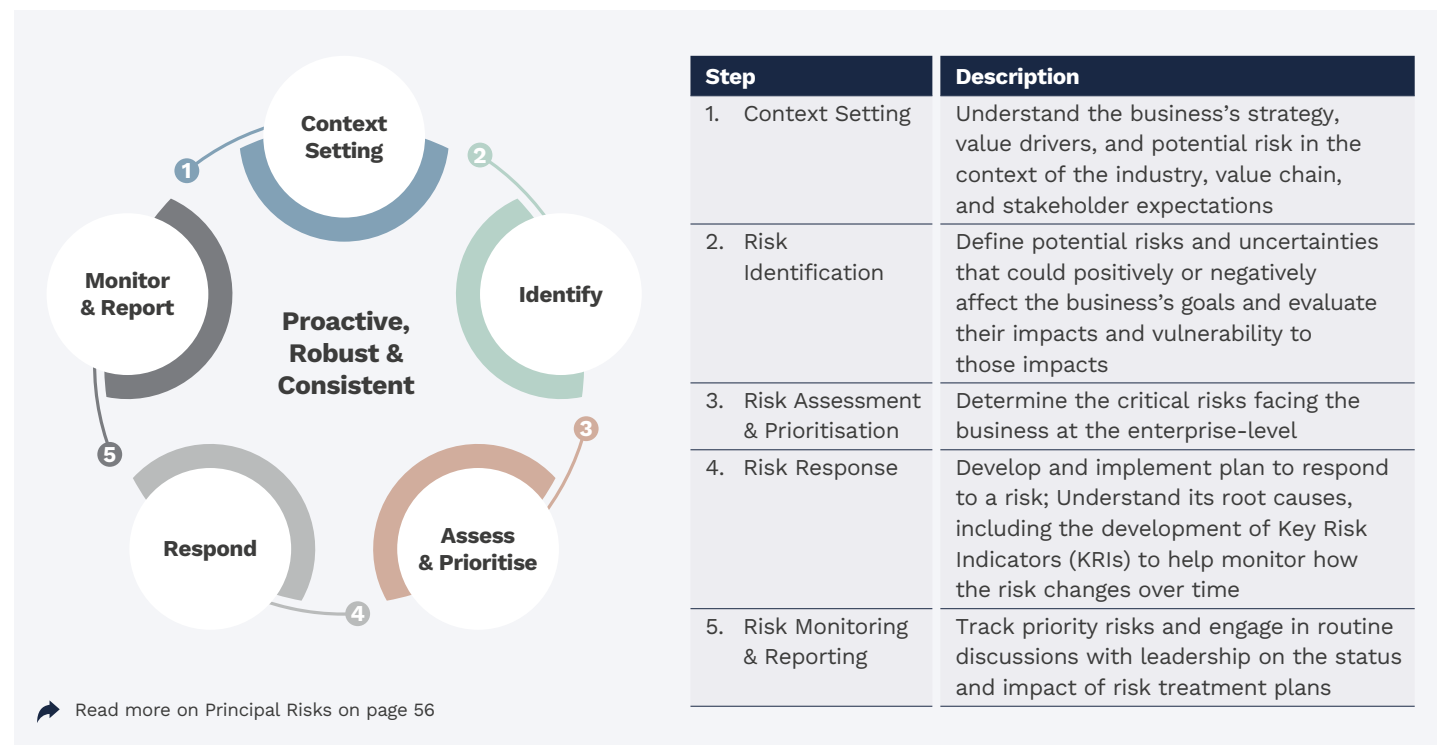
Evaluate-Response-Monitor (E-R-M) Process

For the year ended 31 December 2023, the major risk management activities undertaken during the year were as follows:

- Continuing our ERM transformation to increase risk management maturity to better manage dynamic business environment and emerging challenges;
- Conducted annual risk reviews through workshops and/or questionnaires in line with the business planning cycle;
- Assessed emerging risks and developed risk action plans with internal stakeholders;
- Enhanced Group Key Risk Indicators (KRIs) to serve as an early warning system for the Group, facilitating improved data analysis for more effective risk management;
- Reviewed and updated risk universe in the areas of IT and Clinical Quality and Patient Safety to reflect key risks within IHH;
- Established guidelines for the operationalisation of the Anti-Bribery and Anti-Corruption Framework, as well as guidelines for the Third-

Party Corruption Management Framework, to enhance the efficiency and effectiveness of IHH’s governance against bribery and corruption;

- Anti-Bribery and Corruption policy is revised to further strengthen the Group’s anti-bribery and corruption governance. The Gifts, Hospitality, Donations and Sponsorship (GHDS) policy was introduced with mandatory e-learning module on GHDS was put in place to ensure the GHDS policy is implemented effectively Group wide;
- Sustained implementation of the IHH Personal Data Protection Policy by enhancing Group data protection risk management practices;
- Initiated the review of the IHH Personal Data Protection Policy to account for developments in legislation and business practices;
- Collaborated with the IHH Cybersecurity Centre of Excellence to perform data flow analyses on clinical workflows;
- Upskilled Data Protection Officers through in-house training on data flow analysis and sustainability management;
- Conceptualised data transfer regulatory compliance instrument;
- Strengthened the IHH Indian Insider Trading Compliance Framework by introducing a Standard Operating Procedure for handling non-compliance and developing a Structured Digital Database (SDD) to meet the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015) requirements;
- Developed the IHH Business Resilience Policy to oversee business resilience initiatives throughout the Group, focusing on enhanced coordination and preparedness;



Statement on Risk Management and Internal Control

15. Managed the placements and renewals for the Group Insurance Programme, which includes the Directors and Officers Policy. The coverage for Cyber Liability has been extended to cover the entire Group;
16. Monitored cost of insurance claims and claims settlement through quarterly claims meetings with insurance service providers; and
17. Carried out ad-hoc assignments requested by Senior Management.

For 2023, the consolidated risk report includes those of Fortis Healthcare Limited and PLife REIT risk profiles.

The consolidated risk report and updates are analysed and reported to the Board RMC on a quarterly basis. The compliance culture is driven with a strong tone from the top, supported by the tone emanating from the middle, to embed the expected values and principles of conduct that shape the behaviors and attitudes of employees at all levels of business and activities across the Group.

Group Internal Audit

The Group has an independent internal audit function which provides an independent, objective assurance

and consulting function designed to add value and improve the organisation's operations. The internal audit function is under the responsibility of GIA department led by the Group Head, Internal Audit. GIA is independent and reports directly to the AC. GIA has direct control over internal audit activities in Malaysia, Singapore, China and India (excluding Fortis Healthcare Limited Group which is a publicly listed company in India). GIA maintains oversight of Acibadem's internal audit activities through close partnership with the internal audit function of Acibadem. Apart from Gleneagles Hong Kong, the Group's internal audit function is managed in-house and supported by co-sourcing with independent external subject matter experts, where necessary. Fortis Healthcare Limited Group runs its internal audit function in-house which is also supported by outsourced independent internal audit firms. GIA has visibility and ability to influence those internal audit activities at all levels throughout the Group including those operating companies' internal audit functions which are outsourced to independent internal audit firms.

GIA shares insights, good practices and improvement opportunities, in addition to audit observations. Common audit

themes are leveraged across countries to benchmark and improve the organisational business processes.

GIA function helps the organisation to accomplish its goals by bringing an objective and disciplined approach consistent with the International Standards for the Professional Practice of Internal Auditing (Standards) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework and to evaluate and improve the effectiveness of risk management, internal control and governance processes.

GIA performs audits on all major business units and areas based on the risk assessment performed during the preparation of Annual Internal Audit Plan which is reviewed and approved by the AC annually. Audit recommendations are developed based on the root cause analysis outcome. Further, GIA performs ad-hoc reviews and investigations requested by the AC and/or Senior Management and follow up on the implementation of agreed management actions on a quarterly basis to ensure all the key risks are addressed. GIA continues to run a guest auditor program by inviting subject matter experts from different functions and business units. GIA participates in the Lean Six Sigma Certification Program to help focus on process improvement, understanding of root cause and greater analysis skills.

GIA carried out the following major activities for the year ended 31 December 2023 to broaden key business risks coverage:

1. Review of the effectiveness of Enterprise Risk Management (ERM) practices and processes.
2. Crisis management review at IHH Group.
3. Review of in-country tender structure, governance and controls of the tender process.

4. Treasury function review at IHH Group covering the key treasury processes including risk management, monitoring and reporting.
5. Review of the governance and process in which sustainability data is collated, reviewed and verified for the purpose of internal management reporting and subsequent disclosures within IHH Group's Sustainability Report.
6. Review of payroll process at country level.
7. Performed an internal quality review to ensure our processes are fully aligned to Institute of Internal Auditors (IIA) Standards and Code of Ethics.
8. Coordinated IHH clinical risk and control workshop for Group MAQ in collaboration with subject matter experts.
9. Performed ad-hoc reviews including review of new/renewal of Related Party Transactions that were going for AC and Board approval.
10. Conducted information technology (IT) audits, IT risk and control assessments, cybersecurity and control reviews across the entities of the Group.
11. Greater use of data analytics during audits to provide enhanced audit coverage and better assurance.
12. Financial and operational audit on key balance sheet reconciliation effectiveness, accounts receivable and credit control, discounts, cancellations and refunds, revenue charge and billing, cash collections, purchase and accounts payable, doctors' fees and agreements, medical equipment management, system user access and inventory management within the Group.

Other Risk and Control Processes

The overall governance structure, and formally defined policies and procedures play a major part in establishing the control and risk environment of the Group.

Although the Group is a networked organisation, a documented and auditable trail of accountability has been established within the business units of the Group.

Each business unit of the Group is tasked with undertaking these corporate governance and risk management practices, as well as implementing the same:

1. A governance and management structure is established within each hospital for functional accountability with operational/functional heads reporting financial, legal, operational (clinical and non-clinical) risks, compliance with statutory and regulatory requirements and reputational risks to the Hospital Chief Executive Officer (CEO)/Director;
2. Hospital CEOs/Directors, Business Heads, Business Unit Heads and Corporate Heads report on business operations issues to the Senior Management on a monthly basis. Matters such as nursing issues, clinical incidents with lapses, adverse outcomes, potential legal issues and media exposure, are reported and addressed at the hospitals' Quality Assurance meetings and attended by the Hospitals' CEOs, supported by the relevant Country functions;
3. The Medical Affairs and Quality Division manages the accreditation process and scrutinizes the qualifications and experience of our medical practitioners. In cases of unethical or negligent conduct, the case is discussed with the country CEOs for appropriate discipline of the medical practitioner, such as privileges being promptly revoked without hesitation;
4. The Quality Assurance committees of the business units maintain a vigilant oversight role to ensure that the clinical care delivered within the hospitals aligns meticulously with government regulations,

thereby upholding the highest standards of quality;

5. On a quarterly/monthly basis, the operations divisions are to submit to the Group CEO updates pertaining to legal cases, IT, hospital development projects, business matters, HR matters, financial performance and analyses, group target savings, as well as the outlook for the business and strategic projects.
6. This information will form the body of the Executive Report by Group CEO to IHH Board;
7. Senior management tracks the development of legal cases. Any significant risk exposures or trends, in terms of incident type or case categorisation, are highlighted to the Board/RMC quarterly;
8. Insurance policies relating to workforce compensation, property damage and equipment breakdown, cyber liability and network business interruption, third party liability, professional indemnity and medical malpractice liability, are procured to meet the local regulatory requirements and business requirements of the operational divisions and the wider Group;
9. Financial risk management processes are in place to address credit risk, liquidity risk, market risk, interest rate risk and foreign currency risk;
10. GIA independently audit and report findings on financial, operational and compliance controls to the AC or the Board. In addition, on annual basis, the external auditors perform statutory audit and report findings on financial controls relevant to the statutory audit to the AC; and
11. Employees must abide by the Code of Conduct and avoid any dealings or conduct that could appear to be in conflict with the Group's interests, unless such business relationships are consented to by the Board.



Statement on Risk Management and Internal Control

Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

IHH's Management is accountable to the Board for the implementation of the processes involved in identifying, evaluating and managing risk and internal control. In the financial year under review and up to the date of approval of this Statement, the Board has received assurances from the Group CEO, as well as the Group Head of Treasury, that the Group's system of operating is adequate and effective in all material aspects, based on the risk management and internal control system of the Group.

Taking into consideration the information and assurances given, the Board is satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control.

For the financial year under review, there were no material control failures or adverse consequences that have directly resulted in any material losses to the Group.

The measures to protect and enhance shareholders' value and business sustainability continue to be a focal point of the Group and, therefore, the system of risk management and internal control across the Group continues to be subject to enhancement, validation and regular review.

The Group's system of risk management and internal controls does not cover associates and joint ventures.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA), for inclusion in the annual report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problem.

Investor Relations Report

In the past year, IHH has continued to strengthen its position as a leading healthcare provider on the global stage. Our unwavering commitment to excellence and transparency has further deepened stakeholders' trust in IHH.

We consistently work towards fostering stronger engagement, ensuring our stakeholders remain well-informed about our robust operational framework and strategic initiatives. Our proactive multi-channel approach ensures timely and accurate dissemination of news and announcements, promoting transparency in our relationship with stakeholders.

As one of the world's leading private healthcare provider, IHH stands at the forefront of delivering exceptional care to patients in the markets that we operate in. Our esteemed reputation and trusted brands not only garner widespread recognition, but also draws the attention of the investment community and stakeholders alike.

We spare no effort in helping our shareholders and other stakeholders understand the business and foster confidence with the effective use of various communication platforms. Through a meticulously orchestrated mix of platforms, ranging from regulatory disclosures to digital channels, we ensure that every piece of information regarding IHH's corporate milestones, financial, operational, and clinical achievements is disseminated promptly and accurately.

Material company announcements are made through Bursa Malaysia (Bursa) and the Singapore Exchange (SGX), as well as on our corporate website and social media channels, providing timely, accurate and comprehensive information. The Annual Report and Annual General Meeting (AGM) channels also present comprehensive yearly reviews and promote interaction with our shareholders respectively.

The financial resilience of IHH was prominently showcased when we declared significant dividends for FY2023, reflecting our strong operational

performance and robust financial strategy. These dividends underscore our ongoing commitment to delivering shareholder value and affirming investor confidence in our strategic direction.

Noteworthy Initiatives

Highlighting our proactive approach to stakeholder engagement, the investor relations (IR) team organised an insightful visit to Acibadem in Türkiye in October 2023. This initiative provided an exclusive platform for analysts and media to gain a comprehensive understanding of our operational nuances and strategic foresight, reinforcing IHH's standing in this market.

At this visit, we hosted over 20 analysts, fund managers and members of the media from Malaysia and Singapore. Our guests visited Acibadem's best-in-class medical facilities and had a behind-the-scenes tour of our facilities. In addition, they had exclusive meetings with the founder and Chairman of the Acibadem Healthcare Group, Mr Mehmet Ali Aydinlar, and his management team to understand the company ethos and Acibadem's unique strengths within the IHH portfolio.

Through thorough discussions and interactions with Acibadem's leadership and operations team on the ground, our guests gleaned valuable insights into Acibadem's exceptional care and service, and gained a good overview of the Turkish healthcare system.

Our newly reported laboratories segment, since the start of 2023, was also a point of interest among analysts and stakeholders. In June 2023, we organised a visit to Premier Integrated Labs, our leading medical diagnostic laboratory in Malaysia, to provide a transparent view of our operations and the strategic potential that lies within, aligning with our commitment to operational excellence and innovation.

Further, as part of our IR efforts, we hold regular engagements with the stock exchanges in Malaysia and Singapore to keep abreast of the latest laws and requirements. We continue to be a Champion for the Bursa Malaysia Public Listed Companies Transformation (PLCT) programme. The programme aims to increase the attractiveness of listed companies in Malaysia by strengthening the growth narratives of publicly listed companies across all sizes.

HealthcareInsider Event

In July 2023, we held the sixth episode of IHH's flagship HealthcareInsider event – Healthcare 2.0: Unleashing The Power Of Disruptive Innovations. Our host and panellists led a thought-provoking discussion on the power of disruptive innovations like artificial intelligence and their implications on the healthcare space. The event attracted over 200 attendees on-site and online, including shareholders, staff, business partners, members of the public and the media.

Investor Relations Report

IHH Website and Social Media

All our stakeholders are able to access essential information about IHH via our corporate website. The site contains IHH’s corporate profile, profiles of Board Members and Senior Management, as well as the IR section which serves as a one-stop destination for shareholders, investors, and analysts to find information of interest, such as share prices, quarterly results briefing presentation decks, annual reports, dividend policy, Annual General Meeting, and more.

We also share highlights, achievements and other interesting Group updates via IHH Healthcare’s LinkedIn and Telegram accounts.

Quarterly Analyst Briefings

Every quarter, IHH’s Senior Management will communicate the company’s performance through our quarterly analyst briefings. These briefings are live-streamed and Senior Management will address the questions asked mainly by the sell-side analysts in those sessions.

These quarterly results materials are made available on the IR section of the IHH website:

- Press release highlighting key operational and financial highlights
- Consolidated quarterly financial report
- Presentation slides with operational and financial data
- Recording of the briefing sessions for the past 4 quarters

Analyst Coverage

IHH has continued to attract strong interest from domestic and international equity research houses. As of 31 December 2023, the Group received coverage from 21 analysts.

Furthermore, the IR team met the buy-side and sell-side analysts on around 350 occasions and participated in more than 10 Non-Deal Roadshows (NDR) and conferences across the year. The Group also received mainstream media coverage in Malaysia, Singapore and other markets.

No.	Equity Research Firms Covering IHH in 2023
1	Affin Securities Sdn Bhd
2	AmInvestment Bank Berhad
3	Bank of America Merrill Lynch Global Research
4	BIMB Securities Sdn Bhd
5	CIMB Securities Pte Ltd
6	CLSA Limited
7	DBS Vickers Securities
8	Goldman Sachs India Sec Pte Ltd
9	Hong Leong Investment Bank Bhd
10	J.P. Morgan Securities (Malaysia) Sdn Bhd
11	K&N Kenanga Holdings Bhd
12	Macquarie Securities Ltd
13	Maybank Kim Eng Securities
14	MIDF Amanah Investment Bank Bhd
15	Morgan Stanley Asia (Singapore) Pte Ltd
16	Nomura Securities Co Ltd/Tokyo
17	Public Investment Bank
18	RHB Research Institute Sdn Bhd
19	TA Securities Holdings Bhd
20	UBS Securities Malaysia Sdn Bhd
21	UOB Kay Hian Pte Ltd

Awards

Among the awards received in 2023, we were notably recognised for our strong leadership and excellence in engaging with investors, receiving seven accolades in Institutional Investor’s 2023 All-Asia (ex-Japan) Executive Team rankings. IHH was in the top 3 across all seven categories for Asia: ‘Best CEO’, ‘Best CFO’, ‘Overall ESG’, ‘Best Investor Relations’, ‘Best IR team’, ‘Company Board of Directors’, and ‘IR Professional’. Additionally, IHH clinched the ‘Most Honored Companies – Rest of Asia’ award.

A total of 1,025 companies received votes in this year’s Asia Pacific (ex-Japan) Executive Team - Rest of Asia survey. This came from voting results by a record high of 5,660 buy-side and 814 sell-side analysts this year and is testament to the ongoing, proactive engagement with our stakeholders.

Dividend Distribution

IHH recently revised its dividend policy from ‘no less than 20%’ to ‘no less than 30%’ of the Group’s profit after tax and minority interest (excluding exceptional items) to be distributed to the Group’s shareholders in each financial year. This demonstrates our disciplined approach to have our shareholders participate in IHH’s success and growth.

Total dividend of 18.6 sen was declared with respect to FY2023, comprising an interim dividend of 3.5 sen paid on 27 October 2023, a special cash dividend of 9.6 sen from the sale of IMU paid on 30 June 2023, and a final dividend of 5.5 sen paid on 26 April 2024.

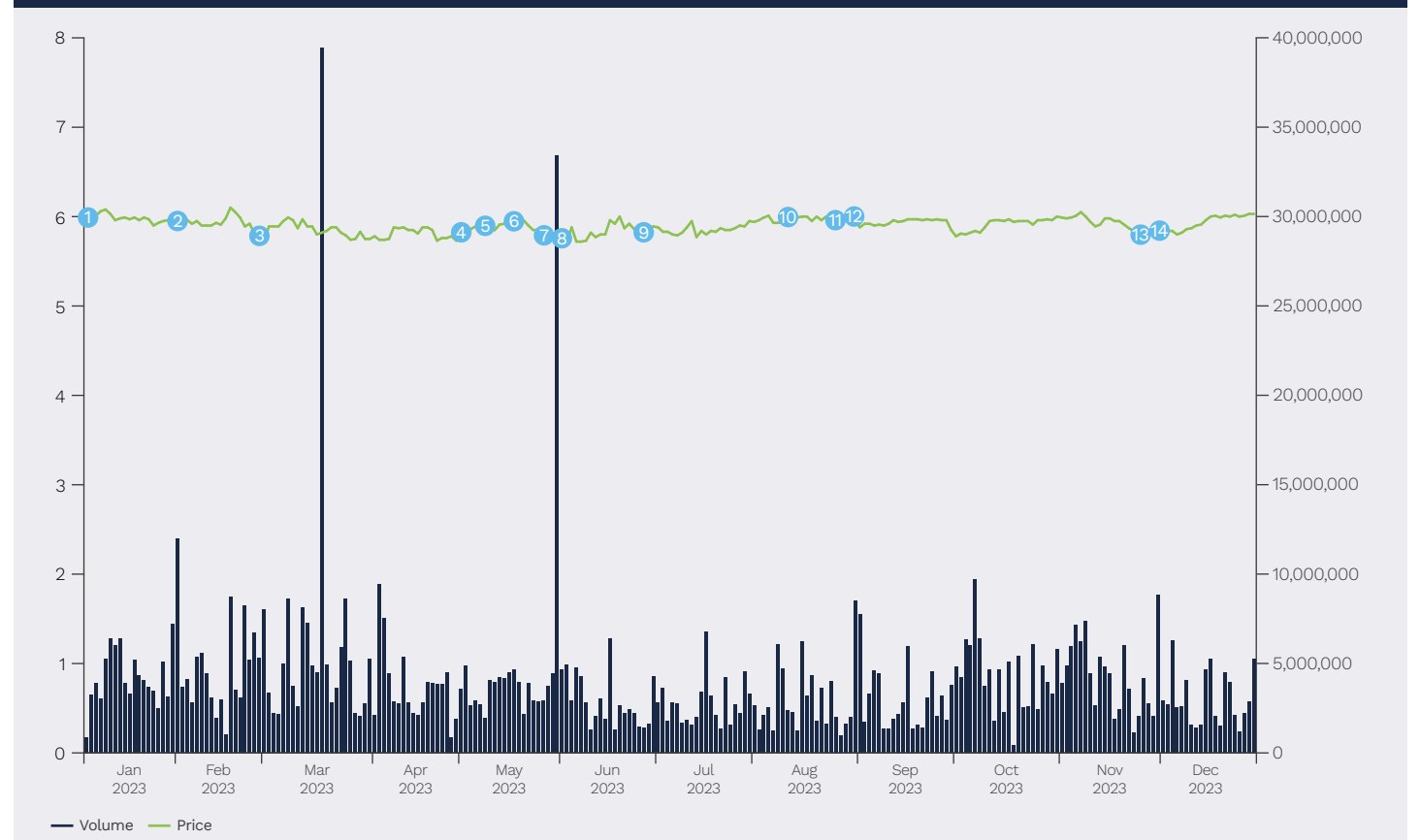
The following factors guide the Board of Directors in considering dividend payments:

- the amount of cash and cash equivalents the Group has available
- its return on equity and retained earnings
- the projected levels of capital expenditure and other investment plan

IR Policy

Board members endorse our IR policy, which is designed to ensure comprehensive communications processes with stakeholders.

IHH Stock Performance for Full Year 2023



No.	Event	Date	RM
1	Mount Elizabeth Hospital Commences Major Refurbishment Works, Launches MEH Campus Masterplan	3 Jan	6.01
2	Acibadem Expands Into Third Largest City In Türkiye As Part Of Growth Strategy; Acquires Izmir Kent Hospital	2 Feb	5.95
3	IHH Healthcare Sees Robust Core Performance With Strong Revenue Growth Amid Asset Impairment And Higher Operating Costs	28 Feb	5.79
4	IHH Healthcare Launches First Standalone Sustainability Report, With Clear Commitments That Will Transform The Industry And Improve Care	2 May	5.84
5	Mount Elizabeth Novena Hospital Opens New Proton Therapy Centre For Cancer	10 May	5.90
6	New One-Stop Ambulatory Care Facility - Parkway MediCentre - Opens At Woodleigh To Serve Community Healthcare Needs	18 May	5.95
7	All Resolutions Passed At IHH Healthcare’s 13 th Annual General Meeting; IHH Set To Continue With Growth Strategy	30 May	5.78
8	IHH Reports Stellar Growth In Q1 2023	31 May	5.77
9	Premier Integrated Labs Unveils Dynamic Rebranding Event to Showcase Innovation And Partnerships	27 Jun	5.82
10	IHH Healthcare to Acquire Timberland Medical Centre and Build New 200-Bed Hospital in Kuching, Sarawak	10 Aug	6.00
11	IHH Healthcare Increases Majority Stake in India’s Gleneagles Global Hospitals Chain in Line with Its Growth Strategy in India	25 Aug	5.97
12	IHH Delivers Strong Revenue Growth In Q2 2023 On Robust Patient Volumes	29 Aug	6.00
13	IHH Healthcare Singapore Inks Two-Year Corporate Responsibility MOU With Para Athletics (Singapore) To Enhance Healthcare Experience Of Local Para-Athletes	27 Nov	5.80
14	IHH Outlines ACE Framework For Profitable Growth; Exceeds Expectation With Double-Digit Growth Across Key Metrics For Q3 2023	30 Nov	5.83

Additional Compliance Information

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), as set out in Part A of Appendix 9C thereto.

Utilisation of Proceeds

Save as disclosed below, there were no proceeds raised by the Company from corporate proposals during the financial year ended 31 December 2023 (FY2023):

- On 31 March 2023, the Company completed the disposal of the entire issued ordinary share capital of IMU Health Sdn Bhd (IMUH) and its subsidiaries. The cash proceeds of

approximately RM1.2 billion was utilised to partly fund the payment of the first and final single tier cash dividend of 7.0 sen per ordinary share for the financial year ended 31 December 2022 that was paid on 28 April 2023, and for the payment of the special cash dividend of 9.6 sen per ordinary share for the FY2023 that was paid on 30 June 2023.

Employee Share Scheme

The employee share scheme established by our Group and still in existence during FY2023 is Enterprise Option Scheme (EOS) which is for a duration of 10 years from 22 June 2015 and expiring on 21 June 2025.

Brief details on the numbers of EOS options granted, exercised and outstanding since the commencement of the EOS until FY2023 are as follows:

	EOS
Total number of EOS options granted	93,826,000
Total number of EOS options exercised	28,951,000
Total number of EOS options lapsed/cancelled/opted out	29,013,000
Total number of EOS options outstanding	35,862,000

Granted to Directors and Chief Executive

	EOS
Aggregate number of EOS options granted	37,086,000
Aggregate number of EOS options exercised	26,930,000
Total number of EOS options lapsed/cancelled/opted out	6,105,000
Aggregate number of EOS options outstanding	4,051,000

Note: Includes the EOS options granted to Directors and Chief Executive who have left our Company/our Group.

In accordance with the Bye Laws for the EOS, the total number of shares which may be issued under the EOS to eligible participants, including Executive Directors and Senior Management of the Company, shall not exceed the aggregate of 2% of our Company's total number of issued shares. Additionally, the total number of shares which may be issued under EOS options granted to a participant, who either singly or collectively with persons connected with him or her owns 20% or more of the total number of issued shares of our Company, shall not exceed

in aggregate 10% of the total number of shares to be issued under the EOS. None of our Directors and Senior Management, either singly or collectively with persons connected with them, owns 20% or more of the total number of issued shares of our Company.

For FY2023, the actual percentage of EOS options granted to Senior Management of the Company was 10% of the total number of EOS options granted in 2023. No EOS options were granted to the Directors.

Since the commencement of the EOS, the actual percentage of EOS options granted in aggregate to Executive Directors and Senior Management of the Company are 44% of the total number of EOS options granted.

There were no EOS options granted to the Non-Executive Directors since the commencement dates of the EOS until FY2023.

Details of the EOS options exercised during the financial year are disclosed in Note 21 of the financial statements.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to external auditors by the Group and the Company respectively for FY2023 are as follows:

	Audit fees		Non-Audit fees	
	Group RM'000	Company RM'000	Group* RM'000	Company RM'000
KPMG PLT	1,404	493	1,416	1,256
Affiliates of KPMG PLT	9,663	657	6,619	2,129
Total	11,067	1,150	8,035	3,385

* Approximately 60% and 10% of the non-audit fees are in relation to interim financial statements reviews and tax services respectively.

Services rendered by KPMG PLT are not prohibited by regulatory and other professional requirements and are based on globally practised guidelines on auditors' independence.

Material Contracts Involving Directors', Chief Executive's and Major Shareholders' Interests

Save as disclosed below and in the financial statements, there were no material contracts entered into by the Company and/or its subsidiaries

involving Directors', Chief Executive's and Major Shareholders' interests subsisting as at 31 December 2023 or entered into since the end of the previous financial year:

- A shareholders' agreement dated 23 December 2011 was entered into among the Company, Integrated Healthcare Hastaneler Turkey Sdn Bhd, Bagan Lalang Ventures Sdn Bhd, Hatice Seher Aydinlar and Mehmet Ali Aydinlar, whereby the parties have

agreed on, among others, the rights and obligations of the parties regarding the governance of Acibadem Saglik Yatirimlari Holding A.S. and its group.

Recurrent Related Party Transactions

The recurrent related party transactions of a revenue nature incurred by the Group for FY2023 did not exceed the threshold prescribed under Paragraph 10.09(1) of the MMLR.

Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year. These are to be made out in accordance with the applicable approved accounting standards and to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year as well as of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have adopted suitable accounting policies and applied them consistently. The Directors have also made judgment and estimates that are on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and Company have resources to continue in operational existence for the foreseeable future.

The Directors have overall responsibility for taking such steps necessary to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out in the financial statements.

Financial Statements

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Directors' Report

for the year ended 31 December 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those relating to investment holding and the provision of consultancy and support services, whilst the principal activities of the subsidiaries are as stated in note 41 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in note 41 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	2,951,874	1,370,647
Non-controlling interests	439,081	–
	<u>3,390,955</u>	<u>1,370,647</u>

RESERVES AND PROVISIONS

Except as disclosed in the financial statements, there were no material transfers to or from reserves and provisions during the financial year under review.

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final single tier cash dividend of 7.0 sen per ordinary share amounting to RM616,489,000 for the financial year ended 31 December 2022 on 28 April 2023, a special cash dividend of 9.6 sen per ordinary share amounting to RM845,472,000 for the financial year ended 31 December 2023 on 30 June 2023 and an interim cash dividend of 3.5 sen per ordinary share amounting to RM308,244,000 for the financial year ended 31 December 2023 on 27 October 2023.

