Prospectus dated 2 July 2012
Registered with The Monetary Authority Of Singapore on 2 July 2012

IHH Healthcare Berhad

(*formerly known as* Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia under the Companies Act 1965)

2,234.65 million IPO Shares

Retail Price: SGD1.18* per IPO Share

***subject to applicable refunds based on the Final Retail Price**

(BASED ON THE EXCHANGE RATE OF SGD1.00 TO RM2.42 AS DETERMINED BY OUR DIRECTORS IN CONSULTATION WITH THE SINGAPORE ISSUE MANAGERS AND THE JOINT GLOBAL COORDINATORS)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

This is the initial public offering of our ordinary shares (the "Shares"). IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) ("IHH") is issuing and making an offering of up to 1,800.00 million new Shares (the "Issue Shares") and our shareholder, Abraaj SPV 44 Limited ("Abraaj 44" and the "Selling Shareholder"), is making an offering of up to 434.65 million Shares (the "Offer Shares" and, together with the Issue Shares, the "IPO Shares") for subscription and purchase by investors at the Institutional Price (as defined herein) or the Final Retail Price (as defined herein), as the case may be. The Global Offering (as defined below) consists of (i) up to 360.00 million IPO Shares to be placed under the MITI Tranche (as defined herein) and up to 138.01 million IPO Shares to be offered under the Global Institutional Tranche (as defined herein) (collectively, the "Institutional Placement"); (ii) an offering of up to 208.51 million IPO Shares under the Malaysia Public Offering (as defined herein); (iii) an offering of up to 140.64 million IPO Shares under the Singapore Offering (as defined herein); and (iv) separate from but concurrent to the Institutional Placement, the Malaysia Public Offering and the Singapore Offering, the Cornerstone Investors (as defined herein) have entered into Cornerstone Placement Agreements (as defined herein), whereby the Cornerstone Investors have agreed to purchase and/or subscribe for an aggregate of 1,387.50 million IPO Shares at the Institutional Price, conditional upon the Malaysia Underwriting Agreement (as defined herein) and the Institutional Placement Agreement (as defined herein) being entered into, having become unconditional and not having been terminated pursuant to their respective terms (the "Cornerstone Offering"). The Institutional Placement, the Malaysia Public Offering, the Singapore Offering and the Cornerstone Offering are collectively known as the "Global Offering". See "Summary of the Offering". The indicative size of the Malaysia Public Offering is 208.51 million IPO Shares. As part of the Malaysia Public Offering, 47.37 million IPO Shares will be reserved for subscription and/or purchase by the eligible Directors (as defined herein), eligible employees, business associates of our Group and persons who have contributed to the success of our Group, including doctors. The indicative size of the Singapore Offering is 140.64 million IPO Shares. As part of the Singapore Offering, 52.64 million Shares will be reserved for subscription and/or purchase by the eligible Directors, eligible employees, business associates of our Group (as defined herein) and persons who contributed to the success of our Group, including doctors. The IPO Shares may be reallocated between the Institutional Placement, the Malaysia Public Offering and the Singapore Offering at the discretion of the Joint Global Coordinators (each as defined herein) (in consultation with us and the Selling Shareholder).

In connection with the Global Offering, the Over-Allotment Option Provider (as defined herein) has granted CIMB Investment Bank Berhad, and/or its affiliates, as stabilising manager (the "Stabilising Manager"), on behalf of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Co-Lead Managers, an over-allotment option (the "Over-Allotment Option") exercisable in whole or in part on one or more occasions from the commencement of the dealing in the Shares (the "Listing Date") on Bursa Malaysia Securities Berhad ("Bursa Securities") and/or the Singapore Exchange Securities Trading Limited (the "SGX-ST") until the earlier of (i) the date falling 30 days from the Listing Date, or (ii) the date the Stabilising Manager or its appointed agent has bought on Bursa Securities and/or the SGX-ST an aggregate of up to 169,430,400 Shares which is the lower of (i) the number of IPO Shares (representing 15% of the total IPO Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares less the Cornerstone Shares (as defined herein). The exercise of the Over-Allotment Option will not affect the total number of issued and outstanding Shares. Prior to the Global Offering, there has been no public market for our Shares. We have applied to Bursa Securities and the SGX-ST for permission to list all our issued Shares (including the IPO Shares) on the Main Market of Bursa Securities and the Main Board of the SGX-ST. Such permission will be granted when our Shares have been admitted to the Official List of Bursa Securities and the Official List of the SGX-ST. Acceptance of applications for the IPO Shares will be conditional upon, among other things, permission being granted by Bursa Securities and the SGX-ST to list and deal in and for quotation of all our issued Shares (including the IPO Shares and the new Shares to be issued pursuant to (i) the Symphony Conversion (as defined herein); (ii) the vesting of LTIP units (as defined herein); and (iii) the exercise of EPP options(as defined herein)). Monies paid in respect of any application accepted will be returned to the investors, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against us, the Selling Shareholder, the Over-Allotment Option Provider, the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters, if the Global Offering is not completed because the said permission is not granted or for any other reason. We will not receive any of the proceeds from the sale of Offer Shares or the Shares sold pursuant to the Over-Allotment Option. See "Use of Proceeds". The settlement and quotation of our Shares will be in Ringgit Malaysia and Singapore Dollar on Bursa Securities and the SGX-ST, respectively.

We have received permission from Bursa Securities for the listing of and quotation for all our issued Shares (including the IPO Shares,and the new Shares to be issued pursuant to (i) the Symphony Conversion (as defined herein); (ii) the vesting of LTIP units (as defined herein); and (iii) the exercise of EPP options (as defined herein)) on the Main Market of Bursa Securities. Bursa Securities assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Our eligibility to list and admission to the Official List of Bursa Securities are not to be taken as an indication of the merits of the Global Offering, us or our Shares. We have also received a letter of eligibility from the SGX-ST for the listing of and quotation for all our issued Shares (including the IPO Shares and the new Shares to be issued pursuant to (i) the Symphony Conversion; (ii) the vesting of LTIP units; and (iii) the exercise of EPP options (as defined herein)) on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Our eligibility to list and admission to the Official List of the SGX-ST are not to be taken as an indication of the merits of the Global Offering, us or our Shares.

The Securities Commission of Malaysia (the "SC") has approved this Global Offering on 7 June 2012 and a copy of the Malaysia Prospectus has been registered with the SC on 2 July 2012. The approval, and registration of the Malaysia Prospectus, should not be taken to indicate that the SC recommends this Global Offering or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Malaysia Prospectus. The SC has not, in any way, considered the merits of our Shares being offered for investment (or of the Shares sold pursuant to the Over-Allotment Option, where the Over-Allotment Option is exercised).

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "MAS") on 15 June 2012 and 2 July 2012, respectively. The MAS assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the MAS does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"), or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the merits of our Shares being offered or in respect of which an invitation is made, for investment (or of the Shares sold pursuant to the Over-Allotment Option, as defined below, where the Over-Allotment Option as defined below is exercised).

No Shares shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the MAS.

Our Shares, which will be listed on both Bursa Securities and the SGX-ST, will be fully fungible. Shareholders will be able to transfer their shares from Bursa Securities to the EAN (as defined herein) of The Central Depository (Pte) Limited ("CDP") in Malaysia and trade their shares on the SGX-ST and vice versa upon completion of the listing in accordance with the mechanism for transmission of shares between the Central Depository System of Malaysia and CDP.

Investing in our Shares involves risks. See "Risk Factors" of this Prospectus for a discussion of certain factors to be considered in connection with an investment in our Shares.

Investors in the Institutional Placement will be required to pay a brokerage fee of up to 1.0% of the Institutional Price in connection with their purchase of IPO Shares. Investors in the Singapore Placement will be required to pay a brokerage fee of up to 1.0% of the Final Retail Price (as defined herein) in connection with their purchase of IPO Shares. See "Plan of Distribution".

For a description of certain restrictions on transfer of the IPO Shares, see "Plan of Distribution–Selling Restrictions". Prospective investors applying for the IPO Shares under the Singapore Offering (save for up to 36.00 million IPO Shares, which are available by way of a placement to individuals, corporations and other investors at the Final Retail Price (the "Singapore Placement")) by way of Application Forms, Electronic Applications or E-portal Application (these terms are as referred to in the instruction booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the IPO Shares in Singapore") will pay the Retail Price of SGD1.18 per IPO Share (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators) (the "Retail Price") in full on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against us, the Selling Shareholder, the Over-Allotment Option Provider or any of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters), where (i) an application is unsuccessful or accepted in part only; (ii) the Global Offering does not proceed for any reason to the extent the IPO Shares have not been issued; or (iii) to the extent the Final Retail Price (as defined herein) is less than the Retail Price of SGD1.18 per IPO Share (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators). Investors applying for IPO Shares under the Singapore Placement will pay the Final Retail Price (as defined herein). The Final Retail Price under the Singapore Offering will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (as defined herein) (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM (as defined herein) website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators).

Investors applying for the IPO Shares under the Institutional Placement are required to pay the Institutional Price. The Institutional Price will be determined following a book-building process by agreement between ourselves, the Selling Shareholder and the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters on a date currently expected to be on or about 12 July 2012 (the "Price Determination Date"), which date is subject to change. If for any reason the Institutional Price is not agreed upon between ourselves, the Selling Shareholder and the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters, the Global Offering will not proceed. Notice of the Institutional Price (as defined herein), if agreed, will be announced through an SGXNET announcement not more than 1 calendar day after the Price Determination Date and will be published in one or more major Singapore newspapers such as The Straits Times, The Business Times and/or Lianhe Zaobao not more than three calendar days after the Price Determination Date. Investors applying for IPO Shares under the Global Institutional Tranche will be able to pay the Institutional Price in RM or SGD (based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) depending on whether the subscribed Shares are to be traded on Bursa Securities or SGX-ST upon Listing.

INVESTORS SHOULD ALSO NOTE THAT THE TIMING AND PROCESSES FOR THE SINGAPORE OFFERING HAVE BEEN STRUCTURED TO HARMONISE THE TIMING AND PROCEDURAL REQUIREMENTS FOR BOTH THE SINGAPORE OFFERING AS WELL AS THE MALAYSIA PUBLIC OFFERING. AS SUCH, THE TIMING AND PROCESSES FOR THE SINGAPORE OFFERING, INCLUDING THE ANTICIPATED EXTENDED TIMEFRAME FOR THE REFUND OF UNSUCCESSFUL APPLICATIONS MADE UNDER THE SINGAPORE OFFERING AND FOR THE LISTING OF THE SHARES ON THE SGX-ST, WILL DIFFER FROM CUSTOMARY TIMING AND PROCESSES FOR OTHER PUBLIC OFFERINGS OF SECURITIES IN SINGAPORE. SEE "INDICATIVE TIMETABLE".

Our Shares in the Global Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States of America (the "U.S." or "United States") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, our Shares are being offered and sold outside the United States (including to institutional and other investors in Malaysia and Singapore) in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and within the United States to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act ("Rule 144A"). Investors are hereby notified that sellers of our Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For further details about restrictions on offers, sales and transfers of our Shares, see "Plan of Distribution".

Singapore Issue Managers for the Singapore Offering
(in alphabetical order)

CIMB   DBS

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers for the Global Institutional Tranche and Cornerstone Offering
(in alphabetical order)

BofA Merrill Lynch   CIMB   Deutsche Bank

Joint Bookrunners and Joint Lead Managers for the Global Institutional Tranche and Cornerstone Offering
(in alphabetical order)

BofA Merrill Lynch   CIMB   Credit Suisse
DBS   Deutsche Bank   Goldman Sachs

Joint Bookrunners for the MITI Tranche
(in alphabetical order)

CIMB   Maybank

Principal Adviser and Managing Underwriter, and Sole Coordinator for the MITI Tranche

CIMB

Co-Lead Managers
(in alphabetical order)

Nomura Securities Singapore Pte. Ltd.
Oversea-Chinese Banking Corporation Limited
RHB Investment Bank Berhad   **UBS AG, Singapore Branch**

Singapore Underwriters for the Singapore Offering
(in alphabetical order)

CIMB Securities (Singapore) Pte. Ltd.	DBS Bank Ltd.	Maybank Kim Eng Securities Pte Ltd
Oversea-Chinese Banking Corporation Limited	Phillip Securities Pte Ltd	United Overseas Bank Limited

You should rely only on the information contained in this Prospectus or in any free writing prospectus that we authorise to be delivered to you. Neither we, the Selling Shareholder, the Over-Allotment Option Provider, the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers nor Singapore Underwriters have authorised anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We, the Selling Shareholder, the Over-Allotment Option Provider, the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information in this Prospectus is accurate only as of the date on the front cover, regardless of the time of delivery of this Prospectus or of any sale of our Shares. Our business, prospects, financial condition and results of operations may have changed since that date.

TABLE OF CONTENTS

This page has been intentionally left blank.

NOTICES TO INVESTORS

You should rely only on the information contained in this Prospectus or to which we have referred you in making an investment decision with respect to our Shares. None of us, the Selling Shareholder, the Over-Allotment Option Provider, any of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters has authorised anyone to provide you with any additional or different information. This document may only be used where it is legal to offer and sell our Shares. The information in this Prospectus may only be accurate as of the date of this Prospectus. You should be aware that since the date of this Prospectus there may have been changes in our affairs, conditions or prospects or the prospects of our Shares or otherwise that could affect the accuracy or completeness of the information set out in this Prospectus.

Neither the delivery of this Prospectus nor any offer, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of our Group since the date hereof. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we, the Selling Shareholder and/or the Over-Allotment Option Provider will make an announcement of the same to the SGX-ST and, if required, we, the Selling Shareholder and/or the Over-Allotment Option Provider will issue and lodge an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 240 or, as the case may be, Section 241 of the Securities and Futures Act and take immediate steps to comply with these sections. Investors should take notice of such announcements and documents and upon release of such announcements or documents shall be deemed to have notice of such changes.

None of us, the Selling Shareholder, the Over-Allotment Option Provider, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any investor in our Shares regarding the legality of an investment by such investor under applicable legal investment or similar laws. In addition, investors in our Shares should not construe the contents of this Prospectus or its appendices as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in our Shares for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in our Shares.

By applying for the IPO Shares on the terms and subject to the conditions in this Prospectus, each investor in the IPO Shares represents and warrants that, except as otherwise disclosed to the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters in writing, he is not (i) a Director of the Company or substantial shareholder (being a person who holds not less than 5.0% of the total nominal amount of all the voting shares in the Company), (ii) an associate of any of the persons mentioned in (i), or (iii) a connected client of any Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager, Co-Lead Manager, Joint Underwriter, Singapore Issue Manager and Singapore Underwriter or lead broker or distributor of the IPO Shares.

We, Selling Shareholder and the Over-Allotment Option Provider are subject to the provisions of the Securities and Futures Act and the Listing Manual regarding the contents of this Prospectus. In particular, if after this Prospectus is registered but before the close of the Global Offering, we, the Selling Shareholder and the Over-Allotment Option Provider become aware of:

(a) a false or misleading statement in this Prospectus;

(b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the Securities and Futures Act; or

(c) a new circumstance that has arisen since this Prospectus was lodged with the MAS which would have been required by Section 243 of the Securities and Futures Act to be included in this Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we, the Selling Shareholder and/or the Over-Allotment Option Provider may lodge a supplementary or replacement document with the MAS pursuant to Section 241 of the Securities and Futures Act.

Where applications have been made under this Prospectus to subscribe for and/or purchase the IPO Shares prior to the lodgment of the supplementary or replacement document and the IPO Shares have not been issued and/or transferred to the applicants, we, the Selling Shareholder and/or the Over-Allotment Option Provider shall either:

(a) within seven days from the date of lodgment of the supplementary or replacement document, provide the applicants with a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to withdraw their applications; or

(b) treat the applications as withdrawn and cancelled and return all monies paid, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, in respect of any applications received, within seven days from the date of lodgment of the supplementary or replacement document.

Where applications have been made under this Prospectus to subscribe for and/or purchase the IPO Shares prior to the lodgment of the supplementary or replacement document and the IPO Shares have been issued and/or transferred to the applicants, we, the Selling Shareholder and/or the Over-Allotment Option Provider shall either:

(a) within seven days from the date of lodgment of the supplementary or replacement document, provide the applicants with a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to return, to us, the Selling Shareholder and/or the Over-Allotment Option Provider, those IPO Shares that the applicants do not wish to retain title in; or

(b) treat the issue and/or sale of the IPO shares (as the case may be) as void and shall, within such period of time as prescribed by the MAS and subject to applicable Malaysian laws and regulations including our Articles of Association, pay to the applicants all monies paid by them for the IPO Shares without interest or any share of revenue or other benefit arising therefrom. See "Risk Factors—Investors may face a delay in the return of their application monies and/or incur additional costs and risks if our Shares are not listed on the SGX-ST" in this Prospectus for details.

Any applicant who wishes to exercise his option to withdraw his application or return the IPO Shares issued and/or sold to him shall, within 14 days from the date of lodgment of the supplementary or replacement document, notify us, the Selling Shareholder and the Over-Allotment Option Provider whereupon we, the Selling Shareholder and/or the Over-Allotment Option Provider shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk.

See the instruction booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the IPO Shares in Singapore".

Under the Securities and Futures Act, the MAS may in certain circumstances issue a stop order (the "Stop Order") to us, the Selling Shareholder and the Over-Allotment Option Provider, directing that no or no further IPO Shares be allotted, issued or sold. Such circumstances will include a situation where this Prospectus (i) contains a statement which, in the opinion of the MAS, is false or misleading, (ii) omits any information that is required to be included in accordance with the Securities and Futures Act or (iii) does not, in the opinion of the MAS, comply with the requirements of the Securities and Futures Act.

Where the MAS issues a Stop Order pursuant to Section 242 of the Securities and Futures Act, and:

(a) in the case where the IPO Shares have not been issued and/or transferred to the applicants, the applications for the IPO Shares pursuant to the Global Offering shall be deemed to have been withdrawn and cancelled and we, the Selling Shareholder and/or the Over-Allotment Option Provider, shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the IPO Shares; or

(b) in the case where the IPO Shares have been issued and/or transferred (as the case may be) to the applicants but trading of our Shares on the Main Board of the SGX-ST has not commenced, the issue and/or sale of the IPO Shares (as the case may be) pursuant to the Global Offering is required by the Securities and Futures Act to be deemed void, and our Company, the Selling Shareholder and/or the Over-Allotment Option Provider shall, within such period of time as prescribed by the MAS and subject to applicable Malaysian laws and regulations including our Articles of Association,, from the date of the Stop Order, pay to the applicants all monies paid by them for the IPO Shares without interest or any share of revenue or other benefit arising therefrom. See "Risk Factors—Investors may face a delay in the return of their application monies and/or incur our additional costs and risks if our Shares are not listed on the SGX-ST" in this Prospectus for details.

Where monies paid in respect of applications received or accepted are to be returned to the applicants, such monies will be returned at the applicants' own risk, without interest or any share of revenue or other benefit arising therefrom, and the applicants will not have any claim against us, the Selling Shareholder, the Over-Allotment Option Provider, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters.

In connection with the Global Offering, the Over-Allotment Option Provider has granted to the Stabilising Manager, on behalf of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Co-Lead Managers, the Over-Allotment Option exercisable, in whole or in part, by the Stabilising Manager on one or more occasions from the Listing Date until the earlier of (i) the date falling 30 days from the Listing Date on the Main Market of Bursa Securities and/or the Main Board of the SGX-ST, or (ii) the date when the Stabilising Manager or its appointed agents have bought, on Bursa Securities and/or the SGX-ST, an aggregate of up to 169.4 million Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares), to undertake stabilising activities. The exercise of the Over-Allotment Option will not affect the total number of issued and outstanding Shares.

In connection with the Global Offering, the Stabilising Manager or its appointed agent may over-allot Shares or effect transactions that stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market. These transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the Securities and Futures Act and any regulations thereunder. However, we cannot assure you that the Stabilising Manager or its appointed agent will undertake any stabilisation action. These transactions may commence on or after the commencement of trading of the Shares on Bursa Securities and/or the SGX-ST and, if commenced, may be discontinued at any time and may not be effected after the earlier of (i) the date falling 30 days from the commencement of trading of the Shares on the Main Market of Bursa Securities and/or the Main Board of the SGX-ST, or (ii) the date when the Stabilising Manager or its appointed agent has bought on Bursa Securities and/or the SGX-ST an aggregate of up to 169.43 million Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares), to undertake stabilising activities.

The distribution of this Prospectus and the offer, purchase, sale or transfer of our Shares may be restricted by law in certain jurisdictions. We, the Selling Shareholder, the Over-Allotment Option Provider and the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability by us, the Selling Shareholder, the Over-Allotment Option Provider or any Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters. This document does not constitute an offer of, or an invitation to purchase, any of our Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause such circulation, reproduction or distribution to occur.

In connection with the Global Offering, we have applied to Bursa Securities for a primary listing of our Shares on the Main Market of Bursa Securities and to the SGX-ST for a secondary listing on the Main Board of the SGX-ST.

The listing of the Shares on the Main Market of Bursa Securities is conditional upon the completion of the Institutional Placement, the Malaysia Public Offering and the Cornerstone Offering only and not the completion of the Singapore Offering.

The Singapore Offering and listing on the Main Board of the SGX-ST are conditional upon the completion of the Institutional Placement, the Malaysia Public Offering and the Cornerstone Offering. If for any reason we do not proceed with the Singapore Offering, (i) the Shares will not be listed on the Main Board of the SGX-ST, (ii) the Institutional Placement, the Malaysia Public Offering, and the Cornerstone Offering may still proceed, (iii) the Shares may only be listed on the Main Market of Bursa Securities, and (iv) any application monies received in respect of the Singapore Offering will be returned (without interest or any share of revenue or other benefit arising therefrom) to the applicants at their own risk within 14 Market Days after the Singapore Offering is discontinued.

Investors should also note that the timing and processes for the Singapore Offering have been structured to harmonise the timing and procedural requirements for both the Singapore Offering as well as the Malaysia Public Offering. As such, the timing and processes for the Singapore Offering, including the anticipated extended timeframe for the refund of unsuccessful applications made under the Singapore Offering and for the listing of the Shares on the SGX-ST, will differ from customary timing and processes for other public offerings of securities in Singapore. See "Indicative Timetable".

The Shares have not been and will not be registered under the U.S. Securities Act, and subject to certain exceptions, may not be offered or sold within the United States. For the purpose of our Shares being offered in the United States to "qualified institutional buyers" in reliance on Rule 144A, this Prospectus is being furnished in the United States on a confidential basis solely for the purpose of enabling prospective purchasers to consider the purchase of our Shares. Its use for any other purpose in the United States is not authorised. In the United States, it may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents be disclosed to anyone other than the prospective purchasers to whom it is submitted. There will be no offering of IPO Shares in the United States.

Our Shares have neither been approved nor disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the Global Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the commencement of the Global Offering, an offer or sale of our Shares within the United States by a dealer, whether or not participating in the Global Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The IPO Shares are subject to restrictions on transferability and resale and may not be offered, transferred or resold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except as permitted under the U.S. Securities Act and applicable state securities laws pursuant to registration or an exemption from, or a transaction not subject to, registration under the U.S. Securities Act and in accordance with the restrictions under "Transfer Restrictions". You should be aware that you may be required to bear the risks of an investment in our Shares for an indefinite period of time. Because of these restrictions, purchasers of the IPO Shares are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the IPO Shares. See "Transfer Restrictions" for more information on these restrictions.

Notwithstanding anything in this Prospectus to the contrary, except as reasonably necessary to comply with applicable securities laws, you (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Global Offering and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal income tax treatment of the Global Offering.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

All references to "our Company" or "IHH" in this Prospectus are to IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad). All references to "our Group" or "IHH Group" in this Prospectus are to our Company and our subsidiaries taken as a whole. References to "we", "us", "our" and "ourselves" are to our Company and where the context requires, our Company and our subsidiaries. References to "Management" are to our Directors and key management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of IHH.

Unless otherwise indicated, the information in this Prospectus assumes the Over-Allotment Option is not exercised.

In this Prospectus, references to the "Government" are to the Government of Malaysia; references to "RM", "Ringgit Malaysia" and "sen" are to the lawful currency of Malaysia; references to "U.S. Dollar" and "USD" are to the lawful currency of the United States of America; reference to "Singapore Dollar", "SGD" and "cent" are to the lawful currency of the Republic of Singapore; and references to "Turkish Lira" and "TL" are to the lawful currency of Turkey. Any discrepancies in the tables included in this Prospectus between the amounts listed and totals in this Prospectus are due to rounding. Certain acronyms, technical terms and other abbreviations used herein are defined in "Glossary of Technical Terms" in this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

All reference to dates and times are references to dates and times in Malaysia, unless otherwise stated.

Historical Financial Information

We prepare our financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). This document contains our historical combined financial statements as of and for the years ended 31 December 2009, 2010 and 2011 and our historical combined financial statements as of and for the three months ended 31 March 2011 and 2012, each of which has been prepared in accordance with MFRS and IFRS. IFRS differs in certain respects from generally accepted accounting principles in certain other countries, including the United States. We are presenting historical combined financial statements in accordance with MFRS, which is equivalent to IFRS, for the first time in connection with this Global Offering; however, we will continue publishing our statutory audited consolidated financial statements in financial reporting standards of Malaysia ("FRSM") for the year ended 31 December 2011. There will be differences between the MFRS and IFRS amounts presented in this Prospectus and the FRSM amounts that will be presented in our statutory audited consolidated financial statements. See "Risk Factors—Risks related to our business—The financial information presented in the historical combined financial statements prepared for inclusion in this Prospectus will not be the same as compared to the audited consolidated financial statements prepared by our Company after our Listing for statutory purposes" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of Presentation".

You should note that the pro forma financial information included elsewhere in this Prospectus vary in certain respects from Article 11 of Regulation S-X promulgated under the Securities Act and, accordingly, the pro forma financial information included herein should not be relied upon as if it had been prepared in accordance with such requirements. Also, our Independent Auditors' procedures on the pro forma financial information have not been carried out in accordance with auditing standards generally accepted in the United States of America or other jurisdictions (other than in Malaysia) and accordingly should not be relied on as if they had been carried out in accordance with those standards.

The financial information included in this Prospectus has not been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), audited in accordance with auditing standards generally accepted in the United States ("U.S. GAAS") or auditing standards of the U.S. Public Company Accounting Oversight Board ("PCAOB") or presented in compliance with the SEC's published guidelines in Regulation S-X under the Securities Act for the preparation and presentation of financial information. You should consult your financial or other professional adviser if you are in any doubt about such differences.

Convenience Translations

Unless otherwise indicated, solely for the convenience of the reader, this Prospectus contains translations of certain SGD, TL, USD, Euro and Rs. amounts into Ringgit Malaysia and United States Dollars based on the exchange rate of RM2.47: SGD1.00, RM1.72: TL1.00, RM3.19: USD1.00, RM3.94: Euro1.00, RM1.00: Rs.17.86, USD1.00: SGD1.28, USD1.00: TL1.82, USD1.24: Euro1.00 and USD1.00: Rs.57.02, which were Bloomberg Finance L.P.'s period end rates as at 1 June 2012. No representation is made that the RM, SGD, TL, USD, Euro and Rs. referred to herein could have been or could be converted into RM, SGD, TL, USD, Euro and Rs., as the case may be, at any particular rate or at all.

Bloomberg Finance L.P. has not provided its consent to the inclusion of the information extracted from its database in this Prospectus, and is thereby not liable for such information. While we, the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters have taken reasonable actions to ensure that the information from Bloomberg Finance L.P.'s database has been reproduced in its proper form and context, neither we, the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

The information on our website or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

Non-IFRS Financial Measures

Earnings before interest, taxation, depreciation and amortisation, ("EBITDA"), or earnings before interest, taxation, depreciation, amortisation and real estate rental expense, ("EBITDAR") as well as the related ratios presented in this Prospectus, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with IFRS. EBITDA and EBITDAR are not measurements of financial performance or liquidity under IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and EBITDAR are not standardised terms, hence a direct comparison between companies using such terms may not be possible.

We believe that EBITDA and EBITDAR facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses) as well as ownership of the healthcare premises (affecting real estate rental amounts, if any). EBITDA and EBITDAR have been presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS financial measures when reporting their results. Finally, EBITDA and EBITDAR are presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA and EBITDAR have limitations as an analytical tool, and potential investors should not consider it in isolation from, or as a substitute for analysis of our financial condition or results of operations, as resulted under IFRS. Due to these limitations, EBITDA and EBITDAR should not be considered as a measure of discretionary cash available to invest in the growth of our business. We do not consider these non-IFRS financial measures to be a substitute for, or superior to, the information by IFRS financial measures and they may not be comparable to similarly titled measures disclosed by other companies.

SHAREHOLDING NOTIFICATION REQUIREMENTS

As our Company is incorporated outside Singapore, it is not subject to the provisions of Division 2 to Part VII of the Securities and Futures Act and Division 4 to Part IV of the Singapore Companies Act regulating substantial shareholding reporting obligations.

Every Shareholder who has an interest or interests in not less than 5.0% of the total nominal amount of all the voting shares in our Company (a "substantial shareholder"), which includes all natural persons whether resident in Malaysia or not and all bodies corporate whether incorporated as carrying on business in Malaysia or not, is required to give within seven days after becoming a substantial shareholder, a notice in prescribed form to our Company, the SC and Bursa Securities. The notice must be given even if he has ceased to be a substantial shareholder before the expiration of the said seven days.

Any changes in interest in the substantial shareholding (including any acquisition or disposal of Shares in our Company) must also be notified to our Company, the SC and Bursa Securities in a prescribed form within seven days after the date of change in the interest.

Likewise, every Shareholder who ceases to be a substantial shareholder must notify our Company, the SC and Bursa Securities within seven days after he ceases to be a substantial shareholder.

Section 69J of the Companies Act, 1965 of Malaysia (the "Malaysian Companies Act") provides that a person who holds voting shares in a company, being voting shares in which a non-resident has an interest, is required to give notice to the non-resident in a prescribed form notifying the non-resident of the above disclosure requirement within 14 days of it/him becoming the registered holder of the Shares as nominee of the non-resident. In addition, if such nominee who holds voting shares in our Company knows or has reasonable grounds for believing that the interest of the non-resident in the Shares is an interest that the non-resident holds for another person, the person who holds voting shares in our Company is required to direct the non-resident to give the prescribed notice to that person. A "non-resident" means a person who is not resident in Malaysia or a body corporate that is not incorporated in Malaysia. Our Shares that are traded on the SGX-ST will be scripless shares held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. CDP is a bare trustee of such Shares as well as a depository and clearing organisation for the SGX-ST and will as such, not be giving such notices.

If you are holding voting shares in our Company, being voting shares in which a non-resident has an interest, or which you know or have reasonable grounds for believing that an interest of the non-resident in the Shares is an interest that the non-resident holds for another person, you should give notice of the above substantial shareholding reporting requirement, should you be successful in your application for the IPO Shares. The notice in Form 29D of the Malaysian Companies Regulations 1966 should include information on, among others, the circumstances in which the non-resident is deemed to have an interest in our Shares and other information such as the name of the substantial shareholder and the number of Shares purchased or sold and will also constitute notification to a subsequent transferee of the IPO Shares and of any Shares transmitted from Bursa Depository (as defined herein) in Malaysia to CDP in Singapore of the above substantial shareholding requirement.

The substantial shareholder may apply to the Companies Commission of Malaysia and the SC for an extension of the time period of seven days to notify his substantial shareholding or changes thereto.

The penalty for non-compliance of the above reporting requirement under the Malaysian Companies Act is a fine of up to a total of RM1.0 million with a default penalty of RM50,000. The penalty under the Securities Industry (Reporting of Substantial Shareholding) Regulation 1998 may be up to RM1.0 million or imprisonment of up to five years or both.

In addition, a Malaysian court may on the application of the Companies Commission of Malaysia make the following order with respect to substantial shareholders who breach the above reporting requirements:

- restrain the substantial shareholder from disposing any of the relevant interest;
- restrain a person who is entitled to be registered as the holder of the relevant Shares from disposing of those Shares;
- restrain the exercise of any voting rights attached to the Shares in which the substantial shareholder has an interest;
- direct our Company not to make payment on any sum due in respect of any Share in which the substantial shareholder has an interest;
- direct the sale of all or any of the Shares in which the substantial shareholder has an interest;
- direct our Company not to register the transfer or transmission of certain Shares;
- order that any exercise of voting rights attached to specified Shares in which the substantial shareholder has an interest be disregarded; or
- direct our Company or any other person to refrain from doing a specified act.

SHAREHOLDING LIMITS

Shenton Insurance, a subsidiary of the Company, is a registered direct insurer under the Insurance Act.

A person who wishes to enter into:

(a) any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would become a substantial shareholder of that insurer (that is, a person who holds 5% or more of the voting power of the insurer);

(b) any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would obtain effective control of that insurer (that is, the person alone or acting together with any associate(s) would (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the insurer; or (ii) control, directly or indirectly, 20% or more of the voting power of the insurer); or

(c) any arrangement in relation to any registered insurer that is incorporated in Singapore by virtue of which he would obtain control of the insurer (that is, the person alone or acting together with any associate(s) would be in a position to determine the policy of the insurer),

is required to first notify the MAS of his intention to enter into the agreement or arrangement, as the case may be, and obtain the MAS's approval.

Parkway Trust Management, a subsidiary of the Company, is a capital markets services licence ("CMS Licence") holder. Pursuant to Section 97A of the Securities and Futures Act, the prior approval of the MAS is required for any person to enter into any arrangement (which includes any formal or informal understanding) in relation to shares in a CMS Licence holder, if that arrangement, if carried out, would allow such person to obtain effective control of the CMS Licence holder. A person is regarded as obtaining effective control by virtue of an arrangement if the person alone or acting together with any connected person would, if the arrangement is carried out: (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the CMS Licence holder; or (ii) control, directly or indirectly, 20% or more of the voting power in the CMS Licence holder. Two corporations are "connected persons" if one has control over not less than 20% of the voting power in the other.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

General Meetings

A shareholder of a Singapore-incorporated company listed on the SGX-ST would normally be entitled to attend and vote at a general meeting of shareholders if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting. However, this entitlement will not apply to our Shareholders as we are a company incorporated in Malaysia and governed by Malaysian law.

In connection with our Company's listing on the Main Board of the SGX-ST, CDP has appointed an EAN in Malaysia to hold Shares which are listed and traded on the SGX-ST for CDP depositors via a CDS omnibus account. Under Malaysian law, the person whose name appears in the record of depositors maintained by Bursa Depository will be considered the registered owner of these shares and treated as if it were a member of our Company. Thus, CDP's EAN in Malaysia will be regarded as our Shareholder in respect of the Shares registered in its name, rather than CDP or the persons named as direct securities account holders and CDP depository agents in the Depository Register maintained by CDP. Accordingly, such CDP depositors and CDP depository agents on whose behalf CDP or its nominees holds Shares through CDP's EAN in Malaysia may not be accorded the full rights of membership under the Malaysian laws such as voting rights, the right to appoint proxies, or the right to receive shareholder circulars, proxy forms, annual reports, prospectuses and takeover documents. CDP depositors and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of securities accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

Under Malaysian law, only persons or entities recognised as a Shareholder will be legally entitled to attend general meetings of our Company and to vote on any matter submitted to the vote of our Shareholders at a general meeting of Shareholders. Accordingly, investors who hold Shares through the CDP system will not be able to attend such Shareholders' meetings in their own names. Nevertheless, CDP's EAN in Malaysia, as Shareholder under Malaysian law and our Articles of Association, is entitled to appoint an unlimited number of proxies and thus may accord such voting rights to the investors, who are the beneficial owners of the Shares, by executing instruments of proxies in order to give such investors the rights to attend and vote at such Shareholders' meetings. This right to appoint proxies to vote at general meetings will be provided in our Articles of Association. CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint the CDP depositors as proxies in accordance with Malaysian law and our Articles of Association. CDP depositors who desire to exercise their voting rights under their own names with regard to Shares that are credited to their Securities Account with CDP will be required to transfer their Shares out of the CDP system in Singapore into the Bursa Depository system in Malaysia at their own costs. We will mail to CDP depositors any notice of Shareholders' meeting. For the avoidance of doubt, CDP or its nominees, as bare trustees, will not be regarded as having an interest in our Shares in respect of the Shares registered in their respective names. No share certificate will be issued to the depositors whose names appear in the Depository Register maintained by CDP and such CDP depositors will not be deemed to be members under the Malaysian Companies Act. See "Clearance and Settlement—Voting Instructions" for more information about how investors who hold Shares through CDP are treated under Malaysian law.

