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IHH Healthcare Berhad

(Company No. 901914-V)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED AUTHORITY FOR IHH HEALTHCARE BERHAD ("IHH" OR "COMPANY") TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY ("PROPOSED SHARE BUY-BACK AUTHORITY")

**TO BE TABLED AS A SPECIAL BUSINESS
AT THE COMPANY'S FIFTH ANNUAL GENERAL MEETING**

Adviser



Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Fifth Annual General Meeting ("**AGM**") of our Company and the Form of Proxy are set out in the Annual Report 2014 of our Company despatched together with this Circular. The AGM of our Company will be held at Ballroom A & B, Level 6, Hilton Hotel KL Sentral, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia, on Monday, 15 June 2015 at 10.00 a.m..

If you are unable to attend and vote at the AGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must deposit the Form of Proxy at the office of our Share Registrar, Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than forty-eight (48) hours before the time set for the AGM indicated below or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at our AGM should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy	:	Saturday, 13 June 2015 at 10.00 a.m.
Date and time of the AGM	:	Monday, 15 June 2015 at 10.00 a.m. or any adjournment thereof
Venue of the AGM	:	Ballroom A & B, Level 6, Hilton Hotel KL Sentral, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia

This Circular is dated 23 May 2015

DEFINITIONS

In this Circular, the following abbreviations shall have the following meanings unless otherwise stated:

Acibadem Holding	:	Acibadem Saglik Yatirimlari Holding A.S.
Acibadem Holding's Shareholders' Agreement	:	Shareholders' agreement dated 23 December 2011 entered into between our Company, Integrated Healthcare Hastaneler Turkey Sdn Bhd, Bagan Lalang and Mehmet Ali Aydinlar
Act	:	Companies Act, 1965
AGM	:	Annual general meeting
Aydinlar	:	Collectively, Mehmet Ali Aydinlar and Hatice Seher Aydinlar together with their permitted transferees
Aydinlar Option	:	The right of Aydinlar to convert shares of Acibadem Holding into new IHH Shares pursuant to Acibadem Holding's Shareholders' Agreement
Bagan Lalang	:	Bagan Lalang Ventures Sdn Bhd
Bagan Lalang Option	:	The right of Bagan Lalang to convert shares of Acibadem Holding into new IHH Shares pursuant to Acibadem Holding's Shareholders' Agreement
Board	:	Board of Directors of IHH
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Malaysian Code on Take-Overs and Mergers, 2010, including any amendments thereto from time to time
EPP	:	Equity participation plan of IHH
EPP Options	:	Options granted pursuant to the EPP
EPS	:	Earnings per Share
FYE	:	Financial year ended
IHH or Company	:	IHH Healthcare Berhad
IHH Group or Group	:	Collectively, IHH and its subsidiaries
IHH Shares or Shares	:	Ordinary shares of RM1.00 each in our Company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 April 2015, being the latest practicable date prior to the printing of this Circular
LTIP	:	Long term incentive plan
LTIPs	:	Collectively, LTIP of our Company, LTIP of Parkway Holdings Limited, LTIP of Pantai Holdings Berhad and LTIP of IMU Health Sdn Bhd
LTIP Units	:	Units granted pursuant to the LTIPs

DEFINITIONS (Cont'd)

Market Day	:	A day on which the stock market of Bursa Securities is open for trading in securities
Maybank IB	:	Maybank Investment Bank Berhad
NA	:	Net assets
Proposed Share Buy-Back Authority	:	Proposed authority for our Company to purchase its own shares of up to ten percent (10%) of the prevailing issued and paid-up share capital of the Company
Pulau Memutik	:	Pulau Memutik Ventures Sdn Bhd
Purchased Shares	:	Shares purchased pursuant to the Proposed Share Buy-Back Authority
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act, 1991
WAMP	:	Weighted average market price

CURRENCY

RM and sen	:	Ringgit Malaysia and sen
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All references to “you” in this Circular are to our shareholders. All references to “**our Company**” and “**IHH**” in this Circular are to IHH Healthcare Berhad. All references to “**IHH Group**” and “**our Group**” in this Circular are to our Company and our subsidiaries. All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and our subsidiaries.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural, and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Circular is a reference to that enactment as amended or re-enacted from time to time.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group’s plans and objectives will be achieved.