The Board of Directors has declared that a final cash dividend of 5.5 sen per ordinary share for the financial year ended 31 December 2023 to be paid on 26 April 2024 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn. Bhd. and The Central Depository (Pte) Limited ("CDP") at the close of business on 27 March 2024. The Company shall apply the RM:SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 27 March 2024 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Mohammed Azlan Bin Hashim	
Takeshi Akutsu	
Tomo Nagahiro	Appointed on 3 February 2023
Lim Tsin-Lin	Appointed on 16 February 2023
Mehmet Ali Aydinlar	
Mohd Shahazwan Bin Mohd Harris	Appointed on 29 March 2023
Jill Margaret Watts	
Dato' Sri Muthanna Bin Abdullah	
Ong Ai Lin	
Satoshi Tanaka	
Mok Jia Mei (Alternate Director to Lim Tsin-Lin)	Appointed on 16 February 2023
Takeshi Saito	Resigned on 27 January 2023
Dr. Farid Bin Mohamed Sani	Resigned on 10 February 2023
Dr. Kelvin Loh Chi-Keon	Resigned on 22 February 2023
Tunku Alizakri Bin Raja Muhammad Alias	Resigned on 16 March 2023
Mok Jia Mei (Alternate Director to Dr. Farid Bin Mohamed Sani)	Resigned on 10 February 2023
Tomo Nagahiro (Alternate Director to Takeshi Akutsu)	Resigned on 27 January 2023

DIRECTORS OF THE COMPANY (continued)

By way of relief order granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Malaysian Companies Act 2016 have not been disclosed in this Report. Their names are set out in the respective subsidiaries' Directors' Report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1 January 2023	Options exercised	Bought	Sold	At 31 December 2023
Interests in the Company					
Mehmet Ali Aydinlar					
– Direct	411,323,132	948,000	–	(404,323,132)*	7,948,000
– Deemed	112,787,041	–	404,323,132*	–	517,110,173
Ong Ai Lin					
– Direct	10,000	–	–	–	10,000

* Change of interest due to transfer of 157,000,000 shares in IHH Healthcare Berhad from Raffles Nominees (Pte) Limited (direct) to Raffles Nominees (Pte) Limited for SZA Gayrimenkul Yatirim Insaat ve Ticaret Anonim Sirketi (indirect) and transfer of 247,323,132 shares in IHH Healthcare Berhad from Citibank Nominees Singapore Private Limited, nominee of UBS Switzerland AG (direct) to Citigroup Nominees (Asing) Sdn. Bhd., UBS Switzerland AG for SZA Gayrimenkul Yatirim Insaat ve Ticaret Anonim Sirketi (indirect).

	Number of ordinary shares of TL1.00 each				
	At 1 January 2023	Options exercised	Bought	Sold	At 31 December 2023
Interests in subsidiaries					
Acibadem Saglik Yatirimlari Holding A.S. ("ASYH")					
Mehmet Ali Aydinlar					
– Direct	217,211,842	–	–	–	217,211,842
– Deemed	16,828,159	–	–	–	16,828,159
Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH")					
Mehmet Ali Aydinlar					
– Direct	1	–	–	–	1
– Deemed	1	–	–	–	1
Acibadem Proje Yonetimi A.S.					
Mehmet Ali Aydinlar					
– Direct	1	–	–	–	1
– Deemed	2	–	–	–	2
Aplus Hastane Otelcilik Hizmetleri A.S.					
Mehmet Ali Aydinlar					
– Direct	1	–	–	–	1
– Deemed	2	–	–	–	2

Directors' Report

for the year ended 31 December 2023

DIRECTORS' INTERESTS (continued)

	Number of ordinary shares of TL2.00 each				At 31 December 2023
	At 1 January 2023	Options exercised	Bought	Sold	
Interests in a subsidiary					
International Hospital Istanbul A.S.					
Mehmet Ali Aydinlar					
- Direct	1	-	-	-	1
- Deemed	1	-	-	-	1
Number of options over ordinary shares					
	Number of options over ordinary shares				At 31 December 2023
	At 1 January 2023	Granted	Exercised	Lapsed/ cancelled	
Interests in the Company					
Enterprise Option Scheme ("EOS")					
Mehmet Ali Aydinlar	948,000	-	(948,000)	-	-

Except as disclosed above, none of the other Directors holding office as at 31 December 2023 had any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in note 38 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of the vested EOS as disclosed in note 21 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 948,000 new ordinary shares of RM5.79 per ordinary shares pursuant to the exercise of vested EOS units.

Upon completion of the above, the issued and fully paid number of shares of the Company increased from 8,806,043,463 to 8,806,991,463 as at 31 December 2023.

There were no other changes in the issued and paid-up capital of the Company, and no other debenture were issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of share options pursuant to the following scheme:

EOS

At an extraordinary general meeting held on 15 June 2015, the Company's shareholders approved the establishment of the EOS for granting of non-transferrable options to eligible employees of the Group any time during the existence of the scheme.

The salient features and the other terms of the EOS are, *inter alia*, as follows:

- (i) Eligible employees are executive directors and selected senior management employed by the Group who has been selected by the Board at its discretion, if as at the offer date, the employee:
 - has attained the age of 18 years;
 - is in the full time employment and payroll of the Group including contract employees or in the case of a director, is on the board of directors of the Group; and
 - falls within such other categories and criteria that the Board may from time to time at its absolute discretion determine.
- (ii) The aggregate number of shares to be issued under the EOS shall not exceed 2% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company.
- (iii) The EOS shall be in force for a period of 10 years from 22 June 2015.
- (iv) The EOS options granted in each year will vest in the participants over a three-year period, in equal proportion (or substantially equal proportion) each year.
- (v) The exercise price for the EOS option granted shall be determined by the Board which shall be based on the 5-day weighted average market price of the underlying shares a day immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant regulatory from time to time (subject to the Board's discretion to grant the discount).
- (vi) Each EOS option gives a conditional right to the participant to receive 1 Share, upon exercise of the option and subject to the payment of the exercise price.
- (vii) The EOS options are granted if objective performance targets or such other objective conditions of exercise that the Board may determine from time to time on a yearly basis and which are met.
- (viii) The total number of EOS options which may be allocated to a participant who either singly or collectively with persons connected with him owns 20% or more of the issued and paid-up capital of the Company shall not exceed in aggregate 10% of the total number of Shares to be issued under the EOS.
- (ix) Options granted but not yet vested and any unexercised options shall lapse with immediate effect and cease to be exercisable if the participant is no longer in employment with the Group, by way of termination, disqualification or resignation or in the case of a director, cease or disqualified to be a Director of the Group or the participant becomes a bankrupt, unless the Board determines otherwise.

The options granted during the financial year is disclosed in note 21 to the financial statements.

Directors' Report

for the year ended 31 December 2023

INDEMNITY AND INSURANCE COSTS

During the financial year, the Company maintained a Directors' and Officers' Liability Insurance for the Group's directors and officers. The insurance premium incurred by the Company was RM877,000.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for those disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS

Significant events during the financial year are as disclosed in notes 39 and 40 to the financial statements.

SUBSEQUENT EVENT

Significant event subsequent to the end of the reporting period is as disclosed in note 45 to the financial statements.

CONSOLIDATION OF SUBSIDIARIES WITH DIFFERENT FINANCIAL YEAR END

Pursuant to Section 247(7) of the Companies Act 2016, the Company has applied and has been granted approval by the Companies Commission of Malaysia for the following subsidiaries of the Company to continue to have or to adopt a financial year which does not coincide with the Company in relation to the financial year ended 31 December 2023:

- Parkway Healthcare India Private Limited
- Andaman Alliance Healthcare Limited
- Gleneagles Healthcare India Private Limited (formerly known as Ravindranath GE Medical Associates Private Limited) ("GHIPL") and its subsidiaries ("GHIPL Group")
- Fortis Healthcare Limited ("Fortis") and its subsidiaries ("Fortis Group")

The details of the subsidiaries of GHIPL and Fortis are disclosed in note 41 to the financial statements.

AUDITORS

The auditors, KPMG PLT have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in note 28 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....

Tan Sri Mohammed Azlan Bin Hashim

Director

.....

Ong Ai Lin

Director

Date: 29 February 2024

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 137 to 248 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....

Tan Sri Mohammed Azlan Bin Hashim

Director

.....

Ong Ai Lin

Director

Date: 29 February 2024

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Prem Kumar Nair**, the officer primarily responsible for the financial management of IHH Healthcare Berhad, do solemnly and sincerely declare that the financial statements set out on pages 137 to 248 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Prem Kumar Nair, Passport No.: K1374300Z at Kuala Lumpur in the Federal Territory on 29 February 2024.

.....

Prem Kumar Nair

Before me:

Commissioner for Oaths

Independent Auditors' Report

To the members of IHH Healthcare Berhad
(Registration No. 201001018208 (901914-V))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IHH Healthcare Berhad, which comprise the statements of financial position as at 31 December 2023 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 material accounting policy information, as set out on pages 137 to 248.

In our opinion, 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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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 opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Disposal of IMU Health Sdn. Bhd. and its subsidiaries

Refer to Note 39 – Acquisition and disposal of subsidiaries/business.

The key audit matter

On 31 March 2023, the Group and the Company completed the disposal of IMU Health Sdn. Bhd. with a gain on disposal of RM872.5 million and RM827.5 million respectively.

In view of the financial significance of this gain on disposal and the complexities surrounding the structure of the disposal, we identified the disposal as a key audit matter.

How the matter was addressed in our audit

We performed, amongst others, the following audit procedures:

- We checked to the share transfer form to determine the date of disposal;
- We read the sale agreements and correspondences between the Company and the buyers and assessed whether the disposal has been accounted for in line with the terms of the agreements;
- We agreed the selling prices to the agreements and subsequent correspondences;
- We determined the accuracy of the carrying value of cost of investment and disposal group to supporting internal information;
- We performed re-computation of the gain on disposal; and
- We assessed the adequacy of the disclosures in respect of this disposal in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the Directors' Report that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement in the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

To the members of IHH Healthcare Berhad
(Registration No. 201001018208 (901914-V))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

Auditors' Responsibilities for the Audit of the Financial Statements *(continued)*

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 41 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Malaysia
29 February 2024

Thong Foo Vung

Approval Number: 02867/08/2024 J
Chartered Accountant

Statements of Financial Position

as at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	13,413,941	11,882,760	169	195
Right-of-use assets	4	7,119,066	6,685,030	294	1,293
Investment properties	5	4,105,768	3,938,335	–	–
Goodwill on consolidation	6	14,295,951	13,209,372	–	–
Other intangible assets	6	2,963,011	2,737,840	–	–
Investments in subsidiaries	7	–	–	20,434,404	20,743,073
Interests in associates	8	139,761	133,076	–	–
Interests in joint ventures	9	6,813	6,751	–	–
Other financial assets	10	233,393	127,620	–	–
Trade and other receivables	14	128,840	196,563	–	2,771
Tax recoverables		422,193	374,905	–	–
Derivative assets	24	138,018	258,970	–	–
Deferred tax assets	11	512,495	633,943	1,100	1,433
Total non-current assets		43,479,250	40,185,165	20,435,967	20,748,765
Development properties	12	79,579	76,471	–	–
Inventories	13	639,837	519,431	–	–
Trade and other receivables	14	3,084,027	2,625,424	94,915	30,534
Tax recoverables		31,244	73,641	–	–
Other financial assets	10	286,008	249,717	172	–
Derivative assets	24	212,898	149,816	–	–
Cash and cash equivalents	15	2,379,123	3,663,511	7,888	154,512
		6,712,716	7,358,011	102,975	185,046
Assets classified as held for sale	16	194	924,311	–	–
Total current assets		6,712,910	8,282,322	102,975	185,046
Total assets		50,192,160	48,467,487	20,538,942	20,933,811

The notes on pages 148 to 248 are an integral part of these financial statements.

Statements of Financial Position

as at 31 December 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Equity					
Share capital	17	19,691,630	19,684,881	19,691,630	19,684,881
Other reserves	18	1,573,882	(158,140)	26,666	23,294
Retained earnings		7,840,027	6,665,236	788,741	1,184,127
Total equity attributable to owners of the Company		29,105,539	26,191,977	20,507,037	20,892,302
Non-controlling interests	7	3,253,111	2,967,080	–	–
Total equity		32,358,650	29,159,057	20,507,037	20,892,302
Liabilities					
Loans and borrowings	20	6,650,567	7,565,989	–	–
Lease liabilities		1,412,669	1,407,923	31	298
Employee benefits	21	182,950	172,261	2,575	9,730
Trade and other payables	23	454,222	1,255,005	–	–
Derivative liabilities	24	12,936	–	–	–
Deferred tax liabilities	11	1,663,349	1,648,525	–	–
Total non-current liabilities		10,376,693	12,049,703	2,606	10,028
Bank overdrafts	15	77,885	44,135	–	–
Loans and borrowings	20	1,660,820	1,592,791	–	–
Lease liabilities		247,822	223,118	267	1,008
Employee benefits	21	158,354	148,470	5,527	4,032
Trade and other payables	23	4,951,735	4,208,470	22,614	24,761
Derivative liabilities	24	7,159	4,379	–	–
Tax payable		353,042	378,637	891	1,680
		7,456,817	6,600,000	29,299	31,481
Liabilities directly associated with assets classified as held for sale	16	–	658,727	–	–
Total current liabilities		7,456,817	7,258,727	29,299	31,481
Total liabilities		17,833,510	19,308,430	31,905	41,509
Total equity and liabilities		50,192,160	48,467,487	20,538,942	20,933,811

The notes on pages 148 to 248 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	25	20,934,837	17,988,687	640,394	340,436
Other operating income		1,413,431	497,786	831,535	31,471
Inventories and consumables		(4,339,550)	(3,796,895)	–	–
Purchases and contracted services		(1,897,712)	(1,700,658)	–	–
Staff costs	26	(7,632,234)	(6,319,461)	(71,464)	(54,689)
Depreciation and impairment of property, plant and equipment	3	(1,072,505)	(1,374,475)	(127)	(233)
Depreciation and impairment of right-of-use assets	4	(390,645)	(357,893)	(999)	(1,000)
Amortisation and impairment of intangible assets	6	(47,720)	(58,452)	–	–
Operating lease expenses	4c	(112,790)	(87,955)	(166)	(709)
Net loss on impairment of financial instruments		(99,226)	(44,686)	–	(8,567)
Other operating expenses		(2,598,221)	(2,486,260)	(33,387)	(38,235)
Finance income	27	102,764	113,383	8,238	13,968
Finance costs	27	(941,319)	(657,413)	(10)	(317)
Net monetary gain arising from hyperinflationary economy		703,941	462,512	–	–
Share of profits of associates (net of tax)		24,784	36,836	–	–
Share of profits of joint ventures (net of tax)		1,466	2,035	–	–
Profit before tax	28	4,049,301	2,217,091	1,374,014	282,125
Income tax expense	31	(658,346)	(571,949)	(3,367)	(3,198)
Profit for the year		3,390,955	1,645,142	1,370,647	278,927
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences from foreign operations		1,488,181	224,633	1,090	586
Realisation of foreign currency translation reserve ("FCTR") upon disposal of subsidiaries		11,150	–	–	–
Hyperinflationary adjustments		413,852	669,372	–	–
Hedge of net investments in foreign operations		198,273	313,681	–	–
Cash flow hedge		(84,136)	22,137	–	–
Cost of hedging		(2,082)	1,292	–	–
	29	2,025,238	1,231,115	1,090	586
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liabilities		(29,701)	(15,297)	–	–
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")		47,395	–	–	–
Total other comprehensive income for the year, net of tax	29	2,042,932	1,215,818	1,090	586
Total comprehensive income for the year		5,433,887	2,860,960	1,371,737	279,513
Profit attributable to:					
Owners of the Company		2,951,874	1,548,398	1,370,647	278,927
Non-controlling interests	7	439,081	96,744	–	–
Profit for the year		3,390,955	1,645,142	1,370,647	278,927
Total comprehensive income attributable to:					
Owners of the Company		4,804,799	2,835,443	1,371,737	279,513
Non-controlling interests		629,088	25,517	–	–
Total comprehensive income for the year		5,433,887	2,860,960	1,371,737	279,513
Earnings per ordinary share (sen):					
Basic	32	33.52	17.00		
Diluted	32	33.52	16.99		

The notes on pages 148 to 248 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2023

Group	Note	Attributable to owners of the Company											Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000
		Non-distributable						Distributable							
		Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000				
At 1 January 2022		19,614,918	33,874	83,434	16,587	332	(4,030,200)	31,364	2,477,295	5,715,567	23,943,171	2,158,358	2,953,299	29,054,828	
Foreign currency translation differences from foreign operations		-	-	-	-	-	-	-	489,854	-	489,854	-	(265,221)	224,633	
Hyperinflationary adjustments		-	-	-	-	-	96,694	2,238	610,368	(20,308)	688,992	-	(19,620)	669,372	
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	111,509	-	111,509	-	202,172	313,681	
Cash flow hedge		-	-	-	7,869	-	-	-	-	-	7,869	-	14,268	22,137	
Costs of hedging		-	-	-	-	459	-	-	-	-	459	-	833	1,292	
Remeasurement of defined benefit liabilities		-	-	-	-	-	-	-	-	(11,638)	(11,638)	-	(3,659)	(15,297)	
Total other comprehensive income for the year	29	-	-	-	7,869	459	96,694	2,238	1,211,731	(31,946)	1,287,045	-	(71,227)	1,215,818	
Profit for the year		-	-	-	-	-	-	-	-	1,548,398	1,548,398	-	96,744	1,645,142	
Total comprehensive income for the year		-	-	-	7,869	459	96,694	2,238	1,211,731	1,516,452	2,835,443	-	25,517	2,860,960	
<i>Contributions by and distributions to owners</i>															
Share-based payment transactions		-	3,319	-	-	-	-	-	-	-	3,319	-	-	3,319	
Transfer to share capital on share options exercised		69,963	(14,221)	-	-	-	-	-	-	-	55,742	-	-	55,742	
Cancellation of vested share options		-	(189)	-	-	-	-	-	-	189	-	-	-	-	
Dividends to owners of the Company	33	-	-	-	-	-	-	-	-	(528,162)	(528,162)	-	-	(528,162)	
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(184,854)	(184,854)	
Redemption and payment of coupon on perpetual securities		-	-	-	-	-	(47,158)	-	-	-	(47,158)	(2,210,570)	-	(2,257,728)	
Accrued perpetual securities distribution	19	-	-	-	-	-	-	-	-	(52,212)	(52,212)	52,212	-	-	
Remeasurement of liabilities on put options granted to non-controlling interests		-	-	-	-	-	(2,306)	-	-	-	(2,306)	-	212,155	209,849	
Transfer per statutory requirements		-	-	-	-	-	-	2,778	-	(2,778)	-	-	-	-	
Others		-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-	
		69,963	(11,091)	-	(16,180)	-	(49,464)	2,778	-	(566,783)	(570,777)	(2,158,358)	27,301	(2,701,834)	
Changes in ownership interests in subsidiaries		-	-	-	(2)	-	(15,853)	-	(5)	-	(15,860)	-	(39,037)	(54,897)	
Total transactions with owners		69,963	(11,091)	-	(16,182)	-	(65,317)	2,778	(5)	(566,783)	(586,637)	(2,158,358)	(11,736)	(2,756,731)	
At 31 December 2022		19,684,881	22,783	83,434	8,274	791	(3,998,823)	36,380	3,689,021	6,665,236	26,191,977	-	2,967,080	29,159,057	

The notes on pages 148 to 248 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2023 (continued)

Group	Note	Attributable to owners of the Company										Perpetual securities RM'000	Non-controlling interests RM'000	Total equity RM'000	
		Non-distributable							Distributable						
		Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000				Total RM'000
At 1 January 2023		19,684,881	22,783	83,434	–	8,274	791	(3,998,823)	36,380	3,689,021	6,665,236	26,191,977	–	2,967,080	29,159,057
Foreign currency translation differences from foreign operations		–	–	–	–	–	–	–	–	1,404,075	–	1,404,075	–	84,106	1,488,181
Realisation of FCTR upon disposal of subsidiaries		–	–	–	–	–	–	–	–	11,150	–	11,150	–	–	11,150
Hyperinflationary adjustments		–	–	–	–	–	–	117,433	2,386	291,393	(1,841)	409,371	–	4,481	413,852
Hedge of net investments in foreign operations		–	–	–	–	–	–	–	–	70,493	–	70,493	–	127,780	198,273
Cash flow hedge		–	–	–	–	(63,245)	–	–	–	–	–	(63,245)	–	(20,891)	(84,136)
Costs of hedging		–	–	–	–	–	(740)	–	–	–	–	(740)	–	(1,342)	(2,082)
Change in fair value of financial assets at FVOCI		–	–	–	47,395	–	–	–	–	–	–	47,395	–	–	47,395
Remeasurement of defined benefit liabilities		–	–	–	–	–	–	–	–	–	(25,574)	(25,574)	–	(4,127)	(29,701)
Total other comprehensive income for the year	29	–	–	–	47,395	(63,245)	(740)	117,433	2,386	1,777,111	(27,415)	1,852,925	–	190,007	2,042,932
Profit for the year		–	–	–	–	–	–	–	–	–	2,951,874	2,951,874	–	439,081	3,390,955
Total comprehensive income for the year		–	–	–	47,395	(63,245)	(740)	117,433	2,386	1,777,111	2,924,459	4,804,799	–	629,088	5,433,887
<i>Contributions by and distributions to owners</i>															
Share-based payment transactions		–	7,714	–	–	–	–	–	–	–	–	7,714	–	–	7,714
Transfer to share capital on share options exercised		6,749	(1,260)	–	–	–	–	–	–	–	–	5,489	–	–	5,489
Cancellation of vested share options		–	(4,172)	–	–	–	–	–	–	–	4,172	–	–	–	
Dividends to owners of the Company	33	–	–	–	–	–	–	–	–	–	(1,770,205)	(1,770,205)	–	–	(1,770,205)
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	–	–	–	–	(266,759)	(266,759)
Issue of shares by a subsidiary to non-controlling interests		–	–	–	–	–	–	–	–	–	–	–	–	9,943	9,943
Remeasurement of liabilities on put options granted to non-controlling interests		–	–	–	–	–	–	410,672	–	–	–	410,672	–	27,725	438,397
Transfer per statutory requirements		–	–	–	–	–	–	–	8,160	–	(8,283)	(123)	–	123	–
Others		–	–	–	–	–	–	–	–	–	7,199	7,199	–	800	7,999
Changes in ownership interests in subsidiaries		6,749	2,282	–	–	–	–	410,672	8,160	–	(1,767,117)	(1,339,254)	–	(228,168)	(1,567,422)
		–	–	–	–	(3)	–	(549,459)	–	1	–	(549,461)	–	(171,330)	(720,791)
Total transactions with owners		6,749	2,282	–	–	(3)	–	(138,787)	8,160	1	(1,767,117)	(1,888,715)	–	(399,498)	(2,288,213)
Disposal of subsidiaries		–	–	–	–	–	–	(19,971)	–	–	17,449	(2,522)	–	56,441	53,919
At 31 December 2023		19,691,630	25,065	83,434	47,395	(54,974)	51	(4,040,148)	46,926	5,466,133	7,840,027	29,105,539	–	3,253,111	32,358,650

The notes on pages 148 to 248 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2023 (continued)

Company	Note	Attributable to owners of the Company				
		Non-distributable			Distributable	
		Share capital RM'000	Share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022		19,614,918	33,874	(75)	1,433,173	21,081,890
Foreign currency translation differences from foreign operations, representing total other comprehensive income for the year		-	-	586	-	586
Profit for the year		-	-	-	278,927	278,927
Total comprehensive income for the year		-	-	586	278,927	279,513
<i>Contributions by and distributions to owners of the Company</i>						
Share-based payment transactions		-	3,319	-	-	3,319
Transfer to share capital on share options exercised		69,963	(14,221)	-	-	55,742
Cancellation of vested share options		-	(189)	-	189	-
Dividends to owners of the Company	33	-	-	-	(528,162)	(528,162)
Total transactions with owners of the Company		69,963	(11,091)	-	(527,973)	(469,101)
At 31 December 2022		19,684,881	22,783	511	1,184,127	20,892,302

The notes on pages 148 to 248 are an integral part of these financial statements.

Company	Note	Attributable to owners of the Company				
		Non-distributable			Distributable	
		Share capital RM'000	Share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2023		19,684,881	22,783	511	1,184,127	20,892,302
Foreign currency translation differences from foreign operations, representing total other comprehensive income for the year		-	-	1,090	-	1,090
Profit for the year		-	-	-	1,370,647	1,370,647
Total comprehensive income for the year		-	-	1,090	1,370,647	1,371,737
<i>Contributions by and distributions to owners of the Company</i>						
Share-based payment transactions		-	7,714	-	-	7,714
Transfer to share capital on share options exercised		6,749	(1,260)	-	-	5,489
Cancellation of vested share options		-	(4,172)	-	4,172	-
Dividends to owners of the Company	33	-	-	-	(1,770,205)	(1,770,205)
Total transactions with owners of the Company		6,749	2,282	-	(1,766,033)	(1,757,002)
At 31 December 2023		19,691,630	25,065	1,601	788,741	20,507,037

The notes on pages 148 to 248 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax		4,049,301	2,217,091	1,374,014	282,125
<i>Adjustments for:</i>					
Dividend income	25	(454)	(63)	(620,995)	(340,436)
Finance income	27	(102,764)	(113,383)	(8,238)	(13,968)
Finance costs	27	941,319	657,413	10	317
Depreciation and impairment of property, plant and equipment	3	1,072,505	1,374,475	127	233
Depreciation and impairment of right-of-use assets	4	390,645	357,893	999	1,000
Amortisation and impairment of intangible assets	6	47,720	58,452	-	-
Impairment loss made:					
- Goodwill	28	-	150,066	-	-
- Trade and other receivables	28	99,226	44,686	-	8,567
Write-off:					
- Property, plant and equipment	28	1,851	1,087	-	-
- Trade and other receivables	28	13,843	10,048	-	-
- Inventories	28	6,679	4,296	-	-
Gain on disposal of property, plant and equipment	28	(10,691)	(11,864)	-	-
Gain on disposal of subsidiaries	28	(991,480)	-	(827,545)	-
Gain on disposal of interests in associates	28	(3,723)	-	-	-
Gain on disposal of assets		(1,946)	-	-	-
Change in fair value of investment properties	28	(9,299)	(23,750)	-	-
Share of profits of associates (net of tax)		(24,784)	(36,836)	-	-
Share of profits of joint ventures (net of tax)		(1,466)	(2,035)	-	-
Equity-settled share-based payments		7,714	3,319	3,227	1,353
Net monetary gain arising from hyperinflationary economy		(703,941)	(462,512)	-	-
Operating profit/(loss) before changes in working capital		4,780,255	4,228,383	(78,401)	(60,809)
Changes in working capital:					
Development properties		(2,325)	(2,609)	-	-
Inventories		(193,243)	(108,513)	-	-
Trade and other receivables		(550,151)	(579,931)	(49,546)	77,506
Trade and other payables		378,878	746,445	(31,528)	(799,733)
Cash generated from/(used in) operations		4,413,414	4,283,775	(159,475)	(783,036)
Tax paid		(653,980)	(616,132)	(3,816)	(3,001)
Net cash from/(used in) operating activities		3,759,434	3,667,643	(163,291)	(786,037)

The notes on pages 148 to 248 are an integral part of these financial statements.

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities					
Interest received		91,020	85,597	5,560	13,340
Acquisitions of subsidiaries/businesses, net of cash and cash equivalents acquired		(294,104)	(50,125)	-	-
Investment in subsidiaries		-	-	-	(268,582)
Increase in investments in joint ventures		(27)	-	-	-
Purchase of other financial assets		(1,690,234)	(77,668)	(1,476,823)	-
Net withdrawal/(placement) of fixed deposits with tenor of more than 3 months		79,705	(85,012)	-	-
Purchase of property, plant and equipment		(1,870,649)	(1,668,399)	(100)	(97)
Cost capitalised and purchase of investment properties		(76,747)	(206,941)	-	-
Development and purchase of intangible assets		(72,978)	(47,848)	-	-
Net cash inflow from disposal of subsidiaries		1,180,500	-	1,152,508	-
Proceeds from disposal of interests in associates		18,289	-	-	-
Proceeds from disposal of other financial assets		1,554,503	136,608	1,479,612	112,099
Proceeds from disposal of property, plant and equipment		30,545	35,017	-	-
Proceeds from disposal of asset		82,543	-	-	-
Dividends received from subsidiaries	25	-	-	620,615	340,372
Dividends received from associates		29,678	23,457	-	-
Dividends received from joint ventures		1,665	1,420	-	-
Net cash (used in)/from investing activities		(936,291)	(1,853,894)	1,781,372	197,132
Cash flows from financing activities					
Finance costs paid		(462,181)	(293,706)	-	-
Proceeds from loans and borrowings		6,925,751	4,061,286	-	-
Repayment of loans and borrowings		(7,395,718)	(3,632,316)	-	-
Payment of lease liabilities	4c	(256,617)	(337,144)	(1,018)	(1,019)
Payment of perpetual securities distribution and redemption		-	(2,257,728)	-	-
Dividends paid to owners of the Company		(1,770,205)	(528,162)	(1,770,205)	(528,162)
Dividends paid to non-controlling interests		(266,759)	(184,854)	-	-
Proceeds from exercise of share options		5,489	55,742	5,489	55,742
Repurchase of shares from non-controlling interests		(303,528)	(56,795)	-	-
Acquisition of non-controlling interests		(419,111)	-	-	-
Capital injection by non-controlling interests		9,943	-	-	-
Proceeds from issuance of fixed rate notes		109,667	348,535	-	-
Redemption of fixed rate notes		(175,312)	(94,711)	-	-
Net cash used in financing activities		(3,998,581)	(2,919,853)	(1,765,734)	(473,439)
Net decrease in cash and cash equivalents		(1,175,438)	(1,106,104)	(147,653)	(1,062,344)
Effect of exchange rate fluctuations on cash held		(185,676)	(371,069)	1,029	1,976
Hyperinflationary restatement of cash and cash equivalents at beginning of the period		-	146,074	-	-
Cash and cash equivalents at 1 January		3,662,352	4,993,451	154,512	1,214,880
Cash and cash equivalents at 31 December		2,301,238	3,662,352	7,888	154,512

The notes on pages 148 to 248 are an integral part of these financial statements.

Notes to the Financial Statements

IHH Healthcare Berhad is a company incorporated and domiciled in Malaysia. It is listed on Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited. The address of the Company's principal place of business and registered office is as follows:

Level 11, Block A
Pantai Hospital Kuala Lumpur
8 Jalan Bukit Pantai
59100 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" or "IHH Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures.

The principal activities of the Company are those relating to investment holding and the provision of consultancy and support services, whilst the principal activities of the subsidiaries are as stated in note 41 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 29 February 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendment that is effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

1. BASIS OF PREPARATION (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement basis stated below:

- Derivative financial instruments
- Non-derivative financial instruments at fair value through profit or loss ("FVTPL")
- Investment properties
- Equity securities at fair value through other comprehensive income ("FVOCI")

Application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* for Group entities whose functional currency is the Turkish Lira

The Turkish economy was designated as hyperinflationary for reporting periods ending on or after 30 April 2022. As a result, MFRS 129, *Financial Reporting in Hyperinflationary Economies* has been applied for Group entities whose functional currency is the Turkish Lira.

The assets, liabilities, equity items, income and expenses of the Group's foreign operations in Türkiye are translated to Ringgit Malaysia ("RM") at the exchange rate at the reporting date. Prior to that, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

The application of MFRS 129 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the reporting date;
- Adjustment of the income and expenses for inflation during the reporting period;
- The income and expenses are translated at the foreign exchange rate at the reporting date instead of an average rate; and
- Adjustment of the income and expenses to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

Hyperinflationary adjustments are based on available data for changes in the Consumer Price Index published by the Turkish Statistical Institute.

Net monetary gain/(loss) arising from hyperinflationary economies is derived as the difference resulting from the restatement of non-monetary assets and liabilities, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

(c) Functional and presentation currencies

These financial statements are presented in RM, which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

1. BASIS OF PREPARATION *(continued)*

(d) Use of estimates and judgements *(continued)*

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 – measurement of the recoverable amounts of property, plant and equipment
- Note 5 – measurement of the fair value of investment properties
- Note 6 – measurement of the recoverable amounts of cash-generating units
- Note 23 – measurement of liabilities on put options granted to non-controlling interests
- Note 39 – measurement of fair value of assets acquired and liabilities assumed in a business combination
- Note 44 – assessment on whether the risk of loss is remote, possible or probable required significant judgement given the complexities involved

As at 31 December 2023, the Group's net current liabilities is RM743,907,000. In the preparation of the financial statements on a going concern basis, the Group has considered the future operating results and the availability of unutilised banking facilities to fulfil its obligations as and when they fall due.

2. MATERIAL ACCOUNTING POLICIES

Changes in Material Accounting Policies

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of MFRS 112. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 11).

Global minimum top-up tax

The Amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

Material accounting policy information

The Group adopted Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

2. MATERIAL ACCOUNTING POLICIES *(continued)*

Changes in Material Accounting Policies *(continued)*

Material accounting policy information *(continued)*

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

The accounting policies set out in note 2(a) to (m) have been applied consistently to all periods presented in these financial statements, except as explained above, which addresses changes in material accounting policies.