Voting Instructions

Under Malaysian law, the depositors whose names appear in the Depository Register maintained by CDP are not members of our Company and therefore would be unable to exercise the rights of members of our Company. These rights may only be exercised by CDP's EAN in Malaysia. Depositors whose names appear in the Depository Register maintained by CDP and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded to CDP by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of securities accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time. Accordingly, investors who hold Shares through the CDP system will not be able to attend such Shareholders' meetings in their own names. CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint CDP depositors as proxies in accordance with Malaysian law and our Articles of Association. CDP depositors who are not individuals can only be represented at a general meeting of our Company if their nominees are appointed by CDP's EAN as proxies. CDP depositors who are unable to personally attend general meetings of our Company may enable their nominees to attend as proxies of CDP's EAN or forward their completed forms to our Share Transfer Agent in Singapore. Depositors who desire to personally attend Shareholders' meetings and exercise their voting rights under their names with regard to Shares that are credited to their Securities Accounts with CDP will be required to transfer their Shares out of the CDP system in Singapore into the Bursa Depository system in Malaysia at their own costs.

FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking statements". All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future result, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- our financial position and financing plans;
- our business strategies, trends and competitive position, and future plans;
- plans and objectives of our Company for future operations;
- the regulatory environment and the effects of future regulation;
- our future earnings, cashflows and liquidity;
- the ability to obtain expected patient volume levels and control costs of providing services;
- possible changes in the pricing/policies of the Social Security Institution of Turkey (SGK);
- ability to enter and continue to operate in certain foreign markets; and
- efforts of insurers, governments to contain healthcare costs.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, including, without limitation:

- continued availability of capital financing;
- interest rates and foreign exchange rates;
- taxes and duties;
- fixed and contingent obligations and commitments;
- the competitive environment in our industry;
- the activities and financial health of our customers, suppliers and other business partners;
- the general economic and business conditions;
- the political, economic and social developments in Asia and CEEMENA;

- delays, cost overruns, shortages in skilled and unskilled resources or other changes that impact the execution of our expansion plans (particularly specialists, medical officers, nurses and allied health workers);
- significant capital expenditure requirements;
- future regulatory changes affecting us or the countries in which we operate or may operate;
- liability for remedial actions under health and safety regulations;
- the cost and availability of adequate insurance coverage;
- changes in accounting practices; and
- other factors which may or may not be within our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Dividend Policy", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. Save as required by Section 238(1) of the CMSA and paragraph 1.02 of the Prospectus Guidelines (Supplementary Prospectus), we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Prospectus to reflect any changes in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a company incorporated under the laws of Malaysia. Many of our Directors, all of our management and the management of the Selling Shareholder and, where applicable, its directors and management, our auditors and certain of the other parties named in this Prospectus reside outside the United States. The vast majority of our current operations are conducted outside the United States, and all or a substantial portion of our assets, the assets of the Selling Shareholder and the assets of the persons referred to in the preceding sentence are located outside the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in courts in the United States against us, the Selling Shareholder or any of such persons, including judgments based upon the civil liability provisions of U.S. federal or state securities laws. There is uncertainty as to whether the courts of Singapore would recognise and enforce judgments of the United States courts obtained against us or our Directors or officers as well as against the Selling Shareholder or, where applicable, their directors and management predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States or entertain original actions brought in Singapore courts against us or our Directors or officers as well as against the Selling Shareholder or, where applicable, their directors and management predicated upon the federal securities laws of the United States or the securities laws of any state in the United States, unless the facts surrounding such a violation would constitute, or give rise to, a cause of action under the laws of Singapore.

INDUSTRY AND MARKET DATA

This Prospectus includes statistical data provided by us and various third parties and cites third party projections regarding growth and performance of the industries in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is acknowledged in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the report prepared by Frost & Sullivan (S) Pte Ltd ("Frost & Sullivan"), an independent healthcare industry analyst, for inclusion in this Prospectus. We have appointed Frost & Sullivan to provide an independent market and industry review. In compiling their data for the review, Frost & Sullivan relied on industry surveys, published materials, its own private databanks and direct sources within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industries in which we operate.

However, while reasonable actions have been taken to ensure that the statistical data provided by third parties and third party projections are extracted accurately and in their proper context, we, our Directors, the Promoter, the Selling Shareholder, the Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers, and Singapore Underwriters have not independently verified such data and projections or their accuracy or ascertained the underlying assumptions relied upon therein and none of us, our Directors, the Promoter, the Selling Shareholder, the Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers, and Singapore Underwriters makes any representation as to the correctness, accuracy or completeness of such data and projections and accordingly, you should not place undue reliance on such data and projections cited in this Prospectus. Further, third party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that the estimated figures will be achieved, and you should not place undue reliance on the third party projections cited in this Prospectus.

AVAILABLE INFORMATION

We have agreed that, for so long as any Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

This summary highlights significant aspects of our business and this Global Offering but is not complete and does not contain all of the information you should consider before making your investment decision. You should carefully read the entire Prospectus including the information presented under "Risk Factors" and the financial statements and related notes, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in forward-looking statements as a result of certain factors, including those set forth in "Risk Factors" and "Forward-Looking Statements".

Overview

We will be one of the largest listed private healthcare providers in the world based on market capitalisation upon Listing. We focus on markets in Asia and in the CEEMENA region, which we believe are highly attractive growth markets. We operate an integrated healthcare business and related services which have leading market positions in our home markets of Singapore, Malaysia and Turkey, and we also have healthcare operations and investments in the PRC, India, Hong Kong, Vietnam, Macedonia and Brunei.

Our global healthcare network operates over 4,900 licensed beds in 30 hospitals with one additional hospital in Turkey, the acquisition of which is pending completion, as well as medical centres, clinics and ancillary healthcare businesses across eight countries. In addition, we have over 3,300 new beds in the pipeline to be delivered through new hospital developments and expansion of our existing facilities over the next five years, which includes two potential hospital development projects in Turkey, which are under discussion as at 1 June 2012 (see "Our Business—Acibadem" for further details). These new beds in the pipeline also include approximately 760 new beds in those facilities which we will expect to manage through HMAs, over the next five years. As at 31 March 2012, we employed more than 24,000 people worldwide. Our core businesses are operated through our key subsidiaries, namely PPL, Acibadem Holding and IMU Health. We believe our businesses provide us with the ability to successfully position and grow our assets in attractive markets, execute our operating plan and strengthen our operations and financial performance.

See "Our Business" for further information on our business.

Our competitive strengths

We will be one of the largest listed private healthcare providers in the world based on market capitalisation upon Listing. Our integrated healthcare network provides the full spectrum of healthcare services, from primary healthcare clinics, to secondary and tertiary hospitals, to quaternary care and post-operative rehabilitation centres, complemented by a wide range of ancillary services including diagnostic laboratories, imaging centres, ambulatory care, medical education facilities, hospital project management and other related services. We have successfully developed our businesses through organic growth and acquisitions.

See "Our Business—Our Competitive Strengths" for further information on our competitive strengths.

Our strategies and future plans

We aim to strengthen and expand our leading market positions, continuously improve the quality of our healthcare services and deliver long-term value for our shareholders via the following strategies:

- Grow and strengthen our leading presence in our home markets;

- Further expand into attractive geographies in Asia and across the CEEMENA region;
- Continue to capture growth in medical travel globally;
- Leverage our scale, market positions and business integration to enhance profitability; and
- Continue to attract, retain and develop quality medical personnel.

See "Our Business—Our Strategy and Future Plans" for further information on our business strategies and future plans.

Risk factors

An investment in our Shares involves a high degree of risk. Prior to making a decision to invest in our Shares, you should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described in "Risk Factors" and "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus, as well as the other financial information contained in this Prospectus. This Prospectus also contains forward-looking statements that involve risks and uncertainties. You should also pay particular attention to the fact that we are governed by the legal and regulatory environment in Singapore, Malaysia, Turkey and elsewhere. Our business is subject to a number of factors, many of which are outside our control. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or that may develop in the future. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks related to our business

Our Group's business

- Our business and facilities are heavily concentrated in Singapore, Malaysia and Turkey, which makes us sensitive to regulatory, economic, environmental and competitive conditions and changes in those countries.
- Our Group's business relies principally on the operations of our key subsidiaries.
- We are reliant, to some extent, on a number of brand names and trademarks in our businesses.
- Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations or generate sufficient cash to service all of, or refinance, our indebtedness, limit our ability to react to opportunities and expose us to interest rate risk and currency exchange risk.
- The historical combined financial statements and the pro forma financial information contained herein may not accurately reflect our historical financial position, results of operations and cash flows.
- The financial information presented in the historical combined financial statements prepared for inclusion in this Prospectus will not be the same as compared to the audited consolidated financial statements prepared by our Company after our Listing for statutory purposes.
- We may not have adequate insurance coverage for our current or future litigation or other claims judgments.
- Exchange rate instability may adversely affect our business, financial condition, results of operations and prospects.

- The value of our intangible assets and costs of investment may become impaired.

Our hospitals and healthcare businesses

- We may be unable to successfully integrate newly acquired hospitals and healthcare businesses with our existing hospitals and healthcare businesses or achieve the synergies and other benefits we expect from such acquisitions.

- Our newly developed greenfield facilities may experience delays in reaching full operational capacity and may not be successfully integrated with our existing hospitals and healthcare businesses or achieve the synergies and other benefits we expect from such expansion.

- If we are unable to identify expansion opportunities or experience delays or other problems in implementing such projects, our growth, business, financial condition, results of operations and prospects may be adversely affected.

- We may be subject to unknown or contingent liabilities and other inherent operational and regulatory risks relating to the businesses and companies that we acquire.

- We may be subject to competition laws and regulations in certain countries in which we operate.

- We may not be able to successfully compete for patients with other hospitals and healthcare providers across the countries and regions in which we operate.

- We are highly dependent on our doctors, nurses and other healthcare professionals, as well as other key personnel.

- We are dependent on certain key senior management.

- Our hospitals and healthcare businesses are currently geographically concentrated through our various subsidiaries, and we may not gain acceptance or be able to replicate our business strategies successfully outside our current markets, all of which may place us at a competitive disadvantage and limit our growth opportunities.

- Our revenue is dependent on the provision of inpatient treatments, ancillary services and outpatient primary care to individual patients, corporate clients and government clients who opt for private healthcare services, all of which could decline due to a variety of factors.

- If we do not receive payment on a timely basis from private healthcare insurers, government-sponsored insurance, corporate clients or individual patients, our business and results of operations could be adversely affected.

- Compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect our competitive position and results of operations.

- Lease costs for our Singapore hospitals will rise, which could adversely affect our business.

- We have been and could become the subject of or perceived to be associated with governmental investigations, claims and litigation, as well as medical malpractice litigation brought by patients.

- Rapid technological advances, technological failures and other challenges related to our medical equipment and information technology systems could adversely affect our business.

- Some of our employees are unionised, and we may be subject to labour activism, unrest, slowdowns and increased wage costs and may be unable to maintain satisfactory labour relations.

- Challenges that affect the healthcare industry may also have an effect on our operations.

Our education business

- We are subject to approval and licensing from various ministries in order to recruit students, operate our university and colleges and to award degrees and diplomas.

- IMU may not be able to maintain existing relationships with its partner universities, which could lower our enrolment levels and adversely affect its business.

- Our performance depends on our ability to recruit and retain high quality faculty and other education professionals as well as high quality students.

- Some of our students depend on student financial aid and loans for a portion of the payment of our tuition fees, a reduction of which could affect our enrolment level and ability to collect full tuition.

- If IMU experiences delays or other problems in implementing new programmes or continuing to implement its existing programmes, our growth, business, financial condition, results of operations and prospects may be materially and adversely affected.

Risks related to our countries of operation

- We are subject to political, economic and social developments as well as the laws, regulations and licensing requirements in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate.

- The recurrence and spread of epidemics or large-scale medical emergencies may have an adverse impact on our business.

- Certain of our businesses are conducted through joint ventures.

- If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties.

- We rely on contractual arrangements with the PRC Operating Entities in the PRC and their shareholders for our business operations, which may not be as effective in providing operational control or enabling us to derive economic benefits compared to ownership of controlling equity interests.

- We may face risks arising from certain trust arrangements.

- We conduct our business in a heavily regulated industry.

Risks related to our Global Offering

- There has been no prior market for our Shares.

- You will incur immediate and substantial dilution and may experience further dilution in the NA attributable to the Shares you purchase in this Global Offering.
- The price of our Shares may change significantly following the Global Offering, and you could lose all or part of your investment as a result.
- The sale or possible sale of a substantial number of our Shares by our substantial shareholders or the Cornerstone Investors in the public market following the Global Offering could materially and adversely affect the price of our Shares.
- We cannot assure you that we will declare and distribute any amount of dividends in the future.
- There may be a delay or failure in the trading of our Shares.
- There is no seamless trading platform between Bursa Securities and the SGX-ST.
- Negative market conditions on one market on which our Shares are listed may affect the price of our Shares on the other market.
- Our substantial shareholders will continue to hold a majority of our Shares after the Global Offering and can therefore determine the outcome of any shareholder voting.
- Overseas shareholders may not be able to participate in future rights offerings or certain other equity issues by us.
- We may invest or spend the proceeds of this Global Offering in ways in which you may not agree.
- As we are incorporated in Malaysia and primarily listed on the Main Market of Bursa Securities, we are subject to Malaysian laws and regulations.
- There are foreign exchange regulations in Malaysia.
- Investors may face a delay in the return of their application monies and/or incur additional costs and risks if our Shares are not listed on the SGX-ST.
- Certain judgments may not be enforceable against our Company in Singapore, Malaysia, Turkey, the PRC, India and other jurisdictions in which we operate.
- Corporate disclosure in Malaysia and Singapore may differ from those in other jurisdictions.
- We are subject to Malaysian laws and regulations governing any take-over of our Company.
- Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution.
- CDP depositors whose names appear in the Depository Register maintained by the CDP will not be recognised as members of our Company and will have a limited ability to attend general meetings.
- Information contained in the forward-looking statements included in this Prospectus is subject to inherent uncertainties and you should not rely on any of them.

See "Risk Factors" in this Prospectus for further details of our risk factors.

SUMMARY OF THE OFFERING

Principal statistics of the IPO

The Global Offering of up to 2,234.65 million Shares in IHH comprising Public Issue of up to 1,800.00 million Issue Shares by IHH and Offer for Sale of up to 434.65 million Offer Shares by the Selling Shareholder, involving:

(i) Institutional Placement;

(ii) Malaysia Public Offering;

(iii) Singapore Offering; and

(iv) Cornerstone Offering.

In summary, the IPO Shares will be allocated and allotted in the following manner:

	Total		
Categories	**No. of Shares**	**% of enlarged share capital upon Listing[(1)]**	**% of enlarged share capital after the conversion/exercise of outstanding LTIP units and EPP options[(2)]**
		%	%
Institutional Placement			
MITI Tranche	360,000,000	4.47	4.38
Global Institutional Tranche	138,010,200	1.71	1.68
	498,010,200	6.18	6.06
Malaysia Public Offering			
Malaysian public (via balloting):			
— Bumiputera	80,570,900	1.00	0.98
— Non-Bumiputera	80,570,900	1.00	0.98
Eligible Directors of our Group	4,500,000	0.06	0.05
Eligible employees of our Group	22,593,000	0.28	0.27
Business associates and persons who have contributed to the success of our Group, including doctors	20,272,000	0.25	0.25
	208,506,800	2.59	2.53
Singapore Offering			
Singaporean public (via balloting or scaling down, where necessary)	52,000,000	0.65	0.63
Singapore Placement[(3)]	36,000,000	0.45	0.44
Eligible Directors of our Group	3,750,000	0.05	0.05
Eligible employees of our Group	16,601,000	0.20	0.20
Business associates and persons who have contributed to the success of our Group, including doctors	32,284,000	0.40	0.39
	140,635,000	1.75	1.71
Cornerstone Offering	1,387,500,000	17.22	16.87
Total	**2,234,652,000**	**27.74**	**27.17**

Notes:

(1) Based on the enlarged issued and paid-up share capital upon Listing which has taken into account the maximum number of shares to be issued pursuant to the Symphony Conversion, the surrender of all LTIP units granted and vested before the Listing and the Public Issue as described in "Description of Our Shares—Share Capital".

(2) Based on the enlarged share capital of our Company assuming the outstanding LTIP units and EPP options (which have been granted before the Listing but will vest or become exercisable only after the Listing) have been surrendered/exercised for new Shares, but assuming post-Listing, there are no further new LTIP units and EPP options being granted and surrendered/exercised for new Shares and there has not been any exercise of the Aydinlar Option or the Bagan Lalang Option (as defined in "Statutory and Other General Information—Share Capital") after the Listing. See "Description of Our Shares—Share Capital" for further details.

(3) The Singapore Placement is subject to variation, depending on demand. In the event that demand exceeds the number of IPO Shares currently allocated, the additional IPO Shares required to satisfy this additional demand may be taken from the Institutional Placement subject to the discretion of our Company and the Joint Global Coordinators.

For further details on the particulars of the IPO, see "Description of Our Shares—Particulars of the IPO".

Use of proceeds

Based on the Retail Price of RM2.85 (or SGD1.18 for the Singapore Offering (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators), we expect to raise gross proceeds from the Public Issue of up to RM5,130.00 million. The net proceeds expected to be raised from the Public Issue (after deducting estimated listing expenses as set out below) is up to RM4,942.00 million.

Our Company will not receive any proceeds from the Offer for Sale and the exercise of the Over-Allotment Option. The gross proceeds from the Offer for Sale and the exercise of the Over-Allotment Option of up to RM1,238.76 million and up to RM482.88 million respectively, will accrue entirely to the Selling Shareholder and the Over-Allotment Option Provider, respectively. The net proceeds from the Offer for Sale and the exercise of the Over-Allotment Option (after deducting estimated expenses as set out below) are up to RM1,207.79 million and up to RM470.80 million respectively.

The gross proceeds from the Public Issue of up to RM5,130.00 million are expected to be utilised in the manner as set out below:

Details of utilisation	**Estimated timeframe for utilisation upon Listing**	**RM million**	**%**
Repayment of bank borrowings(1)	Within 12 months	4,663	90.90
Working capital and general corporate purposes(2)	Within 24 months	279	5.44
Estimated listing expenses(3)	Within 12 months	188	3.66
Total		5,130	100.00

Notes:

(1) The proposed repayment of bank borrowings is as follows:

Facility Amount	Amount outstanding as at 31 May 2012	Proposed repayment	Interest rate (% per annum)/ maturity/tenure	Purpose of borrowing
million	**million**	**million**		
SGD470/ RM1,162^ . . .	SGD256/ RM633^	RM690*	Swap offer rate + 1.0% to 2.0%/ 31 December 2014	Financing the acquisition of Acibadem Group, including amongst others, the acquisition of Acibadem Holding for total purchase consideration of approximately USD825 million, details of which are set out in "Statutory and Other General Information—Material Contracts"
RM450	RM245	RM267*	Cost of funds + 0.6% to 1.6%/ 31 December 2014	Financing the acquisition of Acibadem Group, including amongst others, the acquisition of Acibadem Holding for total purchase consideration of approximately USD825 million, details of which are set out in "Statutory and Other General Information—Material Contracts"
SGD1,850/ RM4,573^ . . .	SGD1,499/ RM3,706^	RM3,706	Swap offer rate + 1.25%/2 August 2013	Financing the acquisition of Parkway's shares for total purchase consideration of SGD3.5 billion pursuant to the voluntary general offer in 2010; and refinancing any shareholder loans
Total		**RM4,663**		

^ Based on a RM/SGD exchange rate of 2.472 as at 31 May 2012.

* Proposed repayment amount includes the estimated expenses to be incurred for the voluntary delisting of Acibadem from ISE and the interest expenses to be accrued between 1 June 2012 and the actual date of repayment.

(2) Proceeds in excess of the amounts allocated for repayment of bank borrowings and listing expenses (which may be in excess or less than the estimated amount) will be utilised for general working capital requirements of the IHH Group, including financing our daily operations and operating expenses, which include administration and other operating expenses, as well as for general corporate purposes including financing future investments to be identified. Conversely, any shortfall in proceeds raised will be adjusted accordingly to the working capital requirements and general corporate purposes.

(3) The expenses of the Public Issue to be borne by us are estimated to be RM188 million which will comprise the following:

	RM million
Estimated professional fees	33
Brokerage, underwriting commission and placement fees*	133
Marketing related expenses such as travel and roadshow expenses incurred in connection with the IPO . . .	7
Other fees and miscellaneous expenses and contingencies	15
Total estimated listing expenses	**188**

Note:

* The brokerage, underwriting commission and placement fees to be borne by the Selling Shareholder and the Over-Allotment Option Provider, which are excluded from the above are estimated to be up to RM31 million and up to RM12 million, respectively.

If the actual expenses are higher than estimated, the deficit will be funded out of the amount allocated for working capital and general corporate purposes. However, if the actual expenses are lower than estimated, the excess will be utilised for general working capital and general corporate purposes of the IHH Group.

The aggregate expenses of the Global Offering (not including the brokerage, underwriting commission and placement fees and other expenses payable by the Selling Shareholder and the Over-Allotment Option Provider) are estimated to be RM188.0 million. The estimated expenses for professional fees, marketing related expenses, and other fees and miscellaneous expenses and contingencies are payable by us, the Selling Shareholder and assuming the Over-Allotment Option is exercised, the Over-Allotment Option Provider, in proportion to the number of IPO Shares issued and sold by us and the Selling Shareholder, and the Over-Allotment Option Provider pursuant to the Global Offering.

Based on the above, for each RM1.00 or, as the case may be, for each SGD1.00 of our gross proceeds raised from the Public Issue, we intend to use the following amounts for each purpose:

(i) approximately RM0.91 or, as the case may be, SGD0.91 for repayment of bank borrowings;

(ii) approximately RM0.05 or, as the case may be, SGD0.05 for working capital and general corporate purposes; and

(iii) approximately RM0.04 or, as the case may be, SGD0.04 for our share of the estimated listing expenses.

The foregoing represents our best estimate of the allocation of the gross proceeds expected to be raised from the Public Issue based on our current plans and estimates regarding our funding requirement. Actual expenditures may vary from these estimates, and we may find it necessary or advisable to reallocate our net proceeds within the categories described above or to use portions of our net proceeds for other purposes. In the event that we decide to reallocate our net proceeds from the Public Issue for other purposes, we will publicly announce our intention to do so through Bursa Securities and the SGX-ST announcements.

Pending full utilisation of the gross proceeds received, we intend to place the proceeds raised from our Public Issue (including accrued interest, if any) or the balance thereof as deposits with banks or licenced financial institutions or short-term money market instruments prior to the eventual utilisation of the proceeds from the IPO for the above intended purposes.

Our utilisation of the proceeds from the Public Issue is expected to have the following financial impact on our Group:

(a) Interest savings

As part of the proceeds from the Public Issue will be used to repay some of the outstanding borrowings, we would enjoy savings in interest which we otherwise have to incur on borrowings. Based on the respective interest rates of our borrowings, we expect an interest savings of approximately RM120.0 million.

(b) Enhancement of capital structure

With an increase in our shareholders' funds, we expect our gearing to decrease. It is our objective to minimise our gearing to enable our Group to have the flexibility to expand our operations locally or overseas and to raise financing as and when attractive opportunities arise.

We have illustrated the financial impact of the utilisation of proceeds from the Public Issue on our pro forma consolidated balance sheets as at 31 March 2012 in "Selected Pro Forma Financial Information—Selected Pro Forma Balance Sheet Information".

Dividend policy

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries, which will depend upon their operating results, financial condition, capital expenditure plans, applicable loan covenants, where applicable, available reserves, and any other relevant factors.

See "Dividend Policy" for information on our dividend policy.

SUMMARY COMBINED FINANCIAL INFORMATION

You should read the following selected historical combined financial information for the periods and as at the dates indicated in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements, the accompanying notes and the related independent auditors' report included in this Prospectus. Our financial statements are reported in Ringgit Malaysia and are prepared and presented in accordance with MFRS and IFRS. MFRS and IFRS reporting practices and accounting principles differ in certain respects from U.S. GAAP.

The selected combined financial information as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 have been derived from our audited historical combined financial statements included in this Prospectus and should be read together with those financial statements and the notes thereto. Our historical financial results for any prior or interim periods are not necessarily indicative of results to be expected for a full fiscal year or for any future periods.

SELECTED COMBINED INCOME STATEMENT INFORMATION

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
	(RM000)			(USD000)	(RM000)		(USD000)
	(except for share and margin information)						
Revenue	121,081	1,214,085	3,328,849	1,043,526	859,927	1,276,192	400,060
Other operating income	2,983	21,812	159,768	50,084	48,864	18,955	5,942
Inventories and consumables	—	(191,198)	(680,242)	(213,242)	(189,019)	(252,332)	(79,101)
Purchased and contracted services	—	(216,151)	(398,590)	(124,950)	(113,860)	(131,182)	(41,123)
Depreciation and impairment losses on property, plant and equipment	(9,244)	(57,350)	(165,751)	(51,960)	(38,348)	(74,367)	(23,313)
Amortisation and impairment losses on intangible assets	(34)	(44,298)	(54,989)	(17,238)	(29,911)	(14,650)	(4,592)
Staff costs	(52,622)	(372,440)	(1,073,066)	(336,389)	(266,890)	(460,344)	(144,308)
Operating lease expenses	(573)	(72,514)	(186,605)	(58,497)	(44,650)	(59,853)	(18,763)
Operating expenses	(22,052)	(225,618)	(456,162)	(142,997)	(90,327)	(133,800)	(41,944)
Finance income	656	6,476	28,907	9,062	10,232	55,410	17,370
Finance costs	(3,526)	(84,111)	(106,420)	(33,361)	(28,638)	(47,404)	(14,860)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	—	530,120	—	—	—	—	—
Share of profits of associates (net of tax)	59,480	70,794	79,937	25,059	12,160	14,472	4,537
Share of profits of joint ventures (net of tax)	4,447	34,039	13,909	4,360	2,742	3,407	1,068
Profit before income tax	**100,596**	**613,646**	**489,545**	**153,462**	**132,282**	**194,504**	**60,973**
Income tax expense	(8,115)	(38,892)	(95,428)	(29,915)	(26,737)	(42,203)	(13,230)
Profit for the year/period	**92,481**	**574,754**	**394,117**	**123,547**	**105,545**	**152,301**	**47,743**
Profit before income tax margin (%)	83.1	50.5	14.7	14.7	15.4	15.2	15.2
Profit for the year/period margin (%)	76.4	47.3	11.8	11.8	12.3	11.9	11.9
Profit attributable to:							
Owners of our Company	83,201	554,424	379,903	119,092	101,875	123,839	38,821
Non-controlling interest	9,280	20,330	14,214	4,455	3,670	28,462	8,922
Profit for the year/period	**92,481**	**574,754**	**394,117**	**123,547**	**105,545**	**152,301**	**47,743**
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	—	(54,566)	88,910	27,871	22,738	8,656	2,713
Net change in fair value of available-for-sale financial assets	—	—	22,641	7,097	—	76,294	23,917
Cumulative changes in fair value of cash flow hedges transferred to profit or loss	—	15,935	—	—	—	—	—
Share of other comprehensive income/(expense) of associates	17,796	(21,502)	(108)	(34)	427	(136)	(43)
	17,796	(60,133)	111,443	34,934	23,165	84,814	26,587
Total comprehensive income for the year/period	**110,277**	**514,621**	**505,560**	**158,481**	**128,710**	**237,115**	**74,330**
Total comprehensive income attributable to:							
Owners of our Company	100,997	486,515	501,434	157,189	128,807	190,915	59,848
Non-controlling interests	9,280	28,106	4,126	1,292	(97)	46,200	14,482
Total comprehensive income for the year/period	**110,277**	**514,621**	**505,560**	**158,481**	**128,710**	**237,115**	**74,330**
Earnings per Share (sen)							
Basic(1)	1.51	10.08	6.91	2.17	1.85	2.00	0.63
Diluted, based on enlarged share capital at Listing(2)	1.03	6.88	4.72	1.48	1.26	1.54	0.48
Diluted, based on MFRS/IFRS(3)	1.51	10.08	6.90	2.16	1.85	1.99	0.63

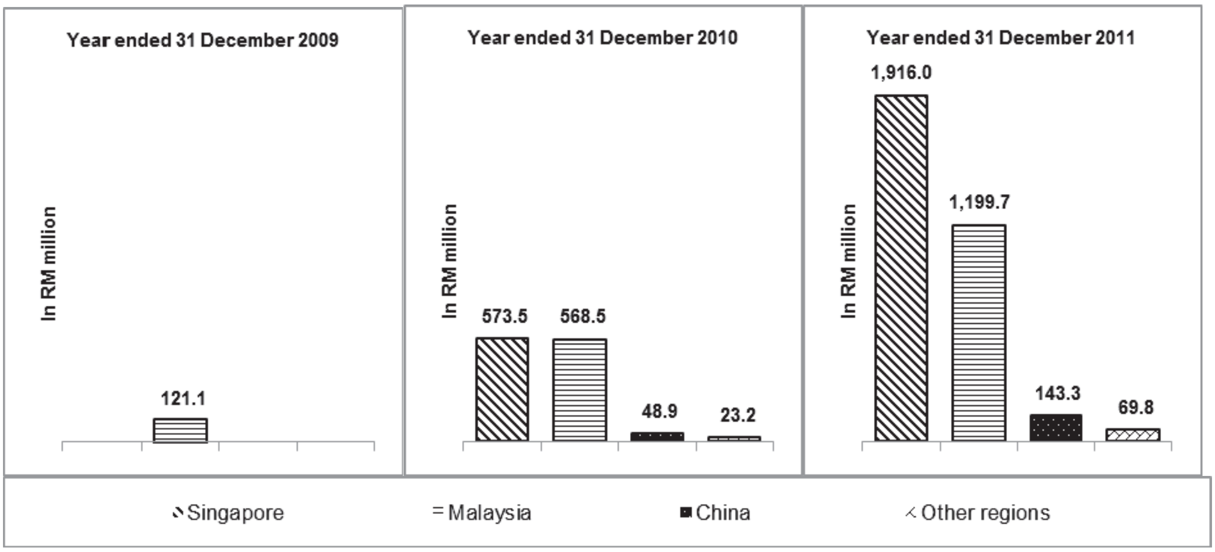
Notes:

(1) Based on 5,500.0 million Shares in issue for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 6,195.4 million Shares in issue for the three months ended 31 March 2012.

(2) Based on the enlarged share capital at Listing of 8,057.1 million Shares, after taking into account the new Shares to be issued pursuant to the surrender of outstanding LTIP units which have been granted and vested before the Listing, the exercise of the Symphony Conversion (based on the expected number of new Shares) and the Public Issue (referred to as the "**Enlarged Share Capital at Listing**"). The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of Our Shares—Share Capital" for further details.

(3) Based on the number of Shares used in the basic earnings per Share in note 1 above, adjusted for dilution effects of outstanding LTIP units and EPP options (where applicable) as calculated in accordance with MFRS 133 and IAS 33 "Earnings per share". Please refer to the combined financial statements and condensed interim combined financial statements as set out in Appendices M and O for further details.

The charts below show the revenue breakdown by geographical locations for the years indicated:



SELECTED COMBINED BALANCE SHEET INFORMATION

	Year ended 31 December			Three months ended 31 March	
	2009	**2010**	**2011**	**2012**	**2012**
		(RM000)		**(RM000)**	**(USD000)**
Non-current assets					
Property, plant and equipment	155,816	4,136,786	4,726,753	6,290,970	1,972,091
Goodwill on consolidation	106,621	6,321,413	6,487,070	8,553,089	2,681,219
Intangible assets	1,038	1,768,611	1,618,598	3,032,753	950,706
Interest in associates	2,193,304	820,471	862,273	864,238	270,921
Interest in joint ventures	4,517	5,642	28,009	31,302	9,813
Other financial assets	—	35,249	529,881	591,542	185,436
Other receivables	—	—	—	42,313	13,264
Deferred tax assets	—	28,308	24,279	57,682	18,082
	2,461,296	**13,116,480**	**14,276,863**	**19,463,889**	**6,101,532**
Current assets					
Assets classified as held for sale	—	7,840	1,463	1,463	459
Development property	—	939,870	1,121,195	1,160,548	363,808
Inventories	—	74,968	78,784	120,936	37,911
Trade and other receivables	4,389	482,834	518,496	854,194	267,772
Tax recoverable	1,993	12,095	20,422	26,092	8,179
Other financial assets	—	—	27,066	26,967	8,454
Derivative assets	—	—	—	3,007	943
Cash and bank balances	42,843	1,209,465	1,310,803	1,599,558	501,429
	49,225	**2,727,072**	**3,078,229**	**3,792,765**	**1,188,955**
Total assets	**2,510,521**	**15,843,552**	**17,355,092**	**23,256,654**	**7,290,487**
Non-current liabilities					
Bank borrowings	97,525	6,535,608	4,991,264	7,361,564	2,307,700
Employee benefits	—	25,142	15,544	19,085	5,983
Other payables	881	22,102	8,580	77,081	24,163
Deferred tax liabilities	17,506	456,749	446,127	801,248	251,175
Derivative liabilities	—	15,820	—	—	—
	115,912	**7,055,421**	**5,461,515**	**8,258,978**	**2,589,021**
Current liabilities					
Bank overdrafts	—	10,549	584	9,433	2,957
Trade and other payables	54,379	5,257,408	1,576,158	2,168,497	679,779
Bank borrowings	14,224	164,971	46,500	268,047	84,027
Derivative liabilities	—	6,041	1,252	6,369	1,997
Employee benefits	943	42,485	41,935	20,865	6,541
Tax payable	2,530	110,737	118,703	148,372	46,512
	72,076	**5,592,191**	**1,785,132**	**2,621,583**	**821,813**
Total liabilities	**187,988**	**12,647,612**	**7,246,647**	**10,880,561**	**3,410,834**
Equity					
Equity and reserves attributable to owners of our Company	2,313,343	2,936,394	9,861,827	11,539,936	3,617,535
Non-controlling interests	9,190	259,546	246,618	836,157	262,118
Total equity	**2,322,533**	**3,195,940**	**10,108,445**	**12,376,093**	**3,879,653**
Total equity and liabilities	**2,510,521**	**15,843,552**	**17,355,092**	**23,256,654**	**7,290,487**
Net assets(1)	2,313,343	2,936,394	9,861,827	11,539,936	3,617,535
Net tangible assets/(liabilities)(2)	2,205,684	(5,153,630)(3)	1,756,159	(45,906)(3)	(14,391)
Net assets per Share(4) (RM)	0.42	0.53	1.79	1.86	0.58
Net tangible assets/(liabilities) per share(4) (RM)	0.40	(0.94)	0.32	(0.01)	0.00

Notes:

(1) Being NA attributable to ordinary shareholders (excluding non-controlling interests).