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IHH Healthcare Berhad
(Company No. 901914-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Level 11 Block A
Pantai Hospital Kuala Lumpur
8 Jalan Bukit Pantai
59100 Kuala Lumpur
Wilayah Persekutuan
Malaysia

23 May 2015

Board of Directors

Tan Sri Dato' Dr Abu Bakar bin Suleiman (*Non-Independent Executive Chairman*)
Dato' Mohammed Azlan bin Hashim (*Non-Independent Non-Executive Deputy Chairman*)
Dr Tan See Leng (*Managing Director and Chief Executive Officer*)
Mehmet Ali Aydinlar (*Non-Independent Executive Director*)
YM Tengku Dato' Sri Azmil Zahrudin bin Raja Abdul Aziz (*Non-Independent Non-Executive Director*)
Satoshi Tanaka (*Non-Independent Non-Executive Director*)
Chang See Hiang (*Senior Independent Non-Executive Director*)
Rossana Annizah binti Ahmad Rashid (*Independent Non-Executive Director*)
Kuok Khoon Ean (*Independent Non-Executive Director*)
Shirish Moreshwar Apte (*Independent Non-Executive Director*)
Quek Pei Lynn (*Alternate Director to YM Tengku Dato' Sri Azmil Zahrudin bin Raja Abdul Aziz*)
Kaichi Yokoyama (*Alternate Director to Satoshi Tanaka*)

To: Our shareholders

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 7 May 2015, we announced our Company's intention to seek your approval for the Proposed Share Buy-Back Authority at our forthcoming Fifth AGM.

The purpose of this Circular is to provide you with the details of the Proposed Share Buy-Back Authority, together with our Board's recommendation and to seek your approval for the Proposed Share Buy-Back Authority to be tabled as a Special Business at our forthcoming Fifth AGM. The Notice of the Fifth AGM together with the Form of Proxy are enclosed in our Company's Annual Report 2014. An extract of the resolution in connection with the Proposed Share Buy-Back Authority is enclosed in Appendix II of this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AS A SPECIAL BUSINESS AT OUR FORTHCOMING FIFTH AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

2.1 Proposed Share Buy-Back Authority

The Proposed Share Buy-Back Authority, if granted, will provide our Company with the authority to purchase up to ten percent (10%) of the prevailing issued and paid-up share capital of our Company at the point of purchase through stockbroker(s) to be appointed by our Company at a later date. The purchases pursuant to the Proposed Share Buy-Back Authority will be effected on Bursa Securities subject to compliance with Section 67A of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

The Proposed Share Buy-Back Authority, if approved at our forthcoming Fifth AGM, will be effective immediately and shall continue to be in force until:

- (i) the conclusion of the next AGM of our 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 is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by our Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

For illustrative purposes, the maximum number of Shares that can be purchased pursuant to the Proposed Share Buy-Back Authority is 823,159,423 Shares based on the issued and paid-up share capital of our Company as at the LPD of 8,214,852,033 Shares and assuming that all the outstanding 6,375,001 EPP Options and 10,367,205 LTIP Units as at the LPD are fully exercised/surrendered. For the avoidance of doubt, for illustrative purposes throughout this Circular including the proforma effects as disclosed in Section 5 below, we have not taken into account (i) any further grant of EPP Options and LTIP Units to the eligible employees and/or Directors of our Group after the LPD; and (ii) the issuance of new Shares pursuant to the exercise of Aydinlar Option and Bagan Lalang Option in view that the actual number of new Shares to be issued are dependent on various factors including, but not limited to, the relative prices at which the Acibadem Holding shares are to be sold, and the IHH Shares are to be issued, which will be based on the fair market value of these shares at the time the option is exercised, which cannot be verified at this juncture. As such, the maximum number of Shares, representing ten percent (10%) of the prevailing issued and paid-up share capital of our Company, that we can purchase pursuant to the Proposed Share Buy-Back Authority may change from time to time during the validity period of the Proposed Share Buy-Back Authority.

The maximum amount of funds to be allocated for the purchase of Shares under the Proposed Share Buy-Back Authority will be subject to the amount of the retained earnings and/or share premium account of our Company. Based on the latest audited financial statements of our Company for the FYE 31 December 2014, the retained earnings and share premium account of our Company were RM673.69 million and RM8,059.16 million respectively. The number of Shares that may be purchased will depend on, among others, the availability of financial resources, prevailing market conditions and pricing parameters for such purchases, as set out in Section 2.2 below.