(a) Basis of consolidation

(i) Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less accumulated impairment losses.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(iv) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Investments in associates and joint ventures are accounted for under the equity method. The cost of the investment includes transaction costs, adjusted for hyperinflationary effects as described in note 1(b), where applicable. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not translated at the end of the reporting date, except for those that are measured at fair value which are translated to the functional currency at the exchange rate at the date that the fair value was determined, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Foreign currency differences arising on translation are generally recognised in profit or loss, except for foreign currency differences arising from the translation of the following items which are recognised in other comprehensive income:

- equity instruments designated as fair value through other comprehensive income;
- financial liabilities designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding the Group's foreign operations in Türkiye which is a hyperinflationary economy, are translated to RM at exchange rates at the dates of the transactions.

The income and expenses of the Group's foreign operations in Türkiye are translated to RM at exchange rates at the end of the reporting period.

(c) Financial instruments

(i) Liabilities on put options granted to non-controlling interests

The Group granted put options to the non-controlling interests in certain subsidiaries over their equity interests in those subsidiaries which provide for settlement in cash by the Group. The Group recognises a liability for the present value of the exercise price of the options. Subsequent to initial recognition, the Group recognises the changes in the carrying amount of the financial liabilities in equity.

(ii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

2. MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the profit or loss, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(a) Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in the profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(b) Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

In a net investment hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on disposal of the foreign operation.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

(ii) Depreciation

Depreciation is based on the cost of an asset, adjusted for hyperinflationary effects as described in note 1(b), where applicable, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction (construction-in-progress) are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	5–60 years
• Hospital and medical equipment, renovations, furniture and fittings and equipment	3–25 years
• Laboratory and teaching equipment	2–10 years
• Motor vehicles	4–8 years

(e) Leases

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Group has elected not to recognise right-of-use assets (“ROU assets”) and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(f) Goodwill on consolidation

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

(g) Intangible assets

(i) Recognition and measurement

Intangible assets that have finite useful lives include customer relationships that are acquired by the Group, capitalised development cost and brand use rights. These are measured at cost less accumulated amortisation and accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Intangible assets that have indefinite lives include brand names and hospital licences that are acquired by the Group. These, and other intangible assets that are not yet available for use, are stated at cost less any accumulated impairment losses, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

2. MATERIAL ACCOUNTING POLICIES (continued)

(g) Intangible assets (continued)

(iii) Amortisation

Amortisation is calculated based on the cost of an asset less its residual value, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

• Customer relationships	5–20 years
• Capitalised development costs	5–10 years
• Brand use rights	remaining term of the right
• Other intangibles	2–10 years

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(h) Investment properties

Investment properties which are owned are measured initially at cost, which includes capitalised borrowing costs. Investment properties which are ROU asset held under a lease contract are initially measured similarly as other ROU assets.

Subsequent to initial recognition, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

(i) Development properties and inventories

Development properties and inventories are measured at the lower of cost and net realisable value, adjusted for hyperinflationary effects as described in note 1(b), where applicable.

The cost of inventories is calculated using the weighted average method.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group’s contributions to defined contribution plans are expensed as the related service is provided by the employee.

(ii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase share option reserve in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the employee share options is measured using the trinomial option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average cost of capital, earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items (“EBITDA”) multiples, expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not considered in determining fair value.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICIES (continued)

(k) Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) Finance income and costs

Finance income comprises interest income from bank deposits and debt securities, net fair value gain of financial instruments that are recognised in profit or loss and net exchange gain from foreign currency denominated interest-bearing borrowings and lending.

Finance costs comprises interest expense on borrowings, lease liabilities and bonds, amortisation of borrowing transaction costs, bank charges, net fair value losses on financial instruments that are recognised in profit or loss and net exchange losses from foreign currency denominated interest-bearing borrowings and lending.

Interest income and expense are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

(m) Income tax

Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of MFRS 112 *Income Taxes*. The Group has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land RM'000	Buildings RM'000	Hospital and medical equipment, renovations, furniture and fittings and equipment RM'000	Laboratory and other teaching equipment RM'000	Motor vehicles RM'000	Construction-in-progress RM'000	Total RM'000
Cost								
At 1 January 2022		1,307,743	7,017,607	10,019,104	78,257	58,486	1,367,739	19,848,936
Acquisitions through business combinations		–	1,014	845	–	–	–	1,859
Additions		–	50,566	663,367	9,188	6,078	945,784	1,674,983
Disposals		–	(5,524)	(149,407)	–	(4,418)	(10,049)	(169,398)
Write off		–	–	(18,323)	(1,375)	–	–	(19,698)
Reclassification		–	49,101	620,047	1,744	3,310	(674,202)	–
Transfer to intangible assets	6	–	–	–	–	–	(41,188)	(41,188)
Transfer to assets classified as held for sale	16	(28,267)	(103,218)	(268,601)	(88,019)	(2,344)	(140,773)	(631,222)
Hyperinflationary adjustments		24,040	11,543	877,834	–	4,735	(50,665)	867,487
Translation differences		(21,082)	214,837	239,430	205	750	(26,008)	408,132
At 31 December 2022/ 1 January 2023		1,282,434	7,235,926	11,984,296	–	66,597	1,370,638	21,939,891
Acquisitions through business combinations		–	208,888	9,303	–	48	10	218,249
Disposal of subsidiaries		–	–	(7,777)	–	–	–	(7,777)
Additions		14,443	137,917	587,931	915	12,838	1,012,121	1,766,165
Disposals		–	(63,837)	(227,126)	–	(8,676)	(929)	(300,568)
Write off		–	–	(47,802)	(127)	(326)	–	(48,255)
Reclassification		376	679,370	805,789	–	6,640	(1,492,175)	–
Transfer to development properties		–	–	(783)	–	–	–	(783)
Transfer (to)/from ROU assets	4	–	–	(113)	–	272	(12,703)	(12,544)
Transfer to assets classified as held for sale		–	(194)	(714)	(788)	–	(17,761)	(19,457)
Hyperinflationary adjustments		6,443	(130,012)	218,018	–	2,516	118,937	215,902
Translation differences		32,912	407,241	601,046	–	3,080	53,671	1,097,950
At 31 December 2023		1,336,608	8,475,299	13,922,068	–	82,989	1,031,809	24,848,773

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Hospital and medical equipment, renovations, furniture and fittings and equipment RM'000	Laboratory and other teaching equipment RM'000	Motor vehicles RM'000	Construction-in-progress RM'000	Total RM'000
Accumulated depreciation and impairment losses								
At 1 January 2022		–	1,701,941	6,706,157	55,336	46,564	1,556	8,511,554
Depreciation charge for the year		–	154,662	826,122	3,108	6,281	–	990,173
Impairment loss		–	18	31,290	–	–	352,994	384,302
Disposals		–	(2,197)	(141,258)	–	(4,046)	–	(147,501)
Write off		–	–	(17,257)	(1,354)	–	–	(18,611)
Reclassification		–	357	(1,193)	836	–	–	–
Transfer to assets classified as held for sale	16	–	(41,688)	(237,538)	(57,922)	(2,062)	(1,466)	(340,676)
Hyperinflationary adjustments		–	18,113	442,285	–	2,211	–	462,609
Translation differences		–	33,106	174,376	(4)	546	7,257	215,281
At 31 December 2022/ 1 January 2023		–	1,864,312	7,782,984	–	49,494	360,341	10,057,131
Depreciation charge for the year		–	160,319	903,271	–	7,993	–	1,071,583
Disposal of subsidiaries		–	–	(7,687)	–	–	–	(7,687)
Impairment loss		–	–	922	–	–	–	922
Disposals		–	(11,957)	(177,630)	6,878	(8,290)	–	(190,999)
Write off		–	–	(45,959)	(119)	(326)	–	(46,404)
Reclassification		–	345,896	1,990	–	–	(347,886)	–
Transfer to assets classified as held for sale		–	–	–	(6,759)	–	–	(6,759)
Hyperinflationary adjustments		–	(26,307)	99,868	–	1,361	–	74,922
Translation differences		–	100,252	392,261	–	2,065	(12,455)	482,123
At 31 December 2023		–	2,432,515	8,950,020	–	52,297	–	11,434,832
Net carrying amount								
At 1 January 2022		1,307,743	5,315,666	3,312,947	22,921	11,922	1,366,183	11,337,382
At 31 December 2022/ 1 January 2023		1,282,434	5,371,614	4,201,312	–	17,103	1,010,297	11,882,760
At 31 December 2023		1,336,608	6,042,784	4,972,048	–	30,692	1,031,809	13,413,941

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Securities

As at 31 December 2023, property, plant and equipment of the Group with carrying amounts of RM2,533,273,000 (2022: of RM2,085,246,000) were charged to licensed financial institutions for credit facilities and term loans granted to the Group.

Borrowing costs

In 2023, the Group capitalised borrowing costs at 7.05% (2022: 5.06%), amounting to RM5,874,000 (2022: RM26,131,000).

Impairment loss

The Group recognised the following material impairment loss:

2022

Parkway Shanghai Hospital (“PSH”), a part of the China healthcare services operating segment, was planned to be operational in 2022. However, its construction and preparation for opening was longer than expected and was hampered by the COVID-19 pandemic. The Group performed an assessment of the recoverable amount of PSH’s property, plant and equipment, using the value in use approach, and determined it to be lower than the carrying amount. The value in use calculations applied a discounted cash flow model using cash flow projections based on the approved financial budgets for 2022 and 10 years business plans with a perpetual terminal value. PSH’s operations was assumed to ramp up to reach a steady-state revenue growth of 20% year-on-year and EBITDA margins of about 20%. A pre-tax discount rate of 14.7% and perpetual growth rate of 3% was used to estimate the terminal value. Accordingly, in 2022, an impairment loss of RM353,000,000 was recognised in ‘depreciation and impairment of property, plant and equipment’ in the statement of profit or loss.

Notes to the Financial Statements

4. LEASES

The Group leases certain land and buildings, building space, offices, equipment and vehicles. The leases are between more than 1 year and 99 years and may have options to renew after expiry. Lease payments are renegotiated at the end of lease terms or periodically to reflect market rentals.

(a) Right-of-use assets

Group	Note	Land and buildings RM'000	Equipment RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2022		6,608,702	64,824	9,487	6,683,013
Acquisitions through business combinations		–	–	64	64
Additions		213,885	25,068	–	238,953
Modification/reassessment		100,156	(355)	104	99,905
Depreciation charge for the year		(333,445)	(24,459)	(5,512)	(363,416)
Reversal of impairment loss		1,934	–	–	1,934
Transfer to assets classified as held for sale	16	(264,314)	(769)	–	(265,083)
Hyperinflationary adjustments		6,607	99,904	(3,907)	102,604
Translation differences		184,443	2,613	–	187,056
At 31 December 2022/ 1 January 2023		6,517,968	166,826	236	6,685,030
Acquisitions through business combinations		37,496	–	–	37,496
Disposal		(38,938)	–	–	(38,938)
Additions		181,073	29,184	422	210,679
Modification/reassessment		155,923	346	88	156,357
Depreciation charge for the year		(362,501)	(23,389)	(4,755)	(390,645)
Transfer to assets classified as held for sale		–	(668)	–	(668)
Transfer from/(to) property, plant and equipment	3	12,701	2	(159)	12,544
Hyperinflationary adjustments		(42,120)	95,994	4,595	58,469
Translation differences		383,535	5,207	–	388,742
At 31 December 2023		6,845,137	273,502	427	7,119,066

Extension options

Some properties, equipment and motor vehicles leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4. LEASES (continued)

(b) Leases as lessor

Operating lease

The Group leases out investment properties and certain properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following were recognised in profit or loss:

	Group	
	2023 RM'000	2022 RM'000
Rental income from:		
– investment properties	198,304	195,803
– others	72,701	73,546
Variable rental income that do not depend on an index or rate	1,932	1,352
Direct operating expenses:		
– income generating investment properties	(27,982)	(25,138)
– non-income generating investment properties	(1,629)	(1,201)
	243,326	244,362

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease receivables after the end of the financial year:

	Group	
	2023 RM'000	2022 RM'000
Less than one year	227,155	214,353
One to two years	168,729	183,245
Two to three years	168,729	131,897
Three to four years	101,132	109,341
Four to five years	95,803	94,306
More than five years	444,460	504,662
Total	1,206,008	1,237,804

(c) Cash outflows for leases as lessee

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in net cash used in operating activities				
Payment relating to short-term leases	(88,095)	(68,219)	(166)	(709)
Payment relating to leases of low-value assets	(10,754)	(6,003)	–	–
Payment relating to variable lease payments not included in the measurement of lease liabilities	(13,941)	(13,733)	–	–
	(112,790)	(87,955)	(166)	(709)
Included in net cash used in financing activities				
Payment of lease liabilities	(256,617)	(337,144)	(1,018)	(1,019)
Total cash outflows for leases	(369,407)	(425,099)	(1,184)	(1,728)

Notes to the Financial Statements

5. INVESTMENT PROPERTIES

	Group	
	2023 RM'000	2022 RM'000
At 1 January	3,938,335	3,875,123
Additions	79,837	204,229
Change in fair value recognised in profit or loss	9,299	23,750
Modification/Reassessment	100	–
Translation differences	78,197	(164,767)
At 31 December	4,105,768	3,938,335

Investment properties include land, retail units and medical suites within hospitals and nursing homes with care services leased or intended to be leased to external parties.

Change in fair value is recognised as a gain or loss in profit or loss and is respectively included in 'other operating income' or 'other operating expenses' in the statement of profit or loss and other comprehensive income. All gains or losses are unrealised.

Fair value hierarchy

The fair values of investment properties are categorised as follows:

	Level 3	
	2023 RM'000	2022 RM'000
Land and buildings	4,105,768	3,938,335

Determination of fair value

The fair values of investment properties were determined by external, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

Valuation processes

In determining the fair value, the valuers have used valuation methods which involved certain estimates. In assessing the fair value measurements, the Group reviewed the valuation methodologies and evaluated the assessments made by the valuers. The Group exercised its judgement and was satisfied that the valuation methods and estimates were reflective of the current market conditions. The valuation reports were prepared in accordance with recognised appraisal and valuation standards.

5. INVESTMENT PROPERTIES (continued)

Valuation processes (continued)

The following table shows the valuation techniques used in the determination of fair values of investment properties, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow approach: The method involves the estimation and the projection of an income stream over a period and discounting the income stream with an appropriate rate of return.	<ul style="list-style-type: none"> Risk-adjusted discount rates range from 4.0% to 7.0% (2022: 4.2% to 7.0%) Terminal yield rates range from 4.3% to 6.5% (2022: 4.5% to 6.6%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the risk-adjusted discount rates were lower/(higher); or the terminal yield rates were higher/(lower).
Direct comparison approach: The method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	<ul style="list-style-type: none"> Premium made for differences in type of development (including design, use and proximity to complementary businesses) range from 0% to 30% (2022: 0% to 30%) 	<p>The estimated fair value would increase/(decrease) if premium made for differences in type of development was higher/(lower).</p>
Direct capitalisation approach: The method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.	<ul style="list-style-type: none"> Capitalisation rates range from 4.2% to 6.4% (2022: 4.4% to 6.5%) 	<p>The estimated fair value would increase/(decrease) if the capitalisation rates were lower/(higher).</p>

Notes to the Financial Statements

6. GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS

Group	Note	Brand names RM'000	Hospital licences RM'000	Customer relationships RM'000	Other intangibles* RM'000	Total intangible assets RM'000	Goodwill on consolidation RM'000	Total intangible assets and goodwill RM'000
Cost								
At 1 January 2022		1,778,344	263,178	391,246	558,956	2,991,724	13,260,026	16,251,750
Acquisitions through business combinations		–	–	–	4,865	4,865	50,332	55,197
Additions		–	–	–	81,670	81,670	–	81,670
Disposals		–	–	–	(4,646)	(4,646)	–	(4,646)
Transfer from property, plant and equipment	3	–	–	–	41,188	41,188	–	41,188
Transfer to assets classified as held for sale	16	–	–	–	(6,715)	(6,715)	(224,976)	(231,691)
Hyperinflationary adjustments		187,413	47,393	63,111	40,617	338,534	458,895	797,429
Translation differences		4,183	21,202	(5,178)	721	20,928	394,460	415,388
At 31 December 2022/ 1 January 2023		1,969,940	331,773	449,179	716,656	3,467,548	13,938,737	17,406,285
Acquisitions through business combinations		–	61,486	–	32,438	93,924	83,058	176,982
Disposal of subsidiaries		–	–	–	–	–	(15,815)	(15,815)
Additions		–	–	–	67,998	67,998	–	67,998
Disposals		–	–	–	(3,269)	(3,269)	–	(3,269)
Hyperinflationary adjustments		51,329	(6,887)	21,248	(9,528)	56,162	123,113	179,275
Translation differences		7,353	37,271	4,338	49,397	98,359	908,334	1,006,693
At 31 December 2023		2,028,622	423,643	474,765	853,692	3,780,722	15,037,427	18,818,149

* Other intangibles include capitalised development costs and brand use rights.

6. GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS (continued)

Group	Note	Brand names RM'000	Hospital licences RM'000	Customer relationships RM'000	Other intangibles* RM'000	Total intangible assets RM'000	Goodwill on consolidation RM'000	Total intangible assets and goodwill RM'000
Accumulated amortisation and impairment losses								
At 1 January 2022		–	–	320,145	279,376	599,521	607,157	1,206,678
Amortisation charge for the year		–	–	8,091	41,418	49,509	–	49,509
Impairment loss		–	–	8,943	–	8,943	150,066	159,009
Disposal		–	–	–	(4,514)	(4,514)	–	(4,514)
Transfer to assets classified as held for sale	16	–	–	–	(5,323)	(5,323)	–	(5,323)
Hyperinflationary adjustments		–	–	62,594	23,840	86,434	–	86,434
Translation differences		–	–	(3,202)	(1,660)	(4,862)	(27,858)	(32,720)
At 31 December 2022/ 1 January 2023		–	–	396,571	333,137	729,708	729,365	1,459,073
Amortisation charge for the year		–	–	5,190	42,530	47,720	–	47,720
Disposal of subsidiaries		–	–	–	–	–	(15,815)	(15,815)
Disposal		–	–	–	(1,350)	(1,350)	–	(1,350)
Hyperinflationary adjustments		–	–	21,248	(2,083)	19,165	–	19,165
Translation differences		–	–	2,846	19,622	22,468	27,926	50,394
At 31 December 2023		–	–	425,855	391,856	817,711	741,476	1,559,187
Net carrying amount								
At 1 January 2022		1,778,344	263,178	71,101	279,580	2,392,203	12,652,869	15,045,072
At 31 December 2022/ 1 January 2023		1,969,940	331,773	52,608	383,519	2,737,840	13,209,372	15,947,212
At 31 December 2023		2,028,622	423,643	48,910	461,836	2,963,011	14,295,951	17,258,962

* Other intangibles include capitalised development costs and brand use rights.

Notes to the Financial Statements

6. GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS (continued)

Goodwill, brand names and hospital licences are allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill, brand names and hospital licences are monitored for internal management purposes.

Brand names and hospital licences were acquired as part of business combinations and the economic benefits from utilising them is expected to continue indefinitely without significant costs.

The aggregate carrying amounts of goodwill, brand names and hospital licences allocated to each operating unit were as follows:

	Goodwill		Brand names		Hospital licences	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Singapore healthcare services	6,800,109	6,274,846	1,145,173	1,145,173	–	–
Malaysia healthcare services	2,466,551	2,324,601	151,500	151,500	12,310	12,310
India healthcare services						
– Fortis Group	1,941,902	2,627,833	–	–	–	–
China clinics healthcare services	40,850	42,338	–	–	–	–
Türkiye and Europe healthcare services	1,997,909	1,775,456	731,949	673,267	411,333	319,463
PLife REIT [#]	179,408	164,298	–	–	–	–
Labs services	869,222	– [^]	–	–	–	–
	14,295,951	13,209,372	2,028,622	1,969,940	423,643	331,773

[#] Parkway Life Real Estate Investment Trust ("PLife REIT").

[^] Goodwill relating to Labs services was classified as part of Singapore healthcare services and India healthcare services.

Amortisation

The amortisation of customer relationships, capitalised development costs and brand use rights were recognised in 'amortisation and impairment of intangible assets' in the statements of profit or loss and other comprehensive income.

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences

(a) Healthcare services and Labs services CGUs (continued)

Key assumptions used in determining recoverable amount

For the purpose of impairment testing, the carrying amounts are allocated to the Group's operating divisions which are the cash-generating units ("CGU"). Recoverable amount of each CGU, except for PLife REIT, is estimated based on its value in use. The value in use calculations apply a discounted cash flow model using cash flow projections based on past experience, actual operating results, approved financial budgets for 2024 and 5 years business plans with a perpetual terminal value.

The key assumptions for the computation of value in use of goodwill, brand names and hospital licences included the following:

(i) Anticipated annual revenue growth rates for 2024 to 2028 (2022: 2023 to 2027):

	2023 Per annum	2022 Per annum
Singapore healthcare services	4%–8%	2%–9%
Malaysia healthcare services	11%–12%	8%–9%
India healthcare services		
– Fortis Group	10%–14%	9%–12%
China clinics healthcare services	16%–45%	14%–91%
Türkiye and Europe healthcare services	13%–71%	25%–54%
Labs services		
– India	9%–12%	–
– Singapore	8%–9%	–

6. GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS (continued)

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences (continued)

(a) Healthcare services and Labs services CGUs (continued)

Key assumptions used in determining recoverable amount (continued)

(ii) EBITDA margins assumptions:

	2023	2022
Singapore healthcare services	28%–29%	26%–30%
Malaysia healthcare services	26%–28%	26%–28%
India healthcare services		
– Fortis Group	20%–25%	20%–24%
China clinics healthcare services	1%–23%	1%–20%
Türkiye and Europe healthcare services	23%–24%	24%–26%
Labs services		
– India	18%–23%	–
– Singapore	27%–32%	–

The projections were in line with the proposed expansion plans for the respective CGUs.

(iii) Terminal value was estimated using the perpetuity growth model:

	2023	2022
Singapore healthcare services	1.0%	1.0%
Malaysia healthcare services	3.0%	3.0%
India healthcare services		
– Fortis Group	4.6%	4.6%
China clinics healthcare services	3.0%	3.0%
Türkiye and Europe healthcare services	7.0%	7.0%
Labs services		
– India	4.6%	–
– Singapore	1.0%	–

The terminal values were applied to steady-state estimated earnings at the end of the projected period.

(iv) Pre-tax discount rates for the respective CGUs at date of assessment:

	2023	2022
Singapore healthcare services	7.3%	6.0%
Malaysia healthcare services	7.9%	7.9%
India healthcare services		
– Fortis Group	8.0%	11.5%
China clinics healthcare services	15.9%	14.7%
Türkiye and Europe healthcare services	11.2%–38.4%	39.5%
Labs services		
– India	9.1%	–
– Singapore	7.4%	–

(v) There will be no significant changes in government policies and regulations which will directly affect the CGUs' businesses. With the exception of Türkiye healthcare services, inflation for operating expenses is in line with estimated gross domestic product growth rates for the respective countries based on past trends.

Notes to the Financial Statements

6. GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS (continued)

Impairment testing for cash-generating units containing goodwill, brand names and hospital licences (continued)

(a) Healthcare services and Labs services CGUs (continued)

Key assumptions used in determining recoverable amount (continued)

The values assigned to the key assumptions represent the Group's assessment of future trends in the healthcare market and are based on both external sources and internal sources (historical data).

In 2022, the China clinics healthcare services CGU continued to incur operating losses arising from challenges faced in its business operations, especially in the midst of the COVID-19 pandemic. The Group performed an assessment of recoverable amount using the value in use approach and determined the recoverable amount of the CGU was lower than its carrying amount. Accordingly, an impairment loss of RM150,066,000 on goodwill over China healthcare services CGU was recognised in 'other operating expenses' in the statement of profit or loss.

Except as mentioned above, the Group believes there are no reasonably foreseeable changes in the above key assumptions that would cause the carrying values of the remaining CGUs to materially exceed their recoverable amounts, other than changes in prevailing operating environments, of which the impact is not ascertainable.

(b) PLife REIT

The recoverable amount of PLife REIT is based on fair value less cost to sell, using the open market price of PLife REIT as at the end of the financial year.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Cost of investment		
Unquoted shares in Malaysia	22,727,119	23,035,788
Unquoted shares outside Malaysia	3,206	3,206
	<u>22,730,325</u>	<u>23,038,994</u>
Allowance for impairment loss	(2,295,921)	(2,295,921)
	<u>20,434,404</u>	<u>20,743,073</u>

Details of the subsidiaries are as disclosed in note 41.

Although the Group owns less than half of the ownership interest in the following entities, the Group consolidated them as subsidiaries in accordance with MFRS 10, *Consolidated Financial Statements*, on the following basis:

(a) Fortis

The Group controls majority of Fortis' board by virtue of the share subscription agreement with Fortis.

(b) PLife REIT

The Group has *de facto* control over PLife REIT, on the basis that the remaining voting rights in PLife REIT are widely dispersed and there is no indication all other shareholders exercise their votes collectively.

The Group, via PLife REIT, does not hold any ownership interest in the special purpose entities ("SPEs") listed in note 41. Notwithstanding that the Group does not have any direct or indirect shareholdings in these SPEs, the Group has accounted for the SPEs as subsidiaries in accordance with MFRS 10, *Consolidated Financial Statements*, as PLife REIT receives substantially all of the returns related to the SPEs' operations and net assets and has the current ability to direct these SPEs' activities that most significantly affect their returns based on the terms of agreements under which these SPEs were established.

7. INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Material NCI			Other individually immaterial subsidiaries RM'000	Total RM'000
	PLife REIT RM'000	Fortis Group RM'000	GHK ⁽ⁱ⁾ RM'000		
2023					
NCI percentage of ownership interest and voting interest					
Carrying amount of NCI	1,374,314	2,457,613 ⁽ⁱⁱ⁾	(1,111,158)	532,342	3,253,111
Profit/(loss) allocated to NCI	163,812	212,177 ⁽ⁱⁱⁱ⁾	(90,136)	153,228	439,081

Summarised financial information before intra-group elimination

As at 31 December

Non-current assets	5,455,873	6,242,572	2,208,530
Current assets	223,567	695,592	234,078
Non-current liabilities	(3,054,107)	(863,462)	(4,697,767)
Current liabilities	(302,808)	(1,685,785)	(543,037)
Net assets/(liabilities)	<u>2,322,524</u>	<u>4,388,917⁽ⁱⁱ⁾</u>	<u>(2,798,195)</u>

Year ended 31 December

Revenue	407,806	3,691,453	1,161,023
Profit/(loss) for the year	254,435	300,519 ⁽ⁱⁱⁱ⁾	(225,534)
Total comprehensive income/(expense)	<u>227,354</u>	<u>130,712</u>	<u>(284,686)</u>

Cash flows from operating activities	367,777	495,256	154,749
Cash flows used in investing activities	(167,689)	(371,925)	(40,504)
Cash flows used in financing activities	(229,821)	(169,157)	(85,504)
Net (decrease)/increase in cash and cash equivalents	<u>(29,733)</u>	<u>(45,826)</u>	<u>28,741</u>

Dividends paid to NCI	93,367	34,170	–
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i GHK Hospital Limited ("GHK").

ii Includes net assets of RM496,963,000 attributable to NCIs within Fortis Group which are individually immaterial.

iii Includes total profit of RM16,476,000 attributable to NCIs within Fortis Group which are individually immaterial.

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests in subsidiaries (continued)

	Material NCI			Other individually immaterial subsidiaries	Total
	PLife REIT	Fortis Group	GHK ⁽ⁱ⁾		
2022	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest					
Carrying amount of NCI	64.42%	68.83%	40.00%		
Profit/(loss) allocated to NCI	1,354,170	2,147,775 ⁽ⁱⁱ⁾	(974,868)	440,003	2,967,080
	147,914	213,344 ⁽ⁱⁱⁱ⁾	(84,723)	(179,791)	96,744
Summarised financial information before intra-group elimination					
As at 31 December					
Non-current assets	5,196,157	5,707,481	2,166,890		
Current assets	242,109	673,250	164,409		
Non-current liabilities	(2,903,491)	(1,729,721)	(4,581,935)		
Current liabilities	(263,538)	(730,698)	(186,231)		
Net assets/(liabilities)	2,271,237	3,920,312 ⁽ⁱⁱ⁾	(2,436,867)		
Year ended 31 December					
Revenue	376,199	3,374,257	868,697		
Profit/(loss) for the year	230,308	294,494 ⁽ⁱⁱⁱ⁾	(211,809)		
Total comprehensive income/(expense)	227,418	(83,636)	(214,874)		
Cash flows from/(used in) operating activities	300,983	384,391	(10,235)		
Cash flows used in investing activities	(398,155)	(213,955)	(49,458)		
Cash flows from/(used in) financing activities	151,881	(204,176)	34,166		
Net increase/(decrease) in cash and cash equivalents	54,709	(33,740)	(25,527)		
Dividends paid to NCI	131,841	–	–		

i GHK Hospital Limited ("GHK").

ii Includes net assets of RM472,197,000 attributable to NCIs within Fortis Group which are individually immaterial.

iii Includes total profit of RM33,562,000 attributable to NCIs within Fortis Group which are individually immaterial.

Significant restrictions

PLife REIT

The Group does not have significant restrictions on its ability to access or use the assets and settle the liabilities of PLife REIT other than those resulting from the regulatory framework within which the subsidiary operates. PLife REIT is regulated by the Monetary Authority of Singapore ("MAS") and is supervised by the Singapore Exchange Securities Trading Limited ("SGX-ST") for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with PLife REIT are either subject to review by PLife REIT's Trustee or must be approved by a majority of votes by the remaining holders of Units in PLife REIT ("Unitholders") at a meeting of Unitholders.

The assets of PLife REIT are held in trust by a Trustee for the Unitholders.

8. INTERESTS IN ASSOCIATES

	Group	
	2023	2022
	RM'000	RM'000
Investment in shares		
Unquoted shares	39,046	50,260
Quoted shares	404,545	392,895
Share of post-acquisition reserves	(303,830)	(310,079)
	139,761	133,076
Fair value of quoted shares		
Level 1	126,372	90,532

The Group does not have any material associates.

Details of the associates are disclosed in note 42.

9. INTERESTS IN JOINT VENTURES

	Group	
	2023	2022
	RM'000	RM'000
Investment in unquoted shares	216,540	202,519
Share of post-acquisition reserves	(86,821)	(76,129)
	129,719	126,390
Allowance for impairment loss	(122,906)	(119,639)
	6,813	6,751

The Group does not have any material joint ventures.

Details of the joint ventures are disclosed in note 43.

Notes to the Financial Statements

10. OTHER FINANCIAL ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Investments at fair value through other comprehensive income ("FVOCI")				
- Unquoted shares	206,391	114,573	-	-
Investments at amortised cost				
- Fixed deposits with tenor of more than 12 months	17,159	12,688	-	-
- Others	9,843	359	-	-
	<u>233,393</u>	<u>127,620</u>	<u>-</u>	<u>-</u>
Current				
Investments at fair value through profit or loss ("FVTPL")				
- Money market funds	120,409	-	172	-
Investments at amortised cost				
- Fixed deposits with tenor of more than 3 months	165,599	232,972	-	-
- Others	-	16,745	-	-
	<u>286,008</u>	<u>249,717</u>	<u>172</u>	<u>-</u>

Equity investments designated as fair value through other comprehensive income

The Group designated the investments in unquoted shares as fair value through other comprehensive income because these investments represents investments that the Group intends to hold for long-term strategic purposes.