(2) Net tangible asset is computed as NA less goodwill on consolidation and intangible assets.

(3) Based on the combined balance sheet as at 31 December 2010, our Group was in a net tangible liabilities position, which is illustrated as RM5,153.6 million. This is derived after deducting goodwill on consolidation of RM6,321.4 million and intangible assets of RM1,768.6 million from the total shareholders' funds of RM2,936.4 million. As at 31 March 2012, our Group was in a net tangible liabilities position, which is illustrated as RM45.9 million. This is derived after deducting goodwill on consolidation of RM8,553.1 million and intangible assets of RM3,032.8 million from the total shareholders' funds of RM11,539.9 million. Goodwill on consolidation and intangible assets represent a substantial portion of our assets due largely to past mergers and acquisitions. In any event, our Group expects to return to a net tangible assets position upon completion of the Listing.

(4) Based on 5,500.0 million Shares in issue for the years ended 31 December 2009, 2010 and 2011 and 6,195.4 million Shares in issue for the three months ended 31 March 2012.

SELECTED COMBINED STATEMENT OF CASH FLOWS INFORMATION

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)		(USD000)
Net cash generated from operating activities	35,314	398,764	887,111	278,091	240,021	394,087	123,538
Net cash used in investing activities	(14,816)	(5,960,179)	(1,285,719)	(403,047)	(578,721)	(1,062,906)	(333,199)
Net cash generated from financing activities	2,720	6,924,752	423,645	132,804	44,167	910,946	285,563
Net increase/(decrease) in cash and cash equivalents	**23,218**	**1,363,337**	**25,037**	**7,848**	**(294,533)**	**242,127**	**75,902**
Cash and cash equivalents at beginning of the year/period	18,443	41,661	1,158,109	363,044	1,158,109	1,251,485	392,315
Effect of exchange rate fluctuations on cash held	—	(246,889)	68,339	21,423	(3,359)	(24,007)	(7,526)
Cash and cash equivalents at end of the year/period	**41,661**	**1,158,109**	**1,251,485**	**392,315**	**860,217**	**1,469,605**	**460,691**

SUMMARY FINANCIAL INFORMATION OF ACIBADEM HOLDING

*You should read the following summary financial information for the periods and as at the dates indicated in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation", "Discussion and Analysis of Pro Forma Financial Information", the audited historical combined financial statements and the accompanying notes included and the unaudited pro forma financial information and the accompanying notes included in this Prospectus. Acibadem Holding's financial statements are reported originally in Turkish Lira and have been translated at the closing exchange rate of TL1.00: RM2.2556 as at 31 December 2009, TL1.00: RM1.9964 as at 31 December 2010, TL1.00: RM1.6450 as at 31 December 2011 and TL1.00: RM1.7141 as at 31 March 2012. For the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012, Acibadem Holding's financial statements are prepared and presented in accordance with the Financial Reporting Standards of Capital Market Board of Turkey (the "**Turkish GAAP**"). Turkish GAAP reporting practices and accounting principles differ in certain respects from U.S. GAAP.*

The summary financial information for the years ended 31 December 2009, 2010 and 2011 and for the three months ended 31 March 2011 and 2012 have been derived from Acibadem Holding's audited consolidated financial statements which is included in this Prospectus, and the information should be read together with those financial statements and the notes thereto. Acibadem Holding's historical financial results for any prior periods are not necessarily indicative of results to be expected for a full fiscal year or for any future period.

SELECTED INCOME STATEMENT INFORMATION OF ACIBADEM HOLDING

	Year ended 31 December						Three months ended 31 March			
	2009		2010		2011		2011		2012	
	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)
	(except for share information)									
Revenue	1,230,874	558,828	1,565,953	731,583	1,827,847	1,009,470	471,183	245,344	579,568	338,988
Cost of sales	(1,050,283)	(476,838)	(1,254,671)	(586,158)	(1,436,517)	(793,349)	(360,885)	(187,912)	(444,443)	(259,954)
Gross profit	180,591	81,990	311,282	145,425	391,330	216,121	110,298	57,432	135,125	79,034
Selling, marketing and distribution expenses	(44,666)	(20,279)	(69,772)	(32,596)	(55,758)	(30,794)	(13,910)	(7,243)	(8,724)	(5,103)
General administrative expenses	(80,437)	(36,519)	(89,867)	(41,984)	(82,369)	(45,490)	(23,092)	(12,024)	(25,297)	(14,796)
Other operating income	9,440	4,286	11,767	5,497	14,763	8,153	5,337	2,779	7,143	4,178
Other operating expense	(10,242)	(4,650)	(24,016)	(11,220)	(41,420)	(22,875)	(2,068)	(1,077)	(6,969)	(4,076)
Operating profit	54,686	24,828	139,394	65,122	226,546	125,115	76,565	39,867	101,278	59,237
Finance income	10,583	4,805	10,636	4,969	29,127	16,086	7,776	4,049	117,229	68,567
Finance expense	(129,096)	(58,611)	(182,957)	(85,474)	(466,645)	(257,715)	(31,410)	(16,355)	(52,758)	(30,858)
Profit/(loss) before tax	(63,827)	(28,978)	(32,927)	(15,383)	(210,972)	(116,514)	52,931	27,561	165,749	96,946
Tax credit/(expense)	41,147	18,681	(17,317)	(8,090)	(9,698)	(5,356)	(15,322)	(7,978)	(26,003)	(15,209)
Profit/(loss) for the year/ period	(22,680)	(10,297)	(50,244)	(23,473)	(220,670)	(121,870)	37,609	19,583	139,746	81,737
Other comprehensive income (net of tax)	(19,426)	—	(139,412)	—	(163,668)	(29)	(17,758)	—	29,178	(19)
Total comprehensive profit/(loss) for the year/period	(42,106)	(10,297)	(189,656)	(23,473)	(384,338)	(121,899)	19,851	19,583	168,924	81,718
Profit/(loss) attributable to:										
Owners of Acibadem Holding	(21,292)	(9,667)	(49,463)	(23,108)	(221,184)	(122,154)	32,837	17,098	130,806	76,508
Non-controlling interests	(1,388)	(630)	(781)	(365)	514	284	4,772	2,485	8,940	5,229
	(22,680)	(10,297)	(50,244)	(23,473)	(220,670)	(121,870)	37,609	19,583	139,746	81,737
Total comprehensive profit/(loss) attributable to:										
Owners of Acibadem Holding	(39,530)	(9,667)	(186,707)	(23,108)	(384,852)	(122,183)	17,332	17,098	158,117	76,489
Non-controlling interests	(2,576)	(630)	(2,949)	(365)	514	284	2,519	2,485	10,807	5,229
	(42,106)	(10,297)	(189,656)	(23,473)	(384,338)	(121,899)	19,851	19,583	168,924	81,718
Earnings/(loss) per share (for 1000 shares) (RM) (TL)										
Basic	(31.87)	(14.47)	(74.05)	(34.59)	(331.12)	(182.87)	49.16	25.60	188.33	110.15
Diluted	(31.87)	(14.47)	(74.05)	(34.59)	(331.12)	(182.87)	49.16	25.60	188.33	110.15

SELECTED BALANCE SHEET INFORMATION OF ACIBADEM HOLDING

	As at 31 December						As at 31 March	
	2009		2010		2011		2012	
	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)
<u>Assets</u>								
Non-current assets								
Property and equipment	1,147,974	508,944	1,052,276	527,087	900,017	547,123	951,924	555,349
Intangible assets	5,547	2,459	6,077	3,044	12,254	7,449	12,887	7,518
Goodwill	1,847,228	818,952	1,638,044	820,499	1,509,054	917,358	1,767,739	1,031,293
Other non-current assets	1,874	831	10,597	5,308	24,659	14,990	31,066	18,124
Other receivables	3,532	1,566	1,973	988	11,298	6,868	11,246	6,561
Deferred tax assets	49,880	22,114	50,790	25,441	43,150	26,231	30,434	17,755
	3,056,035	1,354,866	2,759,757	1,382,367	2,500,432	1,520,019	2,805,296	1,636,600
Current assets								
Inventories	26,758	11,863	28,243	14,147	36,050	21,915	42,427	24,752
Trade receivables	140,143	62,131	156,171	78,226	197,675	120,167	244,885	142,865
Other receivables	1,902	843	1,024	513	2,178	1,324	20,801	12,135
Other current assets	73,801	32,719	91,601	45,883	79,565	48,368	117,843	68,749
Financial investments	—	—	—	—	12,605	7,663	3,007	1,754
Cash and cash equivalents	44,762	19,845	51,944	26,019	72,642	44,159	306,030	178,537
	287,366	127,401	328,983	164,788	400,715	243,596	734,993	428,792
Total assets	3,343,401	1,482,267	3,088,740	1,547,155	2,901,147	1,763,615	3,540,289	2,065,392
<u>Liabilities</u>								
Non-current liabilities								
Loans and borrowings	1,655,750	734,062	1,526,713	764,733	1,556,334	946,100	1,466,613	855,617
Trade payables	28,114	12,464	13,350	6,687	13,818	8,400	10,424	6,081
Other payables	40,754	18,068	—	—	60,635	36,860	51,169	29,852
Employee benefits	4,205	1,864	4,216	2,112	3,180	1,933	7,042	4,108
Deferred tax liabilities	2,172	963	7,906	3,960	9,766	5,937	12,235	7,138
Other non-current liabilities	42,581	18,878	998	500	8,125	4,939	8,466	4,939
	1,773,576	786,299	1,553,183	777,992	1,651,858	1,004,169	1,555,949	907,735
Current liabilities								
Loans and borrowings	92,599	41,053	183,276	91,803	190,514	115,814	226,014	131,856
Other financial liabilities	6,241	2,767	8,776	4,396	8,574	5,212	6,368	3,715
Trade payables	139,583	61,883	163,691	81,993	250,436	152,241	228,558	133,340
Other payables	8,574	3,801	41,986	21,031	36,164	21,984	48,807	28,474
Income tax payable	1,933	857	5,298	2,654	617	375	9,630	5,618
Provisions	31,344	13,896	39,397	19,734	39,751	24,165	93,686	54,656
Other liabilities	37,339	16,554	46,943	23,514	65,019	39,525	76,948	44,891
	317,613	140,811	489,367	245,125	591,075	359,316	690,011	402,550
Total liabilities	2,091,189	927,110	2,042,550	1,023,117	2,242,933	1,363,485	2,245,960	1,310,285
Total equity attributable to owners of Acibadem Holding	1,210,301	536,506	1,012,742	508,328	626,544	385,402	1,252,516	735,538
Non-controlling interests	41,911	18,651	33,448	15,710	31,670	14,728	41,813	19,569
Total equity	1,252,212	555,157	1,046,190	524,038	658,214	400,130	1,294,329	755,107
Total equity and liabilities	3,343,401	1,482,267	3,088,740	1,547,155	2,901,147	1,763,615	3,540,289	2,065,392

SELECTED STATEMENT OF CASH FLOWS INFORMATION OF ACIBADEM HOLDING

	Year ended 31 December						Three months ended 31 March			
	2009	2009	2010	2010	2011	2011	2011	2011	2012	2012
	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)	(RM000)	(TL000)
Net cash generated from/(used in) operating activities	255,654	116,274	133,721	63,605	(15,321)	(3,597)	29,341	14,903	73,590	41,459
Net cash used in investing activities	(389,977)	(177,053)	(194,220)	(90,736)	(240,035)	(132,565)	(2,171)	(1,130)	(261,063)	(152,695)
Net cash generated from/(used in) financing activities	115,130	52,270	51,689	22,718	261,959	140,176	(31,173)	(16,709)	441,774	259,594
Net (decrease)/increase in cash and cash equivalents	(19,193)	(8,509)	(8,810)	(4,413)	6,603	4,014	(4,003)	(2,936)	254,301	148,358
Foreign exchange differences on cash held	(736)	—	(3,608)	—	(3,341)	—	(2,131)	—	934	—
Cash and cash equivalents at beginning of year/period	51,327	22,429	31,398	13,920	18,980	9,507	18,980	9,507	22,242	13,521
Cash and cash equivalents at end of the year/period	31,398	13,920	18,980	9,507	22,242	13,521	12,846	6,571	277,477	161,879

SUMMARY PRO FORMA FINANCIAL INFORMATION

You should read the following selected pro forma financial information for the periods and as at the dates indicated in conjunction with "Discussion and Analysis of Pro Forma Financial Information" and our pro forma financial information and the accompanying notes included in this Prospectus. Our pro forma financial information is reported in Ringgit Malaysia.

The selected pro forma financial information for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 and as at 31 December 2011 and 31 March 2012 have been derived from our pro forma financial statements, which is included in this Prospectus, and the information should be read together with those financial statements and the notes thereto. We have prepared and presented our pro forma financial information based on our historical combined financial statements as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012. Our historical results for any prior periods are not necessarily indicative of results to be expected for a full fiscal year or for any future period and our pro forma results have been compiled, on the basis of assumptions, for illustrative purposes only.

Our pro forma income statement information illustrate the effect of the formation of our Company, the acquisition of PPL, IMU Health and Acibadem Holding and all other acquisitions and disposals of companies by our Group since 1 January 2009 or the date of incorporation of the relevant entities, if later. Our selected pro forma balance sheet information illustrate the effects of the acquisition of Acibadem Holding as if it had taken place on 31 December 2011 and 31 March 2012, respectively, for the purpose of preparing our pro forma balance sheets as at those dates. Our selected pro forma statement of cash flows information illustrate the effect of the acquisition of Acibadem Holding by our Group as if it had taken place on 1 January 2011. See "Corporate Structure and History" and notes 2, 3, and 4 to our pro forma financial information included in Appendix P to this Prospectus for a further discussion of our corporate structure and history and the presentation of our pro forma financial information, respectively.

The presentation of our pro forma financial information may differ from the manner in which pro forma financial statements would be presented in accordance with Regulation S-X under the U.S. Securities Act. Specifically, the formation of our Company and the acquisition of each of PPL, IMU Health and Acibadem Holding have all been treated as if they had taken place at the respective dates indicated in the paragraph above and note 4 to our pro forma financial information. The retrospective effect given to these transactions significantly differs from and exceeds the retrospective pro forma treatment of businesses acquired or to be acquired pursuant to Regulation S-X under the U.S. Securities Act.

For a discussion of the risks relating to relying on our pro forma financial information, see "Risk Factors—Risks related to our business—The historical combined financial statements and the pro forma financial information contained herein may not accurately reflect our historical financial position, results of operations and cash flows".

SELECTED PRO FORMA INCOME STATEMENT INFORMATION

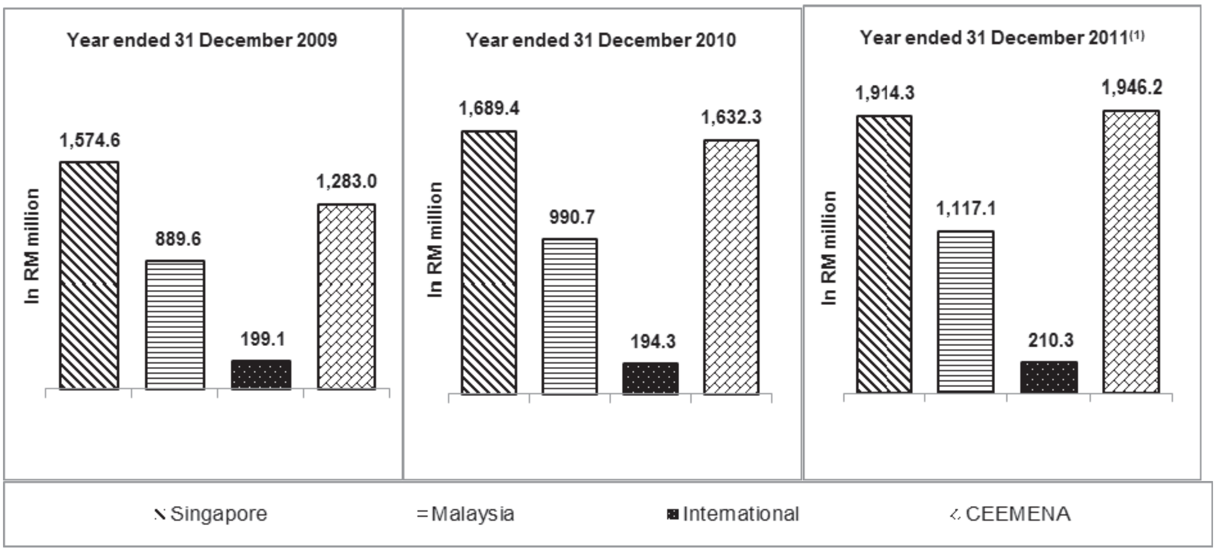
	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)		(USD000)
	(except for share and margin information)						
Revenue	3,946,250	4,506,735	5,190,764	1,627,199	1,273,647	1,476,374	462,813
Other operating income	102,121	70,590	176,885	55,450	56,495	21,484	6,735
Inventories and consumables	(720,469)	(809,322)	(1,025,237)	(321,391)	(234,478)	(282,966)	(88,704)
Purchased and contracted services	(509,214)	(558,620)	(580,358)	(181,930)	(128,827)	(146,358)	(45,880)
Depreciation and impairment losses on property, plant and equipment	(374,982)	(370,272)	(369,297)	(115,767)	(90,924)	(89,996)	(28,212)
Amortisation and impairment losses on intangible assets	(80,181)	(84,068)	(72,268)	(22,655)	(18,707)	(17,820)	(5,586)
Staff costs	(1,511,717)	(1,725,308)	(1,988,251)	(623,276)	(492,941)	(545,287)	(170,936)
Operating lease expenses	(211,567)	(230,559)	(258,252)	(80,957)	(59,769)	(65,706)	(20,597)
Operating expenses	(430,738)	(435,795)	(421,539)	(132,145)	(98,645)	(139,357)	(43,686)
Finance income	37,254	37,685	58,339	18,288	16,069	122,804	38,496
Finance costs	(404,122)	(344,176)	(584,827)	(183,331)	65,162	(76,866)	(24,096)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	530,120	—	—	—	—	—	—
Share of profits of associates (net of tax)	57,562	52,196	79,937	25,059	12,160	14,472	4,537
Share of profits of joint ventures (net of tax)	3,725	8,776	13,909	4,360	2,742	3,407	1,068
Profit before income tax	**434,042**	**117,862**	**219,805**	**68,904**	**171,660**	**274,185**	**85,752**
Income tax expense	(6,797)	(76,407)	(87,760)	(27,511)	(37,473)	(57,751)	(18,104)
Profit for the year/period	**427,245**	**41,455**	**132,045**	**41,393**	**134,187**	**216,434**	**67,848**
Profit before income tax margin (%)	11.0	2.6	4.2	4.2	13.5	18.6	18.6
Profit for the year/period margin (%)	10.8	0.9	2.5	2.5	10.5	14.7	14.7
Profit attributable to:							
Owners of our Company	463,547	78,717	245,655	77,008	118,121	164,504	51,569
Non-controlling interests	(36,302)	(37,262)	(113,610)	(35,615)	16,066	51,930	16,279
Profit for the year/period	**427,245**	**41,455**	**132,045**	**41,393**	**134,187**	**216,434**	**67,848**
Earnings per Share (sen)							
Basic(1)	5.76	0.98	3.05	0.96	1.47	2.04	0.64
Diluted(2)	5.75	0.98	3.05	0.96	1.47	2.04	0.64

Notes:

(1) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(2) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of Our Shares—Share capital" for further details.

The charts below show the pro forma revenue breakdown by geographical locations for the years indicated:



Note:

(1) This excludes revenue from "others" (which include the corporate office of our Company) for the year ended 31 December 2011 of RM2.9 million.

SELECTED PRO FORMA BALANCE SHEET INFORMATION

The pro forma balance sheets presented below are after taking into consideration the effects of the utilisation of proceeds from the Public Issue.

	As at 31 December		As at 31 March	
	2011	**2011**	**2012**	**2012**
	(RM000)	**(USD000)**	**(RM000)**	**(USD000)**
Non-current assets				
Property, plant and equipment	6,044,178	1,894,727	6,300,609	1,975,113
Intangible assets	2,992,066	937,952	3,038,754	952,587
Goodwill on consolidation	8,562,159	2,684,062	8,499,464	2,664,409
Interest in associates	862,273	270,305	864,238	270,921
Interest in joint ventures	28,009	8,780	31,302	9,813
Other financial assets	568,494	178,211	591,542	185,436
Other receivables	—	—	42,313	13,264
Deferred tax assets	70,709	22,166	57,682	18,082
	19,127,888	5,996,203	19,425,904	6,089,625
Current assets				
Assets classified as held for sale	1,463	459	1,463	459
Development property	1,121,195	351,472	1,160,548	363,808
Inventories	117,909	36,962	120,936	37,911
Trade and other receivables	814,160	255,223	854,194	267,772
Tax recoverable	29,879	9,366	26,092	8,179
Other financial assets	39,637	12,425	26,967	8,454
Derivative assets	—	—	3,007	943
Cash and cash equivalents	1,768,218	554,300	1,660,336	520,482
	3,892,461	1,220,207	3,853,543	1,208,008
Total assets	**23,020,349**	**7,216,410**	**23,279,447**	**7,297,633**
Non-current liabilities				
Bank borrowings	2,797,276	876,889	2,698,802	846,019
Employee benefits	21,112	6,618	19,085	5,983
Other payables	91,716	28,751	77,081	24,163
Deferred tax liabilities	784,757	246,005	804,126	252,077
	3,694,861	1,158,263	3,599,094	1,128,242
Current liabilities				
Bank overdrafts	584	183	9,433	2,957
Trade and other payables	2,019,207	632,979	2,168,497	679,779
Bank borrowings	246,019	77,122	268,047	84,027
Derivative liabilities	1,252	392	6,369	1,997
Employee benefits	41,935	13,146	20,865	6,541
Tax payable	119,860	37,574	148,372	46,512
	2,428,857	761,396	2,621,583	821,813
Total liabilities	**6,123,718**	**1,919,659**	**6,220,677**	**1,950,055**
Equity attributable to owners of our Company				
Share capital	8,053,294	2,524,544	8,053,294	2,524,544
Share premium	7,975,665	2,500,208	7,975,665	2,500,208
Reserves	275,604	86,396	415,673	130,305
	16,304,563	5,111,148	16,444,632	5,155,057
Non-controlling interests	**592,068**	**185,601**	**614,138**	**192,520**
Total equity	**16,896,631**	**5,296,749**	**17,058,770**	**5,347,577**
Total equity and liabilities	**23,020,349**	**7,216,408**	**23,279,447**	**7,297,632**
Net assets(1)	16,304,563	5,111,148	16,444,632	5,155,057
Net tangible assets(2)	4,750,338	1,489,134	4,906,414	1,538,061
Net assets per Share(3) (RM)	2.02	0.63	2.04	0.64
Net tangible assets per Share(3) (RM)	0.59	0.18	0.61	0.19

Notes:
(1) Being NA attributable to ordinary shareholders (excluding non-controlling interests).
(2) Net tangible assets are computed as NA less goodwill on consolidation and intangible assets.
(3) Based on 8,053.3 million Shares issued, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

SELECTED PRO FORMA STATEMENT OF CASH FLOWS INFORMATION

The pro forma statement of cash flow presented below is after taking into consideration the effects of the utilisation of proceeds from the Public Issue.

	Year ended 31 December		Three months ended 31 March	
	2011	**2011**	**2012**	**2012**
	(RM000)	**(USD000)**	**(RM000)**	**(USD000)**
Net cash generated from operating activities	1,356,032	425,088	275,106	86,240
Net cash used in investing activities	(2,267,335)	(710,763)	(224,202)	(70,283)
Net cash generated from financing activities	1,324,276	415,134	204,452	64,092
Net increase in cash and cash equivalents	**412,973**	**129,459**	**255,356**	**80,049**
Cash and cash equivalents at beginning of the year/period	1,158,109	363,044	1,256,900	394,013
Effect of exchange rate fluctuations on cash held	68,339	21,423	(22,852)	(7,164)
Cash and cash equivalents at end of the year/period	**1,639,421**	**513,926**	**1,489,404**	**466,898**

CORPORATE INFORMATION

DIRECTORS

Name	Address	Nationality	Profession
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman *(Chairman, Non-Independent, Executive)*	14 Jalan 5/21 46000 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Dato' Mohammed Azlan Bin Hashim *(Deputy Chairman, Non-Independent, Non-Executive)*	17 Lorong Setiabudi Bukit Damansara 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Dr. Lim Cheok Peng *(Managing Director, Non-Independent, Executive)*	10 Cluny Road Singapore 259576	Malaysian	Managing Director
Dr. Tan See Leng *(Executive Director, Non-Independent, Executive)*	16 Siglap Plain Singapore 456005	Singaporean	Executive Director
Mehmet Ali Aydinlar *(Non-Independent, Executive)*	Kandilli Idman Sokak No. 5 Demirevler Sitesi Uskudar Istanbul Turkey	Turkish	Chairman, Executive Board Member and Chief Executive Officer
Satoshi Tanaka *(Non-Independent, Non-Executive)*	2-18-14-306 Tamagawadai Setagaya-Ku Tokyo Japan	Japanese	Managing Officer and Chief Operating Officer
Michael Jude Fernandes *(Non-Independent, Non-Executive) (alternate to Dato' Mohammed Azlan Bin Hashim)*	13th Floor Suraj Millenium Apartment Breach Candy Road 400026 Mumbai India	Indian	Executive Director
Ahmad Shahizam Bin Mohd Shariff *(Non-Independent, Executive) (alternate to Dr. Tan See Leng)*	2 Leonie Hill Road #18-05 Leonie Condotel Singapore 239192	Malaysian	Company Director
Kaichi Yokoyama *(Non-Independent, Non-Executive) (alternate to Satoshi Tanaka)*	2-15-1-202 Shimouma Setagaya-Ku Tokyo Japan	Japanese	General Manager

Name	Address	Nationality	Profession
Rossana Annizah Binti Ahmad Rashid *(Independent, Non-Executive)*	26 Changkat Semantan 1 Semantan Villas Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Chang See Hiang *(Independent, Non-Executive)*	80 Kim Seng Road #30-07 Singapore 239426	Singaporean	Advocate & Solicitor
Kuok Khoon Ean *(Independent, Non-Executive)*	House B Deep Water Bay Road Deep Water Bay Hong Kong	Malaysian	Company Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Rossana Annizah Binti Ahmad Rashid	Chairperson	Independent, Non-Executive
Chang See Hiang	Member	Independent, Non-Executive
Satoshi Tanaka	Member	Non-Independent, Non-Executive

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Chang See Hiang	Chairman	Independent, Non-Executive
Rossana Annizah Binti Ahmad Rashid	Member	Independent, Non-Executive
Dato' Mohammed Azlan Bin Hashim	Member	Deputy Chairman, Non-Independent, Non-Executive

COMPANY SECRETARIES :

Seow Ching Voon (MAICSA 7045152)
B310, Sea Park Apartment
Jalan 21/13, Seksyen 21
46300 Petaling Jaya
Malaysia

Tan Ley Theng (MAICSA 7030358)
203, Jalan Sri Petaling 2
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Malaysia

Yong Ye Su (MAICSA 7054907)
6, Jalan Sepah Puteri 5/15
Seri Utama
Kota Damansara
47810 Petaling Jaya
Malaysia

REGISTERED OFFICE :

IHH Healthcare Berhad
(formerly known as Integrated Healthcare Holdings Berhad)
Suite 17–01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Tel. no.: +603 2298 1000
Fax. no.: +603 2298 1001
Email: info@ihh-healthcare.com
Website: www.ihh-healthcare.com

HEAD/MANAGEMENT OFFICE/PRINCIPAL PLACE OF BUSINESS	:	Suite 17–01, Level 17 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Malaysia Tel. no.: +603 2298 1000
SELLING SHAREHOLDER	:	Abraaj SPV 44 Limited Dubai International Financial Centre Gate Village 8, 3rd Floor P.O. Box 504905 Dubai United Arab Emirates Tel. no.: +97 145 064 400
OVER-ALLOTMENT OPTION PROVIDER	:	Pulau Memutik Ventures Sdn Bhd Level 33 Tower 2 Petronas Twin Towers Kuala Lumpur City Centre 50088 Kuala Lumpur Malaysia Tel. no.: +603 2034 0000
PRINCIPAL BANKERS	:	CIMB Bank Berhad 10th Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888 DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809 Tel. no.: +65 6878 8888 OCBC Bank (Malaysia) Berhad Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. no.: +603 8317 5200

	Oversea-Chinese Banking Corporation Limited 65 Chulia Street #10-00 OCBC Centre Singapore 049513 Tel. no.: +65 6538 1111 Malayan Banking Berhad 2 Battery Road Maybank Tower #16-01 Singapore 049907 Tel. no.: +65 6533 5229 Standard Chartered Bank Marina Bay Financial Center Tower 1 Level 24, 8 Marina Boulevard Singapore 018981 Tel. no.: +65 6743 3000
INDEPENDENT AUDITORS :	KPMG Level 10, KPMG Tower 8 First Avenue Bandar Utama 47800 Petaling Jaya Malaysia Partner-in-charge: Lee Yee Keng (C.A.(M), FCCA) Tel. no.: +603 7721 3388 KPMG, Akis Bagimsiz Denetim ve SMMM A.S. Kavacik Ruzgarli Bahce Mahallesi Kavak Sokak No: 3 Beykoz 34805 Istanbul, Turkey Partner-in-charge: Ozkan Genc (CMBIA, SMMM) Tel. no.: +90 216 681 9000
INDEPENDENT AUDITORS IN RESPECT OF PARKWAY PANTAI LIMITED AND PARKWAY HOLDINGS LIMITED	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Quek Shu Ping (BAcc, FCPA) Tel. no.: +65 6213 2637
LEGAL ADVISERS (to the Company) :	*As to Malaysian law* Kadir Andri & Partners 8th Floor Menara Safuan 80, Jalan Ampang 50450 Kuala Lumpur Malaysia Tel. no.: +603 2078 2888

As to Singapore law
Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Tel. no.: +65 6890 7188

As to United States and English law
Linklaters Singapore Pte. Ltd.
(formerly Linklaters Allen & Gledhill Pte. Ltd.)
One Marina Boulevard #28-00
Singapore 018989

Tel. no.: +65 6890 7300

As to Turkish law
Akol Avukatlik Burosu
Maya Akar Center
Buyukdere Cad.100/29
34394 Esentepe
Istanbul, Turkey

Tel. no.: +90 212 355 1300

As to PRC law
King & Wood Mallesons Lawyers
16-18/F, One ICC
Shanghai ICC
999 Huai Hai Road (M)
Shanghai 200031, PRC

Tel. no.: +86 2124 126000

As to Indian law
Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage
127 Mahatma Gandhi Road,
Fort, Mumbai 400 001, India

Tel. no.: +91 22 6613 6961

LEGAL ADVISERS (to the Selling Shareholder) :

As to English law
Freshfields Bruckhaus Deringer
11th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Tel. no.: +852 2846 3400

LEGAL ADVISERS (to the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers, Co-Lead Managers, Managing Underwriter and Joint Underwriters, Sole Coordinator, Joint Bookrunners for the MITI Tranche, Singapore Issue Managers and Singapore Underwriters)	:	*As to Malaysian law* Albar & Partners 6th Floor, Faber Imperial Court Jalan Sultan Ismail 50250, Kuala Lumpur Malaysia Tel. no.: +603 2078 5588 *As to Singapore law* WongPartnership LLP One George Street #20-01 Singapore 049146 Tel. no.: +65 6416 8000 *As to United States and English law* Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321 Tel. no.: +65 6671 6000 *As to PRC law* Jingtian & Gongcheng 34/F, Tower 3, China Central Place 77 Jian Guo Road Beijing 100025 China Tel. no.: +86 1058 091000
PRINCIPAL ADVISER, MANAGING UNDERWRITER AND SOLE COORDINATOR (MITI TRANCHE)	:	CIMB Investment Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888
JOINT GLOBAL COORDINATORS (in alphabetical order)	:	CIMB Investment Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888 Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583 Tel. no.: +65 6423 8001

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Tel. no.: +852 2203 8888

Merrill Lynch (Singapore) Pte. Ltd.
50 Collyer Quay
#14-01 OUE Bayfront
Singapore 049321

Tel. no.: +65 6678 0000

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS (in alphabetical order) :

CIMB Investment Bank Berhad
10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia

Tel. no.: +603 2084 8888

Credit Suisse (Singapore) Limited
1 Raffles Link
#03-01/#04-01 South Lobby
Singapore 039393

Tel. no.: +65 6212 6000

DBS Bank Ltd.
6 Shenton Way
DBS Building Tower One
Singapore 068809

Tel. no.: +65 6878 8888

Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Tel. no.: +65 6423 8001

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Tel. no.: +852 2203 8888

Goldman Sachs (Singapore) Pte.
1 Raffles Link
#07-01 South Lobby
Singapore 039393

Tel. no.: +65 6889 1000

		Merrill Lynch (Singapore) Pte. Ltd. 50 Collyer Quay #14-01 OUE Bayfront Singapore 049321 Tel. no.: +65 6678 0000
JOINT UNDERWRITERS AND JOINT BOOKRUNNERS FOR THE MITI TRANCHE (in alphabetical order)	:	CIMB Investment Bank Berhad 10th Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888 Maybank Investment Bank Berhad 33rd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. no.: +603 2059 1888
CO-LEAD MANAGERS	:	Nomura Securities Singapore Pte. Ltd. 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 Tel. no.: +65 6433 6288 Oversea-Chinese Banking Corporation Limited 65 Chulia Street #09-00 OCBC Centre Singapore 049513 Tel. no.: +65 6318 7222 RHB Investment Bank Berhad Level 10 Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel. no.: +603 9287 3888 UBS AG, Singapore Branch One Raffles Quay #50-01 North Tower Singapore 048583 Tel. no.: +65 6495 8000

JOINT UNDERWRITERS FOR THE MALAYSIA PUBLIC OFFERING (in alphabetical order)	:	AFFIN Investment Bank Berhad 27th Floor, Menara Boustead 69, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel. no.: +603 2142 3700
		Alliance Investment Bank Berhad Level 3, Menara Multi-Purpose Capital Square, 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Malaysia Tel. no.: +603 2692 7788
		AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel. no.: +603 2036 2633
		Bank Muamalat Malaysia Berhad Ibu Pejabat, Menara Bumiputera 21, Jalan Melaka 50100 Kuala Lumpur Malaysia Tel. no.: +603 2698 8787
		CIMB Investment Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888
		HwangDBS Investment Bank Berhad Suite 23-01, 23rd Floor, Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Malaysia Tel. no.: +603 9195 6888
		Kenanga Investment Bank Berhad 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel. no.: +603 2164 9080

Maybank Investment Bank Berhad
33rd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. no.: +603 2059 1888

MIDF Amanah Investment Bank Berhad
Level 8, 9, 10, 11 & 12
Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel. no.: +603 2173 8888

OSK Investment Bank Berhad
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia

Tel. no.: +603 2333 8331

RHB Investment Bank Berhad
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel. no.: +603 9287 3888

SINGAPORE ISSUE MANAGERS (in alphabetical order) :

CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

Tel. no.: +65 6337 5115

DBS Bank Ltd.
6 Shenton Way
DBS Building Tower One
Singapore 068809

Tel. no.: +65 6878 8888

SINGAPORE UNDERWRITERS (in alphabetical order)	:	CIMB Securities (Singapore) Pte. Ltd. 50 Raffles Place #19-00 Singapore Land Tower Singapore 048623 Tel. no.: +65 6225 1228 DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809 Tel. no.: +65 6878 8888 Maybank Kim Eng Securities Pte. Ltd. 50 North Canal Road Singapore 059304 Tel. no.: +65 6231 6888 Oversea-Chinese Banking Corporation Limited 65 Chulia Street #09-00 OCBC Centre Singapore 049513 Tel. no.: +65 6318 7222 Phillip Securities Pte Ltd 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101 Tel. no.: +65 6531 1240 United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 Tel. no.: +65 6539 1177
RECEIVING BANK (SINGAPORE)		DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809 Tel. no.: +65 6878 8888
SHARE REGISTRAR (MALAYSIA)	:	Symphony Share Registrars Sdn Bhd Level 6 Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Malaysia Tel. no.: +603 7841 8000

SHARE TRANSFER AGENT (SINGAPORE)	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 Tel. no.: +65 6536 5355
INDEPENDENT MARKET RESEARCHER	:	Frost & Sullivan (S) Pte Ltd 100 Beach Road #29-01/11 Shaw Tower Singapore 189702 Tel. no.: +65 6890 0999
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd Level 6 Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Malaysia Tel. no.: +603 7841 8000
SHARIAH STATUS	:	Approved by the Shariah Advisory Council of the SC
LISTING SOUGHT	:	Primary listing on Main Market of Bursa Securities and concurrent secondary listing on Main Board of the SGX-ST

INDICATIVE TIMETABLE

An indicative timetable for trading in our Shares is set out below for the reference of applicants for our Shares:

Indicative Date and Time (Singapore)	Event
Singapore Offering	
3 July 2012, at 10.00 am	Opening date for the Singapore Offering.
11 July 2012, at 5.00 pm	Closing date and time of the Singapore Public Offering.
12 July 2012	Closing date of the Singapore Placement.
12 July 2012	Price Determination Date, subject to change.
23 July 2012	Balloting of applications in the Singapore Public Offering, where necessary.
23 July 2012	Commence returning or refunding of application monies to unsuccessful or partially successful applications and commence returning or refunding monies to successful applications for the amount paid in excess of the Final Retail Price which will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators), where necessary.
25 July 2012, at 9.00 am	Commence trading on a "ready" basis.
30 July 2012	Settlement date for all trades done on the SGX-ST on a "ready" basis.
Institutional Placement	
3 July 2012	Opening of Institutional Placement.
12 July 2012	Closing of Institutional Placement.
12 July 2012	Price Determination Date.