The Proposed Share Buy-Back Authority will be funded entirely from internally generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits and/or share premium of our Company. In the event that our Company purchases the Shares using external borrowings, our Board will ensure that there are sufficient funds to repay the borrowings and such repayment is not expected to have a material effect on the cash flow of our Company.

2.2 Pricing

Under the Listing Requirements, in purchasing the Shares pursuant to the Proposed Share Buy-Back Authority, we may purchase the Shares at a price which is not more than fifteen percent (15%) above the WAMP of the Shares for the five (5) Market Days immediately before the purchase(s).

In any subsequent resale of the Purchased Shares that are held as treasury shares, our Company is only allowed to resell the treasury shares on Bursa Securities at:

- (i) a price which is not less than the WAMP of the Shares for the five (5) Market Days immediately before the resale; or
- (ii) a discounted price of not more than five percent (5%) to the WAMP of the Shares for the five (5) Market Days immediately before the resale provided that:
 - (a) the resale takes place not earlier than thirty (30) days from the date of purchase; and
 - (b) the resale price is not less than the cost of purchase of the Shares being resold.

2.3 Status and treatment of the Purchased Shares

In accordance with Section 67A of the Act, our Board may, at its discretion, 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:

- (i) cancel all or part of the Purchased Shares; and/or
- (ii) retain all or part of the Purchased Shares as treasury shares (as defined in Section 67A of the Act); and/or
- (iii) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
- (iv) distribute the treasury shares as share dividends to the shareholders of our Company,

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 our Directors.

In the event our Company ceases to hold all or part of the Purchased Shares as a result of the above, our Company may further purchase such additional number of Shares provided that the total Purchased Shares (including Shares held as treasury shares) does not exceed ten percent (10%) of the issued and paid-up share capital of our Company at the time of such purchase(s).

While the Purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in our Company for any purposes including the determination of substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the results of a vote on a resolution at a general meeting.

2.4 Public shareholding spread

The Proposed Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the point of purchase including compliance with twenty percent (20%) shareholding spread in the hands of public shareholders as approved by Bursa Securities vide its letter dated 14 March 2012.

The public shareholding spread of our Company based on our Record of Depositors as at the LPD was approximately 32.48%. For illustrative purposes, assuming that the purchase by our Company of the Shares pursuant to the Proposed Share Buy-Back Authority is carried out in full based on the issued and paid-up share capital of our Company as at the LPD of 8,214,852,033 Shares, the proforma public shareholding spread of our Company will be reduced to approximately 24.98%, on the basis that all the Shares are purchased from public shareholders and the Shares so purchased are held as treasury shares.

2.5 Purchase, resale and cancellation of Shares in the past twelve (12) months

Our Company does not have an existing authority to purchase its own shares. As such, our Company does not currently hold any treasury share and has not purchased, resold and/or cancelled any Share in the past twelve (12) months preceding the LPD.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The rationale for the Proposed Share Buy-Back Authority is as follows:

- (i) it provides us with the flexibility in managing our dividend policy and capital structure in terms of debt and equity composition and size of equity;
- (ii) it enables us to utilise any of our surplus financial resources which is not immediately required for other uses, to purchase our own Shares from the market;
- (iii) it enables us to purchase our own Shares when the Shares are being traded at values that are grossly below what our Board believes to be their intrinsic value; and
- (iv) the consolidated EPS of our Company is expected to increase as the consolidated earnings of our Company would be divided by a reduced number of Shares, assuming all other things being equal.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY

4.1 Potential advantages

The potential advantages of the Proposed Share Buy-Back Authority, if implemented, are as follows:

- (i) enable us to take preventive measures against speculative activities particularly when the Shares are undervalued, which may in turn stabilise the market price and hence, enhance investors' confidence;
- (ii) enable us to utilise our financial resources more efficiently especially when there is no immediate use for such resources;
- (iii) provide us with opportunities for potential gains if the Purchased Shares which are held as treasury shares are subsequently resold at prices higher than the purchase price; and
- (iv) provide the flexibility for our Company to distribute the Purchased Shares which are held as treasury shares as share dividends to our shareholders.