11. DEFERRED TAX ASSETS AND LIABILITIES

The amounts included in the statements of financial position after appropriate offsetting are as follows:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Unutilised tax losses	164,970	169,436	-	-	164,970	169,436
Investment tax allowances	107,737	165,969	-	-	107,737	165,969
Receivables/payables	174,618	163,679	(9,291)	(37,880)	165,327	125,799
Property, plant and equipment	46,402	190,161	(765,860)	(828,360)	(719,458)	(638,199)
Investment properties	-	-	(129,297)	(118,891)	(129,297)	(118,891)
Intangible assets	-	-	(579,890)	(550,741)	(579,890)	(550,741)
Right-of-use assets	-	-	(1,240,623)	(1,221,794)	(1,240,623)	(1,221,794)
Lease liabilities	1,066,682	1,040,024	-	-	1,066,682	1,040,024
Others	13,889	15,002	(191)	(1,187)	13,698	13,815
	<u>1,574,298</u>	<u>1,744,271</u>	<u>(2,725,152)</u>	<u>(2,758,853)</u>	<u>(1,150,854)</u>	<u>(1,014,582)</u>
Set off	(1,061,803)	(1,110,328)	1,061,803	1,110,328	-	-
	<u>512,495</u>	<u>633,943</u>	<u>(1,663,349)</u>	<u>(1,648,525)</u>	<u>(1,150,854)</u>	<u>(1,014,582)</u>

11. DEFERRED TAX ASSETS AND LIABILITIES (continued)

	Note	Unutilised tax losses	Investment tax allowances	Receivables/payables	Property, plant and equipment	Investment properties	Intangible assets	Right-of-use assets	Lease liabilities	Others	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
At 1 January 2022		198,231	161,137	209,739	(635,101)	(120,891)	(532,810)	(284,168)	103,121	10,968	(889,774)
Recognised in profit or loss	31	(137,965)	159,775	(52,602)	(29,648)	(9,602)	46,560	(922,212)	922,008	2,891	(20,795)
Recognised in other comprehensive income	29	-	-	2,816	-	-	-	-	-	-	2,816
Transfer to assets classified as held for sale and liabilities directly associated with assets classified as held for sale	16	-	-	(16,085)	33,202	-	-	(242)	13	(11)	16,877
Hyperinflationary adjustments		93,171	(132,732)	(16,265)	(2,421)	-	(68,674)	904	(1,356)	(726)	(128,099)
Translation differences		15,999	(22,211)	(1,804)	(4,231)	11,602	4,183	(16,076)	16,238	693	4,393
At 31 December 2022 / 1 January 2023		169,436	165,969	125,799	(638,199)	(118,891)	(550,741)	(1,221,794)	1,040,024	13,815	(1,014,582)
Recognised in profit or loss	31	(9,265)	(6,193)	5,619	(64,966)	(12,093)	3,426	(47,533)	38,746	(1,406)	(93,665)
Recognised in other comprehensive income	29	-	-	30,386	-	-	-	-	-	-	30,386
Transfer to assets classified as held for sale and liabilities directly associated with assets classified as held for sale		-	-	(10,144)	1	-	-	-	-	-	(10,143)
Acquired in business combinations		-	-	1,729	(27,536)	-	(17,427)	-	-	-	(43,234)
Disposal of subsidiaries		-	-	(5)	1	-	-	15,458	(17,876)	-	(2,422)
Reclassification		-	-	-	(390)	-	-	(2,532)	2,922	-	-
Hyperinflationary adjustments		(22)	(52,039)	8,535	34,721	-	(9,496)	76,190	(59,149)	(1,142)	(2,402)
Translation differences		4,821	-	3,408	(23,090)	1,687	(5,652)	(60,412)	62,015	2,431	(14,792)
At 31 December 2023		<u>164,970</u>	<u>107,737</u>	<u>165,327</u>	<u>(719,458)</u>	<u>(129,297)</u>	<u>(579,890)</u>	<u>(1,240,623)</u>	<u>1,066,682</u>	<u>13,698</u>	<u>(1,150,854)</u>

Deferred tax assets and liabilities are offset where there is legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

Notes to the Financial Statements

11. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2023 RM'000	2022 RM'000
Deductible temporary difference	867,073	1,127,545
Unutilised tax losses	3,825,520	3,881,375
	<u>4,692,593</u>	<u>5,008,920</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the respective subsidiaries can utilise the benefits therefrom. Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the countries in which the subsidiaries operate.

The unutilised tax losses carried forward do not expire under current tax legislations, except for the amount of RM1,418,573,000 (2022: RM1,487,783,000) which will expire in the next 1 to 8 years.

12. DEVELOPMENT PROPERTIES

	Group	
	2023 RM'000	2022 RM'000
Medical suites	<u>79,579</u>	<u>76,471</u>

13. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
Pharmaceuticals, surgical and medical supplies	<u>639,837</u>	<u>519,431</u>

At 31 December 2023, there was floating charge over inventories with carrying amount of RM68,624,000 (2022: RM66,167,000) made to financial institutions as securities for credit facilities granted to certain subsidiaries.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Other receivables	17,900	14,344	–	–
Interest receivables	44	59	–	–
Deposits	43,129	36,990	–	–
Financial assets, at amortised cost	61,073	51,393	–	–
Prepayments	67,767	145,170	–	2,771
	<u>128,840</u>	<u>196,563</u>	<u>–</u>	<u>2,771</u>
Current				
Trade receivables	2,531,764	2,197,441	–	–
Trade amounts due from:				
– Associates	5,239	5,052	–	–
– Joint ventures	5,615	4,445	–	–
	<u>2,542,618</u>	<u>2,206,938</u>	<u>–</u>	<u>–</u>
Other receivables	134,126	131,273	–	151
Non-trade amounts due from:				
– Subsidiaries	–	–	94,083	23,466
– Associates	27	32	–	–
– Joint ventures	1,692	1,523	–	–
Interest receivables	3,083	5,344	19	77
Deposits	118,835	91,489	30	5
Financial assets, at amortised cost	2,800,381	2,436,599	94,132	23,699
Prepayments	283,646	188,825	783	6,835
	<u>3,084,027</u>	<u>2,625,424</u>	<u>94,915</u>	<u>30,534</u>

Amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

Notes to the Financial Statements

15. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances		1,036,117	1,345,870	7,888	154,512
Fixed deposits with tenor of 3 months or less		1,323,342	482,774	–	–
Deposits placed in escrow account		19,010	1,834,246	–	–
Restricted cash		654	621	–	–
Cash and cash equivalents in the statements of financial position		2,379,123	3,663,511	7,888	154,512
Add:					
Cash and cash equivalents included in assets classified as held for sale	16	–	42,976	–	–
Less:					
Secured bank overdrafts		(77,885)	(44,135)	–	–
Cash and cash equivalents in the statements of cash flows		2,301,238	3,662,352	7,888	154,512

Deposits placed in escrow account

These are the amounts deposited in accordance with the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations) (“SEBI (SAST) Regulations”) relating to the Group’s Mandatory Open Offer (“Offer”) to acquire up to an additional 197,025,660 and 4,894,308 equity shares of Fortis and Fortis Malar Hospitals Limited respectively (see note 37). These amounts can only be released in the manner prescribed in Clause 17(10) of the SEBI (SAST) Regulations.

In December 2023, approximately RM1,815.2 million placed in the escrow account was released and replaced by a bankers’ guarantee.

16. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2023 RM'000	2022 RM'000
Assets classified as held for sale		
Property, plant and equipment	194	290,546
Right-of-use assets	–	265,083
Goodwill on consolidation	–	224,976
Intangible assets	–	1,392
Other financial assets	–	66,145
Trade and other receivables	–	29,633
Tax recoverables	–	1,489
Deferred tax assets	–	38
Inventories	–	2,033
Cash and cash equivalents	–	42,976
	194	924,311

16. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (continued)

	Group	
	2023 RM'000	2022 RM'000
Liabilities directly associated with assets classified as held for sale		
Loan and borrowings	–	138,354
Lease liabilities	–	358,169
Employee benefits	–	3,784
Trade and other payables	–	141,427
Deferred tax liabilities	–	16,915
Tax payable	–	78
	–	658,727

In 2022, the Group planned to divest its investments in IMU Health Sdn. Bhd. (“IMUH”, a wholly owned subsidiary), and Gleneagles Chengdu Hospital Company Limited (“GCD”, a 49.07% owned subsidiary), in the near term. Accordingly, the assets and liabilities of IMUH and its subsidiaries and GCD were transferred to assets classified as held for sale and liabilities directly associated with assets classified as held for sale.

The divestments of GCD and IMUH were completed on 27 February 2023 and 31 March 2023 respectively.

17. SHARE CAPITAL

	Group and Company			
	Number of shares 2023 '000	Amount 2023 RM'000	Number of shares 2022 '000	Amount 2022 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	8,806,043	19,684,881	8,796,717	19,614,918
Issued pursuant to the exercise of vested Enterprise Option Scheme (“EOS”) units	948	6,749	9,326	69,963
At 31 December	8,806,991	19,691,630	8,806,043	19,684,881

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Notes to the Financial Statements

18. OTHER RESERVES

The movement in each category of the other reserves are disclosed in the consolidated statements of changes in equity.

The nature and purpose of each category of reserves are as follows:

(a) Share option reserve

Share option reserve comprises the cumulative value of employee services received for the issue of share options and conditional award of performance shares.

(b) Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment immediately prior to its reclassification as investment property.

(c) Hedge reserve

Hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments used to hedge against cash flow variability arising from interest payments on floating rate loans.

(d) Cost of hedging reserve

Cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the time value element of interest rate cap contracts.

(e) Capital reserve

Capital reserve comprises mainly:

- (i) non-cash contribution from/distribution to holding companies within the Group for the common control transfer of subsidiaries;
- (ii) difference between the consideration paid/received and net assets acquired/disposed in equity transactions with non-controlling interests;
- (iii) capital gain/loss arising from the payment of a non-controlling interest's subscriptions to the share capital of subsidiaries or arising from the Group's subscription of additional shares of non-wholly owned subsidiaries;
- (iv) financial liabilities arising from initial issue of put options to non-controlling interests for sale of interests in subsidiaries to the Group, and its subsequent remeasurement; and
- (v) realised exchange gains/losses on payment of coupons of perpetual securities.

(f) Legal reserve

Legal reserve comprises reserves set aside by certain local authorities, and is distributable only if certain conditions are met.

(g) Foreign currency translation reserve

Foreign currency translation reserve of the Group comprises:

- (i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;
- (ii) the exchange differences on monetary items which form part of the Group's net investment in the foreign operations, provided certain conditions are met;
- (iii) the effective portion of any foreign currency differences arising from hedges of the Group's net investment in a foreign operation; and
- (iv) the difference between the adjusted balances of opening equity for the effects of applying MFRS 129 and the closing equity of the previous year.

(h) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

19. PERPETUAL SECURITIES

In July 2017, a wholly owned subsidiary, Parkway Pantai Limited ("PPL") established a US\$2.0 billion Multicurrency Term Note Programme ("MTN programme").

In the same month, senior perpetual securities ("perpetual securities") with an aggregate principal amount of US\$500.0 million (equivalent to RM2.2 billion) were issued by PPL under the MTN programme. The perpetual securities bore an initial semi-annual distribution of 4.25% per annum which will be reset in July 2023 and at every 5 years thereafter.

The salient features of the perpetual securities were as follows:

- (i) unrated and listed on the Singapore Stock Exchange;
- (ii) direct, unconditional, unsubordinated and unsecured obligations of PPL;
- (iii) no fixed redemption date but PPL had the option to redeem at the end of 5 years from date of issuance at their principal amounts and on each subsequent semi-annual periodic distribution payment date;
- (iv) may also be redeemed at the option of PPL upon the occurrence of certain events as detailed in the terms and conditions of offering circular and pricing supplement of the perpetual securities;
- (v) expected periodic distribution amount may be deferred by PPL and are cumulative, subject to the terms and conditions in the offering circular of the perpetual securities; and
- (vi) shall at all times rank *pari passu* and without any preference among the perpetual securities issued and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of PPL, from time to time outstanding.

The issued perpetual securities were classified as equity as the payment of cumulative distribution or redemption of the securities were at the option of PPL.

In 2022, coupon distributions amounting to RM52,212,000 were accrued to perpetual security holders, and coupon distributions amounting to RM90,582,000 were paid to the perpetual security holders.

On 27 July 2022, PPL completed the redemption of its US\$500.0 million perpetual securities. Following the redemption, all the outstanding perpetual securities have been cancelled and delisted from the Singapore Stock Exchange.

Notes to the Financial Statements

20. LOANS AND BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Non-current		
Secured		
Bank loans	1,086,112	522,857
Loans from corporates	4,240	2,792
Unsecured		
Bank loans	4,003,420	5,534,248
Fixed rate medium term notes	579,622	588,418
Loans from corporates*	977,173	917,674
	<u>6,650,567</u>	<u>7,565,989</u>
Current		
Secured		
Bank loans	135,096	634,656
Loans from corporates	2,328	1,533
Unsecured		
Bank loans	1,522,316	889,896
Fixed rate medium term notes	–	66,022
Loans from corporates	1,080	684
	<u>1,660,820</u>	<u>1,592,791</u>
Total loans and borrowings	<u>8,311,387</u>	<u>9,158,780</u>

* Includes loans from non-controlling interests of RM976,695,000 (2022: RM916,992,000).

20. LOANS AND BORROWINGS (continued)

The terms and conditions of outstanding loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	Carrying amount RM'000
2023				
Secured bank loans	EUR	Euribor ⁽¹⁾ + 1.4% to 1.5%	2024–2030	73,017
Secured bank loans	INR	Euribor ⁽¹⁾ + 2.7%, no less than 4%	2024–2030	461,238
Secured bank loans	INR	MCLR ⁽²⁾ + 0.0% to 2.30%, or the rate as may be mutually agreed	2024–2030	83,817
Secured bank loans	INR	REPO Rate ⁽⁷⁾ + 1.9% to 2.4%, or the rate as may be mutually agreed	2024–2030	83,817
Secured bank loans	MKD	NBMIR ⁽³⁾ + 2.05%	2024	5,419
Secured bank loans	MKD	5.54%	2024	11,856
Secured bank loans	RMB	PBC LPR ⁽⁵⁾ + 1% to 1.8%	2024 – 2028	585,861
Secured loans from corporates	INR	7.0% to 9.05%	2024 – 2028	6,568
Unsecured bank loans	EUR	1.85%	2024	17,871
Unsecured bank loans	EUR	Euribor ⁽¹⁾ + 0.38% to 1.4%	2024 – 2028	331,543
Unsecured bank loans	HKD	HIBOR ⁽⁶⁾ + 0.83% to 1.07%	2024 – 2025	2,120,280
Unsecured bank loans	JPY	TIBOR ⁽¹⁰⁾ + 0.33%	2024	143,125
Unsecured bank loans	JPY	COF ⁽⁸⁾	2024	44,223
Unsecured bank loans	JPY	TONA ⁽¹¹⁾ + 0.34% to 0.5%	2025 – 2029	1,335,236
Unsecured bank loans	EUR	3.95% to 4.63%	2024	409,940
Unsecured bank loans	SGD	SORA ⁽⁹⁾ + 0.54% to 0.68%	2026 – 2028	789,278
Unsecured bank loans	RMB	3.98%	2024	13,086
Unsecured bank loans	TRY	18.40%	2024	321,154
Unsecured fixed rate medium term notes	JPY	0.51% to 1.28%	2027 – 2030	579,622
Unsecured loans from corporates	HKD	HIBOR ⁽⁶⁾ + 1.30%	2026	973,250
Unsecured loans from corporates	RMB	PBC interest rate ⁽⁴⁾	2024 – 2026	3,446
Unsecured loans from corporates	AED	0.00%	2025	766
Unsecured loans from corporates	USD	6.00%	2024	791
				<u>8,311,387</u>

1 Euro Interbank Offered Rate

2 Marginal Cost of Funds Based Lending Rate

3 National Bank of Macedonia Reference Interest Rate

4 People's Bank of China Benchmark Loan Interest Rate

5 People's Bank of China Loan Prime Rate

6 Hong Kong Interbank Offered Rate

7 Reserve Bank of India Offered Rate

8 Bank's Cost of Funds

9 Singapore Overnight Rate Average

10 Tokyo Interbank Offered Rate

11 Tokyo Overnight Average

Notes to the Financial Statements

20. LOANS AND BORROWINGS (continued)

Group	Currency	Nominal interest rate %	Year of maturity	Carrying amount RM'000
2022				
Secured bank loans	EUR	Euribor ⁽¹⁾ + 1.4% to 1.5% Euribor ⁽¹⁾ + 2.7%, no less than 4%	2024 – 2030	93,612
Secured bank loans	INR	MCLR ⁽²⁾ + 0.0% to 2.80% 7.75% or the rate as may be mutually agreed	2023 – 2030	533,304
Secured bank loans	MKD	NBMRIR ⁽³⁾ + 2.05%	2024	2,842
Secured bank loans	MKD	4.5%	2023	13,587
Secured bank loans	RMB	PBC LPR ⁽⁵⁾ + 0.25%	2023 – 2031	514,168
Secured loans from corporates	INR	7.0% to 8.7%	2023	4,324
Unsecured bank loans	EUR	1.9%	2024	30,121
Unsecured bank loans	EUR	Euribor ⁽¹⁾ + 1.05% to 1.4%	2025 – 2028	555,093
Unsecured bank loans	HKD	HIBOR ⁽⁶⁾ + 0.83% to 1.07%	2024 – 2025	2,015,310
Unsecured bank loans	JPY	TIBOR ⁽¹⁰⁾ + 0.33%	2024	145,039
Unsecured bank loans	SGD	COF ⁽⁸⁾	2023	117,857
Unsecured bank loans	JPY	TONA ⁽¹¹⁾ + 0.34% to 0.5%	2025 – 2027	1,284,941
Unsecured bank loans	EUR	3.39%	2023	116,032
Unsecured bank loans	SGD	SORA ⁽⁹⁾ + 0.35% to 0.55%	2024 – 2026	556,779
Unsecured bank loans	SGD	SWAP rate + 0.87%	2027	1,214,896
Unsecured bank loans	TRY	9.0% to 18.4%	2023 – 2024	388,076
Unsecured fixed rate medium term notes	JPY	0.51% to 0.97%	2023 – 2029	654,440
Unsecured loans from corporates	HKD	HIBOR ⁽⁶⁾ + 1.30%	2026	913,247
Unsecured loans from corporates	RMB	PBC interest rate ⁽⁴⁾	2023 – 2025	3,745
Unsecured loans from corporates	AED	0.00%	2024	683
Unsecured loans from corporates	USD	6.00%	2023	684
				9,158,780

1 Euro Interbank Offered Rate

2 Marginal Cost of Funds Based Lending Rate

3 National Bank of Macedonia Reference Interest Rate

4 People's Bank of China Benchmark Loan Interest Rate

5 People's Bank of China Loan Prime Rate

6 Hong Kong Interbank Offered Rate

7 Reserve Bank of India Offered Rate

8 Bank's Cost of Funds

9 Singapore Overnight Rate Average

10 Tokyo Interbank Offered Rate

11 Tokyo Overnight Average

The secured Indian Rupee (“INR”) denominated bank loans are secured over the assets of certain subsidiaries and associates.

The secured INR denominated loans from corporates are secured over specific equipment of certain subsidiaries.

The secured Macedonian Denar (“MKD”) and Euro Dollars (“EUR”) denominated bank borrowings are secured over assets of certain subsidiaries.

The secured Chinese Renminbi (“RMB”) denominated bank loans are secured over medical equipment, hospital in construction and a ROU asset relating to prepaid lease for land.

20. LOANS AND BORROWINGS (continued)

Breach of loan covenant

In 2022, ParkwayHealth Shanghai Hospital Company Limited breached a non-financial covenant in respect of a bank loan amounting to RM514.0 million, whereby its medical licence was not obtained by 31 December 2022. Consequently, the bank loan became repayable on demand and was classified in full as a current liability as at 31 December 2022. However, the bank had not called an event of default. The medical licence was obtained on 19 January 2023 and the loan was refinanced on 4 August 2023.

Unsecured fixed rate medium term notes

PLife REIT has through its wholly owned subsidiary, Parkway Life MTN Pte. Ltd. (“PLife MTN”), put in place a SGD500 million Multicurrency Debt Issuance Programme, to provide PLife REIT with the flexibility to tap various types of capital market products including issuance of perpetual securities when needed.

Under the Debt Issuance Programme, PLife MTN is able to issue notes while HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of PLife REIT) (“PLife REIT Trustee”) is able to issue perpetual securities.

All sums payable in respect of the notes issued by PLife MTN are unconditionally and irrevocably guaranteed by PLife REIT Trustee.

As at 31 December 2023, there are four series of outstanding fixed rate notes issued under the Multicurrency Debt Issuance Programme amounting to JPY17.8 billion (approximately RM579.6 million) (2022: JPY19.9 billion (approximately RM654.4 million)) with maturity dates between 2027 to 2030 (2022: 2023 to 2027).

Loans from corporates

The HKD-denominated loans from corporates are in relation to the non-controlling interest's share of financing granted to a subsidiary, GHK.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	Bank loans RM'000	Fixed rate medium term notes RM'000	Loans from corporates RM'000	Lease liabilities RM'000	Interest payables RM'000	Total RM'000
At 1 January 2022	7,477,988	431,713	937,217	2,002,534	84,951	10,934,403
Net changes from financing cash flows	425,310	253,824	–	(337,144)	(290,045)	51,945
Acquisition of subsidiaries	759	–	–	–	–	759
Change in leases	–	–	–	338,858	–	338,858
Foreign exchange movement	(245,507)	(31,097)	37,967	(154,268)	(147)	(393,052)
Transfer to liabilities directly associated with assets classified as held for sale	(90,113)	–	(52,501)	(377,266)	(7,815)	(527,695)
Other liability-related changes	13,220	–	–	158,327	336,095	507,642
At 31 December 2022/1 January 2023	7,581,657	654,440	922,683	1,631,041	123,039	10,912,860
Net changes from financing cash flows	(473,881)	(65,645)	–	(256,617)	(458,267)	(1,254,410)
Acquisition of subsidiaries	51,080	–	–	–	–	51,080
Disposal of subsidiaries	(2,777)	–	–	–	–	(2,777)
Change in leases	–	–	–	367,036	–	367,036
Foreign exchange movement	(357,492)	(9,173)	62,138	(248,832)	24,989	(528,370)
Transfer to liabilities directly associated with assets classified as held for sale	(62,545)	–	–	(2,397)	–	(64,942)
Other liability-related changes	10,902	–	–	170,260	524,355	705,517
At 31 December 2023	6,746,944	579,622	984,821	1,660,491	214,116	10,185,994

Notes to the Financial Statements

20. LOANS AND BORROWINGS (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company	Lease liabilities RM'000
1 January 2022	2,303
Net changes from financing cash flows	(1,019)
Other liability-related changes	22
At 31 December 2022/1 January 2023	1,306
Net changes from financing cash flows	(1,018)
Other liability-related changes	10
At 31 December 2023	298

21. EMPLOYEE BENEFITS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Retirement benefits	22	109,375	92,820	–	–
Provision for unconsumed leave		22,915	19,243	–	–
Deferred bonus scheme		3,682	2,947	2,575	1,462
Gratuity		3,062	26,556	–	8,268
Others		43,916	30,695	–	–
		182,950	172,261	2,575	9,730
Current					
Retirement benefits	22	7,846	9,543	–	–
Defined contribution plan		62,710	52,278	200	221
Provision for unconsumed leave		74,402	72,388	1,287	1,946
Deferred bonus scheme		8,493	10,179	4,040	1,865
Others		4,903	4,082	–	–
		158,354	148,470	5,527	4,032

Provision for unconsumed leave

The balances represent the cash value of the unconsumed leave balance entitled to the employees at the end of the financial year. Employees of certain subsidiaries can carry-forward a portion of the unconsumed leave and utilise it in future service periods or receive cash compensation on termination of employment. Unconsumed leave that does not fall due wholly within twelve months after the end of the period in which the employees render the related service and are not able to be utilised wholly within twelve months after the end of such period is classified as non-current. The obligation is measured based on independent actuarial valuation using projected unit credit method.

21. EMPLOYEE BENEFITS (continued)

Share-based payment scheme

Enterprise Option Scheme (“EOS”)

On 15 June 2015, at an extraordinary general meeting, the Company’s shareholders approved the establishment of the EOS scheme to grant share options to eligible personnel.

The EOS options granted in each year will vest in the participants over a 3-year period. Each EOS option gives the participant a right to receive one share, upon exercise of the option and subject to the payment of the exercise price.

The exercise price for the EOS option granted shall be determined by the Board which shall be based on the 5-day weighted average market price of the underlying shares a day immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant regulatory from time to time (subject to the Board’s discretion to grant the discount).

The EOS shall be in force for a period of 10 years from 22 June 2015.

The movement in the number of outstanding EOS options are as follows:

	Key management personnel		Other eligible employees	
	Weighted average exercise price	Number of options '000	Weighted average exercise price	Number of options '000
2023				
Outstanding at 1 January	RM5.79	948	RM6.01	26,836
Granted during the year	–	–	RM5.87	14,687
Forfeited during the year	–	–	RM5.93	(5,661)
Exercised during the year	RM5.79	(948)	–	–
Outstanding at 31 December	–	–	RM5.96	35,862
Exercisable at 31 December	–	–	RM6.09	13,288
2022				
Outstanding at 1 January	RM5.89	5,127	RM6.09	16,714
Granted during the year	–	–	RM5.92	16,580
Forfeited during the year	–	–	RM5.92	(1,311)
Exercised during the year	RM5.92	(4,179)	RM6.03	(5,147)
Outstanding at 31 December	RM5.79	948	RM6.01	26,836
Exercisable at 31 December	RM5.79	948	RM6.12	12,637
The EOS options outstanding as at 31 December has the following features:				
		2023		2022
Exercise price		RM5.67–RM6.55		RM5.67–RM6.55
Weighted average contractual life (in years)		3.79		6.61

Notes to the Financial Statements

22. RETIREMENT BENEFITS

Certain Malaysia-based and India-based subsidiaries of the Group have defined benefits plans that provide pension benefits to employees upon retirement. The plans entitle a retired employee to receive one lump sum payment upon retirement. At the end of the financial year, the present values of the unfunded obligations are as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Present value of unfunded obligations	21	117,221	102,363
Movement in liability for defined benefit obligations			
At 1 January		102,363	99,434
Recognised in staff costs		18,345	17,401
Recognised in other comprehensive income		3,291	(408)
Others		(6,778)	(14,064)
At 31 December		117,221	102,363

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period:

	Group	
	2023 %	2022 %
Discount rate	4.2–7.35	4.2–7.4
Future salary growth	5.0–8.0	5.0–8.0
Future mortality	0.01–1.15	0.01–1.15

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Trade payables	1	173	–	–
Other payables	11,150	31,573	–	–
Accruals	3,059	3,954	–	–
Interest payables	161,900	100,356	–	–
Liabilities on put options granted to non-controlling interests	214,737	1,057,572	–	–
	390,847	1,193,628	–	–
Deposits	63,375	61,377	–	–
	454,222	1,255,005	–	–
Current				
Trade payables	1,946,780	1,742,850	–	–
Other payables	644,850	488,206	1,796	2,311
Non-trade amounts due to:				
– Subsidiaries	–	–	1,028	1,353
– Associates	–	660	–	–
– Joint ventures	–	263	–	–
Accruals	1,274,928	1,181,526	19,790	21,097
Interest payables	52,216	22,683	–	–
Provision for loan taken by a joint venture	38,757	47,688	–	–
Liabilities on put options granted to non-controlling interests	816,941	535,093	–	–
	4,774,472	4,018,969	22,614	24,761
Deposits and rental advance billings	173,432	185,763	–	–
Contract liabilities	3,831	3,738	–	–
	4,951,735	4,208,470	22,614	24,761

Amounts due to subsidiaries are unsecured, interest-free and are repayable on demand.

Contract liabilities

Contract liabilities mainly relate to considerations received/receivable from students for education services. Revenue from educational services is recognised over the course semester. The contract liabilities are recognised as revenue over a period of 30 to 270 days when the services are rendered.

Significant changes to contract liabilities balance during the year are as follows:

	Group	
	2023 RM'000	2022 RM'000
Contract liabilities at the beginning of the period recognised as revenue	3,738	78,942

Notes to the Financial Statements

23. TRADE AND OTHER PAYABLES (continued)

Liabilities on put options granted to non-controlling interests

(a) Pursuant to the acquisition of Gleneagles Healthcare India Private Limited (formerly known as Ravindranath GE Medical Associates Private Limited) (“GHIPL”) in 2015, the Group granted the following put options to a non-controlling interest of GHIPL:

- (i) An option for the non-controlling interest to sell their 7.13% interest in GHIPL, on a fully diluted basis, to the Group at a fixed consideration of INR1,463.0 million (equivalent to RM79.9 million) (2022: equivalent to RM82.8 million) less price adjustment of not more than INR110.0 million (equivalent to RM6.0 million) subject to the occurrence of a certain event in 2018 pursuant to an option agreement entered with the non-controlling interests. Since 31 December 2018, this put option does not have any value as the target was not met; and
- (ii) Another option to sell their remaining interest in GHIPL to the Group at the prevailing market price on the date the option is exercised. This put option can only be exercised from December 2020 onwards and does not have an expiry date. As at 31 December 2022, this put option had a carrying value of RM278,563,000.

On 25 September 2023, the above mentioned put options lapsed following the acquisition of non-controlling interest by the Group (refer to note 40).

- (b) Pursuant to the acquisition of City Hospitals and Clinics AD (“City Clinic”), the Group granted put options to non-controlling interests of Acibadem City Clinic B.V. (“ACC BV”), who were formerly shareholders of City Clinic, to sell their shares in ACC BV, to the Group at the higher of the prevailing market price or an amount determined by the formula prescribed in the agreement. These put options are exercisable from June 2027 to May 2032 (2022: June 2027 to May 2032). As at 31 December 2023, this put option has a carrying value of RM166,758,000 (2022: RM150,761,000).
- (c) Pursuant to the disposal of 15% equity interest in ACC BV by the Group to International Finance Corporation (“IFC”), the Group granted put options to IFC to sell their shares in ACC BV to the Group at the higher of the cost of investment of IFC or an amount determined by the formula prescribed in the agreement. The put options are exercisable from June 2023 to May 2026. As at 31 December 2022, this put option had a carrying value of RM265,530,000.

On 19 December 2023, this put option was exercised by IFC (refer to note 40).

- (d) Pursuant to the acquisition of Angsana Holdings Pte. Ltd. (“Angsana”) in 2017, the Group granted put options to the non-controlling interests to sell their existing interests in Angsana to the Group at the prevailing market price on the date the options are exercised. The put options are exercisable from August 2020 onwards and do not have an expiry date. As at 31 December 2022, this put option does not have any value as it is out of the money.

On 28 June 2023, the put options lapsed following the Group’s disposal of its equity stake in Angsana to a non-controlling shareholder of Angsana (refer to note 39).

- (e) Pursuant to a shareholders’ agreement and exit agreement entered into by Agilus Diagnostic Limited (formerly known as SRL Limited) (“Agilus”), Fortis and certain non-controlling interests of Agilus (“Agilus minority shareholders”), Fortis granted a cash put option to the Agilus minority shareholders to sell their shares in Agilus to Fortis upon the occurrence of certain trigger event as stated in the exit agreement. On 30 March 2022, Agilus, Fortis and the Agilus minority shareholders signed an amendment agreement to incorporate new proposed exit rights for the Agilus minority shareholders, and to also simultaneously terminate the existing exit agreement. Accordingly, the Agilus minority shareholders have agreed not to exercise the cash put option for a further period of 36 months from 5 February 2021. As at 31 December 2023, this put option has a carrying value of RM816,941,000 (2022: RM868,275,000).

- (f) Pursuant to the acquisition of General Hospital Acibadem Bel Medic (formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)) (“Bel Medic”) (see note 39), the Group granted put options to non-controlling interests of Bel Medic to sell their shares in Bel Medic to the Group at an amount determined by the formula prescribed in the shareholders’ agreement. These put options are exercisable between July 2026 and July 2029, unless expedited upon the occurrence of a certain event from July 2024. If expedited, the put options can be exercised at a prescribed discount. As at 31 December 2023, this put option has a carrying value of RM47,979,000 (2022: RM38,536,000).

During the year, change in value of liabilities on put options granted to non-controlling interests of RM438,397,000 credit (2022: RM209,849,000 credit) was recognised in equity.

Provision for loan taken by a joint venture

In 2013, Khubchandani Hospitals Private Limited (“KHPL”), a 50% owned joint venture, was granted a term loan facility to fund the construction and pre-operating costs of its hospital. A wholly owned subsidiary of the Group, Parkway Holdings Limited (“PHL”), is a joint sponsor under the Sponsor Support Agreement for the term loan facility where the sponsors are required to provide for any shortfall payable by KHPL in the event of termination or non-completion of the hospital project. On 5 January 2017, the bank served a notice to KHPL that the hospital project was unlikely to be completed. In view that KHPL is unlikely to be able to repay the loan, the Group made a provision for its 50% share of the amounts that KHPL owes the licensed bank.