All references to dates and times are to Singapore dates and times as indicated.

The opening and closing dates for the Malaysia Public Offering and the date of commencement of trading on Bursa Securities are the same as those applicable to the Singapore Offering as stated above.

The above timetable is indicative only and is subject to change at the discretion of our Company and the Selling Shareholder, with the agreement of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Underwriters and Singapore Issue Managers.

Singapore Offering

Investors should also note that the timing and processes for the Singapore Offering have been structured to harmonise the timing and procedural requirements for both the Singapore Offering as well as the Malaysia Public Offering. As such, the timing and processes for the Singapore Offering, including the anticipated extended timeframe for the refund of unsuccessful applications made under the Singapore Offering and for the listing of Shares on the SGX-ST, will differ from customary timing and processes for other public offerings of securities in Singapore. See "Indicative Timetable".

The above timetable and procedures for the Singapore Offering may also be subject to such modifications as the SGX-ST may in its discretion decide, including the commencement date of trading on a "ready" basis. The above timetable assumes (i) that the closing of the Singapore Public Offering is 11 July 2012, (ii) that the closing of the Singapore Placement is 12 July 2012, (iii) that the date of admission of our Company to the Official List of the SGX-ST is 25 July 2012, and (iv) compliance with the SGX-ST's shareholding spread requirement.

We and the Selling Shareholder, with the agreement of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Underwriters and Singapore Issue Managers, may at our discretion, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Global Offering is open, provided that the period during which the Singapore Public Offering is open may not be less than two Market Days.

In the event of the extension or shortening of the time period during which the Singapore Offering is open, we will publicly announce the same:

(i) through an SGXNET announcement to be posted on the internet at the SGX-ST website http://www.sgx.com; and

(ii) in one or more major Singapore newspapers, such as The Straits Times, The Business Times and/or Lianhe Zaobao.

Investors should consult the SGX-ST announcement on the "ready" listing date on the internet (at the SGX-ST website), or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

We and the Selling Shareholder will provide details of and the results of the Singapore Offering through SGXNET or in one or more major Singapore newspapers, such as The Straits Times, The Business Times and/or Lianhe Zaobao.

We and the Selling Shareholder reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the IPO Shares under the Singapore Offering, without assigning any reason therefor, and no enquiry or correspondence on our and the Selling Shareholder's decision will be entertained. This right applies to applications made for the IPO Shares under the Singapore Offering by way of Application Forms, Electronic Applications (each as defined in the instruction booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the IPO Shares in Singapore"), and any other forms of application as the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters may, in consultation with us and the Selling Shareholder, deem appropriate. In deciding the basis of allocation, due consideration will be given to the desirability of allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Where an application under the Singapore Offering is rejected or unsuccessful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at the applicant's own risk, within 9 Market Days from Closing (provided that such refunds are made in accordance with the procedures set out in instruction booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the IPO Shares in Singapore").

Where an application under the Singapore Offering is accepted in full or in part only, any balance of the application monies (including excess monies arising from the difference between the Final Retail Price which will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators), and the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators) will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at the applicant's own risk, within 14 Market Days after the close of the Global Offering (provided that such refunds are made in accordance with the procedures set out in the instruction booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the IPO Shares in Singapore").

In the case of the Singapore Offering, if the Global Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to the applicants at their own risk within 14 Market Days after the Global Offering is discontinued (provided that such refunds are made in accordance with the procedures set out in the instruction booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the IPO Shares in Singapore").

The completion of the Institutional Placement, Malaysia Public Offering and Cornerstone Offering are inter-conditional, while the Singapore Offering is conditional upon the completion of the Malaysia Public Offering and the listing of our Shares on the Main Market of Bursa Securities. See "Notice to Investors".

The manner and method for applications and acceptances under the Institutional Placement will be determined by us, the Selling Shareholder and the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters.

An investment in our Shares involves a high degree of risk. Prior to making a decision to invest in our Shares, you should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below and the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", respectively, of this Prospectus, as well as the other financial information contained in this Prospectus. This Prospectus also contains forward-looking statements that involve risks and uncertainties. The actual results of our operations could differ materially from those anticipated in these forward-looking statements due to a variety of factors, including those set out below. You should also pay particular attention to the fact that we are governed by the legal and regulatory environment in Singapore, Malaysia, Turkey and elsewhere which in some material respects may be different from that which prevails in the United States, the European Union and other countries. Our business is subject to a number of factors, many of which are outside our control. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or that may develop in the future. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks related to our business

Our Group's business

Our business and facilities are heavily concentrated in Singapore, Malaysia and Turkey, which makes us sensitive to regulatory, economic, environmental and competitive conditions and changes in those countries.

Our operations are heavily concentrated in Singapore, Malaysia and Turkey. For the year ended 31 December 2011, our operations in these countries accounted for approximately 36.9%, 21.5% and 37.5% of our revenues on a pro forma basis, respectively. Moreover, our education operations, which accounted for 3.3% and 3.1% of our revenue for the year ended 31 December 2011 and the three months ended 31 March 2012 on a pro forma basis, respectively, are located in Malaysia and Singapore. This concentration makes us particularly sensitive to regulatory, social, political and economic, environmental and competitive conditions and changes in those countries. Any material changes in the current government insurance payment systems or policies, regulatory, economic, environmental or competitive conditions in those countries may have a disproportionate and material adverse effect on our business, financial condition, results of operations and prospects.

Our Group's business relies principally on the operations of our key subsidiaries.

We conduct our operations principally through our key subsidiaries, PPL, Acibadem Holding and IMU Health, which accounted for 59.4%, 37.5% and 3.1%, respectively, of our revenues for the year ended 31 December 2011 on a pro forma basis and 57.3%, 39.8% and 2.9%, respectively, of our revenues for the three months ended 31 March 2012 on a pro forma basis. If the results of our key subsidiaries were to decline, it may have a material adverse effect on our Group's business, financial condition, results of operations and prospects. Additionally, we cannot assure you that our key subsidiaries will generate sufficient earnings and cash flows to meet our Group's obligations.

We are reliant, to some extent, on a number of brand names and trademarks in our businesses.

Our key subsidiaries, PPL, Acibadem Holding and IMU Health, each rely upon certain brand names and trademarks in their respective businesses. For example, PPL utilises the "Gleneagles", "Mount Elizabeth", "Pantai" and "Parkway" hospital brands and trademarks, the "ParkwayHealth" and "Shenton" primary care and ancillary brands and trademarks and the "Luxe" women's health specialty primary care brand and trademark. Acibadem utilises the "Acibadem" and "Aile Hastanesi" brands and trademarks, which are used for its hospitals and outpatient clinics. IMU Education utilises the "IMU" brand and trademark. If we fail to protect and enhance our brand identities, or if we fail to properly supervise the use of, and compliance with, our brands by third party healthcare or other facility providers, the market recognition of each of our brands and trademarks may deteriorate. Any claims and legal actions brought forward by our patients may also have a negative impact on our brand image. As such, we may not be able to operate our healthcare and education businesses at optimum levels and, as a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations or generate sufficient cash to service all of, or refinance, our indebtedness, limit our ability to react to opportunities and expose us to interest rate risk and currency exchange risk.

As at 31 March 2012, our Group's total borrowings on a historical basis was RM7,639.0 million and we had availability of RM1,808.3 million under our credit facilities.

Our high degree of leverage could have important consequences, including:

- increasing our vulnerability to downturns or adverse changes in general economic, industry or competitive conditions and adverse changes in government regulations;
- requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal, premium, if any, and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of being unable to maintain sufficient levels of cash flows to permit us to pay the principal, premium, if any, and interest on our indebtedness;
- exposing us to the risk of increased interest rates as certain of our unhedged borrowings are at variable or floating rates of interest, as further described below;
- exposing us to the risk of fluctuations in currency exchange rates since certain of our borrowings are denominated in foreign currencies;
- limiting our ability to make strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

We conduct our operations principally through our subsidiaries, associates and joint ventures. Accordingly, repayment of our indebtedness is dependent on the generation of cash flows by our subsidiaries, associates and joint ventures and their ability to make such cash available to us by dividend, debt repayment or otherwise. Our subsidiaries, associates and joint ventures may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary, associate and joint venture is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries, associates and joint ventures. For example, under the SGD1.85 billion credit facility agreement dated 2 August 2010 (as novated, amended and restated), PPL must maintain a reserve amount of at least six months interest in its Singapore Dollar account before it is able to pay any dividends to us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Financing activities".

As at 31 March 2012, approximately 94.9% of our outstanding debt was subject to interest payments based on variable or floating rates, such as Singapore Swap Offer Rate, London Interbank Offered Rate and Euro Interbank Offered Rate. We have in the past invested in instruments to hedge against such interest rate risk. Our failure to effectively manage our interest rate risk sensitivity could result in increased debt service costs and may have a material adverse effect on our business, financial condition, results of operations and prospects.

As at 31 March 2012, approximately 21.8% of our Group's total borrowings on a historical combined basis were denominated in currencies other than Singapore Dollar, Ringgit Malaysia and Turkish Lira. Our failure to effectively manage our currency exchange risk sensitivity could result in increased debt service and other costs and may have a material adverse effect on our business, financial condition, results of operations and prospects.

We expect to use a portion of the proceeds from this Global Offering to repay a portion of our outstanding debt. See "Use of Proceeds" for details on the utilisation of proceeds.

We have the ability to incur additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify, which may have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, our credit facilities contain various covenants that limit our ability to engage in specified types of transactions, including our (and certain of our subsidiaries') ability to incur additional indebtedness, pay dividends, repurchase or make distributions in respect of our capital stock or make other restricted payments. Under our credit facilities, we are also required to satisfy and maintain specified financial ratios and a breach of any of these covenants could result in a default under our credit facilities. We may also find it necessary or prudent to refinance our outstanding indebtedness with longer-maturity debt at a higher interest rate. In addition, our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, currency exchange and interest rates, credit availability from banks or other lenders, investor confidence in our Group, the success of our businesses, provisions of tax and securities laws that may be applicable to our efforts to raise capital and political and economic conditions in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or obtained on terms favourable to our Group.

If our cash flows and capital resources are insufficient to fund our debt service obligations or if we are unable to refinance our indebtedness, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions, or the proceeds from such dispositions may not be adequate to meet any debt service obligations then due.

The historical combined financial statements and the pro forma financial information contained herein may not accurately reflect our historical financial position, results of operations and cash flows.

The historical combined financial statements as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 (the "historical combined financial statements") included elsewhere in this Prospectus have been prepared on an combined basis. The historical combined financial statements have been prepared on the basis that our Group existed with different equity stakes held across different entities throughout the periods as a result of our growth via acquisitions. See "Management's Discussion and Analysis of Financial Condition and Result of Operations—Basis of preparation" for further details. Therefore, they do not reflect the financial position, results of operations and cash flows that would have occurred had the formation of our Group in its existing form been effected on 1 January 2009. Further, such information does not purport to predict our Group's future financial condition, results of operations, prospects or cash flows.

The pro forma financial information as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 (the "pro forma financial information") included elsewhere in this Prospectus have been prepared on the basis that the formation of our Group (including the acquisition of Acibadem Holding by our Group and the acquisition of APlus and Acibadem Proje by Acibadem Holding) occurred as at 1 January 2009 in respect of the pro forma income statements, 1 January 2011 in respect of the pro forma statements of cash flows for the year ended 31 December 2011 and the three months ended 31 March 2012, and as at 31 December 2011 and 31 March 2012 in respect of the pro forma statement of financial position. As the pro forma financial information is prepared for illustrative purposes only, such information, because of its nature, may not give a true picture of the effects of the formation of our Group on the financial position, results of operations or cash flows of our Group had the transactions or events actually occurred on the stated date of such pro forma financial information. Further, such information does not purport to predict our Group's future financial condition, results of operations, prospects or cash flows.

As a result, your ability to understand our financial condition and results of operations or cash flows based on our historical combined financial statements or pro forma financial information may be limited.

The financial information presented in the historical combined financial statements prepared for inclusion in this Prospectus will not be the same as compared to the audited consolidated financial statements prepared by our Company after our Listing for statutory purposes.

The historical combined financial statements of our Group have been prepared solely in connection with this Global Offering, and have been carved out from the consolidated financial statements of Khazanah (with regard to Parkway, Pantai Irama and IMU Health) and, where appropriate, adjustments have been made to specifically present only the combined financial position, results of operations and cash flows of the healthcare business of Khazanah attributable to shareholders of our Group. In addition, the historical combined financial statements presented for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 have been prepared in accordance with MFRS and IFRS.

MFRS is the new accounting framework to replace FRSM and is equivalent to IFRS. Going forward, commencing from 1 January 2012, we will prepare our statutory audited consolidated financial statements based on MFRS and IFRS.

Based on MFRS 1 "First-time Adoption of MFRS", we may choose to apply certain accounting standards prospectively (as opposed to retrospectively, which would result in past transactions being restated based on MFRS and IFRS). If we choose to apply certain accounting standards prospectively, then the relevant financial information disclosed in the historical combined financial statements presented in this Prospectus will differ from that reported in our statutory audited consolidated financial statements.

For example, MFRS 3 and IFRS 3 (revised) "Business Combinations" is effective for business combinations after 1 July 2009. Accordingly, we have applied this accounting standard retrospectively to the historical combined financial statements of our Group and have accounted for business combinations for the periods under review differently from our statutory audited consolidated financial statements, which will apply MFRS 3 and IFRS 3 prospectively. The resulting difference in treatment for the acquisition of our additional equity stake in Parkway, Pantai Irama and IMU Health in 2010 resulted in the carrying amount of goodwill in our historical combined financial statements for the year ended 31 December 2011 to be higher than the statutory audited consolidated financial statements of our Group by approximately RM71.1 million. Similarly, the retained earnings of our historical combined financial statements for the year ended 31 December 2011 is higher than the statutory audited consolidated financial statements for the year ended 31 December 2011 by approximately RM84.8 million. See "Management's Discussion and Analysis of Financial Condition and Result of Operations—Basis of Presentation".

Due to the differences between the historical combined financial statements of our Group and our statutory audited consolidated financial statements that will arise as described above as well as the difference in timing in adoption of certain accounting standards, these financial statements are not comparable to one another, and are not indicators of our financial performance as a combined business in future periods.

We may not have adequate insurance coverage for our current or future litigation or other claims judgments.

We are exposed to potential liability risks that are inherent to the provision of healthcare services. Liabilities may exceed our available insurance coverage or arise from claims outside the scope of our insurance coverage.

We currently carry customary risk insurance and business interruption insurance in all of the countries in which we operate, except in Turkey, where we do not believe it is market practice to carry business interruption insurance. We cover our facilities and business operations against additional risks, including earthquakes and tsunamis, as we deem appropriate. In particular, we carry loss of profit insurance to cover extraordinary events (including earthquakes, flood and fires), which covers all of Acibadem's hospitals. We believe this enables us to protect our results of operations and our business from being interrupted by such events. We also continuously manage our internal audit team, as well as those of our subsidiaries, and seek advice from tax, financial, legal and regulatory consultants in order to act in compliance with the laws and regulations and mitigate the risk of our business being interrupted. In addition, PPL carries public liability insurance which covers potential risks resulting from claims by third parties due to our legal liability arising from our hospital and healthcare service businesses. The insurance coverage PPL carries contains policy specifications and insured limits customarily carried for similar facilities, business activities and markets. Acibadem Holding and

Acibadem have not yet renewed their hospital liability insurance in 2012, but are in the process of doing so. Under Turkish law, it is doctors in private practice who are required to be insured for professional financial liability and such insurance is not mandatory for hospitals. Notwithstanding the above, in Turkey, patients may bring claims against both doctors and the hospitals at which they practise.

However, as the Turkish legal system does not recognise punitive damages, we believe that our hospital liability is limited with respect to pecuniary and non-pecuniary compensation claims since these claims are limited to monetary and non-monetary claims for actual damages incurred and does not cover any compensation beyond that. In this respect, the amount of claims under medical malpractice lawsuits in Turkey are relatively limited in comparison to those made under other legal systems which do recognise punitive damages. In addition, we have multiple hospitals and outpatient clinics across multiple cities in Turkey, which we believe provide us with a degree of diversification so that if one hospital's operations are interrupted then the others can continue to function without any issues.

We have entered into HMAs with third parties who are owners of two hospitals, one in the PRC and the other in Vietnam, but as at 1 June 2012, these hospitals are not yet operational. Although the owners of the hospitals with which we have entered into HMAs with are responsible for the costs and liabilities incurred and have, under the terms of the HMAs, indemnified us against losses that arise from the acts or omissions of their employees at such hospitals, the HMAs do not expressly require the hospital owner to maintain insurance coverage. While we do not believe that there is a risk to our Company due to the fact that such employees are not our employees and such claims would be against the hospital, not against us, we cannot assure you that such hospital owners will have the resources to pay all or any part of the indemnity owed to us.

We believe we have insured our business operations and facilities in line with industry practices in our respective markets; however, we cannot assure you that such insurance coverage will be sufficient to cover all potential liabilities and risks that we face. Should there be adverse developments such as terrorist attacks and other natural or man-made disasters such as earthquakes and floods, fire hazards and other events beyond our control in Singapore, Malaysia, Turkey or any other regions where we have operations, we may not have adequate insurance coverage to cover these liabilities and risks and our business, financial condition, results of operations and prospects may be materially and adversely affected.

If our arrangements for insurance or indemnification are not adequate to cover claims, including in the case of claims exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Exchange rate instability may adversely affect our business, financial condition, results of operations and prospects.

We are incorporated in Malaysia and the reporting currency of our statutory financial statements is presented in Ringgit Malaysia. However, a significant proportion of our subsidiaries' functional currencies are in currencies other than Ringgit Malaysia, such as Singapore Dollar and Turkish Lira, and must be translated into Ringgit Malaysia for consolidation into our Group's consolidated financial statements. For this purpose, the accounts of our subsidiaries whose functional currencies are not in Ringgit Malaysia must be translated into Ringgit Malaysia at every reporting date.

Generally, monetary assets and liabilities are translated from the respective functional currencies into Ringgit Malaysia using the exchange rate on the relevant reporting balance sheet date, while non-monetary assets and liabilities are translated using their respective historical dates. Statements of comprehensive income are generally translated using the average exchange rate for the reporting period. Any currency exchange gain or loss arising from the translation process is recognised as other comprehensive income and accumulated in the foreign currency translation reserve under equity. If the resulting translation differences are significant, they may materially affect the results and shareholders' fund position of our Group. Further, the computation of bank covenants and debt servicing ratios may also be affected.

In addition, our Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables that are denominated in a currency other than the respective functional currencies of our Group entities. In respect of exposure that is certain, our Group will partially hedge these risks in order to keep them at an acceptable level. However, as we and our subsidiaries do not fully hedge against exchange rate fluctuations, any decline in the value of Singapore Dollar, Ringgit Malaysia and Turkish Lira may lead to a decrease in our net income and cash flow amounts. The above may also cause effective increases in payments of interest expenses and repayment of principal amounts on fixed obligations and indebtedness denominated in U.S. Dollar, Euros or currencies other than the functional currencies of our key subsidiaries. For example, in the year ended 31 December 2011, adverse movements in the Turkish Lira against several foreign currencies resulted in a foreign exchange loss of TL193.4 million (RM350.3 million). This was because of U.S. Dollar and Euro-denominated credit facilities and a Swiss franc-denominated equipment lease agreements at Acibadem Holding, the foreign currency exposure in respect of which was not fully hedged. Such a situation may have a material adverse effect on our business, financial condition, results of operations and prospects.

The value of our intangible assets and costs of investment may become impaired.

Due largely to our past mergers and acquisitions, goodwill and other intangible assets represent a substantial portion of our assets. Goodwill and other intangible assets were approximately RM11,585.8 million as at 31 March 2012 on a historical combined basis, representing approximately 49.8% of our total assets and 93.6% of our consolidated total equity. When we acquired Acibadem Holding, we performed a purchase price allocation exercise to identify the intangible assets acquired and goodwill arising from the acquisition, which have been recognised in our consolidated balance sheets. If we make additional acquisitions, it is likely that we will record additional intangible assets and goodwill on our consolidated balance sheets.

In accordance with applicable accounting standards, we periodically evaluate our goodwill and other intangible assets to determine whether all or a portion of their carrying values may no longer be recoverable, in which case a charge to the income statement may be necessary. Such impairment testing requires us to make assumptions and judgments regarding the estimated recoverable amount of our reporting units, including goodwill and other intangible assets (both with finite and indefinite lives) such as trademarks.

Estimated recoverable amounts developed based on our assumptions and judgments might be significantly different if other reasonable assumptions and estimates were to be used. If estimated recoverable amounts are less than the carrying values for goodwill and other intangible assets with indefinite lives in future annual impairment tests, or if significant impairment indicators are noted relative to other intangible assets subject to amortisation, we may be required to record impairment losses in future periods.

Any future evaluations requiring an impairment of our goodwill and other intangible assets could materially affect our results of operations and shareholders' equity in the period in which the impairment occurs. A material decrease in shareholders' equity could, in turn, potentially impact our compliance with existing debt covenants and similar restrictions and our ability to pay dividends.

In addition, the estimated value of our reporting units may be impacted as a result of business decisions we make associated with the implementation of the various healthcare reform regulations. Such decisions, which could unfavourably affect our ability to support the carrying value of certain goodwill and other intangible assets, could result in impairment charges in future periods, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our hospitals and healthcare businesses

We may be unable to successfully integrate newly acquired hospitals and healthcare businesses with our existing hospitals and healthcare businesses or achieve the synergies and other benefits we expect from such acquisitions.

We may face difficulties arising from operating a significantly larger and more complex organisation as a result of acquiring new hospitals and healthcare businesses and may not be able to effectively manage such a larger enterprise or achieve the desired profitability from such acquisitions or expansion. For example, on 24 January 2012, we acquired an indirect 60.0% equity stake in Acibadem Holding, which held an indirect 92.0% equity interest (which was later increased to 97.3% following the completion of the mandatory tender offer on 9 April 2012) in Acibadem, a provider of private hospitals and healthcare services which is listed on the ISE, a 100.0% equity interest in Acibadem Proje and a 100.0% equity interest in APlus, which significantly increased the scope and complexity of our operations due to the expansion of our geographical reach. The acquisitions we have undertaken could be subject to certain additional risks, including:

- difficulties arising from operating a significantly larger and more complex organisation and expanding into new areas and territories such as having to deal with unfamiliar government authorities and regulations;
- difficulties in the integration of the assets and operations of acquired hospitals and healthcare businesses with our existing hospitals and healthcare businesses;
- challenges in renovating and rebuilding existing hospitals and healthcare buildings and facilities or re-positioning existing hospitals and healthcare businesses that we have acquired or for which we have assumed management responsibility to meet the required operational standards;
- the loss of patients or key doctors and other medical staff following any acquisitions;
- the diversion of management's attention from our existing hospitals and healthcare businesses and an interruption of, or a loss of momentum in, the activities of such hospitals and healthcare businesses;
- the failure to realise expected profitability or growth;
- the failure to realise expected synergies and cost savings;
- difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;
- unforeseen legal, regulatory, contractual, labour or other issues; and
- difficulties arising from language, cultural and geographic barriers.

Moreover, although we completed the acquisition of Acibadem Holding in January 2012 and have initiated the process of integrating the Acibadem hospitals and other healthcare services with our other businesses, for the immediately foreseeable future, Acibadem Holding and its ancillary businesses generally continue to exist as a discrete unit with their own resources, employees and management. If we are unable to manage the growth in our business or are unable to successfully integrate newly acquired hospitals and healthcare businesses, our ability to compete effectively could be impaired, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our newly developed greenfield facilities may experience delays in reaching full operational capacity and may not be successfully integrated with our existing hospitals and healthcare businesses or achieve the synergies and other benefits we expect from such expansion.

New hospital projects are characterised by long gestation periods and substantial capital expenditures. We may not achieve the operating levels that we expect from newly developed greenfield facilities and we may not be able to achieve our targeted returns on investment on, or intended benefits from, these projects. Our newly developed greenfield facilities may not be successfully integrated with our existing hospitals and healthcare businesses or achieve the synergies and other benefits we expect from such expansion. Our latest major greenfield facility, Mount Elizabeth Novena Hospital in Singapore, is expected to commence operations by July 2012. However achieving full operational capacity at Mount Elizabeth Novena Hospital as well as any other greenfield hospital projects undertaken by us, including reaching our target inpatient occupancy rate, may take longer than anticipated. In addition to Mount Elizabeth Novena Hospital, we have three greenfield projects in Malaysia, two greenfield projects in Turkey (excluding one potential greenfield and one potential brownfield in Turkey) and one greenfield project in India. Additionally, we have four expansion projects in Malaysia and one expansion project each in Turkey and Macedonia. We have also entered into HMAs for one greenfield project each in China and Vietnam.

Developing and operating new greenfield facilities could be subject to certain additional risks, including:

- difficulty pertaining to the setting up of new hospital operations, including risks related to planning, construction, securing the required approvals, permits and licenses, human resources and patient admissions;
- difficulties arising from operating a significantly larger and more complex organisation and expanding into new areas and territories, such as having to deal with unfamiliar government authorities and regulations;
- difficulties in the integration of the assets and operations of new hospitals and healthcare businesses with our existing hospitals and healthcare businesses;
- the diversion of management's attention from our existing hospitals and healthcare businesses and an interruption of, or a loss of momentum in, the activities of such hospitals and healthcare businesses;
- the diversion of doctors and patients from our existing hospitals and healthcare businesses and a loss of revenue at such hospitals and healthcare businesses;
- the failure to realise expected profitability or growth;
- the failure to realise expected synergies and cost savings;

- difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;
- difficulties in recruiting and retaining doctors, nurses and other healthcare professionals at existing and new hospitals;
- unforeseen legal, regulatory, contractual, labour or other issues; and
- difficulties arising from language, cultural and geographic barriers.

If we are unable to manage the growth in our business or are unable to successfully commence operations of, or integrate, newly developed greenfield facilities, our reputation and ability to compete effectively could be impaired, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to identify expansion opportunities or experience delays or other problems in implementing such projects, our growth, business, financial condition, results of operations and prospects may be adversely affected.

Our growth strategy depends, to an extent, on our ability to fund, build or acquire and manage additional hospitals and healthcare businesses. We may also expand, improve and augment our existing hospitals and healthcare businesses. We have several such projects pending, and are continuously evaluating other projects, including acquisition opportunities, some of which we may realise in the imminent future and which may be material. Such acquisitions and expansions are capital expenditure intensive. We may not be able to identify suitable greenfield sites for new hospitals and healthcare businesses, acquisition candidates or hospital management opportunities, or negotiate attractive terms for such projects, or expand, improve and augment our existing businesses. The number of attractive expansion opportunities may be limited, and may command high valuations, and we may be unable to secure the necessary financing to implement expansion projects. Furthermore, development and construction costs of these projects may escalate substantially beyond our budgets, resulting in pressure on our financial conditions and cash flows or in the project being no longer feasible. If we are not able to successfully identify opportunities to build, acquire or expand our additional and existing hospitals and healthcare businesses or face difficulties in the process of developing, acquiring or expanding such operations, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be subject to unknown or contingent liabilities and other inherent operational and regulatory risks relating to the businesses and companies that we acquire.

Businesses that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past activities of such businesses. In addition, acquiring publicly listed or unlisted companies, in particular, in Singapore, Malaysia, Turkey, the PRC, India or the other countries in which we operate or plan to operate involves various legal requirements or regulatory approvals, including with respect to tender offers, as well as additional costs. Further, post-completion purchase price adjustments may have been contractually agreed upon at the time of the relevant acquisitions. For example, in relation to our acquisition of Acibadem Holding which was completed in January 2012, there is a pending purchase price adjustment whereby if the Turkish Lira appreciates against the U.S. Dollar as at 31 December 2012 as compared to the exchange rate used in the acquisition agreement, subject to a cap in the movement, we would be required to pay the differential in value arising from the exchange rate movement to the vendor. In this instance, the maximum exposure to us and Bagan Lalang on an 80:20

basis is estimated to be approximately USD74.95 million. Any payment by us may substantially be recognised in our income statement. See "Statutory and Other General Information—Material Contracts".

Moreover, our ability to fund, build, acquire or manage new hospitals is subject to various factors that may involve delays or problems, including the failure to receive or renew regulatory approvals, constraints on human and capital resources, the unavailability of equipment or supplies or other reasons, events or circumstances which we may not foresee. Future projects may incur significant cost overruns and may not be completed on time or at all. We generally rely on the owners of the hospitals we operate under HMAs to develop those hospitals. If these owners do not provide adequate resources to successfully develop these hospital projects, our fee income may suffer as a result.

Potential title uncertainties regarding the lands on which our hospitals and potential acquisition targets and operation and management opportunities are or may be located, including related litigation, may also cause delays in, and may otherwise curtail, the acquisition of other hospitals, the building of new hospitals and other expansion opportunities. Our Mount Elizabeth Novena Hospital project under development in Singapore and Gleneagles Medini Hospital project which is in the planning stage of development in Malaysia are the largest that we have undertaken, and the scale of these projects may exacerbate any or all of the abovementioned factors.

We may be subject to competition laws and regulations in certain countries in which we operate.

Competition laws and regulations may limit our growth and subject us to antitrust and merger control investigations, particularly in the core countries in which we operate. The Singapore competition regime generally favours increased competition. However, we may be restricted from making further acquisitions or continuing to engage in particular practices to the extent we hold a dominant position in the market we operate in. In addition, violation of such laws or regulations could potentially expose us to financial penalties or rights of private action. The Malaysian competition regime generally favours increased competition. While there is no merger control, we may be subject to anti-trust investigations, restricted from continuing to engage in practices found to be anti-competitive and, to the extent we hold a dominant position in the market we operate in, restricted from continuing to engage in practices that are found to be an abuse of that dominance. In addition, violation of such laws or regulations could potentially expose us to financial penalties, or rights of private action. The Turkish merger control regime prohibits transactions that create or strengthen a dominant position in Turkey. Although the market for the provision of healthcare services by private hospitals in Turkey is highly fragmented and we did not encounter any significant competitive concerns with regard to the acquisition of Acibadem Holding, mergers and acquisitions in the healthcare services sector are carefully examined by the Turkish Competition Board because the relevant geographic markets they consider are usually defined on a narrow scope, such as by city.

We cannot predict the effect of any investigations by competition authorities on our business. If, as a result of any investigation by the relevant authorities, we are subjected to financial or other penalties or we are prohibited from engaging in certain types of businesses or practices, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to successfully compete for patients with other hospitals and healthcare providers across the countries and regions in which we operate.

The hospital and healthcare business is highly competitive, and competition among hospitals and other healthcare providers for patients has intensified in recent years. Generally, other hospitals in the local communities we serve provide services similar to those offered by our hospitals. Quality measures required in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate and future trends toward clinical transparency may have an unanticipated impact on our competitive position and patient volumes. If any of our hospitals achieve poor results (or results that are lower than our competitors) in respect of these quality measures or on patient satisfaction surveys or if our standard charges are higher than our competitors, our patient volumes could decline.

We compete with government-owned hospitals, other private hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organisations and hospitals affiliated with medical colleges in the regions in which we operate. We will also have to compete with any future healthcare businesses located in the regions in which we operate. Moreover, some of these competitors may be more established and have greater financial, personnel and other resources than our hospitals. In particular, our competitors include hospitals owned or managed by government agencies and trusts, which may have access to wider financing options or may be in a better commercial position to negotiate for purchase of inventory on more favourable terms than private hospitals owned and managed by for-profit interests, such as ourselves. In addition, even in situations where one of our hospitals is the dominant or sole provider of healthcare services in a city or region, patients may favour other hospitals or other healthcare facilities in surrounding cities or nearby regions. New or existing competitors may price their services at a significant discount to ours or offer greater convenience or better services or amenities than we provide. Smaller hospitals, stand-alone clinics and other hospitals may exert pricing pressures on some or all of our services and also compete with us for doctors and other medical professionals. Some of our competitors also have plans to expand their hospital networks, which may exert further pricing and recruitment pressure on us. If we are forced to reduce the price of our services or are unable to attract patients and doctors and other healthcare professionals to our hospitals, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are highly dependent on our doctors, nurses and other healthcare professionals, as well as other key personnel.

Our performance and the execution of our growth strategy depend substantially on our ability to attract and retain leading doctors and other healthcare professionals in the fields and regions relevant to our growth plans. We compete for these personnel with other healthcare providers, including providers located in Singapore, Malaysia, Turkey, India, the PRC, Australia, the United States and Europe.