4.2 Potential disadvantages

The potential disadvantages of the Proposed Share Buy-Back Authority, if implemented, are as follows:

- (i) the purchase(s) of our Shares pursuant to the Proposed Share Buy-Back Authority will reduce the financial resources of our Group and may result in our Group foregoing other investment opportunities that may emerge in the future; and
- (ii) as the purchase(s) of our Shares pursuant to the Proposed Share Buy-Back Authority must be backed by an equivalent amount of retained profits and/or share premium of our Company, the amount available from these accounts for distribution to our shareholders may decrease accordingly.

Notwithstanding the above, the Proposed Share Buy-Back Authority is not expected to result in any material disadvantages to our Company and our shareholders as it will be implemented only after due consideration of our Group's available financial resources and the resultant impact on our Company and our shareholders. Our Board, in exercising any decision to purchase any Share, will be mindful of our Company's and our shareholders' interests.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

5.1 Issued and paid-up share capital

The effect of the Proposed Share Buy-Back Authority on the issued and paid-up share capital of our Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The Proposed Share Buy-Back Authority will result in a reduction in the issued and paid-up share capital of our Company if the Purchased Shares are cancelled.

For illustrative purposes only, the proforma effect of the Proposed Share Buy-Back Authority on the issued and paid-up share capital of our Company is based on the following scenarios:

Minimum Scenario: Assuming, (i) none of the outstanding EPP Options and LTIP Units as at the LPD are exercised/surrendered; and (ii) the Proposed Share Buy-Back Authority is implemented in full and all the Purchased Shares are cancelled.

Maximum Scenario: Assuming, (i) all the outstanding 6,375,001 EPP Options and 10,367,205 LTIP Units as at the LPD are fully exercised/surrendered and a total of 16,742,206 Shares are issued pursuant thereto; and (ii) the Proposed Share Buy-Back Authority is implemented in full and all the Purchased Shares are cancelled.

Minimum Scenario

	No. of Shares	RM
As at the LPD	8,214,852,033	8,214,852,033
Number of Shares to be issued arising from the exercise of EPP Options	-	-
Number of Shares to be issued arising from the surrender of LTIP Units	-	-
	<u>8,214,852,033</u>	<u>8,214,852,033</u>
Less: Cancellation of the Purchased Shares	(821,485,203)	(821,485,203)
	<u>7,393,366,830</u>	<u>7,393,366,830</u>

Maximum Scenario

	No. of Shares	RM
As at the LPD	8,214,852,033	8,214,852,033
Number of Shares to be issued arising from the exercise of EPP Options	6,375,001	6,375,001
Number of Shares to be issued arising from the surrender of LTIP Units	10,367,205	10,367,205
	<u>8,231,594,239</u>	<u>8,231,594,239</u>
Less: Cancellation of the Purchased Shares	(823,159,423)	(823,159,423)
	<u>7,408,434,816</u>	<u>7,408,434,816</u>

The above illustration assumes that the Purchased Shares are cancelled. Nevertheless, if the Purchased Shares are retained as treasury shares, resold or distributed to our shareholders, the Proposed Share Buy-Back Authority will have no effect on the existing issued and paid-up share capital of our Company.

5.2 Earnings and EPS

The effects of the Proposed Share Buy-Back Authority on the earnings of our Group are dependent on the number of the Purchased Shares, the purchase prices of the Purchased Shares, the effective funding cost to finance such purchases and/or loss in interest income to our Group, if internally generated funds are utilised. Further, the purchase of the Shares will result in a lower number of Shares being taken into account for purposes of EPS computation.

5.3 NA, NA per Share and gearing

The potential effect of the Proposed Share Buy-Back Authority on the consolidated NA of our Group will depend on the number of the Purchased Shares, the purchase prices of the Purchased Shares, the effective funding costs to our Group to finance such purchases and/or any loss in interest income to our Group, if internally generated funds are utilised.

The Proposed Share Buy-Back Authority would increase the consolidated NA per Share of our Group if the purchase price is less than the consolidated NA per Share at the relevant point in time, and vice versa.

If the treasury shares are resold on Bursa Securities, the consolidated NA per Share upon the resale would increase if our Company realises a gain from the resale and vice versa.

If the treasury shares are distributed to shareholders as share dividends, the consolidated NA per Share of our Group would decrease.

The effects of the Proposed Share Buy-Back Authority on the gearing of our Group will depend on the proportion of borrowing utilised to fund the purchase of the Purchased Shares. At this juncture, we have not determined whether to use borrowings for purposes of purchasing our own Shares.

