

ANNOUNCEMENT

U.S.\$500,000,000 4.25% SENIOR PERPETUAL SECURITIES UNDER THE U.S.\$2,000,000,000 MULTI-CURRENCY MEDIUM TERM NOTE PROGRAMME

Type	:	General Announcement
Subject	:	Audit Report - Qualified Opinion
Description	:	Qualified Opinion on the Audited Financial Statements for the financial year ended 31 December 2019

1. Introduction

The Board of Directors of Parkway Pantai Limited ("PPL") wishes to announce that the Company's external auditors, KPMG LLP ("**Independent Auditors**") have included a qualified opinion in its independent auditors' report dated 26 March 2020 ("**Independent Auditors' Report**") in respect of the Audited Financial Statements of PPL for the financial year ended 31 December 2019 ("**2019 Financial Statements**").

2. Details of the Qualified Opinion disclosed in the Independent Auditors' Report

The details of qualified opinion as disclosed in the Independent Auditors' Report is reproduced below:

"Qualified opinion

We have audited the financial statements of Parkway Pantai Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS145.

In our opinion, except for the possible effects of the matters described in the 'Basis for qualified opinion' section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Parkway Pantai Limited

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Basis for qualified opinion

As disclosed in note 40 to the financial statements, the Group completed its acquisition of Fortis Healthcare Limited ('Fortis') and its subsidiaries ('Fortis Group') on 13 November 2018. Prior to the acquisition, an investigation report by an independent external legal firm was submitted to the former Fortis board, relating to systematic lapses and override of internal controls. Significant findings, amongst others, highlighted the placement of inter-corporate deposits and existence of possible related parties connected with former controlling shareholders of Fortis which may require appropriate reassessment by Fortis Group on the claims from, or transactions with, such parties. The Fortis Group had also initiated enquiries of the management of the entities in the Fortis Group that were impacted in respect of the matters investigated by the external legal firm.

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

As a result of the above ongoing investigations and various inquiries (including the need for any additional investigations by Fortis), we are unable to determine if there are any regulatory non-compliances and additional adjustments or disclosures which may be necessary as a result of further findings of the ongoing or future regulatory or internal investigations and the consequential impact, if any, on the financial statements of the Group."

Please refer to a copy of note 40 of the 2019 Financial Statements as annexed herewith under Appendix I.

3. Steps taken or proposed to be taken to address the modified opinion and the timeline involved

The Board of Fortis has initiated additional control procedures and had appointed Ernst & Young LLP, India, to conduct enquiries of certain entities and transactions in Fortis Group that were impacted in respect of the issues raised in the qualified opinion with a view of closing them.

As at 26 March 2020, the Board of Fortis is reviewing the findings of Ernst & Young LLP, India.

Barring unforeseen circumstances, the Group expects the review to be completed before 31 December 2020.

BY ORDER OF THE BOARD
PARKWAY PANTAI LIMITED

22 May 2020

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