The demand for doctors is highly competitive. The supply of specialist doctors is limited by the training period, which can be up to 15 years and even longer for certain medical specialties. We believe that the key factors that doctors consider before deciding where they will work include the reputation of the hospital and its owner, the quality of the facilities, the specialties offered by the hospital, research and teaching opportunities, compensation (subject to local rules and regulations) and community relations. We may not compare favourably with other healthcare providers on one or more of these factors. Many of these healthcare professionals are well-known personalities in their fields and regions in which they practise with large patient bases and referral networks, and it may be difficult to negotiate favourable terms or arrangements with them. The majority of our doctors in Singapore and Malaysia are independent medical practitioners who have purchased or leased office space or are co-located at our hospitals. However, they are not under any obligation to continue to maintain their clinics at our hospitals or to refer their patients for treatment at our facilities. If they choose to refer their patients for treatment at our competitors' hospitals or if they choose to leave our hospitals and open clinics at our competitors' hospitals, in which case their patients may also choose to be treated at our competitors' hospitals, we may not be able to continue to provide a high quality of service at our hospitals and therefore the level of our patient intake will be adversely affected, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses, physiotherapists, radiographers and pharmacists, to support the multi-specialty and complex treatment practices at our hospitals. In particular, the worldwide nursing shortage may make it difficult for us to attract and retain nurses who may choose to pursue better opportunities outside the countries in which we operate. Such shortage may also cause salaries and wages for nurses to rise.

In addition, both doctors and nurses qualified in one country may not be recognised in another country and may not be able to easily move due to immigration policies or foreign worker quotas, particularly in Singapore, or other reasons. Consequently, this makes it difficult for us to employ and deploy doctors and nurses qualified to work outside the countries in which we operate.

If we are unable to attract or retain doctors or other medical personnel as required, we may not be able to maintain the quality of our services and we could be forced to admit fewer patients to our hospitals, which may have a material adverse effect on our business, financial condition, results of operations and prospects. We have seen an increase in costs to recruit and retain medical personnel in recent years, and we expect such costs to continue to increase in the future, which may adversely affect our profitability. Although we have not seen such increases in certain segments of our business, including Acibadem Holding, we cannot assure you that such increases will not occur in the future. See "Our Business—Personnel" for further details on the Group's employees.

We are dependent on certain key senior management.

We are dependent on certain members of our senior management team, including some who have been with our Group since its inception, to manage our current operations and meet future business challenges. In particular, the services of Dr. Lim Cheok Peng, our Managing Director and the Vice Chairman of PPL, Dr. Tan See Leng, our Executive Director, the Managing Director and Group Chief Executive Officer of PPL, Mehmet Ali Aydinlar, the Chairman and Chief Executive Officer of Acibadem, Yalcin Nak, the Deputy General Manager of Acibadem, Tan Sri Dato' Dr. Abu Bakar Bin Suleiman, the President of IMU Education, Dr. Mei Ling Young, the Provost of IMU, and our most senior doctors, who typically practise at individual hospitals, have been integral to the development and business of our Group. Although we have succession plans in place and continue to develop our talent pool in order to ensure management continuity, the loss of the services of any of these persons may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our hospitals and healthcare businesses are currently geographically concentrated through our various subsidiaries, and we may not gain acceptance or be able to replicate our business strategies successfully outside our current markets, all of which may place us at a competitive disadvantage and limit our growth opportunities.

We currently operate hospitals primarily in Singapore, Malaysia and Turkey, which accounted for an aggregate of substantially all of our revenue on a pro forma basis for the year ended 31 December 2011 and the three months ended 31 March 2012, respectively. This concentration increases the risk that, should adverse economic, regulatory, competitive or other developments occur within these countries, our business and financial results may be adversely affected. Moreover, our performance at our existing hospitals will depend in part on our ability to attract patients from regions outside Singapore, Malaysia and Turkey.

In addition, our plans to expand beyond our current markets are subject to various challenges, including those relating to our lack of familiarity with the cultures and economic conditions of these new regions and our lack of brand recognition and reputation in such regions. We are also currently at various stages of negotiations, including in some cases, following the signing of non-binding memoranda of understanding, with a number of other parties to assume HMAs and acquire greenfield sites for hospitals and healthcare facilities outside our current markets. We may not be successful in operating such hospitals and healthcare facilities. Further, if one or more of these hospitals or healthcare facilities were to join our network, it may be more difficult for us to integrate them or capitalise on our existing brand equity with respect to these hospitals and healthcare facilities as our experience of operating outside Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we currently operate is limited. If we are not successful in expanding our network, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our revenue is dependent on the provision of inpatient treatments, ancillary services and outpatient primary care to individual patients, corporate clients and government clients who opt for private healthcare services, all of which could decline due to a variety of factors.

Our primary source of revenue is from inpatient treatments. Growth in inpatient income and increasing or maintaining occupancy rates at our hospitals is highly dependent on brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain well-known and respected doctors, our ability to offer desired and efficient services in the communities in which we operate, and our ability to develop complex treatment practices and compete effectively with other hospitals and clinics. Growth in revenue from inpatient treatments may also be impaired by a decrease in medical travellers. Medical travellers tend to receive more complex treatment and procedures that are higher revenue intensive, which results in the average revenue per medical traveller being comparatively higher than the average revenue per inpatient. A decrease in medical travellers may cause a larger decrease in our revenue from inpatient treatments than a similar decrease in local patients. In addition to inpatient treatments, our revenue is dependent on the provision of ancillary services, such as diagnostic laboratory services, as well as the provision of outpatient primary care, including executive health screening. Our inability to increase revenue from inpatient treatments and complex medical treatments that have high revenue intensity, manage inpatient occupancy, or increase revenue from outpatient primary care and ancillary services, may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we are affected by the financial ability and the willingness of individual patients, as well as corporate clients and government clients, to pay for private healthcare services. A slowdown in the economies in which we operate may lead to a decrease in demand for private healthcare services as more individual patients may opt for subsidised public healthcare services or treatment from other private healthcare providers that are more price competitive. Corporate clients typically conduct periodic reviews on the level of medical benefits provided to their employees and any changes to these medical benefits may affect the value of our corporate contracts. A decrease in the demand for private healthcare services from individual patients, corporate clients and government clients may have a material adverse effect on our business, financial condition, results of operations and prospects.

If we do not receive payment on a timely basis from private healthcare insurers, government-sponsored insurance, corporate clients or individual patients, our business and results of operations could be adversely affected.

The primary collection risk of our account receivables relates to the failure by both private and government healthcare insurers, as well as corporate clients, and individual patients to pay us in a timely manner and in full for the services we have provided. It is possible that healthcare insurers and corporate clients may change their reimbursement policies and coverage plans in the future such that the services we have provided to patients are no longer covered.

In particular, in Turkey, although SGK-funded patients do not form a substantial part of Acibadem's patient portfolio, if the SGK agreements are terminated at those of Acibadem's hospitals with full SGK agreements and Acibadem is not able to replace those full SGK agreements with partial SGK agreements or to transition to only serving patients who are able to pay outside the SGK system, the number of patients who choose to be treated at those hospitals may decrease and the revenue of those hospitals may decrease. In addition, individual patients who do not have healthcare insurance may not be able to pay the full fees for the services they have received. If we do not receive payment on a timely basis from private healthcare insurers, government-sponsored insurance, corporate clients or individual patients, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect our competitive position and results of operations.

We are subject to national and local laws, rules and regulations in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate governing, among other things:

- the conduct of our operations;
- additions to facilities and services;
- the adequacy of medical care;
- the quality of medical facilities, equipment and services;
- the purchase of medications and pharmaceutical drugs;
- the noise pollution, discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- the qualifications of medical and support personnel;
- the confidentiality, maintenance and security issues associated with health-related information and medical records; and
- the screening, stabilisation and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate are stringent and it is possible that they will become significantly more stringent in the future. If we are held to be in violation of such regulatory requirements, including conditions in the permits required for our operations, by courts or governmental agencies, we may have to pay fines, modify, suspend or discontinue our operations, incur additional operating costs or make capital expenditures. Our employees may also be faced with criminal charges in some instances. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us. Any such costs may have a material adverse effect on our business, financial condition, results of operations and prospects.

Lease costs for our Singapore hospitals will rise, which could adversely affect our business.

Save for Mount Elizabeth Novena Hospital, we lease all of the hospitals we operate in Singapore from PLife REIT. Under the terms of the leases, the rent payable for each of these Singapore hospitals is the higher of (i) the aggregate of a base rent and a variable rent which is tied to 3.8% of the hospital's adjusted revenue for the relevant financial year; and (ii) the total rent paid in the immediate preceding year, adjusted for any growth in the Singapore consumer price index ("Singapore CPI") plus 1.0% of such total rent paid in the immediate preceding year. A growth in the Singapore CPI will therefore result in an increase in the rents payable in respect of the Singapore hospitals leased from PLife REIT. There is no assurance that such increases in rent will not have an adverse impact on our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our leases from PLife REIT have terms of 15 years commencing from the date on which PLife REIT was listed on the SGX-ST in 2007. The leases will expire in 2022, with an option to extend them for a further term of 15 years upon the expiry of the initial term by giving a written notice. However, PLife REIT may terminate the leases early in the event of any breach of the terms of lease, including delay in payment of annual rent, usage of the property other than for the purpose for which it was allotted, or transfer or assignment of land without prior consent of the lessor. If any of these leases is terminated or expires and is not renewed, we may be unable to continue operations at the hospital located at the site, in addition to disruption to our business operations, we could lose our investments located on the leased sites, which may have a material adverse effect on our business, financial condition, results of operations and prospects. For the year ended 31 December 2011, the revenue attributable to the hospitals leased from PLife REIT accounted for approximately 27.3% of the total revenue of our Group. See "Appendix C—Details of our material properties" for further details on the lease terms of the Singapore hospitals which are leased from PLife REIT.

We have been and could become the subject of or perceived to be associated with governmental investigations, claims and litigation, as well as medical malpractice litigation brought by patients.

Healthcare companies are subject to numerous investigations by various governmental agencies and claims and litigation by patients. Certain of our individual facilities have received, and other facilities may receive, government inquiries from, and may be subject to investigations by, national, provincial and municipal agencies. Governmental agencies and their agents, such as the Ministry of Health in each of Singapore, Malaysia and Turkey, as well as the SGK in Turkey, conduct audits of our healthcare operations. Private payers may conduct similar post-payment audits, and we also perform internal audits and monitoring. Should we be found to be non-compliant with any of these laws, regulations or programmes, depending on the nature of the findings, we may face penalties, suspension of operations or even revocation of operating licenses, which may materially and adversely affect our business, our financial condition, results of operations and prospects.

In addition, with the advent of new technologies and modalities of treatment, the amount of medical malpractice litigation brought by patients has increased across the industry. Such medical malpractice litigation is typically brought against the patient's doctor and may also seek to include as a defendant the hospital at which treatment was given. Due to the fact that we treat complex medical conditions at our hospitals, such as living-related liver and kidney transplants, cancer and heart and vascular issues, which do not have guaranteed positive outcomes, we are exposed to such medical malpractice litigation.

Since many of our doctors in Singapore and Malaysia are independent medical practitioners, we are unable to control their practice even though we may be held responsible for their actions by a court. We may not be able to withdraw our credentials granted to a doctor who is repeatedly sued by his or her patients absent a finding or other similar action by the local medical association or other relevant regulatory authority. Further, even if our hospitals are not involved in such medical malpractice litigation, the reputation of our hospitals may be adversely affected by our association with the doctor involved in the medical malpractice litigation. If such medical malpractice litigation is not decided in our or the doctor's favour, our business, financial position, results of operations and prospects may be materially and adversely affected.

Rapid technological advances, technological failures and other challenges related to our medical equipment and information technology systems could adversely affect our business.

We use sophisticated and expensive medical equipment in our hospitals to provide services, including devices required for complex treatment procedures, such as the TomoTherapy Hi Art system in Mount Elizabeth Hospital, an advanced integrated cancer treatment system in Acibadem Kozyatagi Hospital and Acibadem Maslak Hospital, and the da Vinci robotic surgical system in Mount Elizabeth Hospital, Acibadem Maslak Hospital, Acibadem Kadikoy Hospital and Acibadem Bakirkoy Hospital. Medical equipment often needs to be upgraded frequently as innovation can rapidly make existing equipment obsolete. Replacement, upgrading or maintenance of equipment may involve significant costs. In addition, because of the high costs of medical equipment, we may not maintain back-up equipment, and, therefore, if such equipment is damaged or breaks down, our ability to provide the relevant services to our patients may be impaired. If we are unable to keep up with technological advances, our doctors and patients may turn to other hospitals which have more advanced equipment and our competitive edge will be reduced, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our information technology systems are a critical part of our business and internal control and management systems, and help us manage clinical systems, medical records and inventory. We also rely on our information technology systems to practise telepathology, where our doctors examine laboratory specimens via advanced video conferencing arrangements. Any technical failures associated with our information technology systems, including those caused by power failures and computer viruses and other unauthorised tampering, may cause interruptions in our ability to provide services to our patients. Also, if our information technology systems are not upgraded as needed, we may not be able to adequately manage our clinical systems, medical records and inventory.

In addition, we may be subject to liability as the result of any theft or misuse of personal information stored on our systems. In Singapore, regulations governing the operation of private hospitals and medical clinics require licensees of a private hospital, medical clinic or healthcare establishment to keep and maintain proper medical records. In this regard, such licensees are required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. Any contravention of these regulations would render the person committing the offence liable on conviction to a fine or imprisonment. In Malaysia, regulations governing private healthcare facilities require such healthcare facilities to maintain an appropriate patient medical records system and to be responsible for safeguarding the information on the patients' medical records against loss, tampering or use by unauthorised persons. Any contravention of these regulations would render the person committing the offence liable on conviction to a fine or imprisonment. In Turkey, if healthcare providers are held to have breached their obligation to ensure the confidentiality of patient treatment and patient's personal information, they may have to pay compensation to the patient and face criminal liability claims.

The information technology systems of our key subsidiaries, namely PPL, Acibadem Holding and IMU Health, are not fully integrated at a Group level and if we are unable to successfully integrate the information technology systems across our Group or if there are any technical failures of the systems while doing so, the intended operating efficiency of our Group's information technology systems may not be realised and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Some of our employees are unionised, and we may be subject to labour activism, unrest, slowdowns and increased wage costs and may be unable to maintain satisfactory labour relations.

As at 31 March 2012, we have more than 24,000 personnel (not including independent medical practitioners), of which approximately 1,300 were members of labour unions in Singapore and Malaysia. As at 1 June 2012, none of our employees in Turkey belong to labour unions. Singapore and Malaysia have labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and the termination of employees, and legislation that imposes certain financial obligations on employers upon the retrenchment of employees, subject to certain conditions under the relevant legislation. We are also party to legal proceedings in a number of labour matters pending in various courts. Any significant increase in such labour related disputes could adversely affect our reputation amongst our current and future employees. If more of our personnel unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and have a material adverse effect on our business, financial condition, results of operations and prospects.

Challenges that affect the healthcare industry may also have an effect on our operations.

We are impacted by the challenges currently facing the healthcare industry. We believe that the key ongoing industry-wide challenges are providing high quality patient care in a competitive environment and managing costs.

In addition, our business, financial condition, results of operations and prospects may be affected by other factors that affect the entire industry, including us, such as:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;
- general economic and business conditions at local, regional, national and international levels;
- demographic changes;
- an increase in the threat of terrorism or armed conflicts and the occurrence of natural and man-made disasters that affect travel security or the global economy could reduce the volume of medical travellers;
- improvements in the level of quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to our hospitals;
- changes in the supply distribution chain or other factors that increase the cost of supplies;

- stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;

- stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated; and

- reputational and potential financial risk to our hospital operations caused by the independent actions of doctors, including the prices they charge patients for their services.

In particular, the patient volumes and operating income at our hospitals are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;

- the cultural and business environment of local communities and in the home countries of medical travellers;

- the number of uninsured and underinsured patients in local communities;

- seasonal cycles of illness;

- climate and weather conditions; and

- recruitment, retention and attrition of physicians and other medical staff, including nurses and pharmacists.

Any failure by us to effectively manage these challenges may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our education business

We are subject to approval and licensing from various ministries in order to recruit students, operate our university and colleges and to award degrees and diplomas.

Authorisations from certain licensing agencies or ministries are required to recruit students, operate schools and grant degrees and diplomas. The MOHEM and the relevant regulatory bodies in Malaysia limit the number of students in new programmes in the first year of student intake until such programmes are fully accredited. It also requires compliance with the stipulated faculty to student ratio for each programme. If we are unable to meet the standards and requirements set by such agencies or ministries or if such standards and requirements change, we could be required to cease offering the programmes that do not meet such standards and requirements or we could be denied the ability to increase subsequent intakes of students from the number of students limited initially, which could have a material adverse effect on our business, financial condition, results of operations and prospects. As at 1 June 2012, we had successfully met such standards and requirements where required.

IMU, Pantai College and Parkway College have been visited as required by law for accreditation by the MOHEM and the relevant regulatory authorities in Malaysia and the Singapore Ministry of Education, respectively, and, as at 1 June 2012, the authorities had continued to grant their respective approvals for the degree- and diploma-granting operations at all three institutions. In addition, graduates' degrees and diplomas must be recognised by the relevant agencies or ministries in order for them to be employed in their professions. IMU continues to develop new programmes as part of its growth. As new programmes are launched, they are not yet fully accredited and operate initially under provisional accreditation. Full accreditation is carried out just prior to the graduation of the first cohort of students. If these programmes do not meet all the necessary standards and requirements to become fully accredited, IMU may have to suspend or cease offering such programmes, which may have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

IMU may not be able to maintain existing relationships with its partner universities, which could lower our enrolment levels and adversely affect its business.

IMU currently has partnerships with a network of 37 universities globally. Based on the current enrolment for its medical and dental programmes, up to approximately 60.0% of its students select the transfer option. See "Our Business—International Medical University—IMU educational model". The partner universities have contracts with IMU for the transfer of students, but it is a non-exclusive relationship and the partner universities have no obligation to continue the relationship. Some partner universities have concurrent relationships with other private institutions in Malaysia in medical and other health related programmes. If these other private institutions begin to offer similar programmes to compete with IMU or, upon the expiration of the contract with IMU, the partner universities may freely transfer their relationships to such private institutions.

The quality of IMU's students that transfer to partner universities is a very important consideration in the continuing relationship with its partner universities. If the academic performance of IMU's students declines, IMU's relationships with its partner universities may be affected, resulting in their refusal to accept transfer students from IMU. In this situation, it may also be more difficult for IMU to renew its contracts with its partner universities. Further, IMU limits its partnerships to globally renowned universities, so it may not be able to increase the number of partner universities due to the limited number of such renowned medical universities globally. Currently, IMU's partner universities are located in the United Kingdom, Australia, New Zealand, Ireland, North America and China. If government policy in these countries with regard to international transfer students changes, the partner schools may be required to reduce or eliminate the number of transfer opportunities currently available to IMU's students. For example, some of our partner universities in Canada were required by government policy in 2003 to 2004 to decrease or eliminate the transfer opportunities they offered to international students. One of the main attractions of the transfer option is the opportunity for post-graduate training and employment in the country of the partner universities. Any changes to government policies relating to employment of non-citizens will also affect demand for the transfer option. As the transfer option contributes significantly to IMU's revenue, any factor that decreases such demand, including if IMU is unable to maintain existing relationships with its partner universities, may materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

Our performance depends on our ability to recruit and retain high quality faculty and other education professionals as well as high quality students.

The success of IMU, Pantai College and Parkway College depends in part on the number and quality of the faculty and other education professionals. All of IMU's faculty have employment contracts with terms ranging from three to five years. In addition, as at 1 June 2012, approximately 42.3% of IMU's faculty were expatriates. If they decide or are required by government policies to leave or are attracted back to their countries of origin or to other countries, IMU may not be able to hire sufficient numbers of qualified faculty to meet the stipulated staff to student ratio required by the MOHEM or hire the requisite quality of faculty to maintain its quality of education.

The ability to recruit and retain local faculty is also challenging in an increasingly competitive landscape, as the remuneration and benefits in the public sector from where IMU draws many of its local senior faculty have improved significantly. The proliferation of educational institutions offering medical and health related programmes has further contributed to the acute shortage of qualified faculty. IMU also depends on the quality of the research carried out at its facilities and resulting publications to attract and retain faculty, education professionals and students. Well-funded, quality research publications that have a high impact factor and are quoted by experts in the field contribute to the reputation of IMU. If IMU is unable to provide adequate resources for research or if it fails to produce quality research and publications, it may not be able to attract and retain its faculty and other education professionals and its students and as a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Some of our students depend on student financial aid and loans for a portion of the payment of our tuition fees, a reduction of which could affect our enrolment level and ability to collect full tuition.

Students attending IMU, Pantai College and Parkway College finance their education through a combination of family contributions, individual resources, financial aid and loans (including IMU-provided scholarships), tuition reimbursement from their employers (including PPL) and private foundations as well as funding from public sources. Government-sponsored financial aid and loans are of great importance to IMU. As at 31 December 2011, such aids and loans contributed 51.0% to IMU's total tuition fee revenue. As at 31 December 2011, 36.0% of the tuition fees was funded by the National Higher Education Fund, an agency under the purview of the MOHEM.

The government-sponsored financial aid and loans in which many of the students at IMU, Pantai College and Parkway College participate, including the National Higher Education Fund in Malaysia, are subject to policy and budgetary considerations. For example, the Malaysian government may review the eligibility criteria or the amount of loans being made available to students for the grant of study loans under the National Higher Education Fund from time to time. There is no assurance that government funding for the financial aid programmes in which the students participate will be maintained at current levels or will not be revised or removed entirely. In addition, if there is a revocation of recognition of any of the programmes that IMU, Pantai College and Parkway College offer, students under such programmes will no longer be eligible for government-provided study loans, including the National Higher Education Fund.

A reduction in funding levels to financial aid or loans programmes could result in lower enrolments. Furthermore, the programmes offered by IMU, Pantai College and Parkway College are designed to be completed within particular timeframes of generally three to five years. As a result, the effect of a decline in student enrolment in a year for a particular programme would persist for the remaining years of such programme due to the recurring nature of education revenue. A decline in student enrolment may have a material adverse effect on our business, financial condition, results of operations and prospects.

If IMU experiences delays or other problems in implementing new programmes, or continuing to implement its existing programmes, our growth, business, financial condition, results of operations and prospects may be materially and adversely affected.

IMU's growth strategy depends on its ability to expand, improve and augment its programmes. In 2010, IMU launched new programmes in chiropractic and Chinese medicine, and is continuously developing other healthcare programmes, some of which may be realised in the future and which may be material. For example, IMU intends to introduce two new programmes in 2012. The number of attractive expansion opportunities may be limited, and may require the establishment of expensive teaching facilities, for which IMU may be unable to secure the necessary financing to implement expansion projects.

In addition, IMU depends on access to a network of MOH Malaysia hospitals in Wilayah Persekutuan (Kuala Lumpur and Putrajaya), Selangor, Negeri Sembilan, Pulau Pinang, Perak, Melaka, Johor, Terengganu, Sabah and Sarawak, where it provides training for students in its medical, dental, pharmacy, nursing, nutrition and dietetics and biomedical sciences programmes. Should the MOH Malaysia change its policy with regard to the ability of private institutions to access and use its hospitals as teaching hospitals, and IMU is unable to find equivalent replacements for its students and programmes, IMU's growth and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Any new programmes that IMU undertakes could be subject to a number of risks. IMU may face challenges in recruiting students for new programmes due to the fact that the profession being taught may not be well known locally, as was the case initially for the chiropractic programme. Any new or re-positioned clinical facilities for such programmes will require significant managerial and financial resources. The costs and time required to integrate such new teaching facilities with IMU's existing operations could cause the interruption of, or a loss of momentum in, the activities of such teaching facilities. All of these factors may have a material adverse effect on IMU's growth and on our business, financial condition, results of operations and prospects.

Risks related to our countries of operation

We are subject to political, economic and social developments as well as the laws, regulations and licensing requirements in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate.

Political, economic, social and legal developments

Our business, prospects, financial condition and results of operations may be adversely affected by political, economic, social and legal developments that are beyond our control in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate. Such political and economic uncertainties include, but are not limited to, the risks of war, terrorism, nationalism, expropriation or nullification of contracts, changes in interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, methods of taxation and tax policy, unemployment trends, and other matters that influence consumer confidence, spending and tourism (including medical travellers' frequency of travel and destination of choice). Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude. Negative developments in the socio-political environment in Singapore, Malaysia, Turkey, the PRC, India or the other countries in which we operate, including the secession of member states from the European Union, may adversely affect our business, financial condition, results of operations and prospects. In addition, changes in tax laws or other regulations or actions taken by the government in countries in which we operate to partially or wholly nationalise our Company or our operating assets may have a material adverse effect on our business, financial condition, results of operations and prospects.

Licences, approvals and permits

Our business operations require that we obtain a number of regulatory licenses, approvals and permits. In addition, we may expand our business to cities and provinces in which we do not currently operate. Accordingly, we will continue to seek to acquire the relevant licenses, approvals and permits at the municipal, provincial and/or ministry levels of Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate. Except as described below, we have acquired the relevant licenses, approvals and permits at the municipal, provincial and/or ministry levels of Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate.

We cannot assure investors, that upon expiration of the licenses, approval or permits under which our operations operate, we will be able to successfully renew them in a timely manner or at all, or that the renewal of such licenses will not be attached with conditions which we may find difficult to comply with, or that if the relevant authorities enact new laws and regulations, we will be able to successfully meet their requirements. Healthcare legislation in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate also set forth certain restrictions, which may include restrictions on ownership, obtaining new licenses, capacity expansion and personnel transfers which may have material effects on our hospitals' operations.

The PRC

In the PRC, our Chengdu Medical Centre in Chengdu has been in operation under our subsidiary, Chengdu Rui Rong, since February 2008, but we only acquired a medical operations license for the medical centre on 17 December 2010 and a business licence on 9 May 2011. However, as to the period from February 2008 until May 2011 we may be fined by government regulators in the PRC for having operated the medical centre without the requisite valid license.

In January 2008, Parkway gave its in-principle approval to set up the medical centre on the basis that a Sino-foreign joint venture license would be applied for at the same time. The medical centre had previously operated out of a temporary space at Chengdu First Peoples' Hospital and the stand-alone medical centre was subsequently completed in October 2008. Parkway and the Chengdu Health Bureau subsequently signed a memorandum of understanding in February 2009, which allowed Parkway to provide medical services under the auspices of the Chengdu Hospital of Integrated Traditional and Western Medicine from January 2009 until December 2009. During such period Parkway may secure a local PRC partner with which to set up a legal entity. Parkway was not able to secure such a suitable local partner and, subsequently, set up Shanghai Shu Kang, an entity whose shares are held through contractual arrangements by two of our employees in the PRC, after which we were able to procure licences for the medical centre. If we are fined for such delay, our business, financial condition, results of operations and prospects may be materially and adversely affected.

India

Certain cities in India require prior approval for the purchase, construction and expansion of healthcare facilities. The failure to obtain any required approval or the failure to maintain a required licence could impair our ability to operate or expand our operations in India. For example, Gleneagles Khubchandani Hospital has applied for the renewal of an approval from the relevant authorities required for its development activities. See Note 16 under "Appendix C—Details of our material properties—Properties leased/tenanted by our Group" for further details of approvals which have not been received by Gleneagles Khubchandani Hospital. If we do not receive such approvals, the expected date of commencement of operations of the hospitals may be delayed. Moreover, if any of our other operating licences, registrations, clearances or approvals are not renewed, we may be unable to offer certain of our services, fined by government regulators in India for not obtaining the necessary clearances, licences, registration and other approvals and renewals required or may be required to discontinue our operations at one or more hospitals in India, and this may have a material adverse effect on our business, financial condition, results of operations and prospects.

Turkey

Consistent with market practice in Turkey, as at 1 June 2012, Acibadem owned, directly and indirectly, a majority interest in eight of its nine outpatient clinics (as at 1 June 2012, Tolga Saglik, which is the license owner of Levent Medical Centre, is not a subsidiary of Acibadem. For further information, please refer to note (1) of the table setting forth certain information about Acibadem's outpatient clinics as at 1 June 2012 in "Our Business—Acibadem—Acibadem Healthcare"), and is in the process of acquiring a 65.0% interest in a tenth outpatient clinic. In order to operate in Turkey, medical centres and policlinics are required to obtain and maintain certain authorisations, permits and licences pursuant to applicable regulations. The failure to obtain or maintain such authorisations, permits and licenses or any other violation of the applicable regulations may result in revocation of the licenses. For instance, the Turkish Clinic Regulation requires all the ultimate shareholders of the holders of licenses for medical centres and outpatient clinic to be doctors, with effect from 9 March 2000. Each of the nine outpatient clinics owned by Acibadem holds a compliance certificate, which is the operation certificate for outpatient clinics that commenced operations before 2008. In addition, medical centres and policlinics that commenced their operations prior to 2008 may be required to conduct certain improvement works (such as lighting of examination rooms, inclusion of changing rooms, widening of corridors and improvement of patient waiting rooms and restrooms) for which the approval of MOH Turkey shall be obtained before 31 December 2013 in order to maintain the compliance certificate. Such improvements have yet to be implemented in the Acibadem outpatient clinics. Surgical operation licenses and surgical operation responsible doctor licenses are also required for commencing such operations. These permits are issued for an indefinite term and remain valid unless the operation certificate or surgical operation license is revoked and the medical centre's relationship with the responsible doctor is terminated. Failure to maintain any of the licences or comply with Turkish healthcare regulations as discussed above may result in a suspension of the relevant activities. In case of such event, we may apply for the conversion of such medical centres and outpatient clinics into hospitals as permitted by relevant regulations. See Appendix F of this Prospectus for further details of healthcare and other regulations in Turkey applicable to us and our business.

The total share of revenue, PAT and assets of the outpatient clinics which do not comply with the Turkish Clinic Regulation as a percentage of Acibadem Holding's consolidated revenue, PAT and assets for the financial year ended 31 December 2011 is approximately 4.6%, -3.7% and 1.7% respectively, and as a percentage of Acibadem Holding's consolidated revenue, PAT and assets for the three months ended 31 March 2012 is approximately 4.3%, 2.6% and 1.7% respectively.

Although, as at 1 June 2012, none of our subsidiaries in Turkey that operate outpatient clinics had received any negative notification from MOH Turkey, there can be no assurance that the relevant Turkish government agencies will not pursue a stricter path in the implementation of these healthcare regulations. Further, changes in existing laws or regulations or their enforcement or application could adversely affect our business. Additionally, the MOH Turkey has the authority to revoke operation licences of the hospitals in the case of an inability to recommence hospital operations for a prolonged time where hospital operations have been suspended, either by the authorities or its operator. If government agencies stop issuing licenses, take away our existing licenses for hospitals, medical centres and clinics or schools or issue penalties varying from administrative fines to temporary or permanent suspension, we may have to cease or change our operations. For example, MOH Turkey has suspended operations of certain hospitals within the last few years, usually for a period of 10 days as a result of such hospitals charging patients for emergency healthcare, which is required to be free under Turkish regulations. None of these were Acibadem hospitals as at 1 June 2012.

The MOH Turkey inspects compliance of the outpatient clinics with the Turkish Clinic Regulation, mainly in respect of their (i) operations (e.g. shareholding structure, employment of minimum number of health personnel and responsible manager, compliance of the license etc); (ii) service units (e.g. hygienic conditions, conditions of treatment rooms, medical equipment etc); and (iii) buildings and other facilities (e.g. if there are any ancillary buildings where treatment services provided without a permit or whether there has been any material amendments made without approval, compliance of elevators and generators etc). Apart from the overall inspections at the outpatient clinics, the MOH Turkey may also carry out specific inspections in laboratories or (if any) surgical operation units of an outpatient clinic. If the MOH Turkey detects any incompliance during its inspections, the relevant outpatient clinic will be provided with a cure period to restitute such non-compliance and if it cannot be restituted within the cure period, the operations of the relevant outpatient clinic may be suspended temporarily or permanently. Each outpatient clinic will be inspected and evaluated separately and a sanction imposed to an outpatient clinic does not affect the status of the other outpatient clinics within a group of companies.

In order to comply with Turkish laws and regulations, we keep a record of all laws, regulations and respective amendments that require our action, such as making announcements to all hospital directors, managers, chief medical directorate and chief physicians. Our employees are also trained on the relevant Turkish laws and regulations through our internal education programmes. We employ a SGK Coordination Management team which is dedicated to follow and advise us on SGK regulatory issues. If any of the Group's branches receives notice that it may be in violation of Turkish laws or regulation, the medical directorate, the SGK Coordination Management team, and our legal department will investigate that matter and will prepare an appropriate action plan. In addition, from time to time, we interact closely with the MOH Turkey and SGK senior bureaucrats, as well as the authorities of certain hospital foundations in Turkey, through oral and written communications to provide our recommendations based on our experience.

Further, we may expand to other countries or cities where we do not possess the same level of familiarity with the regulatory and business environment. We cannot assure investors that we will be able to obtain the relevant approvals and permits or that, once obtained, our experience in our established locations will be fully relevant in the new locations. Any failure to obtain regulatory approvals and permits in a timely manner and any unforeseen difficulties arising from the unfamiliar locations may have a material adverse effect on our business, financial condition, results of operations and prospects.

The recurrence and spread of epidemics or large-scale medical emergencies may have an adverse impact on our business.

The recurrence and spread of epidemics or other communicable diseases may affect our operations as well as the operations of our suppliers. In the event that any of the employees in our premises or facilities, or those of our suppliers, are infected with any communicable diseases, we or our suppliers may be required to temporarily shut down our or our suppliers' premises and facilities to prevent the spread of the diseases. In addition, with regard to our Singapore hospitals, it may be possible that the Singapore government will invoke its powers under the Requisition of Resources Act to take control of all Singapore hospitals in a time of emergency. Similarly, in Malaysia, the government may, through regulations made by the Supreme Ruler of Malaysia, take possession, control, forfeit or dispose any property if deemed necessary to secure public safety. In Turkey, under general administrative laws, the government may expropriate the premises of third parties through an administrative decision if public safety or public interest is concerned. In addition, the recurrence and spread of epidemics or other communicable diseases could cause a decline in travel, including for the purpose of seeking medical treatment.

Further, in the event that any of our employees are infected or suspected to be infected with any communicable diseases, we may also be required to quarantine some of our employees and shut down part of our operations to prevent the spread of the diseases. This would restrict our ability to operate our existing businesses and, where such affected employees are critical to our ongoing development projects, result in delays in the completion of such projects. The restrictions on our ability to travel and deploy personnel across our businesses could damage our reputation, and may, as a result, lead to loss of business and affect our ability to attract new business. An outbreak of any communicable disease may therefore have a material adverse effect on our business, financial condition, results of operations and prospects.

Certain of our businesses are conducted through joint ventures.

We have investments in joint venture companies formed to develop, own and operate hospitals and healthcare facilities in the PRC, India and Brunei. Although we have historically maintained a certain level of control over these projects through ownership of a controlling interest or management in order to impose established financial control, management and supervisory techniques, property investment and development in the PRC, India and Brunei may often involve the participation of local partners, and joint ventures in the PRC, India and Brunei may involve special risks or problems associated with joint venture partners, including, among other things, reputational issues, inconsistent business interests or one or more of the partners experiencing financial difficulties and exposing us to credit risk. Should such problems occur in the future, they may have a material adverse effect on our business, financial condition, results of operations and prospects.

If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties.

We are incorporated in Malaysia, while PPL is incorporated in Singapore, and thus are treated as a foreign legal person under PRC laws. Pursuant to the Interim Measures for the Administration of Sino-Foreign Equity and Cooperative Joint Venture Medical Institutions, effective on 1 July 2000 ("Joint Venture Medical Institutions Measures"), we are not permitted to hold more than 70.0% equity interests in medical institutions.