5.4 Working capital

The implementation of the Proposed Share Buy-Back Authority will reduce our Group's working capital, the quantum of which will depend on, among others, the number of Shares purchased and the purchase prices of such Shares.

However, the resale of the Purchased Shares will increase our Group's working capital. The quantum of the increase in our Group's working capital will depend on the number of treasury shares resold on Bursa Securities and the actual selling price of such treasury shares.

5.5 Dividends

The Proposed Share Buy-Back Authority is not expected to have any impact on the policy of our Board in recommending dividends to shareholders. However, as stated in Section 2.3 above, our Board may distribute future dividends in the form of treasury shares which are purchased pursuant to the Proposed Share Buy-Back Authority.

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5.6 Directors' and substantial shareholders' shareholdings

5.6.1 Directors

The proforma effects of the Proposed Share Buy-Back Authority on the shareholdings of the Directors of our Company based on the Register of Directors' shareholdings of our Company as at the LPD are as follows:

Minimum Scenario

	As at the LPD			After the Proposed Share Buy-Back Authority			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	%		No. of Shares	%		No. of Shares
Tan Sri Dato' Dr Abu Bakar bin Suleiman	2,784,000	0.03	-	-	2,784,000	0.04	-
Dato' Mohammed Azlan bin Hashim	-	-	-	-	-	-	-
Dr Tan See Leng	19,809,500	0.24	-	-	19,809,500	0.27	-
Mehmet Ali Aydinlar	173,741,000	2.11	88,910,861 ⁽¹⁾	1.08	173,741,000	2.35	88,910,861 ⁽¹⁾
YM Tengku Dato' Sri Azmil Zahrudin bin Raja Abdul Aziz	-	-	-	-	-	-	-
Satoshi Tanaka	-	-	-	-	-	-	-
Chang See Hiang	100,000	⁽²⁾	-	-	100,000	⁽²⁾	-
Rossana Annizah binti Ahmad Rashid	-	-	-	-	-	-	-
Kuok Khoon Ean	250,000	⁽²⁾	-	-	250,000	⁽²⁾	-
Shirish Moreswar Apte	-	-	-	-	-	-	-
Quek Pei Lynn	-	-	-	-	-	-	-
Kaichi Yokoyama	-	-	-	-	-	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of his spouse's shareholding in our Company and SZA Gayrimenkul Yatirim Insaat ve Ticaret A.S.'s (a company wholly-owned by Mehmet Ali Aydinlar and his spouse) shareholding in our Company pursuant to Section 6A of the Act.

⁽²⁾ Negligible.

Maximum Scenario

	As at the LPD			After full exercise of EPP Options and surrender of LTIP Units			After the Proposed Share Buy-Back Authority			
	Direct		Indirect	Direct		Indirect	Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Dr Abu Bakar bin Suleiman	2,784,000	0.03	-	-	2,900,000	0.04	-	2,900,000	0.04	-
Dato' Mohammed Azlan bin Hashim	-	-	-	-	-	-	-	-	-	-
Dr Tan See Leng	19,809,500	0.24	-	-	21,898,500	0.27	-	21,898,500	0.30	-
Mehmet Ali Aydinlar	173,741,000	2.11	88,910,861 ⁽¹⁾	1.08	174,936,000	2.13	88,910,861 ⁽¹⁾	1.08	174,936,000	2.36
YM Tengku Dato' Sri Azmil Zahrudin bin Raja Abdul Aziz	-	-	-	-	-	-	-	-	-	-
Satoshi Tanaka	-	-	-	-	-	-	-	-	-	-
Chang See Hiang	100,000	⁽²⁾	-	-	100,000	⁽²⁾	-	100,000	⁽²⁾	-
Rossana Annizah binti Ahmad Rashid	-	-	-	-	-	-	-	-	-	-
Kuok Khoon Ean	250,000	⁽²⁾	-	-	250,000	⁽²⁾	-	250,000	⁽²⁾	-
Shirish Moreswar Apte	-	-	-	-	-	-	-	-	-	-
Quek Pei Lynn	-	-	-	-	-	-	-	-	-	-
Kaichi Yokoyama	-	-	-	-	-	-	-	-	-	-

Notes:

- ⁽¹⁾ Deemed interested by virtue of his spouse's shareholding in our Company and SZA Gayrimenkul Yatirim Insaat ve Ticaret A.S.'s (a company wholly-owned by Mehmet Ali Aydinlar and his spouse) shareholding in our Company pursuant to Section 6A of the Act.
- ⁽²⁾ Negligible.