24. DERIVATIVE ASSETS AND LIABILITIES

	Group	
	2023	2022
	RM’000	RM’000
Non-current assets		
Held at fair value through profit or loss		
– Foreign exchange forward contracts	50,426	35,922
– Cross currency swaps	–	148,715
Held for hedging		
– Cross currency interest rate swaps	83,227	61,410
– Interest rate swaps	–	124
– Interest rate caps	4,365	12,799
	138,018	258,970
Current assets		
Held at fair value through profit or loss		
– Foreign exchange forward contracts	19,758	6,553
– Cross currency swaps	193,140	143,263
	212,898	149,816
Non-current liabilities		
Held at fair value through profit or loss		
– Foreign exchange forward contracts	(3,644)	–
– Cross currency swaps	(439)	–
Held for hedging		
– Interest rate swaps	(8,853)	–
	(12,936)	–
Current liabilities		
Held at fair value through profit or loss		
– Foreign exchange forward contracts	(6,354)	(4,379)
– Cross currency swaps	(538)	–
– Interest rate swaps	(252)	–
Held for hedging		
– Interest rate swaps	(15)	–
	(7,159)	(4,379)

Notes to the Financial Statements

24. DERIVATIVE ASSETS AND LIABILITIES (continued)

	Nominal value		Fair value	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Derivatives at fair value through profit or loss				
– Foreign exchange forward contracts	2,298,156	508,135	60,186	38,096
– Cross currency swaps	373,370	171,657	192,163	291,978
– Call option granted to NCI	–	27,321	–	–
– Interest rate swaps	69,979	–	(252)	–
Derivatives used for hedging				
– Interest rate caps	1,128,701	1,145,324	4,365	12,799
– Interest rate swaps	922,672	145,286	(8,868)	124
– Cross currency interest rate swaps	286,477	265,828	83,227	61,410
	5,079,355	2,263,551	330,821	404,407

The Group enters into interest rate caps, interest rate swaps, cross currency interest rate swaps, cross currency swaps and foreign exchange forward contracts to manage interest rate fluctuations and exchange rate fluctuations on certain loans, as set out in note 35(vi) and (vii).

Call option granted to NCI

The Group granted a call option to non-controlling interests of GHIPL to purchase the Group's 3% interest in GHIPL on a fully diluted basis, at a fixed price of INR500.0 million (equivalent to RM27.3 million), pursuant to an option agreement entered with the non-controlling interests. The call option granted to non-controlling interests is classified as a financial derivative liability. There was no change in fair value of the call option during 2022.

On 25 September 2023, the above mentioned call option lapsed following the acquisition of non-controlling interest by the Group (refer to note 40).

Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty in respect of the same transactions outstanding in the same currency under the agreement are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all outstanding transactions.

The above agreements do not meet the criteria for offsetting in the statement of financial position as the right to set-off recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously in its normal course of business.

25. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Healthcare services	19,582,084	16,359,826	–	–
Laboratories services	981,766	1,064,862	–	–
Education services	57,584	267,054	–	–
Management fees	40,012	26,181	19,399	–
Revenue from contracts with customers	20,661,446	17,717,923	19,399	–
Rental income	272,937	270,701	–	–
Dividend income				
– from subsidiaries	–	–	620,615	340,373
– from money market funds	454	63	380	63
	20,934,837	17,988,687	640,394	340,436

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by reportable segments:

	Healthcare services RM'000	Laboratories services RM'000	Education services RM'000	Management fees RM'000	Total RM'000
2023					
Reportable segments					
Singapore	5,487,955	–	4,097	1,968	5,494,020
Malaysia	3,654,151	–	–	–	3,654,151
India	3,517,231	–	–	27,311	3,544,542
Greater China	1,300,566	–	–	5,052	1,305,618
Türkiye and Europe	5,621,724	–	–	–	5,621,724
IMU Health	412	–	53,487	–	53,899
Labs	–	981,766	–	447	982,213
Others	45	–	–	5,234	5,279
	19,582,084	981,766	57,584	40,012	20,661,446
2022					
Reportable segments					
Singapore	4,824,497	–	8,011	1,800	4,834,308
Malaysia	3,045,923	–	–	–	3,045,923
India	3,145,065	–	–	16,672	3,161,737
Greater China	993,981	–	–	2,831	996,812
Türkiye and Europe	4,348,578	–	–	–	4,348,578
IMU Health	1,729	–	259,043	–	260,772
Labs	–	1,064,862	–	–	1,064,862
Others	53	–	–	4,878	4,931
	16,359,826	1,064,862	267,054	26,181	17,717,923

Notes to the Financial Statements

25. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

Healthcare services revenue

Healthcare services revenue generally relates to contracts with patients in which performance obligations are to provide healthcare services. The performance obligations for inpatient services are generally satisfied over a short period, and revenue from inpatient services is recorded when the healthcare services are performed. The performance obligations for outpatient and daycase services are generally satisfied over a period of less than one day, and revenue is also recorded when the healthcare services are performed. The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligation for returns or refunds or warranties for healthcare-related services.

Laboratories services revenue

Laboratories services revenue generally relates to contracts with patients in which performance obligations are to provide clinical, pathology and genetics diagnostic laboratory services. The performance obligations are generally satisfied over a short period when the diagnostic laboratory services are performed. The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligation for returns or refunds or warranties for diagnostic laboratory-related services.

Education services revenue

Education services revenue primarily consist of tuition fees. Tuition fee for educational services not yet provided is recorded as contract liability (see note 23) and recognised as revenue over the period when the services are rendered. There are no variable considerations. The Group maintains a tuition refund policy which provided for all, or a portion of tuition fees to be refunded if a student withdrew a semester within the stated refund periods. Refunds are recorded as a reduction of the related remaining contract liability and a reduction of revenue in the month that the student withdraws from a semester. If a student withdraws at the time when only a portion, or none, of the tuition fees was refundable, then the Group continues to recognise the tuition fees that was not refunded over the period of the related semester.

Management fees

Management fee is recognised over time for management and consultancy services provided. The stage of completion is assessed by reference to surveys of work performed. The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component.

26. STAFF COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, bonuses and other costs	7,310,285	6,042,111	66,852	52,054
Contribution to defined contribution plans	314,235	274,031	1,385	1,282
Equity-settled share-based payments	7,714	3,319	3,227	1,353
	<u>7,632,234</u>	<u>6,319,461</u>	<u>71,464</u>	<u>54,689</u>

Staff costs includes remuneration of the Executive Director. Refer to note 30 for details.

27. FINANCE INCOME AND COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Finance income				
Interest income	87,620	77,586	5,501	13,326
Fair value gain on investments at FVTPL	3,095	987	2,737	642
Fair value gain on financial derivatives	12,049	34,810	–	–
	<u>102,764</u>	<u>113,383</u>	<u>8,238</u>	<u>13,968</u>
Finance costs				
Interest on loans and borrowings	(524,354)	(339,734)	–	–
Interest on lease liabilities	(170,260)	(158,060)	(10)	(22)
Interest on amounts due to a subsidiary	–	–	–	(295)
Exchange loss on loans and borrowings and lease liabilities	(193,940)	(144,194)	–	–
Other finance costs	(58,639)	(41,556)	–	–
Less: Capitalised interest expenses in property, plant and equipment from:				
– Interest on loans and borrowings	676	20,934	–	–
– Interest on lease liabilities	5,198	5,197	–	–
	<u>(941,319)</u>	<u>(657,413)</u>	<u>(10)</u>	<u>(317)</u>

Notes to the Financial Statements

28. PROFIT BEFORE TAX

(a) Auditors' remuneration charged to profit or loss comprises:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration				
Audit fees				
– KPMG PLT	(1,404)	(2,024)	(493)	(487)
– Member firms of KPMG International Limited	(9,663)	(8,956)	(657)	(585)
– Other auditors	(667)	(548)	–	–
Non-audit fees				
– KPMG PLT	(1,416)	(1,401)	(1,256)	(1,240)
– Member firms of KPMG International Limited	(6,619)	(4,431)	(2,129)	(2,123)

(b) Profit before tax is arrived at after crediting/(charging):

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Material income/(expenses)					
Government grants		22,363	31,023	5	25
Exchange gains – net		613	92,526	3,711	31,043
Impairment loss (made)/written back					
– Property, plant and equipment	3	(922)	(384,302)	–	–
– Intangible assets	6	–	(8,943)	–	–
– Goodwill	6	–	(150,066)	–	–
– Trade and other receivables		(99,226)	(44,686)	–	(8,567)
Write-off:					
– Property, plant and equipment	3	(1,851)	(1,087)	–	–
– Trade and other receivables		(13,843)	(10,048)	–	–
– Inventories		(6,679)	(4,296)	–	–
Net monetary gain arising from hyperinflationary economies		703,941	462,512	–	–
Gain on modification of leases		31	(3,574)	–	–
Gain on disposal of property, plant and equipment		10,691	11,864	–	–
Gain on disposal of subsidiaries		991,480	–	827,545	–
Gain on disposal of interests in associates		3,723	–	–	–
Change in fair value of investment properties	5	9,299	23,750	–	–

29. OTHER COMPREHENSIVE INCOME

Group	2023			2022		
	Before tax RM'000	Tax benefit RM'000 (Note 11)	Net of tax RM'000	Before tax RM'000	Tax benefit RM'000 (Note 11)	Net of tax RM'000
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences from foreign operations	1,488,181	–	1,488,181	224,633	–	224,633
Realisation of FCTR upon disposal of subsidiaries	11,150	–	11,150	–	–	–
Hyperinflationary adjustments	413,852	–	413,852	669,372	–	669,372
Hedge of net investments in foreign operations	198,273	–	198,273	313,681	–	313,681
Cash flow hedge	(104,546)	20,410	(84,136)	22,137	–	22,137
Cost of hedging	(2,082)	–	(2,082)	1,292	–	1,292
	<u>2,004,828</u>	<u>20,410</u>	<u>2,025,238</u>	<u>1,231,115</u>	<u>–</u>	<u>1,231,115</u>
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liabilities	(39,677)	9,976	(29,701)	(18,113)	2,816	(15,297)
Change in fair value of financial assets at FVOCI	47,395	–	47,395	–	–	–
	<u>2,012,546</u>	<u>30,386</u>	<u>2,042,932</u>	<u>1,213,002</u>	<u>2,816</u>	<u>1,215,818</u>
Company						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences from foreign operations	1,090	–	1,090	586	–	586

30. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers the Directors of the Company to be key management personnel in accordance with MFRS 124, *Related Party Disclosures*.

The key management personnel compensation are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-executive directors:				
– Fees	7,860	7,733	5,083	5,055
– Remuneration and other benefits	16	28	16	28
– Share-based payment	–	1,132	–	–
	<u>7,876</u>	<u>8,893</u>	<u>5,099</u>	<u>5,083</u>
Executive director:				
– Remuneration and other benefits	20,670	23,363	20,670	10,556
	<u>28,546</u>	<u>32,256</u>	<u>25,769</u>	<u>15,639</u>

The estimated monetary value of directors' benefit-in-kind is RM17,000 (2022: RM168,000).

Notes to the Financial Statements

31. INCOME TAX EXPENSE

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense				
Current year	566,358	574,197	2,332	3,248
(Over)/under provided in prior years	(1,677)	(23,043)	606	–
	<u>564,681</u>	<u>551,154</u>	<u>2,938</u>	<u>3,248</u>
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	86,776	14,147	429	(50)
Under provided in prior years	6,889	6,648	–	–
11	<u>93,665</u>	<u>20,795</u>	<u>429</u>	<u>(50)</u>
	<u>658,346</u>	<u>571,949</u>	<u>3,367</u>	<u>3,198</u>

Reconciliation of income tax expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	4,049,301	2,217,091	1,374,014	282,125
Less:				
Share of profits of associates (net of tax)	(24,784)	(36,836)	–	–
Share of profits of joint ventures (net of tax)	(1,466)	(2,035)	–	–
	<u>4,023,051</u>	<u>2,178,220</u>	<u>1,374,014</u>	<u>282,125</u>
Income tax calculated using Malaysia tax rate of 24% (2022: 24%)	965,532	522,773	329,763	67,710
Effect of tax rates in foreign jurisdictions	(72,321)	(41,776)	(168)	(269)
Effect of change in tax rates	(21,072)	(28,490)	–	–
Tax exempt income	(320,891)	(62,350)	(351,571)	(81,760)
Tax incentive	(2,540)	(64)	–	–
Non-deductible expenses	80,499	256,747	24,737	17,517
Recognition of deferred tax assets	(56,921)	(104,477)	–	–
Deferred tax assets not recognised	80,848	45,981	–	–
Under/(over) provided in prior years	5,212	(16,395)	606	–
	<u>658,346</u>	<u>571,949</u>	<u>3,367</u>	<u>3,198</u>

The Group is in the process of assessing the exposure to the Pillar Two income taxes arising from legislation in the jurisdictions in which the Group operates in. Due to the complex nature of the legislation and the calculations including the determination of the adjustments required under the Pillar Two legislation, the Group assessed that the quantitative impact of the potential top-up tax arising from the enacted/substantively enacted legislation is not yet reasonably estimable. The Group continues to assess the impact of the Pillar Two legislation on its financials.

32. EARNINGS PER SHARE

	Group	
	2023	2022
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders (RM'000)		
Profit after tax and non-controlling interests	2,951,874	1,548,398
Perpetual securities distribution accrued	–	(52,212)
	<u>2,951,874</u>	<u>1,496,186</u>
Basic earnings per share		
Weighted average number of shares ('000)	<u>8,806,799</u>	<u>8,803,471</u>
Basic earnings per share (sen)	<u>33.52</u>	<u>17.00</u>

Diluted earnings per share

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2023	2022
Weighted average number of ordinary shares used in calculation of basic earnings per share ('000)	8,806,799	8,803,471
Weighted average number of unissued ordinary shares from units under EOS ('000)	47	834
Weighted average number of ordinary shares used in calculation of diluted earnings per share ('000)	<u>8,806,846</u>	<u>8,804,305</u>
Diluted earnings per share (sen)	<u>33.52</u>	<u>16.99</u>

At 31 December 2023, 2,955,000 outstanding EOS options (2022: 18,759,000) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices of the Company for the period during which the options were outstanding.

Notes to the Financial Statements

33. DIVIDENDS

Dividends recognised by the Company:

	Per ordinary share sen	Total amount RM'000	Date of payment
2023			
First and final single tier cash dividend for the financial year ended 31 December 2022	7.0	616,489	28 April 2023
Special single tier cash dividend for the financial year ended 31 December 2023	9.6	845,472	30 June 2023
Interim single tier cash dividend for the financial year ended 31 December 2023	3.5	308,244	27 October 2023
	<u>20.1</u>	<u>1,770,205</u>	
2022			
First and final single tier cash dividend for the financial year ended 31 December 2021	<u>6.0</u>	<u>528,162</u>	29 April 2022

The Board of Directors have declared that a final single tier cash dividend of 5.5 sen per ordinary share for the financial year ended 31 December 2023 to be paid on 26 April 2024 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn. Bhd. and CDP at the close of business on 27 March 2024. The Company shall apply the RM: SGD noon middle rate as disclosed in the Bank Negara Malaysia's website on 27 March 2024 as the basis for computing the dividend quantum to be paid in SGD to the Singapore investors whose Company's shares are traded on SGX-ST.

	Per ordinary share sen	Total amount RM'000
Final single tier cash dividend for the financial year ended 31 December 2023	<u>5.5</u>	<u>484,385*</u>

* Based on 8,806,991,000 ordinary shares as at 29 February 2024.

34. SEGMENT REPORTING

Operating segments

Since 1 January 2023, the Group's segment reporting has been changed to reflect the Group's new reporting structure that includes Laboratories ("Labs") as a separate segment. The results for the comparative period have been restated on the same basis.

The Group's reportable segments comprise:

- Hospital and healthcare
 - Singapore
 - Malaysia
 - India
 - Greater China
 - Türkiye and Europe
 - Southeast Asia
- IMU Health
- Labs
- PLife REIT
- Others

Except for IMU Health, Labs and PLife REIT, the strategic business units offer hospital and healthcare services in different locations, and are managed separately. IMU Health is an educational service provider, Labs is a diagnostic laboratory service provider, while PLife REIT is a real estate investment trust. Others comprises the Group's corporate office as well as other investment holding entities. For each of the strategic business units, the Group's Board of Directors reviews internal management reports on at least a quarterly basis.

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

Inter-segment pricing is determined on negotiated basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Notes to the Financial Statements

34. SEGMENT REPORTING (continued)

2023	Hospital and Healthcare						IMU Health RM'000	Labs RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Türkiye and Europe RM'000	Southeast Asia RM'000						
Revenue and expenses												
Revenue from external customers	5,573,002	3,683,572	3,554,500	1,306,798	5,621,724	–	53,899	982,613	153,070	5,659	–	20,934,837
Inter-segment revenue	8,750	7,936	–	–	21,279	–	635	685,422	254,737	1,492,603	(2,471,362)	–
Total segment revenue	5,581,752	3,691,508	3,554,500	1,306,798	5,643,003	–	54,534	1,668,035	407,807	1,498,262	(2,471,362)	20,934,837
EBITDA	1,626,721	937,251	600,406	74,501	1,102,581	(1,830)	13,029	349,833	325,765	1,209,007	(1,593,305)	4,643,959
Depreciation and impairment of property, plant and equipment	(173,979)	(220,015)	(131,261)	(116,427)	(358,396)	–	–	(39,753)	(27,442)	(5,232)	–	(1,072,505)
Depreciation of ROU assets	(325,278)	(24,892)	(24,094)	(68,141)	(136,582)	–	–	(35,230)	(13,276)	(6,890)	243,738	(390,645)
Amortisation of intangible assets	–	(293)	(11,424)	(1,983)	(12,382)	–	–	(22,425)	–	(9,826)	10,613	(47,720)
Foreign exchange differences	(492)	(2,878)	(34,322)	(426)	16,070	32	(1)	381	25,463	(3,214)	–	613
Finance income	14,427	11,260	8,983	661	41,155	189	1,014	15,829	4,094	46,905	(41,753)	102,764
Finance costs	(177,087)	–	(88,063)	(211,685)	(554,850)	–	(738)	(6,890)	(36,555)	(81,937)	216,486	(941,319)
Net monetary gain arising from hyperinflationary economy	–	–	–	–	701,631	–	–	2,310	–	–	–	703,941
Share of profits of associates (net of tax)	1,616	–	3,913	–	–	19,255	–	–	–	–	–	24,784
Share of profits/(losses) of joint ventures (net of tax)	1,344	–	231	–	–	–	–	(109)	–	–	–	1,466
Others	5,482	–	1,946	116,536	5,283	21,332	–	–	–	873,384	–	1,023,963
Profit/(loss) before tax	972,754	700,433	326,315	(206,964)	804,510	38,978	13,304	263,946	278,049	2,022,197	(1,164,221)	4,049,301
Income tax expense	(177,427)	(130,970)	(86,262)	(15,485)	(147,784)	–	(2,500)	(54,177)	(23,614)	(20,127)	–	(658,346)
Profit/(loss) for the year	795,327	569,463	240,053	(222,449)	656,726	38,978	10,804	209,769	254,435	2,002,070	(1,164,221)	3,390,955
Assets and liabilities												
Cash and cash equivalents	155,102	224,454	40,694	124,606	394,424	7,566	–	56,072	99,717	1,276,488	–	2,379,123
Other assets	20,613,107	6,606,460	8,457,026	3,091,715	9,557,633	55,023	–	2,270,944	5,579,722	5,355,550	(13,774,143)	47,813,037
Segment assets as at 31 December 2023	20,768,209	6,830,914	8,497,720	3,216,321	9,952,057	62,589	–	2,327,016	5,679,439	6,632,038	(13,774,143)	50,192,160
Loans and borrowings	–	–	551,012	3,682,839	755,088	–	–	7,941	2,891,484	423,023	–	8,311,387
Other liabilities	10,478,235	1,032,694	2,768,378	796,795	3,522,026	2,260	–	464,614	465,432	3,927,732	(13,936,043)	9,522,123
Segment liabilities as at 31 December 2023	10,478,235	1,032,694	3,319,390	4,479,634	4,277,114	2,260	–	472,555	3,356,916	4,350,755	(13,936,043)	17,833,510

Notes to the Financial Statements

34. SEGMENT REPORTING (continued)

2022	Hospital and Healthcare						IMU Health RM'000	Labs RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Türkiye and Europe RM'000	Southeast Asia RM'000						
Revenue and expenses												
Revenue from external customers	4,912,786	3,073,667	3,175,119	998,378	4,348,578	–	260,772	1,064,862	149,531	4,994	–	17,988,687
Inter-segment revenue	7,059	7,620	–	1	4,869	–	1,489	602,632	226,668	1,539,019	(2,389,357)	–
Total segment revenue	4,919,845	3,081,287	3,175,119	998,379	4,353,447	–	262,261	1,667,494	376,199	1,544,013	(2,389,357)	17,988,687
EBITDA	1,483,917	846,761	492,286	(60,291)	974,304	(346)	84,750	347,007	278,442	1,251,634	(1,647,337)	4,051,127
Depreciation and impairment of property, plant and equipment	(163,469)	(209,888)	(132,929)	(506,554)	(290,014)	–	(5,279)	(40,015)	(24,475)	(1,852)	–	(1,374,475)
Depreciation and impairment of ROU assets	(298,171)	(24,532)	(22,415)	(71,763)	(114,756)	–	(1,235)	(29,018)	(12,894)	(6,178)	223,069	(357,893)
Amortisation and impairment of intangible assets	–	(1,756)	(13,276)	(12,962)	(10,977)	–	(255)	(18,456)	–	(9,237)	8,467	(58,452)
Foreign exchange differences	(391)	(1,465)	6,232	(336)	(2,203)	(5,158)	(12)	1,722	10,810	83,327	–	92,526
Finance income	226	7,599	5,351	2,916	57,725	47	2,836	10,414	16,413	18,295	(8,439)	113,383
Finance costs	(62,091)	(4,897)	(83,158)	(112,318)	(403,726)	–	(1,527)	(6,441)	(18,296)	(34,716)	69,757	(657,413)
Net monetary gain arising from hyperinflationary economy	–	–	–	–	448,006	–	–	14,506	–	–	–	462,512
Share of profits of associates (net of tax)	2,001	–	14,849	–	–	19,986	–	–	–	–	–	36,836
Share of profits of joint ventures (net of tax)	1,420	–	543	–	–	–	–	72	–	–	–	2,035
Others	43,224	(8,045)	–	(136,319)	–	–	–	48	–	(13,583)	21,580	(93,095)
Profit/(loss) before tax	1,006,666	603,777	267,483	(897,627)	658,359	14,529	79,278	279,839	250,000	1,287,690	(1,332,903)	2,217,091
Income tax expense	(166,211)	(169,819)	(69,643)	(2,518)	(44,545)	–	(18,833)	(63,121)	(19,692)	(17,578)	11	(571,949)
Profit/(loss) for the year	840,455	433,958	197,840	(900,145)	613,814	14,529	60,445	216,718	230,308	1,270,112	(1,332,892)	1,645,142
Assets and liabilities												
Cash and cash equivalents	287,470	381,008	1,870,320	212,551*	332,955	7,551	–*	120,366	129,903	321,387	–	3,663,511
Other assets	18,642,961	6,287,281	6,023,249	3,233,926	8,350,388	60,042	640,710	2,000,837	5,308,363	3,931,608	(9,675,389)	44,803,976
Segment assets as at 31 December 2022	18,930,431	6,668,289	7,893,569	3,446,477	8,683,343	67,593	640,710	2,121,203	5,438,266	4,252,995	(9,675,389)	48,467,487
Loans and borrowings	–	–	537,531	3,446,473*	1,079,663	–	–*	5,133	2,759,055	1,330,925	–	9,158,780
Other liabilities	9,730,773	957,659	2,517,986	1,079,894	3,041,060	21,841	210,149	425,113	407,974	1,394,128	(9,636,927)	10,149,650
Segment liabilities as at 31 December 2022	9,730,773	957,659	3,055,517	4,526,367	4,120,723	21,841	210,149	430,246	3,167,029	2,725,053	(9,636,927)	19,308,430

* Certain balances had been transferred to assets classified as held for sale and liabilities directly associated with assets classified as held for sale.

Notes to the Financial Statements

34. SEGMENT REPORTING (continued)

Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Japan RM'000	Türkiye and Europe RM'000	Others ⁽¹⁾ RM'000	Eliminations RM'000	Total RM'000
2023									
Revenue from external customers	5,745,626	3,834,452	4,215,825	1,306,798	152,903	5,673,574	5,659	-	20,934,837
Non-current assets ⁽²⁾	16,677,929	5,739,997	6,215,994	2,851,858	2,509,373	7,846,083	140,714	(84,211)	41,897,737
2022									
Revenue from external customers	5,143,114	3,442,724	3,865,251	998,378	149,369	4,384,857	4,994	-	17,988,687
Non-current assets ⁽²⁾	15,305,218	5,565,936	5,695,916	2,757,195	2,469,366	6,630,406	120,203	(90,903)	38,453,337

1 Others include balances relating to corporate offices, which are unallocated.

2 Non-current assets consist of property, plant and equipment, ROU assets, investment properties, goodwill on consolidation and intangible assets.

35. FINANCIAL INSTRUMENTS

(i) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- Amortised cost
- Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9
- Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")
- Derivatives used for hedging

35. FINANCIAL INSTRUMENTS (continued)

(i) Categories of financial instruments (continued)

	Carrying amount RM'000	Amortised cost RM'000	Mandatorily at FVTPL RM'000	FVOCI - EIDUIR RM'000	Derivatives used for hedging RM'000
2023					
Group					
Financial assets					
Other financial assets					
- Unquoted shares	206,391	-	-	206,391	-
- Money market funds	120,409	-	120,409	-	-
- Fixed deposits	182,758	182,758	-	-	-
- Others	9,843	9,843	-	-	-
Trade and other receivables ⁽¹⁾	2,861,454	2,861,454	-	-	-
Derivative assets					
- Foreign exchange forward contracts	70,184	-	70,184	-	-
- Cross currency swaps	193,140	-	193,140	-	-
- Cross currency interest rate swaps	83,227	-	-	-	83,227
- Interest rate caps	4,365	-	-	-	4,365
Cash and cash equivalents	2,379,123	2,379,123	-	-	-
	<u>6,110,894</u>	<u>5,433,178</u>	<u>383,733</u>	<u>206,391</u>	<u>87,592</u>
Financial liabilities					
Bank overdrafts	(77,885)	(77,885)	-	-	-
Loans and borrowings	(8,311,387)	(8,311,387)	-	-	-
Trade and other payables ⁽²⁾	(4,133,641)	(4,133,641)	-	-	-
Derivative liabilities					
- Foreign exchange forward contracts	(9,998)	-	(9,998)	-	-
- Cross currency swaps	(977)	-	(977)	-	-
- Interest rate swaps	(9,120)	-	(252)	-	(8,868)
	<u>(12,543,008)</u>	<u>(12,522,913)</u>	<u>(11,227)</u>	<u>-</u>	<u>(8,868)</u>
Company					
Financial assets					
Trade and other receivables ⁽¹⁾	94,132	94,132	-	-	-
Money market funds	172	-	172	-	-
Cash and cash equivalents	7,888	7,888	-	-	-
	<u>102,192</u>	<u>102,020</u>	<u>172</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Trade and other payables ⁽²⁾	(22,614)	(22,614)	-	-	-

1 Excludes prepayments.

2 Excludes liabilities on put options granted to non-controlling interests, deposits, rental advance billings and contract liabilities.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(i) Categories of financial instruments (continued)

2022	Carrying amount RM'000	Amortised cost RM'000	Mandatorily at FVTPL RM'000	FVOCI - EIDUIR RM'000	Derivatives used for hedging RM'000
Group					
Financial assets					
Other financial assets					
– Unquoted shares	114,573	–	–	114,573	–
– Fixed deposits	245,660	245,660	–	–	–
– Others	16,745	16,745	–	–	–
Trade and other receivables ⁽¹⁾	2,487,992	2,487,992	–	–	–
Derivative assets					
– Foreign exchange forward contracts	42,475	–	42,475	–	–
– Cross currency swaps	291,978	–	291,978	–	–
– Cross currency interest rate swaps	61,410	–	–	–	61,410
– Interest rate caps	12,799	–	–	–	12,799
– Interest rate swaps	124	–	–	–	124
Cash and cash equivalents	3,663,511	3,663,511	–	–	–
	<u>6,937,267</u>	<u>6,413,908</u>	<u>334,453</u>	<u>114,573</u>	<u>74,333</u>
Financial liabilities					
Bank overdrafts	(44,135)	(44,135)	–	–	–
Loans and borrowings	(9,158,780)	(9,158,780)	–	–	–
Trade and other payables ⁽²⁾	(3,619,932)	(3,619,932)	–	–	–
Derivative liabilities					
– Foreign exchange forward contracts	(4,379)	–	(4,379)	–	–
	<u>(12,827,226)</u>	<u>(12,822,847)</u>	<u>(4,379)</u>	<u>–</u>	<u>–</u>
Company					
Financial assets					
Trade and other receivables ⁽¹⁾	23,699	23,699	–	–	–
Cash and cash equivalents	154,512	154,512	–	–	–
	<u>178,211</u>	<u>178,211</u>	<u>–</u>	<u>–</u>	<u>–</u>
Financial liabilities					
Trade and other payables ⁽²⁾	(24,761)	(24,761)	–	–	–

1 Excludes prepayments.

2 Excludes liabilities on put options granted to non-controlling interests, deposits, rental advance billings and contract liabilities.

35. FINANCIAL INSTRUMENTS (continued)

(ii) Net gains/(losses) arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets at amortised cost				
– Recognised in profit or loss	(25,449)	22,852	5,501	13,326
Financial liabilities at amortised cost				
– Recognised in profit or loss	(776,257)	(504,550)	–	(296)
Financial instruments mandatorily at FVTPL				
– Recognised in profit or loss	15,598	35,860	3,117	705
Financial instruments at FVOCI				
– Recognised in other comprehensive income	47,395	–	–	–
Derivatives used for hedging				
– Recognised in other comprehensive income	(410)	41,345	–	–
	<u>(739,123)</u>	<u>(404,493)</u>	<u>8,618</u>	<u>13,735</u>

(iii) Financial risk management

The Group and the Company have exposures to the following risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(iv) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's primary exposure to credit risk, arises principally through its trade receivables and investment in debt securities. The Company's exposure to credit risk arises principally from its amounts due from subsidiaries and financial guarantee provided to banks for banking facilities and cross currency swaps granted to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on major customers requiring credit over a certain amount. Self-pay customer may be requested to place an initial deposit or obtain a letter of guarantee at the time of admission to the hospital. Additional deposit is requested from the customer when the hospital charges exceed a certain level.

At the end of each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(iv) Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk are represented by the carrying amounts of financial assets in the statements of financial position.

Credit risk concentration profile

The exposure of credit risk for trade receivables as at the end of the reporting period (by geographical distribution) were as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Singapore		748,419	663,081
Malaysia		539,995	508,387
India		623,698	538,408
Greater China		127,552	92,762
Southeast Asia		107,396	127,442
Türkiye and Europe		786,928	603,613
Others		49,969	39,377
		<u>2,983,957</u>	<u>2,573,070</u>
Impairment losses		(441,339)	(366,132)
	14	<u>2,542,618</u>	<u>2,206,938</u>

At 31 December 2022, the Group has outstanding trade receivables from one significant customer amounting to RM196,727,000, which is individually 5% or more of the Group's gross trade receivables. There is no significant credit risk concentration as at 31 December 2023.

Recognition and measurement of impairment losses

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables. In measuring the ECL, trade receivables are grouped based on shared credit risk characteristics such as customer types, geographic region and days past due. Customer types include self-pay customers, insurers, third party administrators and government bodies.

Loss rate is calculated using a "roll-rate" method based on the probability of a receivable progressing through successive stages of delinquency to being written off.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers, based on actual credit loss experience over the past four years. This is adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The scalar factors for self-pay customers are based on actual and forecast real income growth rates of respective countries. The scalar factors for corporate and government customers are based on default probability risk rates of the customer.