Two of our domestic medical clinics in the PRC, namely Chengdu Rui Rong and Shanghai Rui Pu, are owned through Shanghai Shu Kang. Shanghai Shu Kang is holding 100.0% of the equity interests in Chengdu Rui Rong and 30.0% of the equity interests in Shanghai Rui Pu. The remaining 70.0% equity interests in Shanghai Rui Pu is held by Shanghai International Trust Co., Ltd ("SIT") on behalf of Shanghai Rui Xin. See "Risk Factors—Risks related to our countries of operation—We may face risks arising from certain trust arrangements". Shanghai Shu Kang is an investment vehicle that is owned by two individuals each holding 50.0% of the equity interests in Shanghai Shu Kang on behalf of Parkway Shanghai by concluding a series of contracts. For the year ended 31 December 2011, Chengdu Rui Rong accounted for 0.1% of the combined total assets and 0.1% of the combined total revenue of our Group. For the year ended 31 December 2011, Shanghai Rui Pu accounted for 0.1% of the combined total assets and 0.5% of the combined total revenue of our Group. As at and for FYE 31 December 2011, Shanghai Shu Kang, Chengdu Rui Rong and Shanghai Rui Pu together accounted for approximately 0.3% of the combined total assets and 0.5% of the total revenue of our Group.

We consolidate Shanghai Shu Kang, Chengdu Rui Rong and Shanghai Rui Pu as subsidiaries in accordance with MFRS 127 and IAS 27, Consolidated Financial Statements, where a subsidiary is defined as an entity controlled by another entity. We have been and are expected to continue to be dependent on these entities to operate the clinics and healthcare businesses of Chengdu Rui Rong and

Shanghai Rui Pu in the PRC and we substantially control the operations, and receive corresponding economic benefits and bear their economic risks through our contractual arrangements with regard to such entities.

In addition, we manage Shanghai Hui Xing Jin Pu (which is wholly-owned by Shanghai Hui Xing) through certain contractual arrangements with the parent company of Shanghai Hui Xing. As we do not regard ourselves as having control over Shanghai Hui Xing Jin Pu and Shanghai Hui Xing for the purposes of MFRS 127 and IAS 27, we do not account for or consolidate either Shanghai Hui Xing Jin Pu or Shanghai Hui Xing as subsidiaries or as part of our Group's consolidated assets. We also do not account for any part of the revenues earned by Shanghai Hui Xing Jin Pu or Shanghai Hui Xing. The revenue contribution of Shanghai Hui Xing Jin Pu or Shanghai Hui Xing to our Group revenue is in the form of management fees payable by Shanghai Hui Xing Jin Pu or Shanghai Hui Xing to our Group. As at and for FYE 31 December 2011, the management fees paid by Shanghai Hui Xing Jin Pu and Shanghai Hui Xing together accounted for approximately 0.02% of the total revenue of our Group.

However, there are uncertainties regarding the interpretation and application of the Company Law, Sino-Foreign Equity Joint Venture Enterprise Law, Sino-Foreign Cooperative Joint Venture Enterprise Law, the Joint Venture Medical Institutions Measures, the 2011 Revision of the *Catalogue of Industries for Guiding Foreign Investment* in the PRC, the Circular on Strengthening the Administration of Review and Approval for Sino-Foreign Equity Joint Medical Institutions and Sino-Foreign Cooperative Joint Medical Institutions, the Circular on Adjustments to the Examination and Approval Authority over Sino-Foreign Equity or Cooperative Joint Venture Medical Institutions, Implementation Opinions on Certain Issues Concerning the Application of Laws on the Approval and Registration Administration for Foreign-Invested Companies to the validity and enforcement of the contractual arrangements described above (the "Contractual Arrangements"). We cannot assure you that the PRC regulatory authorities will not determine that our Contractual Arrangements violate PRC laws, rules or regulations. Please see Appendix F of this Prospectus for further details of the PRC regulatory requirements.

If we, any of the entities referred to above (together, the "PRC Operating Entities") or any of their current or future subsidiaries are found to be in violation of any existing or future PRC laws or regulations, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including:

(i) invalidating our Contractual Arrangements;

(ii) revoking the business licenses of the relevant PRC Operating Entities;

(iii) discontinuing or restricting the conduct of any transactions among our PRC Operating Entities;

(iv) imposing fines, confiscating the income of the PRC Operating Entities or our income, or imposing other requirements with which we or our PRC Operating Entities may not be able to comply;

(v) requiring us or our PRC Operating Entities to restructure our ownership structure or operations; or

(vi) restricting or prohibiting our use of the proceeds of this Global Offering to finance the business and operations of the PRC Operating Entities.

The imposition of any of these penalties could result in a material and adverse effect on our business, financial condition, results of operations and prospects. In any event, for future clinics and hospitals in the PRC, the Group does not intend to enter in similar holding structures and arrangements as those entered into for the PRC Operating Entities referred to above.

We understand from our legal adviser as to PRC law, King & Wood Mallesons Lawyers, that 2011 Revision of the *Catalogue of Industries for Guiding Foreign Investment in the PRC* removes "healthcare" from restricted industries category and it is now falling into the permitted category. We further understand from King & Wood Mallesons Lawyers, that on November of 2010, the PRC State Council, National Development and Reform Commission, and Ministry of Health and other PRC ministries jointly issued the *Opinions on Encouraging and Guiding non-State-owned Capitals to Establish Medical Institutions* ("Circular 58"), which encourages foreign investment in the PRC healthcare industry and intends to relieve foreign investment shareholding restriction. Although Circular 58 is in place, relevant implementation rules have not been promulgated in the municipals in which we operate. There can be no assurance as to when such implementation can be effected.

We rely on contractual arrangements with the PRC Operating Entities in the PRC and their shareholders for our business operations, which may not be as effective in providing operational control or enabling us to derive economic benefits compared to ownership of controlling equity interests.

To the extent we mentioned above, we rely on and expect to continue to rely on Contractual Arrangements with the PRC Operating Entities (as defined in the previous risk factor) in the PRC to operate our clinics and healthcare businesses held by the PRC Operating Entities. However, these Contractual Arrangements, even regarded as valid by the PRC authorities, may not be as effective in providing us with control over the PRC Operating Entities as ownership that would have provided us with control over, or enabling us to receive economic benefits from the operations of, the PRC Operating Entities. If we had direct ownership of the PRC Operating Entities, we would be able to receive economic benefits from the operations of the PRC Operating Entities by causing them to declare and pay dividends. However, under our Contractual Arrangements with the PRC Operating Entities, we are only entitled to exercise our contractual rights (instead of rights as a shareholder). Although the Contractual Arrangements cannot be terminated unilaterally by the relevant counterparties according to the Contractual Arrangements, if any of the PRC Operating Entities or any of their shareholders fails to perform its, his or her respective obligations under the Contractual Arrangements, we may have to incur substantial costs and resources to enforce such arrangements, and rely on legal remedies available under PRC laws, including claiming monetary damages, which we cannot assure you will be effective. For example, if shareholders of a PRC Operating Entity were to refuse to transfer their equity interests in such PRC Operating Entity to us or our designated persons as provided in the option agreement which forms part of the Contractual Arrangements, we may have to take a legal action to compel them to fulfill their contractual obligations by specific performance, which is in practice extremely difficult, if possible at all.

If (i) the applicable PRC authorities invalidate these Contractual Arrangements for violation of PRC laws, rules and regulations; (ii) the shareholders of any PRC Operating Entities terminate or purport to terminate the Contractual Arrangements; or (iii) any PRC Operating Entities or its shareholders fail to perform their obligations under the Contractual Arrangements, our business operations in the PRC could be adversely and materially affected.

Further, if we, having regard to the costs and/or risks associated with the Contractual Arrangements under the then prevailing regulatory requirements, do not renew or fail to renew (upon the extension of the operation period under the business license of any PRC Operating Entity) the Contractual

Arrangements upon their expiration, we would not be able to continue our business operations of the PRC Operating Entities through Shanghai Shu Kang. In addition, if Shanghai Shu Kang or all or part of its assets or properties become subject to liens or rights of third party creditors, we may be unable to continue some or all of its business activities, which could materially and adversely affect its business, financial condition and results of operations. If Shanghai Shu Kang undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third party creditors may claim rights to some or all of these assets; this may hinder our ability to operate the PRC Operating Entities through Shanghai Shu Kang, which, in turn, could materially and adversely affect our business, financial condition, results of operations and prospects.

We may face risks arising from certain trust arrangements.

Each of Shanghai Rui Hong and Shanghai Rui Xin has entered into a trust arrangement with SIT, respectively, pursuant to which (i) SIT holds a 98% equity interest in Shanghai Rui Xiang on behalf of Shanghai Rui Hong; (ii) SIT holds a 70% equity interests in Shanghai Rui Pu on behalf of Shanghai Rui Xin; and (iii) the equity interests held by SIT shall be transferred back to Shanghai Rui Hong or, as the case may be, Shanghai Rui Xin if the trust contracts are terminated or expired. In addition, Shanghai Rui Hong has entered into an entrust contract with Shanghai International Group Assets Management Co., Ltd ("SIGAM"), which entrusted SIGAM to make investment into Shanghai Rui Xiang and to hold 2.0% equity interest in Shanghai Rui Xiang on behalf of Shanghai Rui Hong. We treat Shanghai Rui Xiang as a subsidiary for the purposes of MFRS 127 and IAS 27. For the year ended 31 December 2011, Shanghai Rui Xiang accounted for 0.1% of the combined total assets and 0.4% of the combined total revenue of our Group.

Pursuant to the Joint Venture Medical Institutions Measures in PRC, no Sino-foreign equity or cooperative joint venture medical institution may be permitted to establish a branch or subsidiary. As each of Shanghai Rui Hong and Shanghai Rui Xin is a joint venture medical institution, neither of them can hold equity interests in other medical institutions. There is no assurance that the PRC authorities may not interpret such trust arrangements or entrust contract as circumventions of PRC law and in doing so, invalidate these trust arrangements.

In addition, if the trustees or nominee, SIT and/or SIGAM, fail to perform their fiduciary obligations and if we are unable to exercise our rights under the trust arrangements, our business operations in Shanghai Rui Xiang or Shanghai Rui Pu may be adversely and materially affected.

The above trust arrangements with SIT have expired, as of June 2011. As at 1 June 2012, these trust arrangements have not been renewed as SIT wish to discontinue their provision of trustee services. We are in the process of arranging for SIT and SIGAM to transfer the equity interests in Shanghai Rui Xiang and Shanghai Rui Pu held by them on behalf of Shanghai Rui Hong and Shanghai Rui Xin, to potential third party purchasers or Shanghai Shu Kang. It is currently envisaged that the said transfers of the PRC clinics mentioned will be effected by way of a sale to a third party purchaser and shall be made in accordance with applicable PRC laws and regulations. In the interim, we understand from King & Wood Mallesons Lawyers, that by operation of PRC trusts law, the trust relationship will be deemed to survive even upon the expiry of the trust contracts, and that SIT cannot dispose of the equity interests that they hold in the public market or liquidate Shanghai Rui Xiang and Shanghai Rui Pu at their sole discretion according to the trust arrangement. However since neither Shanghai Rui Hong nor Shanghai Rui Xin is permitted to hold the equity interests of other medical institutions, Shanghai Rui Hong and Shanghai Rui Xin may be required to instruct SIT and SIGAM to sell such equity interests to a designated entity. However, such transfer shall be subject to certain PRC procedures which may be outside our control and may cause us to lose our interests in Shanghai Rui Xiang and Shanghai Rui Pu.

We conduct our business in a heavily regulated industry.

The operation of our network of centres is subject to various laws and regulations issued by a number of government agencies at the national, regional and local levels. Such rules and regulations relate mainly to the procurement of large medical equipment, the pricing of medical services, the operation of radiotherapy and diagnostic imaging equipment, the licensing and operation of medical institutions, the licensing of medical staff and the prohibition on non-profit civilian medical institutions from entering into cooperation agreements with third parties to set up for-profit centres that are not independent legal entities. Our growth prospects may be constrained by such rules and regulations, particularly those relating to the procurement of large medical equipment. See "Summary of healthcare and other regulations in Singapore, Malaysia, Turkey, the PRC and India" in Appendix F for a discussion of the regulations applicable to us and our business. Also, for a detailed discussion of the specific regulatory risks we face, see "Risk Factors—Risks related to our countries of operation". If we or our clinics partners fail to comply with such applicable laws and regulations, we could be required to make significant changes to our business and operations or suffer fines or penalties, including the potential loss of our business licenses, the suspension from use of our medical equipment, and the suspension or cessation of operations at centres in our network. In addition, many of the agreements we have entered into with our clinics partners provide for termination in the event of major government policy changes that cause the agreements to become inexecutable. Our clinics partners may invoke such termination right to our disadvantage. The occurrence of such events may materially and adversely affect our business, financial condition, results of operations and prospects.

Risks related to our Global Offering

There has been no prior market for our Shares.

Prior to this Global Offering, there has not been a public market for our Shares. We cannot predict the extent to which investor interest in our Company will lead to the development of a trading market on Bursa Securities or the SGX-ST or otherwise or how active and liquid that market may become. If an active and liquid trading market does not develop, you may have difficulty selling any of our Shares that you purchase. The IPO price for the Shares was determined by negotiations between us and the underwriters and may not be indicative of prices that will prevail in the open market following this Global Offering. The market price of our Shares may decline below the IPO price, and you may not be able to sell our Shares at or above the price you paid in this Global Offering, or at all. Neither we nor the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator for the MITI Tranche and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters have an obligation to make a market for our Shares.

We have received the approval of Bursa Securities and a letter of eligibility from the SGX-ST for the listing of and quotation for our entire share capital on the Main Market of Bursa Securities and the Main Board of the SGX-ST. It is expected that the trading of our Shares will commence about 10 Market Days after the closing of the Malaysia Public Offering. We cannot assure you that there will be no event or occurrence that will have an adverse impact on the securities markets, our industry or us during this period that would adversely affect the market price of our Shares when they begin trading. We also cannot assure you that the commencement of trading of our Shares on the Main Market of Bursa Securities and the Main Board of the SGX-ST will not be delayed.

You will incur immediate and substantial dilution and may experience further dilution in the NA attributable to the Shares you purchase in this Global Offering.

Prior investors have paid substantially less per share of our Shares than the price in this Global Offering. The Retail Price of our Shares is higher than the pro forma NA as at 31 March 2012 attributable to the Shares based on the enlarged issued and paid-up share capital upon Listing. Based on our NA value as at 31 March 2012 and pursuant to the Public Issue and Offer for Sale by us at Retail Price of RM2.85 per Share and SGD1.18 per Share, if you purchase our Shares in this Global Offering, you will pay more for your shares than the amounts paid by our existing shareholders for their Shares and you will suffer immediate dilution of approximately RM0.81 per Share or SGD0.33 per Share, as the case may be in NA terms. In addition to the 11,898,305 LTIP units and 149,000,000 EPP options which have already been granted and were still outstanding as at 31 December 2011, an additional 11,975,230 LTIP units were granted between 1 January 2012 and 31 March 2012 and were still outstanding. A total of 19,718,880 LTIP units and 149,000,000 EPP options may remain outstanding as at the Listing (excluding the maximum of 3,786,299 LTIP units that may be vested and surrendered for conversion into new Shares prior to Listing and the 368,356 LTIP units that were granted to employees who have resigned between 1 January and 31 March 2012) which conversion and exercise prices are below the Retail Price and likely below the Final Retail Price and Institutional Price. We also have a large number of outstanding share options under the Aydinlar Option and Bagan Lalang Option, each for up to between 203,681,288 and 305,521,933 IPO Shares, to subscribe for our Shares with exercise prices that may be below the Retail Price of our Shares. To the extent that these options are exercised, you will experience further dilution. See "Dilution" and "Statutory and Other General Information—Share Capital" and "Statutory and Other General Information—Employee Share Schemes" respectively.

The price of our Shares may change significantly following the Global Offering, and you could lose all or part of your investment as a result.

We and the Managing Underwriter, Joint Underwriters for the Malaysia Public Offering and the Singapore Issue Managers and Singapore Underwriters for the Singapore Offering will negotiate to determine the Retail Price. You may not be able to resell your shares at or above Retail Price due to a number of factors such as those listed in "—Risks Related to Our Business", our countries of operation and our Global Offering, and the following, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to the healthcare industry;
- a default under the agreements governing our indebtedness;

- future sales or intended sales of our Shares by us, our Promoter, Directors, executives and substantial shareholders; and
- changes in domestic and international market, economic and political conditions and regionally in our markets.

Any broad market and industry fluctuations may adversely affect the market price of our Shares, regardless of our actual operating performance. In the past, following periods of market volatility, shareholders have instituted securities class action litigation in certain markets. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

The sale or possible sale of a substantial number of our Shares by our substantial shareholders or the Cornerstone Investors in the public market following the Global Offering could materially and adversely affect the price of our Shares.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, or the issuance of new Shares, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price favourable to us. In addition, our shareholders would experience dilution in their holdings upon issuance or sale of additional securities in the future. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro rata basis to existing shareholders, the percentage ownership of such shareholders in our Company may be reduced.

After completion of the Global Offering, Pulau Memutik, MBK Healthcare and Abraaj 44 will each hold 47.78%, 20.48% and nil% respectively. The Shares will be tradable on the Main Market of Bursa Securities and the Main Board of the SGX-ST, without restriction, following listing. Under the arrangement described in "Details of the IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangement" (the "Lock-up Arrangements"), the transfer of our Shares by Pulau Memutik, MBK Healthcare and Cornerstone Investors (together the "Lock-up Parties") will be restricted for a period from the date of the Listing to the date falling 180 days after the Listing Date, subject to certain exceptions. In addition, the holdings in our Shares by our Promoter, Pulau Memutik, is also subject to a moratorium of six months from the date of Listing. If, in the limited circumstances permitted under the Lock-up Arrangements during this period or upon the expiration of the Lock-up Arrangements or the moratorium, any one or more of the Lock-up Parties sells or is perceived as intending to sell a substantial amount of Shares, the market price for our Shares could be materially and adversely affected.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

Our Company has not paid dividends in the past. We intend to adopt a policy of active capital management and propose to pay dividends out of cash generated by our operation after taking into account a number of factors, including our results of operations, financial condition, the payments by our subsidiaries of cash dividends or other distributions to us, our future prospects and capital investments, any restrictive covenants that we are obligated to observe, where applicable, available reserves of our subsidiaries, and other factors that our Directors may consider important. Our ability to pay dividends is also subject to our having sufficient distributable reserves. In the case that we do not pay cash dividends on our Shares, you may not receive any return on an investment in our Shares unless you sell our Shares for a price greater than that which you paid for it.

There may be a delay or failure in the trading of our Shares.

The occurrence of certain events, including the following, may cause a delay in or the termination of our listing:

- we are unable to meet the minimum public spread requirements as determined by Bursa Securities, i.e. having at least 20.0% of our issued and paid-up Shares in the hands of at least 1,000 public shareholders worldwide holding at least 100 Shares each at the point of Listing;
- we are not able to obtain the approval of Bursa Securities or the SGX-ST for the Listing for whatever reason;
- the SC issues a stop order pursuant to Section 245 of the CMSA in respect of the Shares in Malaysia;
- the MAS issues a stop order pursuant to Section 242 of the Securities and Futures Act in respect of the Shares in Singapore;
- the identified investors in this Global Offering fail to subscribe for the portion of the Shares allocated to them; or
- the Managing Underwriter, Joint Underwriters, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Co-Lead Managers exercising their rights pursuant to the Malaysia Underwriting Agreement, Singapore Offer Agreement, Singapore Placement Agreement or Institutional Placement Agreement, as the case may be, to discharge themselves from their obligations thereunder.

In the event of a termination of our listing, you will not receive any Shares and, under Malaysian law and Singapore law, we and the Selling Shareholder will be jointly and severally liable to return in full all moneys paid in respect of any application for the Shares. Where the MAS or the SC issues a stop order pursuant to Section 242 of the Securities and Futures Act or Section 245 of the CMSA, and (i) in the case where the Shares have not been issued and/or transferred to the applicants, the applications for the Shares pursuant to this Global Offering shall be deemed to have been withdrawn and cancelled and we and the Selling Shareholder will have to pay to the applicants all monies the applicants have paid on account of their applications for the Shares; or (ii) in the case where the Shares have been issued and/or transferred to the applicants, the issue and/or sale of the Shares shall be deemed void and we and the Selling Shareholder will have to pay to the applicants all monies paid by them for the Shares.

There is no seamless trading platform between Bursa Securities and the SGX-ST.

There is no seamless trading platform between Bursa Securities and the SGX-ST. Shares traded on Bursa Securities will be settled by book-entry settlement through the CDS, which will be effected in accordance with the rules of Bursa Depository and the provisions of the SICDA. Shares traded on the SGX-ST will be settled by book-entry settlement through the CDP, which will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time. Therefore, there are two different sets of rules which will govern the trading and settlement of our Shares depending on which stock exchange the Shares are traded on, which may result in our Shares having different prices per share and settlement deadlines even when they are traded at the same time on each stock exchange.

In addition, there may be a time lag during the transmission of our Shares from one exchange to the other. Shareholders whose Shares are listed on the SGX-ST and who wish to trade their Shares on Bursa Securities or vice versa must follow the procedures for the transfer of the Shares between Bursa Securities and the SGX-ST to facilitate the trade. This process would involve the transfer of Shares from a CDS account with a Malaysian ADA/ADM (as defined in the Rules of Bursa Depository) and CDP's CDS account, which is maintained with its EAN in Malaysia and vice versa, which may take at least one Market Day (the "Transfer Period"). During the Transfer Period, while the Shares are transferred, shareholders seeking to trade their Shares will not be able to take advantage of arbitrage opportunities arising from any difference between the price of our Shares on each of Bursa Securities and the SGX-ST. In addition, although the Shares are fully fungible between Bursa Securities and the SGX-ST, there is no assurance that the exchanges will not impose restrictions on your ability to transfer your Shares in the future.

Negative market conditions on one market on which our Shares are listed may affect the price of our Shares on the other market.

As our Shares will be listed and quoted on Bursa Securities and the SGX-ST after completion of the Global Offering and upon Listing, prices of our Shares will be affected by general market conditions on Bursa Securities, in addition to general market conditions of the SGX-ST. There is no assurance that any negative market conditions on the SGX-ST will not affect the price of our Shares listed and quoted on Bursa Securities and vice versa. In addition, there may be occasions when our Shares may trade on one market while the other market is closed for trading. If there are negative trading conditions on the market which is open for trading and the price of our Shares on this market declines during trading hours, investors who hold our Shares on the other market which is closed for trading will not have the opportunity to sell their Shares during the period when the price of our Shares on the other market is declining.

Our substantial shareholders will continue to hold a majority of our Shares after the Global Offering and can therefore determine the outcome of any shareholder voting.

Upon the completion of the Global Offering, our substantial shareholders, namely Pulau Memutik, MBK Healthcare and Abraaj 44, will hold approximately 47.78%, 20.48% and nil%, respectively, of our issued and paid up share capital and voting rights. No assurance can be given that the objectives of our substantial shareholders, as shareholders, will not conflict with the business goals and objectives of our Company or our other shareholders, or that they may not deter or delay a future take-over of our Company. As a substantial shareholder of our Company, other than in respect of certain votes regarding matters in which it is an interested party and must therefore abstain from voting as required by Bursa Securities, the substantial shareholders may be able to control the approval of all, if not most corporate matters requiring a shareholder resolution under the Malaysian Companies Act or the Listing Requirements without the approval of other shareholders of our Company.

Overseas shareholders may not be able to participate in future rights offerings or certain other equity issues by us.

If we offer or cause to be offered to our shareholders rights to subscribe for additional Shares or any rights of any other nature, we will have the discretion as to the procedure to be followed in making such rights available to our shareholders or in disposing of such rights for the benefit of such shareholders and making the net proceeds available to such shareholders. We may decide not to offer such rights to shareholders having an address in a jurisdiction outside Malaysia and Singapore. For example, we may decide not to offer such rights to our shareholders who have a registered address in the United States unless a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for us to offer such rights to holders and sell the securities represented by such rights, or the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the U.S. Securities Act. We are under no obligation to prepare or file any registration statement under the U.S. Securities Act. Accordingly, shareholders who have a registered address in the United States may be unable to participate in rights offerings and may experience a dilution in their holdings as a result.

We may invest or spend the proceeds of this Global Offering in ways in which you may not agree.

We intend to use the proceeds from this Global Offering for the repayment of certain bank borrowings, working capital and general corporate purposes and listing expenses. We do not currently have definite and specific commitments for the entire proceeds from this Global Offering, and our current intentions may not materialise and may be prohibited. As a result of the number and variability of factors that determine our use of the proceeds of the Global Offering, the actual uses may vary substantially from our current intentions. In such event, as we have broad discretion in the way we invest or spend the proceeds of the Global Offering, there can be no assurance that we will invest or spend the proceeds in ways with which you agree or which you believe will have the most beneficial effect on our profitability.

As we are incorporated in Malaysia and primarily listed on the Main Market of Bursa Securities, we are subject to Malaysian laws and regulations.

Our corporate affairs are governed by our Memorandum and Articles of Association and by the laws governing corporations incorporated in Malaysia and will be governed by the Listing Requirements upon the listing of our Shares on the Main Market of Bursa Securities. The rights of our shareholders and the responsibilities of our management and the Board of Directors under Malaysian law may be different from those applicable to a company incorporated in another jurisdiction. For example, majority shareholders of Malaysian companies that are publicly listed in Malaysia do not owe fiduciary duties to minority shareholders, as compared to controlling shareholders in the United States. Our public shareholders may have more difficulty in protecting their interests in connection with actions taken by our management, members of our Board of Directors or our substantial shareholders than they would as shareholders of a company incorporated in another jurisdiction.

As the listing of our Shares on the SGX-ST is a secondary listing, with a primary listing on Bursa Securities, we are subject to limited regulatory oversight by the SGX-ST. Under the Listing Manual, a foreign issuer having a secondary listing on the SGX-ST, as is our case, need not comply with the SGX-ST's listing rules, provided that we undertake to:

- release all information and documents in English to the SGX-ST at the same time as they are released to Bursa Securities;

- inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST the decision of Bursa Securities in relation to the listing of these securities on Bursa Securities; and

- to comply with such other listing rules as may be applied by the SGX-ST from time to time.

For example, any interested person transactions involving our Group would not be subject to the SGX-ST's requirements for disclosure or shareholder approval. Instead, any related party transactions involving our Group may be subject to the Listing Requirements and the Malaysian Companies Act.

The SGX-ST's role in performing any regulatory, disciplinary or enforcement role against us may also be limited. Therefore, our shareholders in Singapore may have more difficulty in protecting their interests than they would as shareholders of a company incorporated in Singapore. For a comparison of corporate laws in Malaysia and Singapore, See "Appendix E—Comparison of Malaysian Corporate Laws with Singapore Corporate Laws".

There are foreign exchange regulations in Malaysia.

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of BNM, which is the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration Policies issued by BNM, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to the applicable reporting requirements, and any withholding tax. In the event BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiaries and our Company.

Investors may face a delay in the return of their application monies and/or incur additional costs and risks if our Shares are not listed on the SGX-ST.

If the listing of our Shares does not occur for any reason (including, for example, if a stop order under the Securities and Futures Act has been issued) and if the IPO Shares have already been issued and/or transferred, the Selling Shareholder and/or us will be required under applicable Singapore laws and regulations to return the application monies to investors. In this instance, the Selling Shareholder and/or us will consider the various options that may be available to the Selling Shareholder and/or us, subject to compliance with the Malaysian Companies Act and our Articles of Association, to enable the Selling Shareholder and/or us to return the monies to investors, including a reduction of our share capital. A reduction of our share capital would require a special resolution of our Shareholders and this resolution would have to be confirmed by the Malaysian High Court. If the capital reduction is effected, successful applicants may be refunded their application monies in full. Return of such monies may take a considerable amount of time or may not be completed within the time periods required under applicable Singapore laws and regulations, or at all, and, as a result, we may be in breach of applicable Singapore laws and regulations.

In the event that our Shares are not listed on the SGX-ST, and listed on Bursa Securities after our IPO Shares have been issued, a practical alternative is for successful applicants to trade their Shares on Bursa Securities as there is no assurance that a capital reduction will be effected. For successful applicants who do not have the requisite trading accounts, we will use our best endeavours to provide guidance to facilitate the trading of such applicants' Shares on Bursa Securities. Successful applicants with the requisite trading accounts may approach their brokers to arrange for the transfer of Shares for trading on Bursa Securities. Setting up such trading accounts may involve certain applicable fees as well as a minimum period of time. Please see "Clearance and Settlement—Mechanism for transmission of Shares from CDP in Singapore to Bursa Depository in Malaysia" in this Prospectus for more details.

There is no assurance whether in such event, our Shares will trade at a price which is equivalent to the Final Retail Price or Institutional Price on Bursa Securities. In addition, successful applicants may be exposed to translation differences between the Singapore Dollar and Ringgit Malaysia in respect of their investment in their Shares.

Certain judgments may not be enforceable against our Company in Singapore, Malaysia, Turkey, the PRC, India and other jurisdictions in which we operate.

Our Company and our subsidiaries are incorporated under the laws of Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate in. Substantially all of the officers and the majority of the Directors of our Company are residents of Singapore, Malaysia, Turkey, the PRC and India, and all or a substantial portion of the assets of our Company and such persons are located in Singapore, Malaysia, Turkey, the PRC and India.

As a result, investors in our Company may not be able to:

- effect service of process by serving a legal notice or summons to respond to proceeding before the court or any tribunal upon our foreign subsidiaries within Malaysia; or

- enforce against our foreign subsidiaries' judgments obtained in Malaysia, including judgments predicated upon the laws of jurisdictions other than Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate.

A judgment by a Malaysian court, unless impeachable for lack of jurisdiction or fraud (which may be either fraud on the party in whose favour the judgment is given or fraud on the part of the court pronouncing the judgment) or on the ground that its enforcement would be contrary to public policy, or on the ground that the proceedings in which the judgment was obtained were opposed to natural justice, may be enforced by an action or counterclaim in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate in for the amount due under it if the judgment is for a debt or definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) and final and conclusive, but not otherwise.

Corporate disclosure in Malaysia and Singapore may differ from those in other jurisdictions.

The nature and content of publicly available information about public companies listed on Bursa Securities and the SGX-ST, such as our Company, may be different from those made available by public companies in other jurisdictions. These differences may include the disclosure of beneficial ownership of equity securities of officers, directors and substantial shareholders; officer certification of disclosure and financial statements in periodic public reports; and disclosure of results of operations in periodic public reports. As we maintain a secondary listing on the Main Board of the SGX-ST, under the SGX-ST's listing rules, we will not be required to comply with the ongoing disclosure requirements thereunder, save that we will be required to (i) release all information and documents in English to the SGX-ST at the same time as they are released to Bursa Securities; (ii) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of Bursa Securities in relation to the listing of such securities on Bursa Securities; and (iii) comply with such other listing rules as may be applied by the SGX-ST from time to time.

We are subject to Malaysian laws and regulations governing any take-over of our Company.

As we are primarily listed on Bursa Securities, we are subject to the Code in Malaysia which contains provisions governing any future take-over or change in control of our Company. For example, the Code stipulates that a person, and any parties acting in concert with him, is required to extend a mandatory general offer of the remaining shares in a company, if the person, along with any parties acting in concert, has obtained control of voting shares or voting rights of more than 33% in a company or if the person, along with any parties acting in concert, has acquired more than 2% of the voting shares or voting rights in a company in any period of six months and such person's acquired holding was more than 33% but not more than 50% of the voting shares or voting rights of the company during such six-month period, irrespective of how control or acquisition is to be effected, including by way of scheme of arrangement, compromise, amalgamation or selective capital reduction. Additionally, the Code provides for a situation in which mandatory general offer exemptions may be available to a person and parties acting in concert who have triggered the above. While the Code seeks to ensure equality of treatment among shareholders, its provisions could substantially impede the ability of our shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control.

As our Company is incorporated outside Singapore and does not maintain a primary listing in Singapore, we are not subject to the provisions of the Singapore Code on Take-Overs and Mergers.

Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution.

Our Shares will be quoted in Ringgit Malaysia on the Main Market of Bursa Securities and in Singapore Dollar on the SGX-ST. Dividends, if any, with respect to our Shares will be declared in Ringgit Malaysia and converted to Singapore Dollar for payment in relation to Shares which are listed on the SGX-ST. Fluctuations in the exchange rates between the Ringgit Malaysia and the Singapore Dollar will affect, among other things, the value of the dividends to be received in Singapore Dollar by investors of our Shares in Singapore. Whilst an investor who sells our Shares on the Main Market of Bursa Securities and converts the proceeds from the sale of the Shares to a currency other than Ringgit Malaysia will be subject to fluctuations in exchange rates between the converted currency and Ringgit Malaysia, similarly, an investor who sells our Shares on the Main Board of the SGX-ST and converts the proceeds from the sale of the Shares to a currency other than Singapore Dollar will be subject to fluctuations in exchange rates between the converted currency and Singapore Dollar. See "Dividend Policy" and "Exchange Rates".

CDP depositors whose names appear in the Depository Registry maintained by the CDP will not be recognised as members of our Company and will have a limited ability to attend general meetings.

Under the Malaysian Companies Act, depositors whose names appear in the Record of Depositors maintained by the CDP are not members of our Company.

In Malaysia, as our Shares are proposed for quotation on Bursa Securities, such Shares must be described as shares required to be deposited with Bursa Depository and the share certificate in respect of any such deposited security shall be issued in the name of, and delivered to Bursa Depository or its nominee. Share certificates will not be issued to the depositors whose name appears in the Record of Depositors maintained by Bursa Depository. Under the Malaysian Companies Act, only persons whose names are entered into the register of the company are members with rights to attend and vote at general meetings. However, the SICDA provides that depositors whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares traded on Bursa Securities shall be deemed to be members of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

As we are also dual listed on the SGX-ST, CDP has appointed an EAN in Malaysia to hold Shares which are listed and traded on the SGX-ST for depositors. No share certificate will be issued to the depositors whose name appears in the Depository Registry maintained by the CDP and such CDP depositor will not be deemed to be a member under the Malaysian Companies Act. Under Malaysian law and our Articles of Association, CDP's EAN in Malaysia shall be our shareholder in respect of the

Shares registered in its name, rather than CDP or the persons named as direct securities account holders and CDP depository agents in the Depository Registry maintained by CDP. As such, CDP depositors and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded to CDP by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of securities accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time. Accordingly, investors who hold Shares through the CDP system will not be able to attend such shareholders' meetings in their own names. CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint CDP depositors who wish to attend and vote at general meetings of our Company as proxies in accordance with Malaysian law and our Articles of Associations. Investors that desire to personally attend Shareholders' meetings and exercise their voting rights under their names with regard to Shares that are credited to their Securities Account with CDP, will be required to transfer their Shares out of the CDP system in Singapore into the Bursa Depository system in Malaysia at their own costs.

Information contained in the forward-looking statements included in this Prospectus is subject to inherent uncertainties and you should not rely on any of them.

This Prospectus contains statements that constitute "forward-looking" statements, including, without limitation, those in relation to our financial condition, business strategies, prospects, plans and objectives for future operations. These forward-looking statements involve known and unknown risks, uncertainties and other facts which may cause our actual results, performance, profitability, achievements or industry results to differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. You should not place undue reliance on any such forward-looking statements. In addition, their inclusion in this Prospectus shall not be regarded as a representation or warranty by our Company, the Promoter, the Selling Shareholder, the Over-Allotment Option Provider and the advisers that the plans and objectives of our Group will be achieved.

Opening and closing of applications

Application for the IPO Shares under the Singapore Offering will open at 10.00 a.m. on 3 July 2012 and will remain open until 5.00 p.m. on 11 July 2012 for the Singapore Public Offering and 12 July 2012 for the Singapore Placement, or such other date or dates as our Directors, the Selling Shareholder, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters in their absolute discretion may decide.