5.6.2 Substantial shareholders

The proforma effects of the Proposed Share Buy-Back Authority on the shareholdings of the substantial shareholders of our Company based on the Register of Substantial Shareholders of our Company as at the LPD, are as follows:

Minimum Scenario

	As at the LPD			After the Proposed Share Buy-Back Authority				
	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Pulau Memutik	3,580,570,634	43.59	-	-	3,580,570,634	48.43	-	
Khazanah Nasional Berhad ("Khazanah")	-	-	3,580,570,634 ⁽¹⁾	43.59	-	-	3,580,570,634 ⁽¹⁾	48.43
MBK Healthcare Partners Limited ("MBK Healthcare")	1,650,000,000	20.09	-	-	1,650,000,000	22.32	-	
Mitsui & Co., Ltd	-	-	1,650,000,000 ⁽²⁾	20.09	-	-	1,650,000,000 ⁽²⁾	22.32
Employees Provident Fund Board ("EPF")	719,089,000 ⁽³⁾	8.75	-	-	719,089,000 ⁽³⁾	9.73	-	

Notes:

- ⁽¹⁾ Deemed interested by virtue of its shareholding in Pulau Memutik pursuant to Section 6A of the Act.
⁽²⁾ Deemed interested by virtue of its shareholding in MBK Healthcare pursuant to Section 6A of the Act.
⁽³⁾ The Shares are held through various nominees companies.

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Maximum Scenario

	As at the LPD				After full exercise of EPP Options and surrender of LTP Units				After the Proposed Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Pulau Memutik	3,580,570,634	43.59	-	-	3,580,570,634	43.50	-	-	3,580,570,634	48.33	-	-
Khazanah	-	-	3,580,570,634 ⁽¹⁾	43.59	-	-	3,580,570,634 ⁽¹⁾	43.50	-	-	3,580,570,634 ⁽¹⁾	48.33
MBK Healthcare	1,650,000,000	20.09	-	-	1,650,000,000	20.04	-	-	1,650,000,000	22.27	-	-
Mitsui & Co., Ltd	-	-	1,650,000,000 ⁽²⁾	20.09	-	-	1,650,000,000 ⁽²⁾	20.04	-	-	1,650,000,000 ⁽²⁾	22.27
EPF	719,089,000 ⁽³⁾	8.75	-	-	719,089,000 ⁽³⁾	8.74	-	-	719,089,000 ⁽³⁾	9.71	-	-

Notes:

- ⁽¹⁾ Deemed interested by virtue of its shareholding in Pulau Memutik pursuant to Section 6A of the Act.
⁽²⁾ Deemed interested by virtue of its shareholding in MBK Healthcare pursuant to Section 6A of the Act.
⁽³⁾ The Shares are held through various nominees companies.

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6. HISTORICAL SHARE PRICES

The monthly high and low market price of our Shares as traded on Bursa Securities for the last twelve (12) months up to April 2015 are as follows:

	High RM	Low RM
2014		
May	4.26	3.93
June	4.43	4.11
July	4.84	4.32
August	5.07	4.68
September	5.12	4.84
October	5.10	4.75
November	5.00	4.60
December	4.95	4.62
2015		
January	5.34	4.61
February	5.60	5.14
March	6.12	5.34
April	6.05	5.56

Last transacted market price of our Shares as at the LPD 5.92

(Source: Bloomberg)

7. IMPLICATION OF THE CODE

The purchase of the Shares by our Company pursuant to the Proposed Share Buy-Back Authority will effectively cause our shareholders' respective percentage shareholding in our Company to increase without any corresponding increase in the actual number of Shares held, assuming all other things being equal.

Pursuant to Paragraph 10.1, Practice Note 9, Part II of the Code, a person and/or any persons acting in concert with him/her ("**PACs**") will be obliged to make a mandatory take-over offer when:

- (a) a person obtains controls in a company as a result of a buy back scheme by the company;
- (b) a person (holding more than thirty-three percent (33%) but not more than fifty percent (50%) of the voting shares or voting rights of a company), as a result of a buy back scheme by the company, increases his holding of the voting shares or voting rights of the company by more than two percent (2%) in any six (6) month period;
- (c) a person (holding more than thirty-three percent (33%) but not more than fifty percent (50%) of the voting shares or voting rights of a company) acquires more than two percent (2%) of the voting shares or voting rights of the company when he knows or reasonably ought to know that the company would carry out a buy back scheme.