35. FINANCIAL INSTRUMENTS (continued)

(iv) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
2023			
Not credit impaired			
Not past due	1,291,104	(14,710)	1,276,394
Past due 1 – 30 days	456,913	(8,674)	448,239
Past due 31 – 180 days	619,443	(31,946)	587,497
Past due 181 days – 1 year	175,190	(48,100)	127,090
Past due more than 1 year	251,941	(175,906)	76,035
	<u>2,794,591</u>	<u>(279,336)</u>	<u>2,515,255</u>
Credit impaired			
Individually impaired	189,366	(162,003)	27,363
	<u>2,983,957</u>	<u>(441,339)</u>	<u>2,542,618</u>
2022			
Not credit impaired			
Not past due	1,102,414	(13,564)	1,088,850
Past due 1 – 30 days	381,697	(7,062)	374,635
Past due 31 – 180 days	563,269	(25,752)	537,517
Past due 181 days – 1 year	157,811	(35,065)	122,746
Past due more than 1 year	207,251	(166,581)	40,670
	<u>2,412,442</u>	<u>(248,024)</u>	<u>2,164,418</u>
Credit impaired			
Individually impaired	160,628	(118,108)	42,520
	<u>2,573,070</u>	<u>(366,132)</u>	<u>2,206,938</u>

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(iv) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The movement in the allowance for impairment in respect of trade receivables during the year are shown below:

	Group RM'000
At 1 January 2022	346,823
Impairment loss	59,381
Written off	(7,765)
Transfer to assets classified as held for sale	(63)
Translation differences	(32,244)
At 31 December 2022/1 January 2023	366,132
Impairment loss	99,226
Written off	(7,087)
Transfer to assets classified as held for sale	(58)
Disposal of subsidiaries	(87)
Translation differences	(16,787)
At 31 December 2023	441,339

Fixed deposits and cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated and with good credit ratings. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Group and the Company consider their fixed deposits and cash and cash equivalents to have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on fixed deposits and cash and cash equivalents was negligible.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company regularly monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The Company determines the probability of default from these receivables individually using internal information available. The Company considers these receivable balances as low credit risk unless there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly or the balance is overdue for more than 365 days. As at the end of the reporting period, the ECL allowance on these low-credit-risk balances is insignificant.

35. FINANCIAL INSTRUMENTS (continued)

(iv) Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provided unsecured financial guarantees to banks in respect of banking facilities and cross currency swaps ("CCS") arrangements granted to certain subsidiaries.

The Company monitors on an ongoing basis the abilities of the borrowing entities to service their loans and CCS obligations on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure of the Company in respect of financial guarantees at 31 December 2023 amounted to RM45,751,000 (2022: RM134,720,000) representing the outstanding bank loans and CCS obligations of its subsidiaries.

At the end of the reporting period, the Company does not consider it probable that claims will be made against the Company under the financial guarantees. The financial guarantees are not recognised since the fair value on initial recognition was not material.

Provision for loan taken by a joint venture

Risk management objectives, policies and processes for managing the risk

A wholly owned subsidiary, PHL is a joint sponsor under the Sponsor Support Agreement for the term loan facility granted to KHPL whereby the sponsors are required to provide for any shortfall payable by KHPL in respect of the term loan facility in the event of termination or non-completion of hospital project.

Exposure to credit risk, credit quality and collateral

The maximum exposure of the Group in respect of the loan at the reporting date amounted to RM38,757,000 (2022: RM47,688,000) representing the Group's 50% share of bank loans drawn down and interest payable by KHPL (see note 23).

On 5 January 2017, the bank served a notice to KHPL that the hospital project was unlikely to be completed. In view that KHPL is unlikely to be able to repay the loan, the Group made a provision for its 50% share of the amounts KHPL owed the bank.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and loans and borrowings.

Maturity analysis

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash and available undrawn credit facilities to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(v) Liquidity risk (continued)

Maturity analysis (continued)

The following table provides the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period. The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting arrangements:

Group	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year but within 5 years RM'000	After 5 years RM'000
2023					
Non-derivative financial liabilities					
Bank overdrafts	77,885	77,885	77,885	–	–
Loans and borrowings	8,311,387	9,445,687	1,944,249	7,015,234	486,204
Lease liabilities	1,660,491	3,419,885	410,421	1,381,573	1,627,891
Trade and other payables*	5,165,319	5,660,280	4,774,472	835,440	50,368
	<u>15,215,082</u>	<u>18,603,737</u>	<u>7,207,027</u>	<u>9,232,247</u>	<u>2,164,463</u>
Derivative financial instruments					
Foreign exchange forward contracts (gross-settled)	(60,186)				
– inflows		(1,103,651)	(767,209)	(324,073)	(12,369)
– outflows		1,020,507	713,348	295,861	11,298
Cross currency interest rate swaps (gross-settled)	(83,227)				
– inflows		(373,477)	(51,707)	(321,770)	–
– outflows		287,718	738	286,980	–
Cross currency swaps (gross-settled)	(192,163)				
– inflows		(247,103)	(247,103)	–	–
– outflows		62,821	62,821	–	–
Interest rate swaps (net-settled)	9,120	9,135	1,494	5,948	1,693
Interest rate caps (net-settled)	(4,365)	(4,374)	–	(4,374)	–
	<u>(330,821)</u>	<u>(348,424)</u>	<u>(287,618)</u>	<u>(61,428)</u>	<u>622</u>
	<u>14,884,261</u>	<u>18,255,313</u>	<u>6,919,409</u>	<u>9,170,819</u>	<u>2,165,085</u>

* Excludes deposits, rental advance billings and contract liabilities.

35. FINANCIAL INSTRUMENTS (continued)

(v) Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year but within 5 years RM'000	After 5 years RM'000
2022					
Non-derivative financial liabilities					
Bank overdrafts	44,135	44,135	44,135	–	–
Loans and borrowings	9,158,780	10,556,446	2,028,489	6,765,549	1,762,408
Lease liabilities	1,631,041	3,461,018	379,954	1,285,937	1,795,127
Trade and other payables*	5,212,597	5,212,597	4,018,969	1,128,226	65,402
	<u>16,046,553</u>	<u>19,274,196</u>	<u>6,471,547</u>	<u>9,179,712</u>	<u>3,622,937</u>
Derivative financial instruments					
Foreign exchange forward contracts (gross-settled)	(38,096)				
– inflows		(363,876)	(120,457)	(243,419)	–
– outflows		326,214	107,470	218,744	–
Cross currency interest rate swaps (gross-settled)	(61,410)				
– inflows		(330,916)	(24,250)	(306,666)	–
– outflows		267,841	750	267,091	–
Cross currency swaps (gross-settled)	(291,978)				
– inflows		(676,389)	(227,237)	(449,152)	–
– outflows		319,370	119,804	199,566	–
Interest rate swaps (net-settled)	(124)	(127)	(114)	(13)	–
Interest rate caps (net-settled)	(12,799)	(12,825)	(127)	(12,698)	–
	<u>(404,407)</u>	<u>(470,708)</u>	<u>(144,161)</u>	<u>(326,547)</u>	<u>–</u>
	<u>15,642,146</u>	<u>18,803,488</u>	<u>6,327,386</u>	<u>8,853,165</u>	<u>3,622,937</u>

* Excludes deposits, rental advance billings and contract liabilities.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(v) Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year but within 5 years RM'000	After 5 years RM'000
2023					
Non-derivative financial liabilities					
Lease liabilities	298	299	268	31	–
Trade and other payables#	22,614	22,614	22,614	–	–
	<u>22,912</u>	<u>22,913</u>	<u>22,882</u>	<u>31</u>	<u>–</u>
2022					
Non-derivative financial liabilities					
Lease liabilities	1,306	1,317	1,018	299	–
Trade and other payables#	24,761	24,761	24,761	–	–
	<u>26,067</u>	<u>26,078</u>	<u>25,779</u>	<u>299</u>	<u>–</u>

Excludes deposits and rental advance billings.

The above table has not included financial guarantees amounting to RM45,751,000 (2022: RM134,720,000) for outstanding bank loans and CCS obligations of its subsidiaries, of which the guarantee may be called by the banks anytime if the subsidiaries default.

(vi) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's financial position or cash flows.

(a) Foreign currency risk

The Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables, and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the Singapore Dollar, United States Dollar, Euro Dollar, Japanese Yen, India Rupee and Chinese Renminbi.

Risk management objectives, policies and processes for managing the risk

The Group uses foreign exchange forward contracts to manage its exposure to foreign currency movements on its net income denominated in Japanese Yen from its investments in Japan. Where necessary, the foreign exchange forward contracts are rolled over at maturity.

The Group actively monitors its foreign currency risk and minimises such risk by borrowing in the functional currency of the borrowing entity or by borrowing in the same currency as the foreign investment (i.e. natural hedge of net investments).

The Group also enters in cross currency interest rate swaps to realign borrowings to the same currency of the Group's foreign investments to achieve a natural hedge (see note 35(vii)).

In respect of other monetary assets and liabilities held in currencies other than the functional currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate where necessary to address short term imbalances.

The nominal value and fair value of the foreign exchange forward contracts, cross currency swaps and cross currency interest rate swaps are disclosed in note 24.

35. FINANCIAL INSTRUMENTS (continued)

(vi) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

Group	Singapore Dollar RM'000	United States Dollar RM'000	Euro Dollar RM'000	Japanese Yen RM'000	India Rupee RM'000	Chinese Renminbi RM'000	Others* RM'000
2023							
Carrying value							
Trade and other receivables	251	462,775	196,408	238	132	–	751
Intra-group receivables	1,923,053	228,769	1,175,384	–	20,271	29,749	18,253
Cash and cash equivalents	9,179	63,232	65,124	3,010	–	1,104	16,562
Loans and borrowings	–	(791)	(730,012)	–	–	(13,086)	(766)
Trade and other payables	(3,055)	(110,734)	(17,298)	(2,418)	(1,413)	(414)	(2,300)
Intra-group payables	(144,267)	(231,414)	(1,173,809)	–	–	(13,376)	(3,062)
Liabilities on put options granted to non-controlling interests	–	–	(166,758)	–	–	–	–
Lease liabilities	–	(243,046)	(297)	–	–	–	–
Foreign exchange forward contracts	–	42,028	446,443	(563,397)	–	–	–
Cross currency swaps	–	–	28,103	–	–	–	–
	<u>1,785,161</u>	<u>210,819</u>	<u>(176,712)</u>	<u>(562,567)</u>	<u>18,990</u>	<u>3,977</u>	<u>29,438</u>
2022							
Carrying value							
Trade and other receivables	235	18,875	57,240	–	81	–	4,409
Intra-group receivables	90,482	224,041	324,175	–	19,050	808	386
Cash and cash equivalents	15,646	79,075	248,173	41,879	–	1,047	100,417
Loans and borrowings	–	(684)	(656,574)	–	–	–	(683)
Trade and other payables	(665)	(98,435)	502,861	(1,595)	(51,335)	–	(2,657)
Intra-group payables	(141,936)	(308,744)	(232,640)	–	–	(137)	(3,351)
Liabilities on put options granted to non-controlling interests	–	–	(445,826)	–	(278,563)	–	–
Lease liabilities	–	(254,794)	(1,000)	–	–	–	–
Foreign exchange forward contracts	–	12,472	139,193	(299,289)	–	–	–
Cross currency swaps	–	–	171,656	–	–	–	–
	<u>(36,238)</u>	<u>(328,194)</u>	<u>107,258</u>	<u>(259,005)</u>	<u>(310,767)</u>	<u>1,718</u>	<u>98,521</u>

* Others include mainly British Pound, Hong Kong Dollar, Malaysian Ringgit, United Arab Emirates Dirham, Mauritian Rupee and Sri Lankan Rupee (2022: Others include mainly British Pound, Hong Kong Dollar, Malaysian Ringgit, Swiss Franc, Australian Dollar and Bangladeshi Taka).

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(vi) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk (continued)

Company	Singapore Dollar RM'000	Malaysian Ringgit RM'000	United States Dollar RM'000
2023			
Trade and other receivables	44,860	–	20
Cash and cash equivalents	126	–	6,239
Trade and other payables	(2,026)	(2,131)	(87)
	<u>42,960</u>	<u>(2,131)</u>	<u>6,172</u>
2022			
Trade and other receivables	18,766	–	709
Cash and cash equivalents	10,846	–	27,559
Trade and other payables	(710)	(984)	(1,126)
	<u>28,902</u>	<u>(984)</u>	<u>27,142</u>

Sensitivity analysis

Any reasonable movement in foreign currencies exchange rates will not have a material impact on the performance of the Group and the Company.

(b) Interest rate risk

This relates to changes in interest rates which affect mainly the Group's fixed deposits and its loans and borrowings. The Group's fixed rate financial assets and loans and borrowings are exposed to a risk of change in their fair values while the variable rate financial assets and loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group has no significant concentration of interest rate risk that may arise from exposure to Group's fixed deposits and its obligations with banks and financial institutions.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts as well as by rolling over its fixed deposits and variable rate borrowings on a short-term basis. In respect of long term borrowings, the Group may enter into interest rate derivatives to manage its exposure to adverse movements in interest rates.

Interest rate swaps, cross currency interest rate swaps and interest rate caps have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy.

The nominal value and fair value of the interest rate swaps, cross currency interest rate swaps and interest rate caps are disclosed in note 24.

35. FINANCIAL INSTRUMENTS (continued)

(vi) Market risk (continued)

(b) Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Fixed deposits	1,506,754	729,055	–	–
Bank loans	(773,907)	(547,816)	–	–
Fixed rate medium term notes	(579,622)	(654,440)	–	–
Loans from corporates	(8,125)	(5,691)	–	–
Variable rate instruments				
Bank overdrafts	(77,885)	(44,135)	–	–
Bank loans	(5,973,037)	(7,033,841)	–	–
Loans from corporates	(976,696)	(916,992)	–	–
Provision for loan taken by a joint venture	(38,757)	(47,688)	–	–
Derivative instruments				
Interest rate caps	1,128,701	1,145,324	–	–
Interest rate swaps	992,651	145,286	–	–
Cross currency interest rate swaps	286,477	265,828	–	–

Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would not have a material impact on the profit or loss or equity of the Group.

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(vi) Market risk (continued)

(b) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as “interest rate benchmark reform”). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group anticipates that interest rate benchmark reform will impact its existing risk management practice and application of hedge accounting.

The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Hedge accounting

During the year, where hedge accounting is applied, the Group has completed the supplementary loan agreement for the bank loans and trade confirmation amendment for the derivatives instrument (hedged items) impacted by the interest rate benchmark reform with the respective counterparties at no increase in loan interest. The interest-bearing loans and derivatives (hedging instruments) had been transited on the same date and to the same benchmark indexes to avoid any ineffectiveness in relation to the application of the hedge accounting. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the amendments to MFRS 9 issued in September 2019 (Phase 1) to those hedging relationships.

(vii) Material hedging activities

Hedge of net investments in foreign operations

The Group borrows loans denominated in Japanese Yen (“JPY”) and utilised cross currency interest rate swaps to realign the Singapore dollar denominated loan back into effective JPY denominated loan to maintain a natural hedge for its JPY denominated investments.

The amounts related to items designated as hedging instruments were as follows:

	Carrying amount			Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI RM'000
	Nominal amount RM'000	Assets RM'000	Liabilities RM'000		
Foreign currency risk					
2023					
Foreign currency denominated loans and borrowings	2,394,608	–	(2,388,177)	Loans and borrowings	198,273
2022					
Foreign currency denominated loans and borrowings	2,290,792	–	(2,283,578)	Loans and borrowings	313,681

35. FINANCIAL INSTRUMENTS (continued)

(vii) Material hedging activities (continued)

Hedge of net investments in foreign operations (continued)

The amounts related to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness RM'000	Foreign currency translation reserve RM'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied RM'000
2023			
Net investment in SPEs with JPY functional currency	(199,631)	(738,967)	–
2022			
Net investment in SPEs with JPY functional currency	(339,837)	(506,950)	–

(viii) Fair value information

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group 2023	Note	Fair value				Carrying amount RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Financial assets						
Unquoted shares at FVOCI	10	–	–	206,391	206,391	206,391
Money market funds	10	–	120,409	–	120,409	120,409
Foreign exchange forward contracts	24	–	70,184	–	70,184	70,184
Cross currency swaps	24	–	193,140	–	193,140	193,140
Cross currency interest rate swaps	24	–	83,227	–	83,227	83,227
Interest rate caps	24	–	4,365	–	4,365	4,365
Financial liabilities						
Foreign exchange forward contracts	24	–	(9,998)	–	(9,998)	(9,998)
Interest rate swaps	24	–	(9,120)	–	(9,120)	(9,120)
Cross currency swaps	24	–	(977)	–	(977)	(977)
Fixed rate medium term notes	20	–	(579,622)	–	(579,622)	(579,622)

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(viii) Fair value information (continued)

Group 2022	Note	Fair value				Carrying amount RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Financial assets						
Unquoted shares at FVOCI	10	–	–	114,573	114,573	114,573
Foreign exchange forward contracts	24	–	42,475	–	42,475	42,475
Cross currency swaps	24	–	291,978	–	291,978	291,978
Cross currency interest rate swaps	24	–	61,410	–	61,410	61,410
Interest rate caps	24	–	12,799	–	12,799	12,799
Interest rate swaps	24	–	124	–	124	124
Financial liabilities						
Foreign exchange forward contracts	24	–	(4,379)	–	(4,379)	(4,379)
Fixed rate medium term notes	20	–	(647,919)	–	(647,919)	(654,440)
Company						
2023						
Financial assets						
Money market funds at FVTPL	10	–	172	–	172	172
2022						
Financial assets						
Money market funds at FVTPL	10	–	–	–	–	–

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices that are observable for the financial assets or liabilities either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfers between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

35. FINANCIAL INSTRUMENTS (continued)

(viii) Fair value information (continued)

Level 3 fair value

The following table shows a reconciliation of financial instrument measured at Level 3 fair values:

	Unquoted shares at FVOCI RM'000
At 1 January 2022	72,581
Purchase of equity investments	37,515
Translation differences	4,477
At 31 December 2022/1 January 2023	114,573
Purchase of equity investments	13,741
Conversion of convertible debt	17,902
Change in fair value	47,395
Translation differences	12,780
At 31 December 2023	206,391

Measurement of fair values

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, other financial assets, cash and cash equivalents, bank overdrafts and trade and other payables) are measured on the amortised cost basis and approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

(a) Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Group			
Interest rate swaps, foreign exchange forward contracts, cross currency swaps, cross currency interest rate swaps and interest rate caps	<i>Market comparison technique:</i> The fair values are based on valuations provided by the financial institutions that are the counterparties to the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.	Not applicable	Not applicable
Unquoted shares at FVOCI	<i>Market comparison technique:</i> The fair values are based on valuations of most recent transactions.	Not applicable	Not applicable

Notes to the Financial Statements

35. FINANCIAL INSTRUMENTS (continued)

(viii) Fair value information (continued)

Valuation techniques and significant unobservable inputs (continued)

(b) Financial instruments not carried at fair value

Type	Valuation technique
Group	
Unsecured fixed rate medium term notes	<i>Market comparison:</i> The fair value is estimated taking into consideration of the quoted price.
Loans and borrowings	<i>Discounted cash flows:</i> Based on the current market rate of borrowing of the respective Group entities at the reporting date.

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

	Note	Group	
		2023 RM'000	2022 RM'000
Loans and borrowings	20	8,311,387	9,158,780
Bank overdrafts		77,885	44,135
Lease liabilities		1,660,491	1,631,041
Less: Cash and cash equivalents	15	(2,379,123)	(3,663,511)
Net debt		<u>7,670,640</u>	<u>7,170,445</u>
Total equity		<u>32,358,650</u>	<u>29,159,057</u>
Debt-to-equity ratio		<u>0.24</u>	<u>0.25</u>

There were no changes in the Group's approach to capital management during the financial year.

37. CAPITAL AND OTHER COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
(a) Capital expenditure commitments		
<i>Property, plant and equipment and investment properties</i>		
– Contracted but not provided for	<u>1,272,246</u>	<u>1,152,671</u>
(b) Other commitments		
Maximum amount committed for Fortis Open Offer ⁽¹⁾	1,884,497	1,830,228
Maximum amount committed for Malar Open Offer ⁽¹⁾	<u>15,971</u>	<u>15,511</u>
	<u>1,900,468</u>	<u>1,845,739</u>

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

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

- 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.
- 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 IHH and Parkway Pantai Limited ("PPL") had made a public announcement to all the public shareholders who are eligible to tender their shares in the Fortis Open Offer and Malar Open Offer.

Subsequently, on 14 December 2018, the Supreme Court of India passed an order in the matter of "Mr Vinay Prakash Singh v. Sameer Gehlaut & Ors." [Contempt Petition (Civil) No. 2120 of 2018] ("Original Contempt Petition"), directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained" ("Interim Status Quo Order"). Pursuant thereto, decision was taken not to proceed with Fortis Open Offer and Malar Open Offer.

Vide its judgment dated 15 November 2019 ("Judgment"), the Supreme Court of India issued suo-moto contempt notice to, among others, Fortis, and its Registry to register a fresh contempt petition in regard to alleged violation of the Interim Status Quo Order ("Fortis Contempt Petition").

On 22 September 2022, the Supreme Court pronounced the final order and on 23 September 2022, the written judgment was made available. The Supreme Court held, among others, that:

- The Special Leave Petition (Civil) No. 20417 of 2017, the Original Contempt Petition (in which the Interim Status Quo Order was passed) and the Fortis Contempt Petition are disposed of.
- The Delhi High Court may consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between Fortis and RHT Health Trust and other related transactions.
- It will be open to the Delhi High Court to pass such directions as the facts and circumstances presented before it may justify.

Notes to the Financial Statements

37. CAPITAL AND OTHER COMMITMENTS *(continued)*

Neither IHH, NTK or PPL are party to Daiichi Sankyo Co. Ltd's ("Daiichi") pending execution proceedings* before the Delhi High Court. Daiichi had moved Delhi High Court requesting the Delhi High Court to pass appropriate directions (in view of the Supreme Court Judgment) in connection with the forensic audit and the execution proceedings are ongoing.

Following the decision of the Supreme Court of India, on 16 November 2022, the Securities and Exchange Board of India ("SEBI") had advised NTK to proceed with the Fortis Open Offer and the Malar Open Offer after obtaining an appropriate order from the Delhi High Court. Based on advice from legal counsel, NTK has made further representations to SEBI in relation to proceeding with the Fortis Open Offer and Malar Open Offer.

* Daiichi filed execution proceedings before the Delhi High Court to enforce and execute an arbitral award issued in its favour ("Arbitral Award"). Pursuant to the Arbitral Award (which IHH Group is not a party to), Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh ("Singh Brothers") and persons and entities related to them were directed to pay an amount of approximately INR 25.62 billion with interest to Daiichi in connection with a dispute relating to the sale of shares of Ranbaxy Laboratories Limited by the Singh Brothers to Daiichi.

38. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Directors of the Company.

Khazanah Nasional Berhad ("KNB") is a wholly owned entity of MoF Incorporated, which is in turn owned by the Ministry of Finance of Malaysia. KNB and entities directly controlled or jointly controlled by the Government of Malaysia (collectively, "government-controlled entities") are related to the Group and the Company by virtue of KNB's substantial shareholdings of 25.94% (2022: 25.74%) equity interest in the Company. The Group and the Company enter into transactions with some of these government-controlled entities, which include but are not limited to provision of medical services, purchasing of goods, use of public utilities and amenities, and the placing of bank deposits. All the transactions entered into by the Group and the Company with the government-related entities are conducted in the ordinary course of the Group's and of the Company's businesses on negotiated terms or terms comparable to those with other entities that are not government-related, except otherwise disclosed elsewhere in the financial statement.

The Group has related party relationships with its substantial shareholders, associates, joint ventures and key management personnel and government-controlled entities. The Company also has related party relationships with its subsidiaries.

38. RELATED PARTIES *(continued)*

Related party transactions

Related party transactions are entered into in the normal course of business and have been established under negotiated terms. From time to time, substantial shareholders and key management personnel of the Group, and parties directly/jointly-controlled by them, may receive services from or sell services to the Group.

Other than government-controlled entities and as disclosed elsewhere in the financial statements, significant transactions carried out on terms agreed with related parties are as follows:

	Group	
	2023	2022
	RM'000	RM'000
<i>With substantial shareholders*</i>		
Sales and provision of services	539	456
Purchases and consumption of services	(23,340)	(12,607)
<i>With associates and joint ventures</i>		
Sales and provision of services	8,553	8,020
Rental income	2,868	3,184
Purchases and consumption of services	(10,418)	(9,569)
<i>With key management personnel*</i>		
Sales and provision of services	8,649	4,613
Purchases and consumption of services	(120,084)	(74,628)
Company		
	2023	2022
	RM'000	RM'000
<i>With subsidiaries</i>		
Share-based payment transactions	4,487	1,966
Rental expense	(1,164)	(1,707)

* Including parties directly/jointly-controlled by substantial shareholders or key management personnel.

Notes to the Financial Statements

38. RELATED PARTIES (continued)

Related party transactions (continued)

Other than government-controlled entities and as disclosed elsewhere in the financial statements, significant related party balances related to the above transactions are as follows:

	Group	
	2023 RM'000	2022 RM'000
Trade and other receivables		
Substantial shareholders*	47	49
Key management personnel*	1,605	7,048
	1,652	7,097
Trade and other payables		
Substantial shareholders*	(1,171)	(1,176)
Key management personnel*	(5,285)	(8,018)
	(6,456)	(9,194)
Lease liabilities		
Substantial shareholders*	(159,373)	(153,488)

* Including parties directly/jointly-controlled by substantial shareholders or key management personnel.

39. ACQUISITION AND DISPOSAL OF SUBSIDIARIES/BUSINESS

Acquisitions of subsidiaries and business in 2023

- (a) On 18 January 2023, Agilus Diagnostic Limited (“Agilus”) acquired the business of Dr. Ponkshe Path Lab/Care Diagnostic Centre, a proprietorship firm, for a total consideration of INR109.1 million (equivalent to RM5.7 million).
- (b) On 14 February 2023, Acibadem Saglik Hizmetleri ve Ticaret A.S. (“ASH”) acquired the 100% equity interest in Ozel Kent Saglik Hizmetleri ve Malzemeleri Sanayi Ticaret A.S. (“Kent”) for a total consideration of EUR55.0 million (equivalent to RM235.8 million). Kent is a private healthcare operator in Izmir, Türkiye and it currently operates a 340-bedded Kent Hospital and 2 medical centres. Post completion of the acquisition, Kent has become a direct subsidiary of ASH, whilst Alsancak Ozel Kent Tıp Merkezi A.S. and Ozel Kent Radyoloji Goruntuleme ve Ticaret A.S. have become indirect wholly-owned subsidiaries of ASH.
- (c) On 1 April 2023, Agilus acquired the business of Deep Clinical Laboratory, a proprietorship firm, for a total consideration of INR61.8 million (equivalent to RM3.4 million).
- (d) On 10 April 2023, Agilus acquired the business of Life Line Laboratory, a proprietorship firm, for a total consideration of INR350.1 million (equivalent to RM19.0 million).
- (e) On 3 October 2023, Agilus acquired the business of Dr. Gajendra Yadav Pathology Lab, a proprietorship firm, for a total consideration of INR167.5 million (equivalent to RM9.6 million).
- (f) On 1 November 2023, Agilus acquired the business of Pathocare Laboratory, a proprietorship firm, for a total consideration of INR279.7 million (equivalent to RM15.7 million).
- (g) On 8 November 2023, Fortis acquired 9,990 equity shares representing 99.9% of the paid-up equity share capital of Artistry Properties Private Limited (“Artistry”) for a purchase consideration of INR99,900 (equivalent to RM5,594). On 16 November 2023, Artistry has allotted 32 million equity shares of Rs. 10 each by way of rights issue for consideration of INR320 million (equivalent to RM17.9 million). Artistry’s principal activity is acquiring, maintaining, improving, developing, and managing land. Consequent thereto, Artistry has become a direct subsidiary of Fortis, and an indirect subsidiary of IHH.

39. ACQUISITION AND DISPOSAL OF SUBSIDIARIES/BUSINESS (continued)

Acquisitions of subsidiaries and business in 2023 (continued)

Identifiable assets acquired and liabilities assumed

The following summarises the recognised fair value of assets acquired and liabilities assumed at the date of acquisition:

	Kent RM'000
Property, plant and equipment	196,487
Right-of-use assets	6,202
Intangible assets	81,800
Tax recoverables	1,071
Inventories	7,679
Trade and other receivables	29,989
Cash and cash equivalents	5,996
Loans and borrowings	(51,080)
Employee benefits	(8,371)
Trade and other payables	(54,453)
Deferred tax liabilities	(38,902)
Fair value of net identifiable assets acquired	176,418

Net cash outflow arising from acquisition of subsidiary

	Kent RM'000
Purchase consideration settled in cash and cash equivalents	235,773
Less: Cash and cash equivalents acquired	(5,996)
	229,777

Goodwill

	Kent RM'000
Total purchase consideration	235,773
Fair value of net identifiable assets acquired	(176,418)
Goodwill	59,355

As at 31 December 2023, the Group had completed the purchase price allocation (“PPA”) for the acquisition of Kent.

Goodwill on Kent was attributable mainly to the synergies expected to be achieved by integrating the entity into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of RM485,000 during the year for Kent. The acquisition-related cost pertains to external legal fees, due diligence costs, valuation cost, stamp duty costs and other professional and accounting fees. The acquisition-related costs were included in ‘other operating expenses’ in profit or loss.

Post-acquisition contributions to the Group

For the ten and half months ended 31 December 2023, Kent contributed revenue of RM144.1 million and profit of RM11.1 million. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have been RM20,950.6 million and consolidated profit for the year would have been RM4,048.8 million.

Notes to the Financial Statements

39. ACQUISITION AND DISPOSAL OF SUBSIDIARIES/BUSINESS (continued)

Acquisitions of subsidiaries and business in 2022

- (a) On 25 May 2022, a sole proprietorship named Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd (“Marija Mirkovic”) has been established pursuant to the Consultancy Agreement entered into by General Hospital Acibadem Bel Medic (formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)) (“ABM”) with the sole proprietor. ABM has control power over Marija Mirkovic and has consolidated the financial statements of Marija Mirkovic into ABM’s financial statements under MFRS 10, *Consolidated Financial Statements*. Accordingly, Marija Mirkovic is a direct subsidiary of ABM pursuant to MFRS 10, *Consolidated Financial Statements*.
- (b) On 1 July 2022, Agilus acquired the business of RK Diagnostic Lab (“RK Diagnostic”), a proprietorship firm, for a total consideration of INR112.5 million (equivalent to RM6.1 million).
- (c) On 9 August 2022, Acibadem Saglik Hizmetleri ve Ticaret A.S. (“ASH”), acquired 100% equity interest in Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi (“Ortopedia”) for a total consideration of TL200.0 million (equivalent to RM46.5 million). Post completion of the acquisition, Ortopedia has become a direct subsidiary of ASH.

Disposal of subsidiaries in 2023

- (a) On 27 February 2023, M&P Investments Pte. Ltd., an indirect wholly-owned subsidiary, completed the disposal of its 70% equity interest in Gleneagles Chengdu Hospital Company Limited to Perennial Healthcare Pte. Ltd..
- (b) On 31 March 2023, IHH completed the disposal of the entire issued ordinary share capital of IMU Health Sdn. Bhd. (“IMUH”) to Inbound Education Holdings Sdn. Bhd.. Post completion of the disposal, IMUH and its subsidiaries, namely IMU Education Sdn. Bhd., IMU Healthcare Sdn. Bhd., IMC Education Sdn. Bhd., IMU Dialysis Sdn. Bhd. and IMU Omega Sdn. Bhd. ceased to be subsidiaries of IHH on 31 March 2023. For the financial year ended 31 December 2023, the Group recognised a gain on disposal amounting to RM872.5 million.

The effects of the disposal are as follows:

	RM'000
Property, plant and equipment	286,219
ROU assets	11,283
Goodwill	224,976
Other intangible assets	1,392
Other financial assets	47,565
Tax recoverables	3,517
Deferred tax assets	45
Inventories	602
Trade and other receivables	35,908
Cash and cash equivalents	20,838
Loans and borrowings	(123,000)
Lease liabilities	(10,062)
Employee benefits	(3,405)
Trade and other payables	(161,178)
Deferred tax liabilities	(16,573)
Tax payable	(7)
Non-controlling interests	(577)
Net identifiable assets disposed	317,543
Transaction costs	16,294
Gain on disposal of subsidiaries	872,514
Cash consideration	1,206,351
Less: cash and cash equivalents disposed	(20,838)
Net proceeds from disposal of subsidiaries	<u>1,185,513</u>

39. ACQUISITION AND DISPOSAL OF SUBSIDIARIES/BUSINESS (continued)

Disposal of subsidiaries in 2023 (continued)

- (c) On 28 June 2023, Parkway Pantai Limited (“PPL”) had disposed its entire 65% equity stake comprising 6,033,003 ordinary shares in Angsana Holdings Pte. Ltd. (“AHPL”) to a minority shareholder of AHPL. Post completion of the disposal, AHPL and its direct wholly-owned subsidiaries namely, Angsana Molecular & Diagnostics Laboratory Pte. Ltd., Angsana Molecular and Diagnostics Laboratory (HK) Limited and Angsana Molecular and Diagnostics Laboratory Sdn. Bhd. ceased to be indirect subsidiaries of IHH.

40. CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES

Changes in ownership interests in subsidiaries in 2023

- (a) On 31 March 2023, PTM transferred 133,400 PLife REIT units that it owned to its eligible employees in accordance to PTM’s LTI plan. Consequential thereto, IHH Group’s effective interest in PLife REIT was diluted from 35.58% to 35.56%.
- (b) On 5 May 2023, PPL, an indirect wholly-owned subsidiary, acquired an additional 10% equity stake comprising 928,154 ordinary shares in AHPL for a total consideration of SGD0.4 million (equivalent to RM1.4 million), a direct subsidiary of PPL. Post completion of the acquisition, PPL’s shareholding in AHPL increased from 55% to 65%.
- (c) On 25 September 2023, Gleneagles Development Pte. Ltd. (“GDPL”), completed the acquisition of the entire 24.53% shareholding held by Dr. Ravindranath Kancharla and his persons connected (collectively “Dr. Ravi Group”) in GHIPL for a total consideration of approximately INR7.4 billion (equivalent to RM417.4 million). Consequential thereto, the IHH’s effective interest in GHIPL increased from 73.64%* to 98.17%.
- (d) On 25 September 2023, GDPL completed the acquisition of a 0.32% equity stake in Global Clinical Research Services Private Limited (“GCRS”) for a total consideration of approximately INR72,000 (equivalent to RM4,060). Consequential thereto, the IHH’s effective interest in GCRS increased from 99.68% to 100.00%.
- (e) On 19 December 2023, ACC BV completed the acquisition of 15.65% equity stake held by International Finance Corporation in ACC BV for a total consideration of EUR59.4 million (equivalent to RM303.5 million). Consequent thereto, IHH’s effective interest in ACC BV has increased from 60.00% to 71.13%.

* Based on the shareholdings, on a fully diluted basis, immediately prior to the completion for the GHIPL Shares Acquisition, in accordance with the SPAs, following the conversion of certain compulsorily convertible preference shares held by Dr. Ravi Group into equity shares

Changes in ownership interests in subsidiaries in 2022

- (a) On 5 April 2022, PTM transferred 123,500 PLife REIT units that it owned to its eligible employees in accordance to PTM’s LTI plan. Consequential thereto, IHH Group’s effective interest in PLife REIT was diluted from 35.60% to 35.58%.
- (b) On 23 September 2022, ACC BV, an indirect subsidiary, repurchased 41,533 of its own shares at a consideration of EUR12.6 million (equivalent to RM58.5 million). The shares were retained as treasury shares. Consequential thereto, ASH’s effective interest in ACC BV has increased from 57.51% to 60.00%.

Notes to the Financial Statements

41. SUBSIDIARIES

Details of subsidiaries are as follows:

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Direct subsidiaries				
IMU Health Sdn. Bhd.	Malaysia	Investment holding and provision of management services to its subsidiaries	–	100
Integrated Healthcare Holdings Limited	Federal Territory of Labuan Malaysia	Investment holding	100	100
Integrated Healthcare Turkey Yatirimlari Limited	Federal Territory of Labuan Malaysia	Investment holding	100	100
IHH Financial Services Pte. Ltd. (f.k.a. IHH Treasury Services Pte. Ltd.) [#]	Singapore	Treasury centre	100	100
IHH Laboratories Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Indirect subsidiaries				
Held through IMU Health Sdn. Bhd.:				
IMU Education Sdn. Bhd.	Malaysia	Establishing and carrying on the business of managing educational institutions, colleges, schools and other centres of learning, research and education	–	100
IMU Healthcare Sdn. Bhd.	Malaysia	Investment holding and provision of healthcare services	–	100
IMC Education Sdn. Bhd.	Malaysia	Provision of educational programs and training courses for healthcare and related fields	–	100
IMU Omega Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	–	100
Held through Integrated Healthcare Holdings Limited:				
Parkway Pantai Limited [#]	Singapore	Investment holding	100	100
Held through IMU Healthcare Sdn. Bhd.:				
IMU Dialysis Sdn. Bhd.	Malaysia	Establishing, operating and managing dialysis centre(s) for the provision of haemodialysis services	–	60.00

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Integrated Healthcare Turkey Yatirimlari Limited:				
Integrated Healthcare Hastaneler Turkey Sdn. Bhd.	Malaysia	Investment holding	100	100
Held through IHH Laboratories Holdings Sdn. Bhd.:				
IHH Laboratories Pte. Ltd. [#]	Singapore	Investment holding and provision of services for medical diagnostic laboratory tests	100	100
Held through Parkway Pantai Limited:				
Parkway HK Holdings Limited ^{#(1)}	Hong Kong	Investment holding	100	100
Parkway Holdings Limited [#]	Singapore	Investment holding	100	100
Pantai Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Parkway Group Healthcare Pte. Ltd. ^{#(2)}	Singapore	Investment holding and provision of technical support and consultancy services	100	100
Gleneagles Development Pte. Ltd. ^{#(3)}	Singapore	Investment holding	100	100
Parkway Healthcare Indo-China Pte. Ltd. [#]	Singapore	Investment holding	100	100
Northern TK Venture Pte. Ltd. [#]	Singapore	Investment holding	100	100
Angsana Holdings Pte. Ltd. [#]	Singapore	Investment holding	–	55.00
Held through Integrated Healthcare Hastaneler Turkey Sdn. Bhd.:				
Acibadem Saglik Yatirimlari Holding A.S. [#]	Türkiye	Investment holding	90.00	90.00
Held through IHH Laboratories Pte. Ltd.:				
Parkway Laboratory Services Ltd. ^{#(16)}	Singapore	Provision of comprehensive diagnostic laboratory services	100	100
Premier Integrated Labs Sdn. Bhd. (f.k.a. Pantai Premier Pathology Sdn. Bhd.) ⁽¹⁶⁾	Malaysia	Provision of medical laboratory services	100	100

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Acibadem Saglik Yatirimlari Holding A.S.:				
APlus Hastane Otelcilik Hizmetleri A.S. #	Türkiye	Provision of catering, laundry and cleaning services for hospitals	89.99	89.99
Acibadem Proje Yonetimi A.S. #	Türkiye	Supervise and manage the construction of healthcare facilities	89.99	89.99
Acibadem Saglik Hizmetleri ve Ticaret A.S. #	Türkiye	Provision of medical, surgical and hospital services	89.79	89.79
Held through Acibadem Saglik Hizmetleri ve Ticaret A.S.:				
Acibadem Poliklinikleri A.S. #	Türkiye	Provision of outpatient and surgical (in certain clinics only) services	89.79	89.79
Acibadem Labmed Saglik Hizmetleri A.S. #	Türkiye	Provision of laboratory services	89.79	89.79
International Hospital İstanbul A.S. #	Türkiye	Provision of medical, surgical and hospital services	80.81	80.81
Acibadem Mobil Saglik Hizmetleri A.S. #	Türkiye	Provision of emergency, home and ambulatory care services	89.79	89.79
Clinical Hospital Acibadem Sistina Skopje #	Macedonia	Provision of medical, surgical and hospital services	48.33	48.33
Acibadem Sistina Medikal Kompani Doo Skopje #	Macedonia	Provision of medical equipment and import and wholesale of drug and medical materials	44.90	44.90
Acibadem International Medical Center B.V. #	Netherlands	Provision of outpatient services	89.79	89.79
Acibadem Teknoloji A.S. #	Türkiye	Conduct research, develop and commercially market healthcare information systems, web-based applications and other technology solutions nationally and internationally	89.79	89.79
Acibadem City Clinic B.V. #	Netherlands	Investment holding	71.13	60.00
Acibadem International Healthcare GmbH *	Germany	Operation of hospitals, clinics and other medical facilities and provision of services in the healthcare sector	89.79	89.79

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Acibadem Saglik Hizmetleri ve Ticaret A.S. (continued)				
LifeClub Saglikli Yasam Hizmetleri A.S. #	Türkiye	Provision of e-consulting activities, wellness services and marketplace activities relating to all health-related products and memberships	89.79	89.79
Ortopedia Ozel Saglik Hizmetleri Anonim Sirketi	Türkiye	Provision of orthopedics services	–	89.79
Held through Acibadem Poliklinikleri A.S.:				
Bodrum Medikal Saglik Hizmetleri A.S. #	Türkiye	Provision of outpatient services	53.88	53.88
Held through Acibadem City Clinic B.V.:				
Acibadem City Clinic EAD #	Bulgaria	Investment holding	71.13	60.00
General Hospital Acibadem Bel Medic ##	Serbia	Provision of medical, surgical and hospital services	49.79	42.00
Held through General Hospital Acibadem Bel Medic:				
Health Center Acibadem Bel Medic ##	Serbia	Provision of medical and general surgical services	49.79	42.00
Bel Food & Coffee d.o.o ##	Serbia	Provision of services of preparation and serving food	49.79	42.00
Marlo Milosavljevic PR Poliklinika Bel Medic Beograd ##	Serbia	Policlinic for specialized examinations	49.79	42.00
Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd ##	Serbia	Policlinic for specialized examinations	49.79	42.00
Held through Health Center Acibadem Bel Medic:				
Health Center Acibadem Bel Medic Slavija (f.k.a. Dom Zdravlja Bel Medic Slavija (Health Center Slavija)) ##	Serbia	Provision of medical services	49.79	42.00

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Acibadem City Clinic EAD:				
Acibadem City Clinic University Hospital EOOD #	Bulgaria	University multi-profile hospital for acute care	71.13	60.00
Acibadem City Clinic Diagnostic and Consultation Centre EOOD #	Bulgaria	Outpatient diagnostic and consultative centre	71.13	60.00
Acibadem City Clinic Medical Center Varna EOOD #	Bulgaria	Outpatient medical centre	71.13	60.00
Acibadem City Clinic Pharmacies EOOD #	Bulgaria	Pharmacy	71.13	60.00
Healthcare Consulting EOOD #	Bulgaria	Clinical research	71.13	60.00
Tokuda Clinical Research Center AD #	Bulgaria	Clinical research	60.46	51.00
Acibadem City Clinic Services EOOD #	Bulgaria	Facility management and building maintenance	71.13	60.00
Tokuda Pharmacy EOOD #	Bulgaria	Pharmacy	71.13	60.00
Acibadem City Clinic Diagnostic and Consultation Center Tokuda EAD #	Bulgaria	Outpatient diagnostic and consultative centre	71.13	60.00
Acibadem City Clinic Tokuda University Hospital EAD (f.k.a. Acibadem City Clinic Tokuda Hospital EAD) #	Bulgaria	Multi-profile hospital for acute care	71.13	60.00
Acibadem City Clinic Mladost EOOD #	Bulgaria	Ownership of hospital and healthcare facilities	71.13	60.00
Held through Pantai Holdings Sdn. Bhd.:				
Pantai Group Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
Pantai Hospitals Sdn. Bhd.	Malaysia	Investment holding and provision of management and consultation services to hospitals and medical centres	100	100
Pantai Management Resources Sdn. Bhd.	Malaysia	Dormant	100	100
Gleneagles (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100	100
Prince Court Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Pantai Group Resources Sdn. Bhd.:				
Pantai Integrated Rehab Services Sdn. Bhd.	Malaysia	Provision of rehabilitation services	100	100
Pantai Wellness Sdn. Bhd.	Malaysia	Provision of health and wellness services	100	100
Twin Towers Medical Centre KLCC Sdn. Bhd.	Malaysia	Operation of an outpatient and daycare medical centre	100	100
Held through Pantai Hospitals Sdn. Bhd.:				
Pantai Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services, as well as providing administrative support, management and consultancy services	100	100
Cheras Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Klang Specialist Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	100
Syarikat Tunas Pantai Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Paloh Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	95.60	95.60
Hospital Pantai Ayer Keroh Sdn. Bhd.	Malaysia	Dormant	100	100
Hospital Pantai Indah Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Pantai Hospital Sungai Petani Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Screening Services Sdn. Bhd.	Malaysia	Dormant	100	100
Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Hospital Manjung Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Hospital Johor Sdn. Bhd.	Malaysia	Development, construction and leasing of medical facility buildings	100	100
Amanjaya Specialist Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Pantai Medical Centre Sdn. Bhd.:				
Pantai-ARC Dialysis Services Sdn. Bhd.	Malaysia	Provision of haemodialysis services	51.00	51.00
Oncology Centre (KL) Sdn. Bhd.	Malaysia	Provision of comprehensive professional oncological services, inclusive of diagnostic, radiotherapy and chemotherapy treatment	100	100
Held through Premier Integrated Labs Sdn. Bhd.:				
Orifolio Options Sdn. Bhd.	Malaysia	Letting of property	100	100
Held through Gleneagles (Malaysia) Sdn. Bhd.:				
Pulau Pinang Clinic Sdn. Bhd.	Malaysia	Provision of hospital services	71.88	71.88
GEH Management Services (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Held through Parkway Healthcare Indo-China Pte. Ltd.:				
Andaman Alliance Healthcare Limited #^	Myanmar	Provision of medical and health related facilities and services	52.00	52.00
Held through Parkway HK Holdings Limited:				
Parkway Healthcare (Hong Kong) Limited #	Hong Kong	Provision of medical and healthcare outpatient services	100	100
GHK Hospital Limited #	Hong Kong	Private hospital ownership, development and management	60.00	60.00
Parkway Medical Services (Hong Kong) Limited +	Hong Kong	Provision of healthcare services	60.00	60.00
Held through Parkway Holdings Limited:				
Parkway Hospitals Singapore Pte. Ltd. #	Singapore	Private hospitals ownership and management	100	100
Parkway Trust Management Limited #	Singapore	Provision of management services to PLife REIT	100	100
Parkway Investments Pte. Ltd. #	Singapore	Investment holding	100	100
Parkway Novena Pte. Ltd. #	Singapore	Development, ownership and management of private hospital premises	100	100

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Parkway Holdings Limited: (continued)				
Parkway Irrawaddy Pte. Ltd. #	Singapore	Development, ownership and management of a medical centre	100	100
Parkway Shenton Pte. Ltd. #	Singapore	Investment holding and operation of a network of clinics and provision of comprehensive medical and surgical advisory services	100	100
Medi-Rad Associates Ltd. #	Singapore	Operation of radiology clinics	100	100
Gleneagles Medical Holdings Limited #	Singapore	Investment holding	100	100
Parkway College of Nursing and Allied Health Pte. Ltd. #	Singapore	Provision of courses in nursing and allied health	100	100
iXchange Pte. Ltd. #	Singapore	Agent and administrator for managed care and related services	100	100
Gleneagles Management Services Pte. Ltd. #	Singapore	Provision of advisory, administrative, management and consultancy services to healthcare facilities	100	100
Held through Parkway Hospitals Singapore Pte. Ltd.:				
Parkway Promotions Pte. Ltd. #	Singapore	Dormant	100	100
Held through Parkway Group Healthcare Pte. Ltd.:				
Parkway-Healthcare (Mauritius) Ltd. ##	Mauritius	Investment holding	100	100
Gleneagles International Pte. Ltd. #	Singapore	Investment holding	100	100
PCH Holding Pte. Ltd. #	Singapore	Investment holding	70.10	70.10
Shanghai Gleneagles Hospital Management Co., Ltd. #	People's Republic of China	Provision of management and consultancy services to healthcare facilities	100	100
IHH Technology Sdn. Bhd. (f.k.a. POEM Corporate Health Services Sdn. Bhd.) (15)	Malaysia	Provision of software system integration and application management services	100	100

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through PCH Holding Pte. Ltd.:				
Medical Resources International Pte. Ltd. #	Singapore	Investment holding	70.10	70.10
M & P Investments Pte. Ltd. #	Singapore	Investment holding	70.10	70.10
Parkway (Shanghai) Hospital Management Ltd. #	People's Republic of China	Provision of management and consultancy services to healthcare facilities	70.10	70.10
Held through M & P Investments Pte. Ltd.:				
ParkwayHealth Shanghai Hospital Company Limited #	People's Republic of China	Provision of medical and health related facilities and services	49.07	49.07
Gleneagles Chengdu Hospital Company Limited #	People's Republic of China	Provision of specialised care and services	–	49.07
Held through Medi-Rad Associates Ltd.:				
Radiology Consultants Pte. Ltd. #	Singapore	Provision of radiology consultancy and interpretative services	100	100
Held through Gleneagles Development Pte. Ltd.:				
Gleneagles Healthcare India Pte. Ltd. (f.k.a. Ravindranath GE Medical Associates Private Limited) #^(4)	India	Private hospital ownership and management, specialty tertiary care including multi organ transplant healthcare facility	98.17	75.62
Parkway Healthcare India Private Limited #^(5)	India	Provision of management and consultancy services	100	100
Held through Gleneagles Healthcare India Pte. Ltd.:				
Centre for Digestive and Kidney Diseases (India) Private Limited #^	India	Private hospital ownership and management, specialty tertiary care including multi organ transplant healthcare facility	62.62	49.14
Global Clinical Research Services Private Limited #^	India	Provision of clinical research services	100	75.38

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Parkway Shenton Pte. Ltd.:				
Nippon Medical Care Pte. Ltd. #	Singapore	Operation of clinics	70.00	70.00
Parkway Shenton International Holdings Pte. Ltd. #	Singapore	Investment holding	100	100
Shenton Family Medical Clinics Pte. Ltd. #	Singapore	To provide, establish and carry on the business of clinics	100	100
Held through Medical Resources International Pte. Ltd.:				
Shanghai Rui Xin Healthcare Co., Ltd. #^(6)	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Hong Clinic Co., Ltd. #^(7)	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Xin Rui Healthcare Co., Ltd. #^(8)	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Chengdu Shenton Health Clinic Co., Ltd. #	People's Republic of China	Management and operation of medical and health related facilities and services	43.76	43.76
Held through Parkway (Shanghai) Hospital Management Ltd.:				
Shanghai Shu Kang Hospital Investment Management Co., Ltd. #	People's Republic of China	Investment holding	70.10	70.10
Suzhou Industrial Park Yuan Hui Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Held through Shanghai Shu Kang Hospital Investment Management Co., Ltd.:				
Shanghai Mai Kang Hospital Investment Management Co., Ltd. #	People's Republic of China	Investment holding	70.10	70.10

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Shanghai Mai Kang Hospital Investment Management Co., Ltd.:				
Chengdu Rui Rong Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Pu Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Xiang Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Shanghai Rui Ying Clinic Co., Ltd. #	People's Republic of China	Provision of medical and healthcare outpatient services	70.10	70.10
Held through Northern TK Venture Pte. Ltd.:				
Fortis Healthcare Limited #^	India	Operates multi-specialty hospitals	31.17	31.17
Held through Fortis Healthcare Limited:				
Hiranandani Healthcare Private Limited #^	India	Operates a multi-specialty hospital	31.17	31.17
Fortis Hospotel Limited ##^(9)	India	Provision of medical and Clinical Establishment services	31.17	31.17
Adayu Mindfulness Limited (f.k.a. Fortis La Femme Limited) #^	India	Investment holding	31.17	31.17
Fortis Healthcare International Limited ##^	Mauritius	Investment holding	31.17	31.17
Agilus Diagnostics Limited (f.k.a. SRL Limited) #^	India	Operates a network of diagnostics centres	17.98	17.98
Escorts Heart Institute and Research Centre Limited #^	India	Operates a multi-specialty hospital	31.17	31.17
Fortis Hospitals Limited #^	India	Operates a network of multi-specialty hospitals	31.17	31.17
Fortis CSR Foundation ##^	India	Non-profit company for carrying out Corporate Social Responsibilities	31.17	31.17
International Hospital Limited ##^(10)	India	Provision of medical and Clinical Establishment services and operates a hospital	31.17	31.17

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Fortis Healthcare Limited: (continued)				
Fortis Health Management Limited ##^(11)	India	Provision of medical and Clinical Establishment services and operates a hospital	31.17	31.17
Escorts Heart and Super Speciality Hospital Limited ##^(12)	India	Provision of medical and Clinical Establishment services	31.17	31.17
Artistry Properties Private Limited ##^	India	Acquires, maintains, improves, develops, and manages land	31.17	–
Held through Fortis Health Management Limited:				
Hospitalia Eastern Private Limited ##^	India	Provision of medical and Clinical Establishment services	31.17	31.17
Held through Agilus Diagnostics Limited (f.k.a. SRL Limited):				
Agilus Pathlabs Private Limited (f.k.a. SRL Diagnostics Private Limited) #^	India	Operates a network of diagnostics centres	17.98	17.98
DDRC Agilus Pathlabs Limited (f.k.a. DDRC SRL Diagnostics Limited) ##^(13)	India	Operates a network of diagnostics centres	17.98	17.98
Agilus Pathlabs Reach Limited (f.k.a. SRL Reach Limited) #^	India	Operates a network of diagnostics centres	17.98	17.98
Agilus Diagnostics FZ-LLC (f.k.a. SRL Diagnostics FZ-LLC) ##^	United Arab Emirates	Operates a network of diagnostics centres	17.98	17.98
Held through Fortis Hospitals Limited:				
Fortis Emergency Services Limited ##^	India	Operates ambulance services	31.17	31.17
Fortis Cancer Care Limited #^	India	Investment holding	31.17	31.17
Fortis Malar Hospitals Limited #^	India	Operates a multi-specialty hospital	19.55	19.55
Fortis Health Management (East) Limited #^	India	Dormant	31.17	31.17
Birdie & Birdie Realtors Private Limited ##^	India	Dormant	31.17	31.17

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Fortis Hospitals Limited: (continued)				
Stellant Capital Advisory Services Private Limited ^{##^}	India	Merchant banker	31.17	31.17
Fortis Global Healthcare (Mauritius) Limited ^{##^}	Mauritius	Investment holding	31.17	31.17
Held through Escorts Heart Institute and Research Centre Limited:				
Fortis Asia Healthcare Pte. Ltd. ^{#^}	Singapore	Investment holding	31.17	31.17
Fortis Health Staff Limited ^{##^}	India	Dormant	31.17	31.17
Held through Fortis Asia Healthcare Pte. Ltd.:				
Fortis Healthcare International Pte. Ltd. ^{#^}	Singapore	Dissolved during the year	–	31.17
MENA Healthcare Investment Company Limited ^{##^ (15)}	British Virgin Islands	Investment holding	25.73	–
Held through Fortis Healthcare International Pte. Ltd.:				
MENA Healthcare Investment Company Limited ^{##^ (15)}	British Virgin Islands	Investment holding	–	25.73
Held through MENA Healthcare Investment Company Limited:				
Medical Management Company Limited ^{##^}	British Virgin Islands	Investment holding	25.73	25.73
Held through Fortis Malar Hospitals Limited:				
Malar Stars Medicare Limited ^{#^}	India	Investment holding	19.55	19.55
Held through Stellant Capital Advisory Services Private Limited:				
RHT Health Trust Manager Pte. Ltd. ^{##^}	Singapore	Trustee-manager of a Business Trust	31.17	31.17
Held through Parkway Investments Pte. Ltd.:				
Gleneagles Medical Centre Ltd. [#]	Singapore	Dormant	100	100
Gleneagles Pharmacy Pte. Ltd. [#]	Singapore	Dormant	100	100
Mount Elizabeth Medical Holdings Limited [#]	Singapore	Investment holding	100	100
Parkway Life Real Estate Investment Trust ^{# (14)}	Singapore	Real estate investment trust	35.56	35.58

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Parkway Life Real Estate Investment Trust:				
Matsudo Investment Pte. Ltd. [#]	Singapore	Investment holding	–	35.58
Parkway Life Japan2 Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Parkway Life Japan3 Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Parkway Life Japan4 Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Parkway Life MTN Pte. Ltd. [#]	Singapore	Provision of financial and treasury services	35.56	35.58
Parkway Life Malaysia Pte. Ltd. [#]	Singapore	Investment holding	35.56	35.58
Held through Parkway Life Japan2 Pte. Ltd.:				
Godo Kaisha Del Monte ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Tenshi 1 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Tenshi 2 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
G.K. Nest ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Held through Parkway Life Japan3 Pte. Ltd.:				
Godo Kaisha Healthcare 1 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 2 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 3 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 4 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Healthcare 5 ⁺⁺	Japan	Special purpose entity – Investment in real estate	35.56	35.58

Notes to the Financial Statements

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Parkway Life Japan4 Pte. Ltd.:				
Godo Kaisha Samurai **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 2 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 3 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 4 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 5 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 6 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 7 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 8 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 9 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 10 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 11 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 12 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 13 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 14 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 15 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 16 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58

41. SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect subsidiaries (continued)				
Held through Parkway Life Japan4 Pte. Ltd.: (continued)				
Godo Kaisha Samurai 17 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 18 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Godo Kaisha Samurai 19 **	Japan	Special purpose entity – Investment in real estate	35.56	35.58
Held through Parkway Life Malaysia Pte. Ltd.:				
Parkway Life Malaysia Sdn. Bhd.	Malaysia	Special purpose entity – Investment in real estate	35.56	35.58
Held through Angsana Holdings Pte. Ltd.:				
Angsana Molecular & Diagnostics Laboratory Pte. Ltd. #	Singapore	Provision of medical laboratories including biochemistry, chemistry, haematology and molecular blood analysis and testing	–	55.00
Angsana Molecular & Diagnostics Laboratory (HK) Limited #	Hong Kong	Provision of molecular diagnostic assays and services	–	55.00
Angsana Molecular & Diagnostics Laboratory Sdn. Bhd.	Malaysia	Research laboratories and carry on business, including taking blood samples for testing	–	55.00
<p>1 PPL and PHL hold 99.99% and 0.01% shares in Parkway HK Holdings Limited respectively.</p> <p>2 PPL and PHL hold 78.52% and 21.48% shares in Parkway Group Healthcare Pte. Ltd. (“PGH”) respectively.</p> <p>3 PPL holds more than 99.99% shares in GDPL. The remaining shares are held by Gleneagles International Pte. Ltd..</p> <p>4 GDPL and Parkway-Healthcare (Mauritius) Ltd. hold 96.67% and 1.50% shares in GHIPL respectively.</p> <p>5 GDPL and PGH hold more than 99.99% and less than 0.01% in Parkway Healthcare India Private Limited respectively.</p> <p>6 MRI and Shanghai Mai Kang Hospital Investment Management Co., Ltd. (“Shanghai Mai Kang”) hold 70% and 30% shares in Shanghai Rui Xin Healthcare Co., Ltd. respectively.</p> <p>7 MRI and Shanghai Mai Kang hold 70% and 30% shares in Shanghai Rui Hong Clinic Co., Ltd. respectively.</p> <p>8 MRI and Shanghai Mai Kang hold 70% and 30% shares in Shanghai Xin Rui Healthcare Co., Ltd. respectively.</p> <p>9 Fortis and Fortis Health Management Limited (“FHML”) hold 74.35% and 25.65% shares in Fortis Hospotel Limited respectively.</p> <p>10 Fortis and FHML hold 78.40% and 21.60% shares in International Hospital Limited (“IHL”) respectively.</p> <p>11 Fortis and IHL hold 52% and 48% shares in FHML respectively.</p> <p>12 Fortis, IHL and FHML hold 48.58%, 38.29% and 13.13% shares in Escorts Heart and Super Speciality Hospital Limited respectively.</p> <p>13 Agilus Diagnostics Limited (f.k.a. SRL Limited) and Agilus Pathlabs Private Limited (f.k.a. SRL Diagnostics Private Limited) hold 50% shares each in DDRC Agilus Pathlabs Limited (f.k.a. DDRC SRL Diagnostics Limited) respectively.</p> <p>14 Parkway Investments Pte. Ltd., PTM and Integrated Healthcare Holdings Limited hold 35.25% (2022: 35.25%), 0.27% (2022: 0.29%) and 0.04% (2022: 0.04%) of the units in PLife REIT respectively.</p> <p>15 During the year, Fortis Healthcare International Pte. Ltd. is dissolved and its direct subsidiary, Mena Healthcare Investment Company Limited becomes a direct subsidiary of Fortis Asia Healthcare Pte. Ltd..</p> <p># Audited by other member firms of KPMG International.</p> <p>## Audited by firms other than member firms of KPMG International.</p> <p>+ Audit is not required.</p> <p>++ Not required to be audited under the laws of country of incorporation. These special purpose entities have been consolidated in the financial statements in accordance with MFRS 10, as the Group primarily bears the risks and enjoys the benefits of the investments held by these special purpose entities.</p> <p>^ The entity was granted approval by Companies Commission of Malaysia to have a financial year which does not coincide with the Company.</p>				

Notes to the Financial Statements

42. ASSOCIATES

Details of associates are as follows:

Name of associate	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect associates				
Held through Gleneagles Medical Holdings Limited:				
PT Tritunggal Sentra Utama Surabaya ^{##}	Indonesia	Provision of medical diagnostic services	30.00	30.00
Asia Renal Care Mt Elizabeth Pte. Ltd. ^{##}	Singapore	Provision of dialysis services and medical consultancy services	20.00	20.00
Asia Renal Care (Katong) Pte. Ltd. ^{##}	Singapore	Provision of dialysis services and medical consultancy services	20.00	20.00
Held through Medi-Rad Associates Ltd.:				
Positron Tracers Pte. Ltd. [#]	Singapore	Ownership and operation of a cyclotron for production of radioactive tracers	33.00	33.00
Held through Fortis Healthcare International Limited:				
RHT Health Trust ^{## (1)}	Singapore	Investment holding/Business Trust	8.67	8.67
Held through Fortis Healthcare International Pte. Ltd.:				
The Lanka Hospitals Corporation Plc [#]	Sri Lanka	Operates a multi-specialty hospital	8.93	8.93
Held through Acibadem Saglik Hizmetleri ve Ticaret A.S.:				
Famicord Acibadem Kordon Kani Saglik Hizmetleri A.S. [#]	Türkiye	Provision of cord blood banking services	–	26.94
Held through Parkway Holdings Limited:				
Gleneagles JPMC Sdn. Bhd. [#]	Brunei Darussalam	Management and operation of a cardiac and cardiothoracic care centre	30.00	40.00

1 Fortis Healthcare International Limited holds 25.14% shares in RHT Health Trust. The other 2.68% is held by RHT Health Trust Manager Pte. Ltd..

Audited by other member firms of KPMG International.

Audited by firms other than member firms of KPMG International.

43. JOINT VENTURES

Details of joint ventures are as follows:

Name of joint venture	Place of incorporation and business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Indirect joint ventures				
Held through Parkway-Healthcare (Mauritius) Ltd.:				
Apollo Gleneagles PET-CT Private Limited ^{##}	India	Operation of PET-CT radio imaging centre	50.00	50.00
Held through Shenton Family Medical Clinics Pte. Ltd.:				
Shenton Family Medical Clinic (Ang Mo Kio) ⁺	Singapore	Operation of medical clinic	60.00	60.00
Shenton Family Medical Clinic (Bedok Reservoir) ⁺	Singapore	Operation of medical clinic	62.50	50.00
Shenton Family Medical Clinic (Duxton) ⁺	Singapore	Operation of medical clinic	50.00	50.00
Shenton Family Medical Clinic (Jurong East) ⁺	Singapore	Operation of medical clinic	50.00	50.00
Shenton Family Medical Clinic (Tampines) ⁺	Singapore	Operation of medical clinic	50.00	50.00
Shenton Family Medical Clinic (Towner) ⁺	Singapore	Operation of medical clinic	50.00	50.00
Held through Parkway Group Healthcare Pte. Ltd.:				
Khubchandani Hospitals Private Limited ^{##}	India	Dormant	50.00	50.00
Held through SRL Limited:				
Agilus Diagnostics (Nepal) Pvt. Ltd. (f.k.a. SRL Diagnostics (Nepal) Private Limited) ^{##}	Nepal	Operates a network of diagnostics centers	8.99	8.99
Held through Fortis Hospitals Limited:				
Fortis C-Doc Healthcare Limited ^{##(1)}	India	Operates a hospital	18.70	18.70
Held through Fortis Cancer Care Limited:				
Fortis Cauvery (Partnership Firm) ^{##}	India	Under members voluntary liquidation	15.90	15.90

1 The Group has accounted for the entity as a joint venture in accordance with MFRS on the basis that the entity's operating decisions are made jointly with the joint venture partner.