Selling Shareholder

Our shareholder who is offering the Offer Shares and its relationship with our Company within the past three years since incorporation is as follows:

Shareholder	Material relationship with our Group	Before the IPO		Shares offered pursuant to the IPO			After the Listing	
		No. of Shares 000	(1)%	No. of Shares 000	(1)%	(2)%	No. of Shares 000	(2)%
Abraaj 44	Substantial shareholder	434,651	7.02	434,651	7.02	5.39	—	—

Notes:

(1) Based on the existing issued and paid-up share capital before Listing as described in "Description of Our Shares—Particulars of the IPO—Share Capital".

(2) Based on the enlarged issued and paid-up share capital upon Listing which has taken into account the maximum number of Shares to be issued pursuant to the Symphony Conversion, the surrender of all LTIP units granted and vested before the Listing and the Public Issue as described in "Description of our Shares—Particulars of the IPO—Share Capital".

Basis of arriving at the Institutional Price, Retail Price and Final Retail Price and refund mechanism

Institutional Price

The Institutional Price (denominated in RM) will be determined by a bookbuilding process wherein prospective institutional investors will be invited to bid for portions of the Institutional Placement by specifying the number of IPO Shares that they would be prepared to acquire and the price that they would be prepared to pay for the acquisition. This bookbuilding process will commence on 3 July 2012 and will end on 12 July 2012, or such other date or dates as our Directors, the Selling Shareholder and the Joint Global Coordinators in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Company, the Selling Shareholder and the Joint Global-Coordinators on the Price Determination Date.

The Institutional Price is payable in RM or SGD (converted based on the RM: SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) depending on whether the subscribed Shares are to be traded on Bursa Securities or SGX-ST upon Listing.

Retail Price

The Retail Price of SGD1.18 (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators) per IPO Share was determined and agreed upon between our Directors, the Principal Adviser, Singapore Issue Managers and Joint Global Coordinators.

The Retail Price has been determined after taking into consideration the following:

(a) Our operating history, financial performance and financial position as described in "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", respectively;

(b) The pro forma consolidated NA attributable to owners of our Company of RM2.04 per Share based on our enlarged issued and paid-up share capital pursuant to the Listing of 8,057.08 million Shares;

(c) Our competitive strengths, strategies and future plans as outlined in "Our Business"; and

(d) The prevailing market conditions, which include, among others, current market trends and investors' sentiments.

The Final Retail Price (denominated in RM) will be determined after the Institutional Price (denominated in RM) is fixed on the Price Determination Date and will be equal to the Institutional Price (denominated in RM). The Final Retail Price for the Singapore Offering will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators).

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants, without any interest thereon.

Prospective public investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM2.85 per IPO Share or SGD1.18 per IPO Share (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators) or lower than the par value of our Shares.

The Final Retail Price and the Institutional Price are expected to be announced within two Market Days from the Price Determination Date in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia and any one or more newspaper within Singapore. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment.

Applicants should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties.

Expected market capitalisation

Based on the Retail Price of RM2.85 per IPO Share or SGD1.18 per IPO Share (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue

Managers and the Joint Global Coordinators), the total market capitalisation of our Company upon the Listing is estimated at RM22.96 billion or SGD9.51 billion.

Objectives of the IPO

The objectives of the IPO are as follows:

(a) to obtain listing status for our Company;

(b) to enable us to access the equity capital market for cost effective capital raising or to give us the financial flexibility to pursue growth opportunities;

(c) to enhance the stature of our Company to market our services and expand our market position;

(d) to establish liquidity of our Shares;

(e) to provide an opportunity for the investing community including our eligible Directors and eligible employees and business associates and persons who have contributed to the success of our Group, including doctors, to become our shareholders and participate in the future performance of our Company by way of equity participation; and

(f) to raise funds for the purposes set out in "Use of Proceeds".

Brokerage, underwriting commission and placement fee

We will pay brokerage in respect of the sale of the IPO Shares under the Malaysia Public Offering, at the rate of 1.0% of the Final Retail Price in respect of all successful applications which bear the stamp of the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers and Joint Bookrunners for the MITI Tranche are entitled to charge a brokerage fee of up to 1.0% of the Institutional Price to successful applicants under the Global Institutional Tranche and Cornerstone Offering. Purchasers of our IPO Shares pursuant to the Singapore Placement will be required to pay to the Singapore Underwriters a brokerage fee of up to 1.0% of the Final Retail Price.

As stipulated in the Malaysia Underwriting Agreement, we will pay our Joint Underwriters an underwriting fee of 1.6% of the amount equal to the Retail Price (denominated in RM) multiplied by the IPO Shares underwritten pursuant to the Malaysia Public Offering (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement). As stipulated in the Malaysia Underwriting Agreement, we will pay the Managing Underwriter a managing underwriting commission of 0.15% of the amount equal to the Retail Price multiplied by the number of IPO Shares underwritten in the Malaysia Public Offering.

As stipulated in the Singapore Offer Agreement, we will pay our Singapore Underwriters a base underwriting commission of 1.6% of the amount equal to the Retail Price (denominated in SGD) multiplied by the IPO Shares underwritten pursuant to the Singapore Public Offering (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement). Also, we will pay in respect of the Issue Shares the Singapore Issue Managers a praecipium of 0.15% of the amount equal to the Retail Price (as denominated in SGD) multiplied by the number of IPO Shares underwritten in the Singapore Public Offering.

As expected to be stipulated in the Singapore Placement Agreement, we will pay our Singapore Underwriters a base underwriting commission of 1.6% of the amount equal to the Final Retail Price (denominated in SGD) multiplied by the IPO Shares underwritten pursuant to the Singapore Placement (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement). Also, we will pay the Singapore Issue Managers a praecipium of 0.15% of the amount equal to the Final Retail Price (as denominated in SGD) multiplied by the number of IPO Shares underwritten in the Singapore Placement.

As expected to be stipulated in the Institutional Placement Agreement, the Company in respect of the Issue Shares, the Selling Shareholder in respect of the Offer Shares and the Over-Allotment Option Provider in respect of the additional Shares to be sold pursuant to the Over-Allotment Option, will pay the relevant Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and Co-Lead Managers a combined placement fee and selling commission of 1.6% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Institutional Placement (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement) and the Cornerstone Offering and the additional Shares sold pursuant to the Over-Allotment Option.

The Company in respect of the Issue Shares, the Selling Shareholder in respect of the Offer Shares and the Over-Allotment Option Provider in respect of the additional Shares sold pursuant to the Over-Allotment Option, will pay the Joint Global Coordinators a praecipium of 0.15% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Global Institutional Tranche (excluding any unsubscribed Shares re-allocated from the Malaysia Public Offering and Singapore Offering to the Institutional Placement) and the Cornerstone Offering, and the additional Shares sold pursuant to the Over-Allotment Option. The Company in respect of the Issue Shares and the Selling Shareholder in respect of the Offer Shares will pay the Sole Coordinator of the MITI Tranche a praecipium of 0.15% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the MITI Tranche. In addition, the Company in respect of the Issue Shares, the Selling Shareholder in respect of the Offer Shares and the Over-Allotment Option Provider in respect of the additional Shares to be sold pursuant to the Over-Allotment Option, may pay to some or all of the Joint Global Coordinators and Joint Bookrunners an incentive fee of up to 0.75% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Global Offering and the additional Shares to be sold pursuant to the Over-Allotment Option, at the discretion of the Company, the Selling Shareholder and the Over-Allotment Option Provider.

In addition, purchasers of the IPO Shares in the Global Institutional Tranche and the Cornerstone Offering may be required to pay a brokerage fee (and if so required, such brokerage fee may be up to 1.0% of the Institutional Price) and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of purchase, at the time of settlement. Purchasers of the IPO Shares in the Singapore Placement may be required to pay a brokerage fee (and if so required, such brokerage fee may be up to 1.0% of the Final Retail Price) and applicable stamp duties, taxes and other similar charges (if any). Any profits earned from stabilisation activities will be distributed equally between the Over-Allotment Option Provider, on the one hand, and the Joint Global Coordinators and the Joint Bookrunners, on the other hand.

Underwriting, placement and lock-up arrangements

Underwriting

We have entered into the Malaysia Underwriting Agreement with the Managing Underwriter and the Joint Underwriters to subscribe and/or procure 208.51 million IPO Shares which constitute all of the Shares under the Malaysia Public Offering subject to the clawback and reallocation provisions as set out in "Description of our Shares—Particulars of the IPO—Clawback and Reallocation" and upon the terms and subject to the conditions of the Malaysia Underwriting Agreement.

Pursuant to the terms of the Malaysia Underwriting Agreement, CIMB has agreed to underwrite 100.96 million IPO Shares, MIB has agreed to underwrite 62.55 million IPO Shares whilst AFFIN, Alliance, AIBB, BMMB, HwangDBS, Kenanga, MIDF, OSK and RHB has each agreed to underwrite 5.00 million IPO Shares.

Details of underwriting commission are set out in "—Brokerage, underwriting commission and placement fee".

Certain provisions may allow the Managing Underwriter and Joint Underwriters to withdraw from their obligations under the Malaysia Underwriting Agreement after the opening of the offer, including the non-satisfaction of the conditions precedent therein and the occurrence of specified events, namely that:

(a) there shall have been a breach by the Company of any of the representations and warranties contained in the agreement;

(b) there shall have been a breach by the Company of any of the covenants or obligations contained in he agreement;

(c) the Institutional Placement Agreement shall have been terminated in accordance with their terms or any of the parties thereunder shall have failed to perform their obligations;

(d) SC, Bursa Securities, the MAS or the SGX-ST suspends or revokes any approval for the IPO or makes any ruling (or revokes any ruling previously made), the effect of which is to prevent the Listing or quotation of the Shares on Bursa Securities;

(e) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the Nasdaq Global Market, Bursa Securities, the SGX-ST, the London Stock Exchange or the Hong Kong Stock Exchange;

(f) a material disruption in securities settlement, payment or clearance services in the United States, United Kingdom, Hong Kong, Malaysia or Singapore shall have occurred;

(g) any general moratorium on banking activities shall have been declared by United States Federal or New York State, United Kingdom, Hong Kong, Malaysia or Singapore authorities;

(h) there shall have been any other material adverse change, or any development involving a prospective material adverse change, in national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market or currency exchange rates or foreign exchange controls), political, legal, regulatory, taxation, industrial or economic conditions in Malaysia, Singapore, the European Economic Area, Hong Kong, London, New York or Turkey;

(i) there shall have occurred any outbreak or escalation of hostilities, epidemic, acts of terrorism, acts of God, accidents or interruptions, or any calamity or crisis or other event or series of events in the nature of force majeure affecting Malaysia, Singapore, Turkey, Hong Kong, United Kingdom or United States, that, in the judgment of the Managing Underwriter and Joint Underwriters, is material and adverse and which, singly or together with any other event specified in this clause, makes it, in the judgment of the Managing Underwriter and Joint

Underwriters, impracticable or inadvisable to proceed with the offer, sale or delivery of the IPO Shares on the terms and in the manner contemplated in the Malaysia Prospectus and the application forms;

(j) the IPO is cancelled by the Company or the Selling Shareholder; or

(k) admission to trading of the Shares on Bursa Securities has not been completed by 9:00 am (Kuala Lumpur time) on 25 July 2012 (or such later date as is agreed between the Company and the Managing Underwriter which, in any event, shall be no later than 24 August 2012).

We have also entered into the Singapore Offer Agreement in relation to 104.64 million IPO Shares, and expect to enter into the Singapore Placement Agreement in relation to 36.00 million IPO Shares, with the Singapore Underwriters, subject to clawback and reallocation provisions as set out in "Description of our Shares—Particulars of the IPO—Clawback and Reallocation", to procure the subscription and/or purchase of, or failing which, to subscribe and/or purchase, subject to certain conditions, of the above respective Shares, which constitute all the IPO Shares under the Singapore Offering.

Details of underwriting commission are set out in "—Brokerage, underwriting commission and placement fee".

Certain provisions may allow the Singapore Underwriters to withdraw from their obligations under the Singapore Offer Agreement and Singapore Placement Agreement before the Listing, including the non-satisfaction of the conditions precedent therein and specified events, namely that:

(a) there shall have been a breach by the Company of any of the representations and warranties contained in the agreement;

(b) there shall have been a breach by the Company of any of the covenants or obligations contained in he agreement;

(c) any of the Institutional Placement Agreement, Malaysia Underwriting Agreement, the Singapore Placement Agreement or the Singapore Offer Agreement (as the case may be) shall have been terminated or rescinded pursuant to its provisions;

(d) SC, Bursa Securities, the MAS or the SGX-ST suspends or revokes any approval for the IPO or makes any ruling (or revokes any ruling previously made), the effect of which is to prevent the Listing or quotation of the Shares on Bursa Securities;

(e) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the Nasdaq Global Market, Bursa Securities, the SGX-ST, the London Stock Exchange or the Hong Kong Stock Exchange;

(f) a material disruption in securities settlement, payment or clearance services in the United States, United Kingdom, Hong Kong, Malaysia or Singapore shall have occurred;

(g) any general moratorium on banking activities shall have been declared by United States Federal or New York State, United Kingdom, Hong Kong, Malaysia or Singapore authorities;

(h) there shall have been any other material adverse change, or any development involving a prospective material adverse change, in national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market or currency exchange rates or foreign controls), legal, regulatory, taxation or economic conditions in Malaysia, Singapore, the European Economic Area, Hong Kong, London, New York or Turkey;

(i) there shall have occurred any outbreak or escalation of hostilities or any emergency or crisis or other event or series of events in the nature of force majeure affecting Malaysia, Singapore, Turkey, Hong Kong, United Kingdom or United States;

(j) the IPO is cancelled by the Company or the Selling Shareholder; or

(k) admission to trading of the Shares on Bursa Securities or the SGX-ST has not been completed by 9:00 am (Kuala Lumpur time) on 25 July 2012 (or such later date as is agreed between the Company and the Singapore Issue Managers which, in any event, shall be no later than 24 August 2012).

Placement Agreement

We, the Selling Shareholder and the Over-Allotment Option Provider expect to enter into an Institutional Placement Agreement with the Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and the Co-Lead Managers, whereby the Joint Global Coordinators, Joint Bookrunners Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and the Co-Lead Managers are expected to agree to procure the subscription for and/or the purchase of, or subscribe for and/or purchase up to 1,885.51 million IPO Shares, which will be or have been offered under the Institutional Placement (subject to clawback and reallocation provisions as set out in "—Particulars of the IPO—Clawback and Reallocation" of this Prospectus) and the Cornerstone Offering and the additional Shares to be sold pursuant to the Over-Allotment Option.

Certain provisions may allow the Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and the Co-Lead Managers to withdraw from their obligations under the Institutional Placement Agreement, including the non-satisfaction of the conditions precedent therein and the occurrence of specified events, including force majeure and the failure of Cornerstone Investors to subscribe or pay for certain number of IPO Shares in aggregate, that they have committed to subscribe for, under the Cornerstone Offering, as set out in "Description of our Shares—Particulars of the IPO—Cornerstone Offering".

Details of the placement fee and selling commission are set out in "—Particulars of the IPO—Brokerage, underwriting commission and placement fee" of this Prospectus.

Lock-up arrangements

(a) In conjunction with and pursuant to a trust deed arrangement, we have agreed, that we shall not, without the prior written consent of the Joint Global Coordinators, directly or indirectly take any steps to issue new Shares or other securities that are convertible or exchangeable into Shares, nor to authorise the disposal of any Shares owned by our Company during the period of 180 days from the date of Listing.

The restriction shall not apply in respect of the following:

(aa) Shares issued or offered for sale pursuant to our IPO (including the additional Shares pursuant to the exercise of the Over-Allotment Option) and IPO Shares under the Cornerstone Offering that are issued pursuant to the Cornerstone Placement Agreements;

(bb) the grant of any option (or allotment and/or issue of any Shares thereunder) to the eligible employees and Directors of the Group under and pursuant to the terms of the LTIP and/or EPP as described in "Statutory and Other General Information—Employee Share Schemes" and Appendix K of this Prospectus; or

(cc) the allotment and/or issue of any Share pursuant to the exercise by Aydinlar and/or Bagan Lalang in relation to the Aydinlar Option or the Bagan Lalang Option, as the case may be, as described in "Statutory and Other General Information—Share Capital" of this Prospectus.

(b) In conjunction with and pursuant to trust deed arrangements, Pulau Memutik and MBK Healthcare (collectively, the "Lock-up Parties") have agreed, that the Lock-up Parties shall not, without the prior written consent of the Joint Global Coordinators, during the period of 180 days from the date of Listing:

(aa) offer, pledge, sell, transfer, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares or other securities of our Company which are derived therefrom pursuant to any rights issue, capitalisation issue or other form of capital reorganisation of the Company ("Relevant Shares"), or warrants or any securities convertible into or exercisable or exchangeable for Relevant Shares or warrants; or

(bb) enter into any swap or any other agreement or any transaction that transfers, in whole or in part the economic consequence of ownership of Relevant Shares or warrants,

whether any such transaction described in paragraph (aa) or (bb) above is to be settled by delivery of Relevant Shares or warrants of our Company or such other securities, in cash or otherwise.

In addition, the Lock-up Parties also agree, during the same period, not to take any steps to issue new Shares or other securities that are convertible or exchangeable into Shares, nor to authorise the disposal of any Shares owned by our Company without the prior written consent of the Joint Global Coordinators.

(c) In conjunction with and pursuant to the Cornerstone Placement Agreements, the Cornerstone Investors agreed, that they shall not, without the prior written consent of the Joint Global Coordinators, during the period of six months from the date of Listing:

(aa) offer, pledge, sell, transfer, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Relevant Shares or warrants or any securities convertible into or exercisable or exchangeable for Relevant Shares or warrants; or

(bb) enter into any swap or any other agreement or any transaction that transfers, in whole or in part the economic consequence of ownership of Relevant Shares or warrants,

whether any such transaction described in paragraph (aa) or (bb) above is to be settled by delivery of Relevant Shares or warrants of our Company or such other securities, in cash or otherwise.

The lock-up arrangements for the Cornerstone Investors are only applicable if a Cornerstone Investor purchases more than 50 million Shares of the Company pursuant to the Cornerstone

Placement Agreement entered into by them, and is not applicable to the first 50 million Shares purchased by the Cornerstone Investor under the Cornerstone Placement Agreement.

In addition, each Cornerstone Investor also agreed, during the same period, not to take any steps to issue new Shares or other securities that are convertible or exchangeable into Shares, nor to authorise the disposal of any Shares owned by our Company without the prior written consent of the Joint Global Coordinators.

(d) Pursuant to the shareholders' agreement with Symphony, Symphony shall not sell, transfer or dispose of IHH Shares issued to Symphony pursuant to the Symphony Conversion for a period of 180 days from the date on which they were allotted and issued to Symphony. See "Statutory and Other General Information—Share Capital" for details on the Symphony Conversion and the shareholders' agreement with Symphony.

(e) Pursuant to the shareholders' agreement entered into among Pulau Memutik, MBK Healthcare, Almond (Netherlands), Abraaj 44, Hatice Seher Aydinlar, Mehmet Ali Aydinlar, Acibadem Holding, and our Company as Aydinlar will not be selling down its Shares pursuant to the IPO, Aydinlar is not permitted to sell any of its Shares, until the first anniversary of the Listing Date. In relation to Abraaj 44, as a Selling Shareholder, in the event that certain of the Shares are not fully sold down by Abraaj 44 pursuant to the IPO, it will not be permitted to sell the remainder of its Shares, until the first anniversary of the Listing Date. See "Statutory and Other General Information—Material Contracts" for details on the shareholders' agreement.

Each of the Institutional Placement Agreement, the Malaysia Underwriting Agreement, Singapore Offer Agreement and the Singapore Placement Agreement may be terminated at any time prior to delivery of the IPO Shares pursuant to the terms of the relevant agreements upon the occurrence of certain events, including, among other things, certain force majeure events. The listing of the Shares on the Main Market of Bursa Securities is conditional upon the completion of the Institutional Placement, the Malaysia Public Offering and the Cornerstone Offering only and not the completion of the Singapore Offering. The Singapore Offering are conditional upon the completion of the Institutional Placement, the Malaysia Public Offering, the Cornerstone Offering and the listing of our Shares on the Main Market of Bursa Securities. If for any reason we do not proceed with the Singapore Offering, (i) the Shares will not be listed on the Main Board of the SGX-ST; (ii) the Institutional Placement, the Malaysia Public Offering, and the Cornerstone Offering may still proceed; and (iii) the Shares may only be listed on the Main Market of Bursa Securities.

Based on the Retail Price of RM2.85 (or SGD1.18 for the Singapore Offering (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators)), we expect to raise gross proceeds from the Public Issue of up to RM5,130.00 million. The net proceeds expected to be raised from the Public Issue (after deducting estimated listing expenses as set out below) is up to RM4,942.00 million.

Our Company will not receive any proceeds from the Offer for Sale and the exercise of the Over-Allotment Option. The gross proceeds from the Offer for Sale and the exercise of the Over-Allotment Option of up to RM1,238.76 million and up to RM482.88 million respectively, will accrue entirely to the Selling Shareholder and the Over-Allotment Option Provider respectively. The net proceeds from the Offer for Sale and the exercise of the Over-Allotment Option (after deducting estimated expenses as set out below) are up to RM1,207.79 million and up to RM470.80 million respectively.

The gross proceeds from the Public Issue of up to RM5,130.00 million are expected to be utilised in the manner as set out below:

Details of utilisation	Estimated timeframe for utilisation upon Listing	RM million	%
Repayment of bank borrowings(1)	Within 12 months	4,663	90.90
Working capital and general corporate purposes(2)	Within 24 months	279	5.44
Estimated listing expenses(3)	Within 12 months	188	3.66
Total		5,130	100.00

Notes:

(1) The proposed repayment of bank borrowings is as follows:

Facility Amount	Amount outstanding as at 31 May 2012	Proposed repayment	Interest rate (% per annum)/ maturity	Purpose of borrowing
million	million	RM million		
SGD470/RM1,162^	SGD 256/RM633^	RM690*	Swap offer rate + 1.0% to 2.0%/31 December 2014	Financing the acquisition of Acibadem Group, including amongst others, the acquisition of Acibadem Holding for total purchase consideration of approximately USD825 million, details of which are set out in "Statutory and Other General Information—Material Contracts"
RM450	RM 245	RM267*	Cost of funds + 0.6% to 1.6%/ 31 December 2014	Financing the acquisition of Acibadem Group, including amongst others, the acquisition of Acibadem Holding for total purchase consideration of approximately USD825 million, details of which are set out in "Statutory and Other General Information—Material Contracts"

Facility Amount	Amount outstanding as at 31 May 2012	Proposed repayment	Interest rate (% per annum)/ maturity	Purpose of borrowing
million	million	RM million		
SGD1,850/RM4,573^ .	SGD1,499/RM3,706^	RM3,706	Swap offer rate + 1.25%/2 August 2013	Financing the acquisition of Parkway's shares for total purchase consideration of SGD3.5 billion pursuant to the voluntary general offer in 2010; and refinancing any shareholder loans
Total		**RM4,663**		

^ Based on a RM/SGD exchange rate of 2.472 as at 31 May 2012.

* Proposed repayment amount includes the estimated expenses to be incurred for the voluntary delisting of Acibadem from ISE and the interest expenses to be accrued between 1 June 2012 and the actual date of repayment.

(2) Proceeds in excess of the amounts allocated for repayment of bank borrowings and listing expenses (which may be in excess or less than the estimated amount) will be utilised for general working capital requirements of the IHH Group, including financing our daily operations and operating expenses, which include administration and other operating expenses, as well as for general corporate purposes including financing future investments to be identified. Conversely, any shortfall in proceeds raised will be adjusted accordingly to the working capital requirements and general corporate purposes.

(3) The expenses of the Public Issue to be borne by us are estimated to be RM188 million which will comprise the following:

	RM million	As a percentage of the Gross Proceeds from the Public Issue
Estimated professional fees	33	0.64%
Brokerage, underwriting commission and placement fees*	133	2.59%
Marketing related expenses such as travel and roadshow expenses incurred in connection with the IPO	7	0.14%
Other fees and miscellaneous expenses and contingencies	15	0.29%
Total estimated listing expenses.	**188**	**3.66%**

Note:

* The brokerage, underwriting commission and placement fees to be borne by the Selling Shareholder and the Over-Allotment Option Provider, which are excluded from the above are estimated to be up to RM31 million and up to RM12 million, respectively.

If the actual expenses are higher than estimated, the deficit will be funded out of the amount allocated for working capital and general corporate purposes. However, if the actual expenses are lower than estimated, the excess will be utilised for general working capital and general corporate purposes of the IHH Group.

The aggregate expenses of the Global Offering (not including the brokerage, underwriting commission and placement fees and other expenses payable by the Selling Shareholder and the Over-Allotment Option Provider) are estimated to be RM188.0 million. The estimated expenses for professional fees, market related expenses, and other fees and miscellaneous expenses and contingencies are payable by us, the Selling Shareholder, and assuming the Over-Allotment Option is exercised, the Over-Allotment Option Provider, in proportion to the number of IPO Shares issued by us and sold by the Selling Shareholder, and the Over-Allotment Option Provider pursuant to the Global Offering.

Based on the above, for each RM1.00 or, as the case may be, for each SGD1.00 of our gross proceeds raised from the Public Issue, we intend to use the following amounts for each purpose:

(i) approximately RM0.91, or as the case may be, SGD0.91 for repayment of bank borrowings;

(ii) approximately RM0.05, or as the case may be, SGD0.05 for working capital and general corporate purposes; and

(iii) approximately RM0.04, or as the case may be, SGD0.04 for our share of the estimated listing expenses.

The foregoing represents our best estimate of the allocation of the gross proceeds expected to be raised from the Public Issue based on our current plans and estimates regarding our funding requirement. Actual expenditures may vary from these estimates, and we may find it necessary or advisable to reallocate our net proceeds within the categories described above or to use portions of our net proceeds for other purposes. In the event that we decide to reallocate our net proceeds from the Public Issue for other purposes, we will publicly announce our intention to do so through Bursa Securities and the SGX-ST announcements.

Pending full utilisation of the gross proceeds received, we intend to place the proceeds raised from our Public Issue (including accrued interest, if any) or the balance thereof as deposits with banks or licensed financial institutions or short-term money market instruments prior to the eventual utilisation of the proceeds from the IPO for the above intended purposes.

Our utilisation of the proceeds from the Public Issue is expected to have the following financial impact on our Group:

(a) Interest savings

As part of the proceeds from the Public Issue will be used to repay some of the outstanding borrowings, we would enjoy savings in interest which we otherwise have to incur on borrowings. Based on the respective interest rates of our borrowings, we expect an interest savings of approximately RM120.0 million.

(b) Enhancement of capital structure

With an increase in our shareholders' funds, we expect our gearing to decrease. It is our objective to minimise our gearing to enable our Group to have the flexibility to expand our operations locally or overseas and to raise financing as and when attractive opportunities arise.

We have illustrated the financial impact of the utilisation of proceeds from the Public Issue on our pro forma balance sheets as at 31 March 2012 in "Selected Pro Forma Financial Information—Selected Pro Forma Balance Sheet Information".

See "Plan of Distribution" for further details on the use of proceeds of the IPO.

DIVIDEND POLICY

Past Dividends

Our Company has not paid dividends in the past.

Dividend Policy

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries.

The payment of dividends by our subsidiaries will depend upon their operating results, financial condition, capital expenditure plans, applicable loan covenants, where applicable, available reserves of our subsidiaries, and any other relevant factors. The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, our Company intends to take into account various factors including:

(a) the level of our cash, gearing, debt profile and retained earnings;

(b) our expected financial performance; and

(c) our projected levels of capital expenditure and other investment plans.

Considering the current financial position of our Company, our Board intends to adopt a progressive dividend policy, subject to the factors stated above and in the absence of any circumstances which may affect or restrict our ability to pay dividends.

See "Risk Factors—Risks related to our Global Offering—We cannot assure you that we will declare and distribute any amount of dividends in the future".

EXCHANGE RATES AND EXCHANGE CONTROLS

Ringgit Malaysia Exchange Rates

Singapore Dollar to Ringgit Malaysia exchange rates

The following table shows the high, low, average and period-end exchange rates between Singapore Dollar and Ringgit Malaysia (in Singapore Dollar per Ringgit Malaysia) as announced by Bloomberg Finance L.P and rounded to two decimal places. We do not make any representations that the Ringgit Malaysia or Singapore Dollar amounts set forth below and referred to elsewhere in this Prospectus could have been or could be converted into any of the respective other currencies at the rate indicated or at any rate or at all.

	Exchange Rates			
	Average	**High**	**Low**	**Period End**
Year ended 31 December:				
2009	2.43	2.47	2.36	2.44
2010	2.36	2.44	2.30	2.39
2011	2.44	2.51	2.37	2.44
3 months ended 31 March 2012	2.42	2.45	2.40	2.44
Month:				
December 2011	2.44	2.45	2.42	2.44
January 2012	2.43	2.45	2.42	2.43
February 2012	2.41	2.43	2.40	2.40
March 2012	2.42	2.44	2.40	2.44
April 2012	2.45	2.46	2.43	2.45
May 2012	2.46	2.47	2.44	2.47
June 2012 (through 1 June)	2.47	2.48	2.47	2.47

As at 1 June 2012, the closing exchange rate of the Singapore Dollar per Ringgit Malaysia was 2.47.

Turkish Lira to Ringgit Malaysia

The following table shows the high, low, average and period-end exchange rates between Turkish Lira and Ringgit Malaysia (in Turkish Lira per Ringgit Malaysia) as announced by Bloomberg Finance L.P. and rounded to two decimal places. We do not make any representations that the Ringgit Malaysia or Turkish Lira amounts set forth below and referred to elsewhere in this Prospectus could have been or could be converted into any of the respective other currencies at the rate indicated or at any rate or at all.

	Exchange Rates			
	Average	**High**	**Low**	**Period End**
Year ended 31 December:				
2009	2.27	2.40	2.06	2.29
2010	2.12	2.31	1.98	1.98
2011	1.82	2.00	1.65	1.68
Three months ended 31 March 2012	1.72	1.74	1.67	1.72
Month:				
December 2011	1.69	1.71	1.65	1.68
January 2012	1.69	1.71	1.67	1.71
February 2012	1.72	1.74	1.71	1.72
March 2012	1.70	1.72	1.68	1.72
April 2012	1.71	1.73	1.70	1.72
May 2012	1.71	1.73	1.69	1.70
June 2012 (through 1 June)	1.71	1.72	1.70	1.72

As at 1 June 2012, the closing exchange rate of the Turkish Lira per Ringgit Malaysia was 1.72.

See "Risk Factors—Risks related to our Global Offering—Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution".

Source: Bloomberg Finance L.P has not provided its consent to the inclusion of the information extracted from its database in this Prospectus, and is thereby not liable for such information. While we, the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters have taken reasonable actions to ensure that the information from Bloomberg Finance L.P's database has been reproduced in its proper form and context, neither we, the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

Exchange Controls

Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of BNM which is the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non residents. Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration Policies issued by BNM, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to the applicable reporting requirements, and any withholding tax. In the event BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiaries and our Company.

Singapore

There are no exchange control restrictions in Singapore.

CAPITALISATION AND INDEBTEDNESS

The table below sets out our capitalisation and indebtedness based on the financial statements of our Group as at 31 March 2012 on an actual basis and as adjusted to reflect the issuance of the Issue Shares and the application of net proceeds due to us from the Public Issue in the manner described in "Use of Proceeds".

The information in this table should be read in conjunction with "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements, the accompanying notes and the related independent auditors' reports included in this Prospectus.

	As at 31 March 2012			
	Actual		As Adjusted	
	(RM million)	(USD million)	(RM million)	(USD million)
Indebtedness				
Current indebtedness				
Secured bank borrowings[3]	218.4	68.5	218.4	68.5
Secured finance lease liabilities	49.7	15.6	49.7	15.6
Secured bank overdrafts	9.4	2.9	9.4	2.9
Total current indebtedness[1]	277.5	87.0	277.5	87.0
Non-current indebtedness				
Secured bank borrowings[3]	4,998.0	1,566.8	1,292.9	405.3
Secured finance lease liabilities	168.2	52.7	168.2	52.7
Unsecured bank borrowings	2,195.3	688.2	1,237.7	388.0
Total non-current indebtedness	7,361.5	2,307.7	2,698.8	846.0
Total indebtedness	**7,639.0**	**2,394.7**	**2,976.3**	**933.0**
Total equity	**12,376.1**	**3,879.7**	**17,058.8**	**5,347.6**
Total capitalisation[2]	**19,737.6**	**6,187.4**	**19,757.6**	**6,193.6**
Total capitalisation and indebtedness	**20,015.1**	**6,274.4**	**20,035.1**	**6,280.6**

Notes:

(1) As at 31 March 2012, we had no unsecured current indebtedness.

(2) Total capitalisation equals total non-current indebtedness plus total equity.

(3) For further details of our secured borrowings, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations—Liquidity and Capital Resources—Financing Activities" in this Prospectus.

As at 30 April 2012, there were no material variances in total indebtedness and total equity as compared to the amounts as at 31 March 2012.

DILUTION

Dilution is the amount by which the price paid by retail and institutional investors for our Shares exceeds our consolidated NA immediately after the IPO. Our historical combined NA before adjusting for the IPO as at 31 March 2012 was RM11,539.94 million or RM1.86 per Share.

After giving effect to the issue of up to 1,800.00 million new Shares under the Public Issue, and after further adjusting for the estimated listing expenses, our pro forma NA per Share as at 31 March 2012 (based on an enlarged issued and paid-up share capital of 8,057.08 million Shares) would have been RM2.04 per Share. This represents an immediate increase in NA per Share of RM0.18 to our existing shareholders and an immediate dilution in NA per Share of RM0.81, representing 28.4% of the Final Retail Price and the Institutional Price, (assuming the Institutional Price and Final Retail Price are equal to the Retail Price and that the Final Retail Price under the Singapore Offering is based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators), to our retail and institutional investors. Further details on our NA per Share are set out in "Selected Financial Data and Selected Pro Forma Financial Data".

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and Institutional Price and that the Final Retail Price under the Singapore Offering is based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators:

	RM
Assumed Final Retail/Institutional Price	2.85
Historical combined NA per Share as at 31 March 2012, before adjusting for the IPO	1.86
Pro forma NA per Share as at 31 March 2012 after adjusting for the IPO	2.04
Increase in NA per Share to existing shareholders as compared to the historical combined NA per share as at 31 March 2012	0.18
Dilution in pro forma NA per Share to retail/institutional investors as compared to the assumed Final Retail/Institutional Price	0.81
Dilution in pro forma NA per Share to retail/institutional investors as a percentage to the assumed Final Retail/Institutional Price	28.4%

Note:

The above does not include the impact on NA upon the allotment and issuance of Shares pursuant to the surrender of LTIP units and exercise of EPP options which are granted prior to the Listing but vested or only became exercisable after the Listing, as the impact on NA is negligible.

Save as disclosed in "Management—Key Management—Shareholding of Directors in our Company", "Management—Key Management—Shareholding of key management in our Company" and "Statutory and Other General Information—Employee Share Schemes—LTIP" and as set out in the section below, there has been no acquisition of any of our existing Shares by our Directors or key management, substantial shareholders or persons connected to them and/or their associates, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, from the date of incorporation of our Company up to 15 June 2012, being the date of lodgment of this Prospectus by the MAS.

The following section summarises the total number of Shares acquired by our Directors, substantial shareholders and their associates, the total consideration paid by them and the average price per Share paid from the date of incorporation of our Company up to 15 June 2012, being the date of lodgment of this Prospectus by the MAS.