As at the LPD, our major shareholder, Pulau Memutik, holds 43.59% of the total voting shares of our Company. The shareholding of Pulau Memutik and its PACs (if any) will increase by more than two percent (2%) under both the Minimum Scenario and Maximum Scenario (as set out in Section 5.6.2 of this Circular) in the event that our Company purchases a maximum of ten percent (10%) of the prevailing issued and paid-up share capital of our Company. Therefore, Pulau Memutik and its PACs (if any), will be obliged to extend a mandatory take-over offer to acquire the remaining Shares not already owned by them if their shareholdings increase by two percent (2%) or more within any period of six (6) months as a result of the Shares bought back by our Company. If such circumstance arises, Pulau Memutik and its PACs (if any), will seek a waiver from the obligation to undertake a mandatory take-over offer for the remaining Shares not already owned by them under Paragraph 24.1, Practice Note 9, Part II of the Code at the appropriate time.

8. APPROVAL REQUIRED

The Proposed Share Buy-Back Authority is subject to your approval at our forthcoming Fifth AGM.

9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage shareholding and/or voting rights of our Directors who are holding the Shares and our major shareholders as a consequence of the implementation of the Proposed Share Buy-Back Authority, none of the Directors and major shareholders of our Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back Authority or resale of the treasury shares, if any, in the future.

10. DIRECTORS' RECOMMENDATION

Our Board, having considered all aspects of the Proposed Share Buy-Back Authority (including but not limited to the rationale and effects of the Proposed Share Buy-Back Authority), is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution in relation to the Proposed Share Buy-Back Authority to be tabled as a Special Business at our forthcoming Fifth AGM.

11. AGM

Our forthcoming Fifth AGM will be held at Ballroom A & B, Level 6, Hilton Hotel KL Sentral, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Monday, 15 June 2015 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if deemed fit, passing with or without modifications, among others, the resolution to approve and give effect to the Proposed Share Buy-Back Authority under the Special Business as set out in the Notice of the Fifth AGM which is enclosed in the Annual Report 2014 of our Company accompanying this Circular. An extract of the said resolution is enclosed in **Appendix II** of this Circular.

If you are unable to attend and vote in person at the Fifth AGM, you may appoint a proxy or proxies to attend and vote on your behalf. You should complete and deposit the Form of Proxy at the office of our Share Registrar, Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by Saturday, 13 June 2015 at 10.00 a.m., or in the event that the Fifth AGM is adjourned, not less than forty-eight (48) hours before the adjourned Fifth AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Fifth AGM should you subsequently wish to do so.

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12 . FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of Directors of
IHH HEALTHCARE BERHAD

DR TAN SEE LENG
Managing Director and Chief Executive Officer

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT

Maybank IB, being our Adviser for the Proposed Share Buy-Back Authority, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

3. MATERIAL CONTRACTS

Our Group has not entered into any material contract (not being contract entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings, pending or threatened, against our Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 11 Block A, Pantai Hospital Kuala Lumpur, 8 Jalan Bukit Pantai, 59100 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming Fifth AGM:

- (i) our Memorandum and Articles of Association;
- (ii) our audited consolidated financial statements for the past two (2) FYE 31 December 2013 and 31 December 2014; and
- (iii) consent letter from Maybank IB referred to in Section 2 above.

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EXTRACT OF THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY

IHH HEALTHCARE BERHAD
 (Company No. 901914-V)
 (Incorporated in Malaysia under the Companies Act, 1965)

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution:

ORDINARY RESOLUTION 13

PROPOSED AUTHORITY FOR IHH TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY (“PROPOSED SHARE BUY-BACK AUTHORITY”)

“THAT subject to the Companies Act, 1965 (the “Act”), rules, regulations and orders made pursuant to the Act, the provisions of the Company’s Memorandum and Articles of Association 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 of RM1.00 each 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 issued and paid-up share capital 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 Share Buy-Back Authority shall not exceed the aggregate of the retained profits and/or share premium account 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 67A 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,

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;

EXTRACT OF THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY (Cont'd)

- (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 Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations (if any) as may be imposed by the relevant authorities.”