Audited by other member firms of KPMG International.

Audited by firms other than member firms of KPMG International.

+ Audit is not required.

Notes to the Financial Statements

44. MATERIAL LITIGATIONS

The following are the material litigations of the Group:

In respect of Escorts Heart Institute and Research Centre Limited (“EHIRCL”), a subsidiary of Fortis:

- (a) The Delhi Development Authority (“DDA”) had terminated the lease deeds and allotment letters relating to land parcels on which the Fortis Escorts Hospital exists due to certain alleged non-compliances of such documents. Consequent to the termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. These terminations, show cause notices and eviction proceedings have been challenged by EHIRCL before the High Court of Delhi, Supreme Court of India and Estate Officer of DDA. The Supreme Court of India, vide its order dated 14 November 2019, has quashed the show cause notice for eviction proceedings. Based on external legal counsel advice, Fortis is of the understanding that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments to the financial statements are required.
- (b) In relation to the judgement of the High Court of Delhi relating to provision of free treatment/beds to the economically weaker sections of society pursuant to such obligations set forth under certain land grant orders/allotment letters (“EWS Obligations”), the Directorate of Health Services (“DoHS”), Government of NCT of Delhi, appointed a firm to calculate “unwarranted profits” arising to EHIRCL due to alleged non-compliance of such EWS Obligations. Following various hearings and appeals between 2014 and 2018, in a hearing before the DoHS in May 2018, an order was passed imposing a penalty of INR5.0 billion (equivalent to RM275.1 million) which was challenged by EHIRCL before the Delhi High Court. Through an order dated 1 June 2018, the Delhi High Court has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of INR50.0 million (equivalent to RM2.7 million) before the DoHS. In compliance of the above direction, EHIRCL had deposited the stipulated amount on 20 June 2018. Matter is sub judice before the Delhi High Court. Based on its internal assessment and advice from its counsel, since the documents available, EHIRCL believes that it is in compliance of the conditions of free treatment and free beds to patients of economic weaker sections and expects the demand to be set aside.

In respect of Northern TK Venture Pte. Ltd. (“NTK”), an indirect wholly-owned subsidiary of IHH::

- (c) On 16 October 2023, NTK had filed a claim against Daiichi in the Tokyo District Court (“Court”) in Japan (“Claim”). NTK’s position is that Daiichi has caused losses to NTK by preventing NTK from proceeding with the Fortis Open Offer and the Malar Open Offer. The Claims filed by NTK against Daiichi are tort claims premised on Daiichi’s unlawful interference with NTK’s trade or business, conspiracy of Daiichi and other persons, malicious falsehood and defamation under the applicable substantive laws. NTK is seeking *inter alia* the following reliefs from Daiichi in accordance with the applicable substantive laws: (i) JPY 20 billion as damages to NTK; (ii) an injunction to refrain Daiichi from defaming NTK in the future; and (iii) Daiichi to publish a statement on its website, and to deliver a statement to SEBI, to vindicate NTK’s reputation. NTK has expressly reserved its rights to amend and/or supplement the reliefs it is seeking from Daiichi. Hearings before the court took place on 26 December 2023 and 22 February 2024. The next hearing is scheduled for 14 May 2024. The parties are in the process of submitting preparatory briefs according to the Court’s directions.

45. SUBSEQUENT EVENT

- (a) On 21 February 2024, certain subsidiaries of Fortis completed the divestment of Fortis Malar Hospital, Chennai (“Malar Hospital”) and related assets for an aggregate consideration of approximately INR1.3 billion (equivalent to RM71.9 million).
- (b) On 29 February 2024, Pantai Holdings Sdn. Bhd., an indirect wholly-owned subsidiary of IHH, completed the acquisition of the entire equity interest in Bedrock Healthcare Sdn. Bhd. (“BHSB”) for a total consideration of RM245.0 million on a cash free debt free basis, subject to closing adjustments. BHSB, through its wholly-owned subsidiaries, operates an 82-bed hospital, namely Timberland Medical Centre in Kuching, Sarawak. Consequent thereto, BHSB and its subsidiaries, namely Mestika Unik Sdn. Bhd. and Eminent Rock Sdn. Bhd. will be consolidated as subsidiaries of IHH.

Analysis of Shareholdings

As at 29 March 2024

Class of securities : Ordinary shares

Issued share capital : 8,806,992,463 ordinary shares

Voting right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Holdings	%
Less than 100	228	3.12	2,091	0.00
100 – 1,000	2,469	33.83	1,739,757	0.02
1,001 – 10,000	3,062	41.96	13,170,634	0.15
10,001 – 100,000	886	12.14	29,498,797	0.33
100,001 – 440,349,623 *	650	8.91	2,963,379,318	33.65
440,349,624 and above **	3	0.04	5,799,201,866	65.85
Total	7,298	100.00	8,806,992,463	100.00

Notes:

* Less than 5% of issued share capital

** 5% and above of issued share capital

CATEGORY OF SHAREHOLDERS

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares held	% of Issued Shares
Individual	5,172	70.87	24,447,320	0.28
Banks/Finance Companies	56	0.77	726,578,200	8.25
Investments Trusts/Foundations/Charities	5	0.07	156,000	0.00
Other Types of Companies	103	1.41	5,163,284,676	58.63
Government Agencies/Institutions	1	0.01	65,000	0.00
Nominees	1,960	26.86	2,892,461,265	32.84
Trustee	0	0.00	0	0.00
Others	1	0.01	2	0.00
Total	7,298	100.00	8,806,992,463	100.00

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares held	% of Issued Shares	No. of Shares held	% of Issued Shares
1.	MBK Healthcare Management Pte Ltd	2,888,487,400	32.80	0	0.00
2.	Mitsui & Co., Ltd	0	0.00	2,888,487,400 ⁱ	32.80
3.	Pulau Memutik Ventures Sdn Bhd	2,284,536,356	25.94	0	0.00
4.	Khazanah Nasional Berhad	0	0.00	2,284,536,356 ⁱⁱ	25.94
5.	Employees Provident Fund Board	970,143,600 ⁱⁱⁱ	11.02	0	0.00
6.	Mehmet Ali Aydinlar	7,948,000	0.09	517,110,173 ^{iv}	5.87
7.	Hatice Seher Aydinlar	7,000,000	0.08	510,110,173 ^v	5.79
8.	SZA Gayrimenkul Yatırım İnşaat ve Ticaret Anonim Sirketi	510,110,173	5.79	0	0.00

Notes:

ⁱ Deemed interest by virtue of its shareholding in MBK Healthcare Management Pte Ltd pursuant to Section 8 of the Companies Act 2016.

ⁱⁱ Deemed interest by virtue of its shareholding in Pulau Memutik Ventures Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ⁱⁱⁱ The shares are held through various nominees companies.

^{iv} Deemed interest by virtue of his wife, Hatice Seher Aydinlar's shareholding in the Company and SZA Gayrimenkul Yatırım İnşaat ve Ticaret A.Ş.'s shareholding in the Company, a company wholly-owned by Mehmet Ali Aydinlar, his wife and daughter, pursuant to Section 8 of the Companies Act 2016.

^v Deemed interest by virtue of SZA Gayrimenkul Yatırım İnşaat ve Ticaret A.Ş.'s shareholding in the Company, a company wholly-owned by Hatice Seher Aydinlar, her husband and daughter, pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings

As at 29 March 2024

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS (As per Register of Directors' Shareholdings)

No.	Interest in the Company	Number of ordinary shares			
		Direct Interest		Indirect Interest	
		No. of Shares held	% of Issued Shares	No. of Shares held	% of Issued Shares
1.	Mehmet Ali Aydinlar	7,948,000	0.09	517,110,173 ⁱ	5.87
2.	Ong Ai Lin	10,000	0.00	0	0.00

Note:

ⁱ Deemed interest by virtue of his wife, Hatice Seher Aydinlar's shareholding in the Company and SZA Gayrimenkul Yatirim İnşaat ve Ticaret A.Ş.'s shareholding in the Company, a company wholly-owned by Mehmet Ali Aydinlar, his wife and daughter, pursuant to Section 8 of the Companies Act 2016.

Mehmet Ali Aydinlar's direct and/or indirect interest in the subsidiaries are as follows:

Interest in subsidiaries	Number of ordinary shares of TL1.00 each			
	Direct Interest		Indirect Interest	
	No. of Shares held	% of Issued Shares	No. of Shares held	% of Issued Shares
Acibadem Saglik Yatirimlari Holding A.S.	217,211,842	9.28	16,828,159	0.72
Acibadem Saglik Hizmetleri ve Ticaret A.S.	1	0.00	1	0.00
Acibadem Proje Yonetimi A.S.	1	0.00	0	0.00
Aplus Hastane Otelcilik Hizmetleri A.S.	1	0.00	2	0.00

International Hospital Istanbul A.S.	Number of ordinary shares of TL2.00 each			
	Direct Interest		Indirect Interest	
	No. of Shares held	% of Issued Shares	No. of Shares held	% of Issued Shares
	1	0.00	1	0.00

Save as disclosed above, none of the Directors of the Company has any interest, direct or indirect in the Company and its related corporations.

List of Top 30 Largest Shareholders

As at 29 March 2024

No.	Name	No. of Shares held	% of Issued Shares
1.	MBK Healthcare Management Pte Ltd	2,888,487,400	32.80
2.	Pulau Memutik Ventures Sdn Bhd	2,266,086,176	25.73
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	644,628,290	7.32
4.	Citigroup Nominees (Asing) Sdn Bhd UBS Switzerland AG for SZA Gayrimenkul Yatirim Insaat ve Ticaret Anonim Sirketi	302,490,173	3.43
5.	Kumpulan Wang Persaraan (Diperbadankan)	278,755,700	3.17
6.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	243,382,810	2.76
7.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for the Central Depository (Pte) Limited	241,225,565	2.74
8.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	170,000,000	1.93
9.	Cartaban Nominees (Asing) Sdn Bhd The Bank of New York Mellon for Kuwait Investment Authority	150,000,000	1.70
10.	Citigroup Nominees (Asing) Sdn Bhd CB Spore GW for Government of Singapore (GIC C)	64,747,500	0.74
11.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	60,021,400	0.68
12.	Lembaga Tabung Haji	49,770,000	0.57
13.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	40,586,502	0.46
14.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	40,197,235	0.46
15.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	36,432,100	0.41

List of Top 30 Largest Shareholders

As at 29 March 2024

No.	Name	No. of Shares held	% of Issued Shares
16.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	32,000,000	0.36
17.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	30,167,000	0.34
18.	Permodalan Nasional Berhad	29,774,400	0.34
19.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	24,615,000	0.28
20.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	24,477,500	0.28
21.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	24,397,700	0.28
22.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	24,223,300	0.28
23.	Amanahraya Trustees Berhad Public Islamic Dividend Fund	24,067,100	0.27
24.	Cartaban Nominees (Asing) Sdn Bhd BBH CO Boston for Fidelity Salem Street Trust - Fidelity SAI Emerging Markets Low Volatility Index Fund	23,220,100	0.26
25.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	22,017,000	0.25
26.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	21,689,000	0.25
27.	Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti	20,874,700	0.24
28.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds For Employee Benefit Trusts	19,770,336	0.22
29.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Insitutional Total International Stock Market Index Trust II	19,694,924	0.22
30.	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	18,436,100	0.21
Total		7,836,235,011	88.98

List of Top 10 Properties

for the Financial Year Ended 31 December 2023

No.	Address	Freehold/ Leasehold Land and/ or Buildings	Year of Expiry of Lease	Land Area Sq m	Built-up /Strata Area Sq m	Existing Use	Approximate Age of Buildings Years	Net Book Value @ 31 December 2023 RM'000
SINGAPORE								
1.	Mount Elizabeth Novena Hospital and Medical Centre Units 38 Irrawaddy Road Singapore 329563	Leasehold land and building	2108	N/A	Strata area: 56,361	Hospital building and medical centre	10	4,514,771 ^a
2.	Mount Elizabeth Hospital and Medical Centre Units 3 Mount Elizabeth Singapore 228510	Leasehold land and building	2075	N/A	Strata area: 58,290	Hospital building and medical centre	44	1,526,441 ^{a,b}
3.	Gleneagles Hospital and Medical Centre Units 6 Napier Road, Singapore 258499; 6A Napier Road, Singapore 258500	Freehold land and building	–	N/A	Strata area: 49,003	Hospital building and medical centre	32	766,018 ^{a,b}
MALAYSIA								
4.	Prince Court Medical Centre 39 Jalan Kia Peng 50450 Kuala Lumpur	Leasehold land and building	2103	29,108	Built-up area: 100,802	Hospital building	16	707,844 ^c
5.	Gleneagles Hospital Medini Johor No. 2, Jalan Medini Utara 4, Medini Iskandar 79250 Iskandar Puteri, Johor Darul Takzim	Leasehold land and building	2107	72,313	Built-up area: 59,388	Hospital building and medical centre; Includes a plot of land held as investment property	8	356,955 ^a
6.	Pantai Hospital Kuala Lumpur 8 Jalan Bukit Pantai 59100 Kuala Lumpur	Leasehold land and building	2111	22,533	Built-up area: 132,711	Hospital building	19 years for original block; 9 years and 8 years for extension blocks	288,169 ^b

Notes:

^a Carrying value includes fair value of investment properties, which were revalued in 2023 in accordance with the Group's accounting policies.^b Properties were revalued in 2010 pursuant to a purchase price allocation performed upon acquisition of Parkway and Pantai Group.^c Properties were revalued in 2020 pursuant to a purchase price allocation performed upon acquisition of Price Court Medical Centre.

List of Top 10 Properties

for the Financial Year Ended 31 December 2023

No.	Address	Freehold/ Leasehold Land and/ or Buildings	Year of Expiry of Lease	Land Area Sq m	Built-up /Strata Area Sq m	Existing Use	Approximate Age of Buildings Years	Net Book Value @ 31 December 2023 RM'000
INDIA								
7.	Fortis Memorial Research Institute, Gurgaon Sector - 44 (Opposite HUDA City Centre), Gurugram, Haryana 122002	Freehold land and building	–	43,303	Built-up area: 64,296	Hospital building	12	247,886 ^d
8.	Fortis Hospital, Mulund Mulund Goregaon Link Road, Mulund-West, Mumbai, Maharashtra 400078	Freehold land and building	–	32,982	Built-up area: 27,618	Hospital building	20 years for original block; 14 years and 12 years for extension blocks	261,585 ^d
CHINA								
9.	Parkway Shanghai Hospital No.1172, JiLe Road, Minhang District, Shanghai, China	Leasehold land and building	2066	35,754	Built-up area: 82,050	Hospital building	1	389,194
HONG KONG								
10.	Gleneagles Hospital Hong Kong 1 Nam Fung Path Wong Chu Hang Hong Kong	Leasehold building	2063	27,500	Built-up area: 46,750	Hospital building	6	2,028,899

Note:

^d Properties were revalued in 2018 pursuant to a purchase price allocation performed upon acquisition of Fortis Group.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of **IHH HEALTHCARE BERHAD** (IHH or the Company) will be held on a virtual basis and conducted entirely through live streaming and remote voting using the remote participation and voting facilities from the broadcast venue at Sentral Ballroom, Level 6, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 28 May 2024 at 10.00 a.m. for the following purposes:

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
- To re-elect the following Directors who retire pursuant to Clause 113(1) of the Constitution of the Company and who being eligible, offer themselves for re-election:
 - Ong Ai Lin
 - Satoshi Tanaka
 - Tan Sri Mohammed Azlan bin Hashim
- To re-elect the following Director who retires pursuant to Clause 120 of the Constitution of the Company and who being eligible, offer himself for re-election:
 - Yoichiro Endo
- To approve the payment of the following fees and other benefits payable to the Directors of the Company by the Company:
 - Directors' fees to the Non-Executive Directors (NED) in respect of their directorship and committee membership in the Company with effect from 1 July 2024 until 30 June 2025 as per the table below:

Ordinary Resolution 1**Ordinary Resolution 2****Ordinary Resolution 3****Ordinary Resolution 4****Ordinary Resolution 5**

Structure	Chairman (RM per annum)	Member (RM per annum)
Board of Directors	660,000	313,500
Audit Committee	175,000	100,000
Risk Management Committee	175,000	100,000
Nomination and Remuneration Committee	175,000	100,000
Steering Committee	350,000	100,000

- Any other benefits provided to the Directors of the Company by the Company with effect from 1 July 2024 until 30 June 2025, subject to a maximum amount equivalent to RM1,300,000.

Notice of Annual General Meeting

5. To approve the payment of the Directors' fees (or its equivalent amount in Ringgit Malaysia as converted using the middle rate of Bank Negara Malaysia foreign exchange on the payment dates, where applicable) to the Directors of the Company who are holding directorship and committee membership in the following Company's subsidiaries to the Directors of the Company by the Company's subsidiaries:

- (i) Fortis Healthcare Limited for the period with effect from 1 July 2024 to 30 June 2025 as per below:

Structure	Chairman/Member (INR per meeting attended)
Board of Directors	100,000
Audit Committee	100,000
Risk Management Committee	100,000
Nomination and Remuneration Committee	100,000
Corporate Social Responsibility Committee	100,000
Stakeholders Relationship Committee	100,000
Independent Directors	100,000

- (ii) Parkway Trust Management Limited (PTML) for the period with effect from 1 July 2024 to 30 June 2025 as per below:

Structure	Chairman (SGD per annum)	Member (SGD per annum)
Board of Directors	110,000	55,000
Audit and Risk Committee	38,000	16,000
Nominating and Remuneration Committee	28,000	12,000

- (iii) (a) Acibadem Saglik Yatirimlari Holding A.S. (ASYH) Group for the period with effect from 1 July 2024 to 30 June 2025 as per below:

Structure	Chairman (USD per annum)	Member (USD per annum)
Board of Directors	–	40,000

- (b) ASYH for the period with effect from 1 July 2024 to 30 June 2025, for the Board fee of USD513,000 per annum payable to Mehmet Ali Aydinlar as the Board Chairman and Director in ASYH Group.

6. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 6

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

7. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 8

“THAT subject to the Companies Act 2016 (the Act), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution in any one financial year does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Act, read together with the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act.”

8. **PROPOSED RENEWAL OF AUTHORITY FOR IHH TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY)** Ordinary Resolution 9

“THAT subject to the Companies Act 2016 (the Act), rules, regulations and orders made pursuant to the Act, the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements) and the approvals of all relevant governmental and/or relevant authorities, the Company be and is hereby authorised, to the extent permitted by law, to purchase and/or hold such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- (i) the aggregate number of shares which may be purchased (Purchased Shares) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten percent (10%) of the prevailing total number of issued shares of the Company at the point of purchase;
- (ii) the maximum funds to be allocated for the Company to purchase its own shares pursuant to the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company;
- (iii) upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares in the following manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force:
 - (a) cancel all or part of the Purchased Shares; and/or
 - (b) retain all or part of the Purchased Shares as treasury shares (as defined in Section 127 of the Act); and/or
 - (c) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
 - (d) distribute the treasury shares as share dividends to the shareholders of the Company; and/or
 - (e) transfer the treasury shares for the purposes of or under the employees' share scheme established by the Company; and/or

Ordinary Resolution 7

Notice of Annual General Meeting

- (f) transfer the treasury shares as purchase consideration; and/or
- (g) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe,

or in any other manner as may be prescribed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by the Directors.

THAT the authority conferred by this ordinary resolution shall be effective immediately upon passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (AGM) of the Company at which time the authority shall lapse unless by ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

AND THAT the Directors of the Company be and are hereby empowered to do all acts and things (including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991) and to take all such steps and to enter into and execute all declarations, commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations (if any) as may be imposed by the relevant authorities.”

- 9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

IDA SURYATI BINTI AB RAHIM (SSM Practicing Certification no.: 202008000221) (LS0009477)
SEOW CHING VOON (SSM Practicing Certification no.: 202008001213) (MAICSA 7045152)
 Company Secretaries

Kuala Lumpur
 29 April 2024

NOTES:

PROXY AND/OR AUTHORISED REPRESENTATIVES

1. The Company would like to leverage on the use of technology available by conducting the Fourteenth Annual General Meeting of the Company (the Meeting or AGM) on a virtual basis entirely via Remote Participation and Electronic Voting (RPEV) facilities, pursuant to Section 327(2) of the Companies Act 2016 (Act) and Clause 78 of the Company's Constitution. The Company will be using the meeting platform of Boardroom Share Registrars Sdn Bhd which is available on the designated link at <https://meeting.boardroomlimited.my>. Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote virtually via the RPEV facilities.
2. The main and only venue of the virtual Meeting is strictly to serve as the broadcast venue where the chairman of the Meeting is physically present and no shareholders/proxies/corporate representatives shall be physically present at the broadcast venue. The Meeting will be in compliance with Section 327(2) of the Act and Clause 78 of the Company's Constitution which provides that the main venue of the AGM shall be in Malaysia and the chairman must be present at the main venue of the AGM. The electronic means of conducting the Fourteenth AGM on a virtual basis will facilitate and enable all shareholders to participate in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue.
3. A member entitled to virtually attend and vote at the Meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to virtually attend, participate, speak and vote in his/her stead, in accordance with the Administrative Details.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. A member other than an exempt authorised nominee shall be entitled to appoint not more than two (2) proxies to virtually attend and vote at the Meeting. Notwithstanding the foregoing, any member other than an exempt authorised nominee who is also a substantial shareholder (within the meaning of the Act) shall be entitled to appoint up to (but not more than) five (5) proxies. Where such member appoints more than one (1) proxy, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
6. The instrument appointing a proxy shall:
 - (i) in the case of an individual, be signed by the appointer or by his/her attorney; and

- (ii) in the case of corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

A copy of the Authorisation Document or the duly registered Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and exercised, should be enclosed with the form of proxy.

7. A corporation which is a member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with the Company's Constitution.
8. The instrument appointing the proxy together with the Authorisation Document or the duly registered Power of Attorney referred to in Note 6 above, if any, must be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (please refer to Section D of the Administrative Details for details) not less than forty-eight (48) hours before the time appointed for holding of the Meeting or at any adjournment thereof.
9. Shareholders/proxies/corporate representatives would need to register as a member of Boardroom Smart Investor Portal first before they can request for the Remote Participation User identification number and password to virtually attend, participate, speak and vote at the Meeting via RPEV, in accordance with the Administrative Details.
10. **Personal data privacy**
 By submitting an instrument appointing a proxy(ies) and/or representative(s) to virtually attend, speak and vote at the Meeting and/or any adjournment thereof, in accordance with the Administrative Details, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notice of Annual General Meeting

11. Members entitled to attend

Only members whose names appear in the General Meeting Record of Depositors on 21 May 2024 shall be entitled to virtually attend, speak and vote at this Fourteenth AGM of the Company or appoint a proxy(ies) on his/her behalf, in accordance with the Administrative Details.

EXPLANATORY NOTES ON ORDINARY BUSINESS:

1. Re-election of Director

Clause 113(1) of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office.

Clause 120 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

In line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Board through the Nomination and Remuneration Committee had assessed the Directors standing for re-election and after having undergone the fit and proper assessment, the Board was satisfied that the Directors standing for re-election are competent, have contributed effectively to the Board's deliberations, diligent, committed and have effectively discharged their role as Directors. The Board agreed to recommend the Directors who are standing for re-election to the shareholders for approval at the Fourteenth AGM.

The profiles of the Directors seeking re-election are set out in the profile of the Board of Directors as laid out on pages 71 to 77 of the Company's Annual Report 2023 as well as in the Company's website at <https://www.ihhhealthcare.com/about-us/our-leadership/board-of-directors>.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. Resolution pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 8 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016 (General Mandate). The General Mandate, if passed, will empower the Directors to issue shares in the Company up to an amount of not exceeding in total ten percent (10%) of the total number of issued shares of the Company for any possible fund raising activities, funding investment project(s), working capital or such purposes as the Directors consider would be in the interest of the Company. The approval is sought to avoid any delay and cost in convening separate general meetings for such issuance of shares. This authority, unless revoked or varied at a general meeting will expire at the next AGM of the Company.

The Company had, during its Thirteenth AGM held on 30 May 2023, obtained its shareholders' approval for the General Mandate. No share was issued pursuant to the General Mandate as at the date of this Notice.

2. Proposed renewal of authority for IHH to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company

The proposed Ordinary Resolution 9, if passed, will enable the Company to purchase its own shares through Bursa Securities of up to ten percent (10%) of the prevailing total number of issued shares of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Statement to shareholders dated 29 April 2024, which is attached together with the Company's Annual Report 2023.

Form of Proxy

Fourteenth Annual General Meeting



IHH Healthcare

*I/*We

(Full name and NRIC/Passport/Company no. in capital letters)

of

(Full address in capital letters and telephone no.)

being a member/members of IHH HEALTHCARE BERHAD (Company), hereby appoint:

Full Name	Full Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%
Email Address		Telephone No.		

*and/*or

Full Name	Full Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%
Email Address		Telephone No.		

*and/*or (only in the case of a substantial shareholder)

Full Name	Full Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%
Email Address		Telephone No.		

*and/*or (only in the case of a substantial shareholder)

Full Name	Full Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%
Email Address		Telephone No.		

*and/*or (only in the case of a substantial shareholder)

Full Name	Full Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%
Email Address		Telephone No.		

or failing *him/*her/*them, the Chairman of the Meeting as *my/*our *proxy/*proxies to vote virtually for *me/*us on *my/*our behalf at the virtual Fourteenth Annual General Meeting of the Company to be held at Sentral Ballroom, Level 6, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 28 May 2024 at 10.00 a.m. and at any adjournment thereof. *I/*We indicate with an "✓" or "X" in the spaces below how *I/*we wish *my/*our vote to be cast virtually:

No.	Ordinary Resolutions	For	Against
1	Re-election of Ong Ai Lin		
2	Re-election of Satoshi Tanaka		
3	Re-election of Tan Sri Mohammed Azlan bin Hashim		
4	Re-election of Yoichiro Endo		
5	Approval of payment of Directors' fees and other benefits to the Directors of the Company by the Company		
6	Approval of payment of Directors' fees to the Directors of the Company by the Company's subsidiaries		
7	Re-appointment of KPMG PLT as Auditors of the Company and authority to the Directors to fix their remuneration		
8	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
9	Proposed renewal of authority for IHH to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of IHH		

Subject to the above stated voting instructions, *my/*our *proxy/*proxies may vote virtually or abstain from voting on any resolutions as *he/*she/*they may think fit.

* Delete whichever is not applicable.

Dated this _____ day of _____ 2024.

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Signature of member/Common Seal of member

Total no. of Shares held	
Securities Account No.	

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IMPORTANT: PLEASE READ THE NOTES BELOW

Notes:

- The Company would like to leverage on the use of technology available by conducting the Fourteenth Annual General Meeting of the Company (the Meeting or AGM) on a virtual basis entirely via Remote Participation and Electronic Voting (RPEV) facilities, pursuant to Section 327(2) of the Companies Act 2016 (Act) and Clause 78 of the Company's Constitution. The Company will be using the meeting platform of Boardroom Share Registrars Sdn Bhd which is available on the designated link at <https://meeting.boardroomlimited.my>. Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote virtually via the RPEV facilities.
- The main and only venue of the virtual Meeting is strictly to serve as the broadcast venue where the chairman of the Meeting is physically present and no shareholders/proxies/corporate representatives shall be physically present at the broadcast venue. The Meeting will be in compliance with Section 327(2) of the Act and Clause 78 of the Company's Constitution which provides that the main venue of the AGM shall be in Malaysia and the chairman must be present at the main venue of the AGM. The electronic means of conducting the Fourteenth AGM on a virtual basis will facilitate and enable all shareholders to participate in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue.
- A member entitled to virtually attend and vote at the Meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to virtually attend, participate, speak and vote in his/her stead, in accordance with the Administrative Details.
- Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- A member other than an exempt authorised nominee shall be entitled to appoint not more than two (2) proxies to virtually attend and vote at the Meeting. Notwithstanding the foregoing, any member other than an exempt authorised nominee who is also a substantial shareholder (within the meaning of the Act) shall be entitled to appoint up to (but not more than) five (5) proxies. Where such member appoints more than one (1) proxy, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
- The instrument appointing a proxy shall: -
 - in the case of an individual, be signed by the appointer or by his/her attorney; and
 - in the case of corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

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Affix Stamp
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IHH HEALTHCARE BERHAD 201001018208 (901914-V)

c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

A copy of the Authorisation Document or the duly registered Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and exercised, should be enclosed with the form of proxy.

- A corporation which is a member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with the Company's Constitution.
- The instrument appointing the proxy together with the Authorisation Document or the duly registered Power of Attorney referred to in Note 6 above, if any, must be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (please refer to Section D of the Administrative Details for details) not less than forty-eight (48) hours before the time appointed for holding of the Meeting or at any adjournment thereof.
- Shareholders/proxies/corporate representatives would need to register as a member of Boardroom Smart Investor Portal first before they can request for the Remote Participation User Identification number and password to virtually attend, participate, speak and vote at the Meeting via RPEV, in accordance with the Administrative Details.
- By submitting an instrument appointing a proxy(ies) and/or representative(s) to virtually attend, speak and vote at the Meeting and/or any adjournment thereof, in accordance with the Administrative Details, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.
- Only members whose names appear in the General Meeting Record of Depositors on 21 May 2024 shall be entitled to virtually attend, speak and vote at this Fourteenth AGM of the Company or appoint a proxy(ies) on his/her behalf, in accordance with the Administrative Details.

Corporate Information

As at 1 April 2024

Board of Directors

Tan Sri Mohammed Azlan bin Hashim
Chairman, Independent, Non-Executive

Jill Margaret Watts
Independent, Non-Executive

Dato' Sri Muthanna bin Abdullah
Independent, Non-Executive

Ong Ai Lin
Independent, Non-Executive

Satoshi Tanaka
Independent, Non-Executive

Yoichiro Endo
(Appointed on 1 April 2024)
Non-Independent, Non-Executive

Tomo Nagahiro
Non-Independent, Non-Executive

Lim Tsin-Lin
Non-Independent, Non-Executive

Registered Address & Business Address

Level 11 Block A
Pantai Hospital Kuala Lumpur
8 Jalan Bukit Pantai
59100 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel : +603-2298 9898

Fax : +603-2298 9899

Email : info@ihhhealthcare.com

Company Website

www.ihhhealthcare.com

Share Registrars

Malaysia

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : +603-7890 4700 (helpdesk)

Fax : +603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

Singapore

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Tel : +65-6536 5355

Fax : +65-6438 8710

Steering Committee

Chairman : Tan Sri Mohammed Azlan bin Hashim

Members : Tomo Nagahiro

: Lim Tsin-Lin

: Mehmet Ali Aydinlar

: Mok Jia Mei

: Dr Prem Kumar Nair

(Appointed on 5 September 2023)

Mehmet Ali Aydinlar

Non-Independent, Non-Executive

Mohd Shahazwan bin Mohd Harris

Non-Independent, Non-Executive

Mok Jia Mei

Non-Independent, Non-Executive

(Alternate Director to Lim Tsin-Lin)

Takeshi Akutsu

(Resigned on 31 March 2024)

Non-Independent, Non-Executive

Auditors

KPMG PLT
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : +603-7721 3388

Fax : +603-7721 3399

Principal Bankers

- Axis Bank
- Bank of China
- CIMB Bank
- DBS Bank
- Deutsche Bank
- ING Bank
- J.P. Morgan
- Malayan Banking Berhad
- MUFG Bank
- Oversea-Chinese Banking Corporation
- Standard Chartered Bank
- Sumitomo Mitsui Banking Corporation
- The Hongkong and Shanghai Banking Corporation
- Türkiye Garanti Bankasi
- United Overseas Bank

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 25 July 2012)

Main Board of the Singapore Exchange
Securities Trading Limited
(Listed since 25 July 2012)

1st fold here

IHH HEALTHCARE BERHAD

201001018208 (901914-V)

Level 11 Block A, Pantai Hospital Kuala Lumpur,
8 Jalan Bukit Pantai, 59100 Kuala Lumpur, Malaysia
Tel: 603-2298 9898

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