Substantial shareholders/directors	No. of Shares	Total consideration	Average price per Share
	000	RM000	RM
Pulau Memutik	3,850,000	6,086,803	1.58
MBK Healthcare	1,650,000	3,300,000	2.00
Abraaj 44	434,651[(1)]	1,086,745[(1)]	2.50
Mehmet Ali Aydinlar[(2)]	242,060	605,150	2.50
Hatice Seher Aydinlar[(2)]	18,731	46,827	2.50

Notes:

(1) This block of shares were acquired by Almond (Netherlands) at the above price. On 5 April 2012, the shareholders of Almond (Netherlands) passed the resolution to dissolve Almond (Netherlands) and to approve the transfer of its 7.02% equity interest in our Company to Abraaj 44 in two tranches. The transfer was completed on 5 June 2012.

(2) Mehmet Ali Aydinlar is our Non-Independent, Executive Director and Hatice Seher Aydinlar is his wife. On 20 April 2012, Mehmet Ali Aydinlar and Hatice Seher Aydinlar transferred a total of 142.79 million Shares to SZA Gayrimenkul, a company wholly-owned by Aydinlar.

See "Statutory and Other General Information—Share Capital" for further details on the Aydinlar Option and the Bagan Lalang Option, and to "Statutory and Other General Information—Employee Share Schemes" for details on the LTIP and EPP.

SELECTED FINANCIAL INFORMATION

You should read the following selected historical combined financial information for the periods and as at the dates indicated in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements, the accompanying notes and the related independent auditors' report included in this Prospectus. Our financial statements are reported in Ringgit Malaysia and are prepared and presented in accordance with MFRS and IFRS. MFRS and IFRS reporting practices and accounting principles differ in certain respects from U.S. GAAP.

The selected combined financial information as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 have been derived from our audited historical combined financial statements included in this Prospectus and should be read together with those financial statements and the notes thereto. Our historical financial results for any prior or interim periods are not necessarily indicative of results to be expected for a full fiscal year or for any future periods.

SELECTED COMBINED INCOME STATEMENT INFORMATION

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)		(USD000)
	(except for share and margin information)						
Revenue	121,081	1,214,085	3,328,849	1,043,526	859,927	1,276,192	400,060
Other operating income	2,983	21,812	159,768	50,084	48,864	18,955	5,942
Inventories and consumables	—	(191,198)	(680,242)	(213,242)	(189,019)	(252,332)	(79,101)
Purchased and contracted services	—	(216,151)	(398,590)	(124,950)	(113,860)	(131,182)	(41,123)
Depreciation and impairment losses on property, plant and equipment	(9,244)	(57,350)	(165,751)	(51,960)	(38,348)	(74,367)	(23,313)
Amortisation and impairment losses on intangible assets	(34)	(44,298)	(54,989)	(17,238)	(29,911)	(14,650)	(4,592)
Staff costs	(52,622)	(372,440)	(1,073,066)	(336,384)	(266,890)	(460,344)	(144,308)
Operating lease expenses	(573)	(72,514)	(186,605)	(58,497)	(44,650)	(59,853)	(18,763)
Operating expenses	(22,052)	(225,618)	(456,162)	(142,997)	(90,327)	(133,800)	(41,944)
Finance income	656	6,476	28,907	9,062	10,232	55,410	17,370
Finance costs	(3,526)	(84,111)	(106,420)	(33,361)	(28,638)	(47,404)	(14,860)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	—	530,120	—	—	—	—	—
Share of profits of associates (net of tax)	59,480	70,794	79,937	25,059	12,160	14,472	4,537
Share of profits of joint ventures (net of tax)	4,447	34,039	13,909	4,360	2,742	3,407	1,068
Profit before income tax	**100,596**	**613,646**	**489,545**	**153,462**	**132,282**	**194,504**	**60,973**
Income tax expense	(8,115)	(38,892)	(95,428)	(29,915)	(26,737)	(42,203)	(13,230)
Profit for the year/period	**92,481**	**574,754**	**394,117**	**123,547**	**105,545**	**152,301**	**47,743**
Profit before income tax margin (%)	83.1	50.5	14.7	14.7	15.4	15.2	15.2
Profit for the year/period margin (%)	76.4	47.3	11.8	11.8	12.3	11..9	11.9
Profit attributable to:							
Owners of our Company	83,201	554,424	379,903	119,092	101,875	123,839	38,821
Non-controlling interest	9,280	20,330	14,214	4,455	3,670	28,462	8,922
Profit for the year/period	**92,481**	**574,754**	**394,117**	**123,547**	**105,545**	**152,301**	**47,743**
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	—	(54,566)	88,910	27,871	22,738	8,656	2,713
Net change in fair value of available-for-sale financial assets	—	—	22,641	7,097	—	76,294	23,917
Cumulative changes in fair value of cash flow hedges transferred to profit or loss	—	15,935	—	—	—	—	—
Share of other comprehensive income/(expense) of associates	17,796	(21,502)	(108)	(34)	427	(136)	(43)
	17,796	(60,133)	111,443	34,934	23,165	84,814	26,587
Total comprehensive income for the year/period	**110,277**	**514,621**	**505,560**	**158,481**	**128,710**	**237,115**	**74,330**
Total comprehensive income attributable to:							
Owners of our Company	100,997	486,515	501,434	157,189	128,807	190,915	59,848
Non-controlling interests	9,280	28,106	4,126	1,292	(97)	46,200	14,482
Total comprehensive income for the year/period	**110,277**	**514,621**	**505,560**	**158,481**	**128,710**	**237,115**	**74,330**
Earnings per Share (sen)							
Basic(1)	1.51	10.08	6.91	2.17	1.85	2.00	0.63
Diluted, based on enlarged share capital at Listing(2)	1.03	6.88	4.72	1.48	1.26	1.54	0.48
Diluted, based on MFRS/IFRS(3)	1.51	10.08	6.90	2.16	1.85	1.99	0.63

Notes:

(1) Based on 5,500.0 million Shares in issue for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 6,195.4 million Shares in issue for the three months ended 31 March 2012.

(2) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of Our Shares—Share Capital" for further details.

(3) Based on the number of Shares used in basic earnings per Share in note 1 above, adjusted for dilution effects of outstanding LTIP units and EPP options (where applicable) as calculated in accordance with MFRS 133 and IAS 33 "Earnings per share". Please refer to the combined financial statements and condensed interim combined financial statements as set out in Appendices M and O of this Prospectus for further details.

SELECTED COMBINED BALANCE SHEET INFORMATION

	Year ended 31 December			Three months ended 31 March	
	2009	2010	2011	2012	2012
		(RM000)		(RM000)	(USD000)
Non-current assets					
Property, plant and equipment	155,816	4,136,786	4,726,753	6,290,970	1,972,091
Goodwill on consolidation	106,621	6,321,413	6,487,070	8,553,089	2,681,219
Intangible assets	1,038	1,768,611	1,618,598	3,032,753	950,706
Interest in associates	2,193,304	820,471	862,273	864,238	270,921
Interest in joint ventures	4,517	5,642	28,009	31,302	9,813
Other financial assets	—	35,249	529,881	591,542	185,436
Other receivables	—	—	—	42,313	13,264
Deferred tax assets	—	28,308	24,279	57,682	18,082
	2,461,296	**13,116,480**	**14,276,863**	**19,463,889**	**6,101,532**
Current assets					
Assets classified as held for sale	—	7,840	1,463	1,463	459
Development property	—	939,870	1,121,195	1,160,548	363,808
Inventories	—	74,968	78,784	120,936	37,911
Trade and other receivables	4,389	482,834	518,496	854,194	267,772
Tax recoverable	1,993	12,095	20,422	26,092	8,179
Other financial assets	—	—	27,066	26,967	8,454
Derivative assets	—	—	—	3,007	943
Cash and bank balances	42,843	1,209,465	1,310,803	1,599,558	501,429
	49,225	**2,727,072**	**3,078,229**	**3,792,765**	**1,188,955**
Total assets	**2,510,521**	**15,843,552**	**17,355,092**	**23,256,654**	**7,290,487**
Non-current liabilities					
Bank borrowings	97,525	6,535,608	4,991,264	7,361,564	2,307,700
Employee benefits	—	25,142	15,544	19,085	5,983
Other payables	881	22,102	8,580	77,081	24,163
Deferred tax liabilities	17,506	456,749	446,127	801,248	251,175
Derivative liabilities	—	15,820	—	—	—
	115,912	**7,055,421**	**5,461,515**	**8,258,978**	**2,589,021**
Current liabilities					
Bank overdrafts	—	10,549	584	9,433	2,957
Trade and other payables	54,379	5,257,408	1,576,158	2,168,497	679,779
Bank borrowings	14,224	164,971	46,500	268,047	84,027
Derivative liabilities	—	6,041	1,252	6,369	1,997
Employee benefits	943	42,485	41,935	20,865	6,541
Tax payable	2,530	110,737	118,703	148,372	46,512
	72,076	**5,592,191**	**1,785,132**	**2,621,583**	**821,813**
Total liabilities	**187,988**	**12,647,612**	**7,246,647**	**10,880,561**	**3,410,834**
Equity					
Equity and reserves attributable to owners of our Company	2,313,343	2,936,394	9,861,827	11,539,936	3,617,535
Non-controlling interests	9,190	259,546	246,618	836,157	262,118
Total equity	**2,322,533**	**3,195,940**	**10,108,445**	**12,376,093**	**3,879,653**
Total equity and liabilities	**2,510,521**	**15,843,552**	**17,355,092**	**23,256,654**	**7,290,487**
Net assets(1)	2,313,343	2,936,394	9,861,827	11,539,936	3,617,535
Net tangible assets/(liabilities)(2)	2,205,684	(5,153,630)(3)	1,756,159	(45,906)(3)	(14,391)
Net assets per Share(4) (RM)	0.42	0.53	1.79	1.86	0.58
Net tangible assets/(liabilities) per share(4) (RM)	0.40	(0.94)	0.32	(0.01)	0.00

Notes:

(1) Being NA attributable to ordinary shareholders (excluding non-controlling interests).

(2) Net tangible asset is computed as NA less goodwill on consolidation and intangible assets.

(3) Based on the combined balance sheet as at 31 December 2010, our Group was in a net tangible liabilities position, which is illustrated as RM5,153.6 million. This is derived after deducting goodwill on consolidation of RM6,321.4 million and intangible assets of RM1,768.6 million from the total shareholders' funds of RM2,936.4 million. As at 31 March 2012, our Group was in a net tangible liabilities position, which is illustrated as RM45.9 million. This is derived after deducting goodwill on consolidation of RM8,553.1 million and intangible assets of RM3,032.8 million from the total shareholders' funds of RM11,539.9 million. Goodwill on consolidation and intangible assets represent a substantial portion of our assets due largely to past mergers and acquisitions. In any event, our Group expects to return to a net tangible assets position upon completion of the Listing.

(4) Based on 5,500.0 million shares in issue for the years ended 31 December 2009, 2010 and 2011 and 6,195.4 million shares in issue for the three months ended 31 March 2012.

SELECTED COMBINED STATEMENT OF CASH FLOWS INFORMATION

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)		(USD000)
Net cash generated from operating activities	35,314	398,764	887,111	278,091	240,021	394,087	123,538
Net cash used in investing activities	(14,816)	(5,960,179)	(1,285,719)	(403,047)	(578,721)	(1,062,906)	(333,199)
Net cash generated from financing activities	2,720	6,924,752	423,645	132,804	44,167	910,946	285,563
Net increase/(decrease) in cash and cash equivalents	23,218	1,363,337	25,037	7,848	(294,533)	242,127	75,902
Cash and cash equivalents at beginning of the year/period	18,443	41,661	1,158,109	363,044	1,158,109	1,251,485	392,315
Effect of exchange rate fluctuations on cash held	—	(246,889)	68,339	21,423	(3,359)	(24,007)	(7,526)
Cash and cash equivalents at end of the year/period	**41,661**	**1,158,109**	**1,251,485**	**392,315**	**860,217**	**1,469,605**	**460,691**

SELECTED NON-IFRS FINANCIAL INFORMATION

EBITDA Reconciliation

	Year ended 31 December				Three months ended 31 March		
	2009	**2010**	**2011**	**2011**	**2011**	**2012**	**2012**
		(RM million)		**(USD million)**	**(RM million)**		**(USD million)**
Net profit for the year/period	92.5	574.8	394.1	123.5	105.5	152.3	47.7
Income tax	8.1	38.8	95.4	29.9	26.7	42.2	13.2
Profit before income tax	100.6	613.6	489.5	153.4	132.2	194.5	60.9
Depreciation on property, plant and equipment	9.2	57.4	165.8	52.0	38.3	74.4	23.3
Amortisation on intangible assets	—	39.4	55.0	17.2	29.9	14.7	4.6
Other exchange (gain)/loss	—	4.8	(95.5)	(29.9)	(33.8)	3.8	1.2
Finance income	(0.7)	(6.5)	(28.9)	(9.1)	(10.2)	(55.4)	(17.4)
Finance costs	3.5	84.1	106.4	33.4	28.6	47.4	14.9
Share of profits of associates (net of tax)	(59.5)	(70.8)	(79.9)	(25.0)	(12.2)	(14.5)	(4.5)
Share of profits of joint ventures (net of tax)	(4.4)	(34.0)	(13.9)	(4.4)	(2.7)	(3.4)	(1.1)
Impairment loss on:							
Intangible and other financial assets	—	4.9	2.4	0.8	—	—	—
Deposits paid to non-controlling shareholders	—	65.1	—	—	—	—	—
Write off of property, plant and equipment	—	—	19.4	6.1	—	0.1	—
(Gain)/loss on disposal of property, plant and equipment	—	(0.4)	0.2	0.1	(0.4)	0.2	0.1
Gain on remeasurement of investment previously accounted for as associates and joint ventures	—	(530.1)	—	—	—	—	—
Fair value loss on contingent consideration payable	—	—	—	—	—	10.8	3.4
Professional and consultancy fees incurred for:							
Internal restructuring	—	—	9.1	2.9	1.9	—	—
Acquisitions	—	27.9	35.1	11.0	—	6.3	2.0
EBITDA	**48.7**	**255.4**	**664.7**	**208.5**	**171.6**	**278.9**	**87.4**
Real estate rental expense	0.5	56.8	182.8	57.3	43.7	58.0	18.2
EBITDAR	**49.2**	**312.2**	**847.5**	**265.8**	**215.3**	**336.9**	**105.6**
EBITDA margin (%)	**40.2**	**21.0**	**20.0**	**20.0**	**20.0**	**21.9**	**21.9**
EBITDAR margin (%)	**40.6**	**25.7**	**25.5**	**25.5**	**25.0**	**26.4**	**26.4**

Note:

(1) EBITDA and EBITDAR are not calculations required by or presented in accordance with MFRS and IFRS. EBITDA and EBITDAR presented in this document is a supplemental measure of our operating performance and liquidity, and should not be considered as an alternative to net profit as an indicator of our operating performance or as an alternative to operating cash flows as a measure of our liquidity. Moreover, you should be aware that EBITDA and EBITDAR measures presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation. Therefore, the table above provides you with further information to reconcile EBITDA and EBITDAR to net profit, which we believe is the most directly comparable MFRS and IFRS financial measure.

EBITDA margin and EBITDAR margin are not calculations required by or presented in accordance with MFRS and IFRS. EBITDA margin and EBITDAR margin are calculated by dividing each of EBITDA and EBITDAR by revenue.

Joint ventures in Apollo Gleneagles, Apollo PET and ten Shenton Family Medical Clinics partnerships

	(Year ended 31 December 2011)
	(RM million)
Share of profits of joint ventures (net of tax)[(1)]	13.9
Income tax expense	0.1
Profit before income tax	14.0
Finance income	(0.3)
Finance costs	5.3
Depreciation and amortisation	5.2
EBITDA[(2)]	24.2
Real estate rental expense	0.7
EBITDAR	24.9
Revenue[(3)]	78.3
Debt[(4)]	37.2
Cash[(5)]	4.2

Notes:

(1) Represents our share of profits (net of tax) of our joint ventures in Apollo Gleneagles, Apollo PET and ten Shenton Family Medical Clinics partnerships, on an aggregate basis accounted for using the equity method of accounting. Under equity accounting, our Group recognises our 50.0% equity interest in these joint ventures' profit after tax and minority interests.

(2) Represents 50.0% of the pro forma EBITDA and EBITDAR of our joint ventures on an aggregate basis. Pro forma EBITDA and EBITDAR are not calculations required by or presented in accordance with MFRS and IFRS. Furthermore, we have not presented other measures of operating performance or liquidity for these entities on a standalone basis in this Prospectus. Therefore these EBITDA and EBITDAR amounts should not be considered as an alternative to operating cash flows of our Group presented elsewhere in this Prospectus as a measure of our liquidity.

(3) Represents 50.0% of the revenues of our joint ventures on an aggregate basis. Includes inpatient and outpatient revenues, net of discounts and subsidies.

(4) Represents 50.0% of the indebtedness of our joint ventures on an aggregate basis. Includes bank borrowings, finance leases and overdrafts.

(5) Represents 50.0% of the cash balances of our joint ventures on an aggregate basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In the following section we discuss the historical combined financial statements of our Group for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012, which appear elsewhere in this Prospectus. The audited annual historical combined financial statements discussed below do not reflect the consolidation of Acibadem Holding, which was acquired by our Company on 24 January 2012. The condensed interim historical combined financial statements for the three months ended 31 March 2011 discussed below are unaudited and do not reflect the consolidation of Acibadem Holding. The audited condensed interim historical combined financial statements for the three months ended 31 March 2012 discussed below reflect the consolidation of Acibadem Holding from 1 February 2012.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out under "Risk Factors" and "Forward-Looking Statements". We have prepared our combined financial statements in accordance with MFRS and IFRS, which may differ in certain significant respects from generally accepted accounting principles in other countries, including the United States.

OVERVIEW

We will be one of the largest listed private healthcare providers in the world based on market capitalisation upon Listing. We focus on markets in Asia and in the CEEMENA region, which we believe are highly attractive growth markets. We operate an integrated healthcare business and related services which have leading market positions in our home markets of Singapore, Malaysia and Turkey, and we also have healthcare operations and investments in the PRC, India, Hong Kong, Vietnam, Macedonia and Brunei. Our global healthcare network operates over 4,900 licensed beds in 30 hospitals with one additional hospital in Turkey, the acquisition of which is pending completion, as well as medical centres, clinics and ancillary healthcare businesses across eight countries. In addition, we have over 3,300 new beds in the pipeline to be delivered through new hospital developments and expansion of our existing facilities over the next five years, which includes two potential hospital development projects in Turkey, which are under discussion as at 1 June 2012 (see "Our Business—Acibadem" for further details). These new beds in the pipeline also include approximately 760 new beds in those facilities which we will expect to manage through HMAs, over the next five years. As at 31 March 2012, we employed more than 24,000 people worldwide. Our core businesses are operated through our key subsidiaries, namely PPL, Acibadem Holding and IMU Health. We believe our businesses provide us with the ability to successfully position and grow our assets in attractive markets, execute our operating plan and strengthen our operations and financial performance.

Parkway Pantai Limited

PPL is one of Asia's largest private healthcare providers and operates in six countries across Singapore, Malaysia, the PRC and Hong Kong, India, Vietnam and Brunei. PPL has integrated operations across the healthcare value chain: it has a network of 16 hospitals with more than 3,000 beds, over 60 medical centres and clinics and ancillary healthcare businesses. PPL divides its business operations into three geographic categories, namely Singapore, Malaysia and International.

In Singapore, PPL is the largest private healthcare provider with a market share of approximately 43.9% as at 31 December 2011 in terms of the number of licensed beds, according to Frost & Sullivan. PPL operates Mount Elizabeth Hospital, located in the centre of the Orchard shopping and tourism district, which is the largest private hospital in Singapore in terms of the number of operational beds; Gleneagles Hospital, located in one of Singapore's most exclusive residential neighbourhoods; and Parkway East Hospital, which is the only private hospital on the eastern side of the island. These hospitals are multi-specialty hospitals and their facilities have been regularly upgraded and renovated to maintain their high standards. In addition, PPL is building Mount Elizabeth Novena, a high-end, state-of-the-art tertiary hospital with the capacity to operate up to 333 beds, which is expected to commence operations by July 2012.

In Malaysia, PPL is the second largest private healthcare provider with a market share of approximately 15.1% as at 31 December 2010 in terms of the number of licensed beds, according to Frost & Sullivan. It owns and operates nine "Pantai" Hospitals and two "Gleneagles" Hospitals across Peninsular Malaysia. Over 760 specialists and doctors were credentialed by PPL to admit patients to its hospitals in Malaysia. Two of the hospitals are JCI accredited and seven are accredited by the MSQH (including three hospitals which accreditations have expired and are pending re-accreditation survey results as at 1 June 2012). PPL houses CoEs and advanced clinical programmes within its Malaysia hospitals that provide specialised equipment and services to the doctors who practise there. PPL also operates Pantai Premier Pathology, Pantai Integrated Rehab and one ambulatory care centre in Malaysia. PPL is currently developing three more hospitals in Malaysia which are expected to commence operations by 2015 and undertaking expansion projects in four of its existing hospitals. For the year ended 31 December 2011, approximately 4.0% of the revenue from PPL's Malaysia operations was derived from medical travellers, approximately 90.0% of whom were from Indonesia.

PPL also has a presence in the PRC, India, Hong Kong, Vietnam and Brunei, with operations across the major healthcare sectors: hospitals, medical centres, clinics and ancillary healthcare businesses. PPL's international growth strategy is to identify latent demand in attractive markets and address that demand with a strategy tailored to each market's demographics and industry and regulatory landscape.

Acibadem

Acibadem is the largest private healthcare provider in Turkey in terms of number of non-SGK and partial-SGK beds, according to Frost & Sullivan. It has been one of the leading private healthcare providers of high-quality diagnostic and treatment services for Turkish and international patients since 1991. Acibadem's integrated healthcare network in Turkey and Macedonia as at 1 June 2012 spanned 14 hospitals (with one other hospital in Istanbul, Jinemed Hospital, the acquisition of which is pending completion) with more than 1,800 licensed and operational beds (which exclude the 23 licensed and/or operational beds in Jinemed Hospital), a majority of which were in private, single-bed patient suites. Of Acibadem's 14 hospitals, eight hospitals are in Istanbul (one of which, Aile Hospital Goztepe, was operational until April 2012 and is currently undertaking structural reinforcement of the hospital building, which is leased) and five hospitals are in other large population centres across Turkey. Acibadem employed over 1,800 doctors across 40 specialty areas, of whom approximately 1,300 are specialist doctors, and more than 350 were professors or associate professors as at 1 June 2012. Most of these professors teach at Acibadem University, an institution owned and operated by Acibadem Health and Education Foundation, which is outside the Group. Acibadem hospitals are equipped with state-of-the-art medical technology, such as robotic surgery, intraoperative radiotherapy and digital tomosynthesis mammography.

Acibadem has substantially benefited from recent growth in medical travel across the CEEMENA region. Its International Patient Centre located in Istanbul, Turkey, provides a wide range of intermediary services for foreign patients visiting Acibadem's facilities. Acibadem has over 40 multi-lingual patient specialists and has partnerships and special agreements with foreign governments and institutions in the surrounding and neighbouring region.

In addition, as at 1 June 2012, Acibadem operated nine outpatient clinics (with one other outpatient clinic in Istanbul, Jinemed Medical Centre, the acquisition of which is pending completion) which provide an array of primary care services such as emergency care and other specialty services to their local communities. Acibadem believes that the outpatient clinics serve as active feeders of patients into its healthcare network. Acibadem Holding's integrated business network includes stand-alone ancillary healthcare businesses, such as Acibadem Mobil, APlus and Acibadem Proje, as well as laboratory services, such as Acibadem Labmed.

International Medical University and Pantai College

Through IMU Health, we own and operate IMU, a private university that offers a total of 18 academic programmes as at 1 June 2012, including medical, dental, pharmacy, nursing, health sciences and complementary medicine programmes. It is Malaysia's first private healthcare university offering both local and foreign academic programmes. IMU has a unique educational model. It partners with foreign universities which accept credits earned by students at IMU following a curriculum developed by IMU (instead of adopting the curricula of its partner universities). As at 1 June 2012, IMU had 37 international renowned or established partner universities, which we believe is the largest network of partner universities in Asia. IMU has trained about 7,000 students since it was founded in 1992 and had an enrolment of 2,963 students as at 31 December 2011. As at 31 March 2012, 3,179 students were enrolled at IMU.

IMU Health will focus on our education business in Malaysia for our Group. On 3 April 2012, IMU Health and Pantai Resources entered into a conditional share sale agreement for the acquisition of the entire equity interest in Pantai Education, which trains nurses for PPL's hospitals in Malaysia, from PPL as part of an internal restructuring process. As at 1 June 2012, more than 50.0% of the graduates from Pantai College, which was established in 1993 by Pantai Education to train nurses for PPL's hospitals in Malaysia, have been employed by PPL's hospitals or medical centres and clinics and the rest are employed by other private hospitals or MOH Malaysia hospitals.

RECENT DEVELOPMENTS

Mandatory Tender Offer for Acibadem

On 24 January 2012, our Company completed the acquisition of an indirect 60.0% equity interest in Acibadem Holding in exchange for cash and Shares for a total purchase consideration of approximately USD825.72 million, satisfied by cash payment of approximately USD275.24 million and issuance of our Shares valued at approximately USD550.48 million, which is subject to adjustments as described in "Statutory and Other General Information—Material Contracts". On completion of this acquisition, Acibadem Holding held, through its wholly-owned subsidiary, Almond (Turkey), a 92.0% equity interest in Acibadem as well as a 100.0% equity interest in Acibadem Proje and a 100.0% equity interest in APlus. Acibadem is a listed company on the ISE and is registered with the CMB. Under the rules of the CMB, our indirect acquisition of a majority stake in Acibadem through the acquisition of 60.0% equity interest in Acibadem Holding (which then owned 92.0% equity interest in Acibadem through its wholly-owned subsidiary, Almond (Turkey)) resulted in a mandatory tender offer requirement for the remaining 8.0% equity interest in Acibadem being triggered. The mandatory tender offer was launched by Almond (Turkey) on 27 March 2012 and was open for 10 business days, concluding on 9 April 2012. Upon completion of the mandatory tender offer, Almond (Turkey) held a 97.3% equity interest in Acibadem. The Board of Directors of Acibadem has resolved to delist Acibadem from the ISE and applied to the CMB and ISE for voluntary delisting, which is conditional upon the approval of the general assembly of shareholders of Acibadem as well as the approval of relevant regulators. In addition, other restructuring alternatives may be considered, such as a merger of Acibadem Holding, Almond (Turkey) and Acibadem under a single legal entity in order to streamline the Acibadem Group structure and management. No firm decision regarding the merger of the above companies has been taken as of the date of this Prospectus.

Mount Elizabeth Novena Hospital

PPL has received temporary occupation permits for Mount Elizabeth Novena Hospital and the medical suites located therein on 23 April 2012 and expects the hospital to commence operations by July 2012. As a result, we expect the following accounting consequences:

Sales of medical suites:

- In accordance with MFRS and IFRS, the total contracted amounts for the sales of medical suites will be recognised as revenue in our combined statement of comprehensive income once the risk of ownership of the medical suites is transferred from us to the purchasers, which will occur when the medical suites receive their temporary occupation permits.

- The costs of construction and development of the medical suites, which had been capitalised during the period of construction, will be allocated between medical suites which have been sold and those which are held by the Group for rental. The capitalised costs related to medical suites which have been sold will be expensed in our combined statement of comprehensive income when the medical suites receive their temporary occupation permits. The capitalised costs related to medical suites held by the Group for rental will be recorded as investment properties in our combined statement of financial position when the medical suites receive their temporary occupation permits.

- Our expected total proceeds from sales of medical suites is approximately SGD493.0 million (RM1,217.7 million and USD385.2 million). Purchasers of the medical suites are required to pay in stages upon the achievement of agreed milestones. Contractually, 90.0% of the purchase amount is due by the time the hospital receives its temporary occupation permit. The remaining 10.0% will be due 12 months after receipt of the temporary occupation permit. As at 31 March 2012, progress billing in respect of the sales of medical suites at Mount Elizabeth Novena Hospital was SGD290.2 million (RM708.0 million, translated based on the closing exchange rate of SGD1.00: RM2.4397 as at 31 March 2012), which represents billing pursuant to the agreed milestones as at such date.

Hospital building:

- Once the hospital commences operations, costs that had been recorded as construction-in-progress will be reflected as hospital land and buildings in our combined statement of financial position.

- Once the hospital commences operations, construction and finance costs that had already been capitalised as part of the cost of the new hospital building will be depreciated over the useful life of the hospital building.

On account of the foregoing, we expect our financial condition and results of operations to vary upon the commencement of operations of Mount Elizabeth Novena Hospital as well as the receipt of the temporary occupation permits for the medical suites located there.

BASIS OF PRESENTATION

The presentation of the historical combined financial statements of our Group reflects the various acquisition and reorganisation transactions that we have undertaken during the periods under discussion. Specifically:

- In the year ended 31 December 2009, we owned 67.5% of IMU Health and consolidated its results. In addition, we equity accounted for 23.8% of Parkway and 69.5% of Pantai Irama, both of which were owned by Khazanah.

- In the year ended 31 December 2010, we owned:

  (a) 67.5% of IMU Health from 1 January 2010 until August 2010, following which our ownership increased to 87.5% in September 2010. In November 2010, we increased our ownership to 100.0%. We consolidated IMU Health's results for the entire year;

  (b) 23.8% of Parkway from 1 January 2010 until August 2010 during which period we equity accounted for this interest. Beginning in September 2010, our ownership of Parkway increased to 94.8% and we consolidated its results. In December 2010, our ownership of Parkway increased to 100.0%; and

  (c) 69.5% of Pantai Irama from 1 January 2010 until August 2010, during which we equity accounted for this interest as a joint venture in our combined financial statements as Pantai Irama is jointly-controlled by Khazanah and Parkway by virtue of a contractual agreement entered into by both parties, and required unanimous consent for strategic financial and operating decisions. Beginning in September 2010, our ownership of Pantai Irama increased to 97.9% and we consolidated its results. In December 2010, our ownership of Pantai Irama increased to 100.0%.

- In the three months ended 31 March 2011, we owned:

  (a) 100.0% of IMU Health;

  (b) 100.0% of Parkway; and

  (c) 100.0% of Pantai Irama,

  and we consolidated the results of all three subsidiaries fully.

- In the year ended 31 December 2011, we owned:

  (a) 100.0% of IMU Health;

  (b) 100.0% of Parkway; and

  (c) 100.0% of Pantai Irama,

  and we consolidated the results of all three subsidiaries fully.

On 28 April 2011, we transferred our shareholdings in Parkway and Pantai Irama to PPL, of which we owned 100.0%.

- In the three months ended 31 March 2012, we owned:

  (a) 100.0% of IMU Health;

  (b) 100.0% of PPL; and

  (c) 56.2% effective interest in Acibadem Holding from 24 January 2012 onwards,

  and we consolidated the results of IMU Health and PPL fully for the period and the results of Acibadem Holding from 1 February 2012.

  From 1 February 2012, 3.8% effective interest in Acibadem Holding was held by Symphony, which will be swapped for new Shares in our Company at Listing. As at 1 June 2012, Symphony's effective interest is 3.7%.

Since the parts of our business that are reflected in our historical combined financial statements have changed from period to period, these financial statements are not comparable to one another and are not indicators of our financial performance as a combined business in future periods.

Our statutory audited consolidated financial statements have historically been prepared in accordance with FRSM. We are presenting historical combined financial statements in accordance with MFRS, which is equivalent to IFRS, for the first time in connection with this Global Offering; however, we will continue publishing our statutory audited consolidated financial statements in FRSM for the year ended 31 December 2011. There will be differences between the MFRS and IFRS amounts presented in this Prospectus and the FRSM amounts that will be presented in our statutory audited consolidated financial statements. Significant differences can be expected in terms of our treatment of the acquisition of additional equity stakes in Parkway, Pantai Irama and IMU Health during the year ended 31 December 2010 that will result in the carrying amount of goodwill in our historical combined financial statements for the year ended 31 December 2011 to be higher than the statutory audited consolidated financial statements by approximately RM71.1 million. Similarly, the retained earnings of our historical combined financial statement for the year ended 31 December 2011 is higher than the statutory audited consolidated financial statement for the year ended 31 December 2011 by approximately RM84.8 million.

The following table shows the reconciliation of the carrying amount of goodwill between FRSM and MFRS/IFRS as at 31 December 2011.

	As at 31 December 2011
	RM million
Goodwill per statutory audited consolidated financial statements (under FRSM)	**6,416.0**
Add/(Less):	
Application of MFRS/IFRS 3, Business Combination	
— remeasurement gain of investments previously accounted for as associate and joint venture, i.e. Parkway and Pantai Irama	530.1
— acquisition related cost recognised as expense	(26.1)
— acquisitions of non-controlling interests[(1)] treated as transactions with owners and no goodwill to be recognised	(432.9)
Total difference	71.1
Goodwill per historical combined financial statements (under MFRS/IFRS)	**6,487.1**

The following table shows the reconciliation of retained earnings between FRSM and MFRS/IFRS as at 31 December 2011.

	As at 31 December 2011 RM million
Retained earnings per statutory audited consolidated financial statements (under FRSM)	**300.2**
Add/(Less):	
Application of MFRS/IFRS 3, Business Combination:	
— remeasurement gain of investments previously accounted for as associate and joint venture, i.e. Parkway and Pantai Irama	530.1
— acquisition related cost recognised as expense	(26.1)
— recognised in income statement	504.0
— acquisitions of non-controlling interests[1] where excess of consideration paid over the carrying amount of non-controlling interests is recognised directly in retained earnings	(432.9)
— recognised in retained earnings	71.1
Retained earnings of Parkway, Pantai Irama and IMU Health attributable to Khazanah before the formation of IHH	13.7
Total difference	84.8
Retained earnings per historical combined financial statements (under MFRS/IFRS)	**385.0**

Note:

(1) Primarily comprises acquisitions of non-controlling interests of 32.5% in IMU Health, 5.2% in Parkway and 2.1% in Pantai Irama during the financial year ended 31 December 2010. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of Presentation" for further details.

For the year ending 31 December 2012, we will adopt MFRS and IFRS as the basis of our statutory audited consolidated financial statements. See "Risk Factors—Risks related to our business—The financial information presented in the historical combined financial statements prepared for inclusion in this Prospectus will not be the same as compared to the audited consolidated financial statements prepared by our Company after our Listing for statutory purposes".

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations have been and will continue to be affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have affected our results of operations and, in some cases, will continue to affect our results on a consolidated level and at our individual facilities. In this section, we discuss several factors that we believe have, or could have, an impact on these results. See "Risk Factors".

Acquisitions

In the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, we undertook a series of acquisitions, which were the main reasons for the increase in our revenue, tangible and intangible assets and, in particular, goodwill on consolidation and the overall growth of our business.

Parkway and Pantai Irama

The acquisition of Parkway in August 2010 resulted in Parkway subsequently being delisted from the SGX-ST on 24 November 2010. As part of the acquisition, SGD750.0 million (RM1,852.5 million and USD585.9 million) of indebtedness of Parkway and RM605.0 million (USD189.7 million) of indebtedness of Pantai Irama was assumed by our Group. The acquisition of Parkway and Pantai Irama was financed with a combination of external borrowings, equity consideration and cash on hand.

During 2011, we underwent an internal restructuring that resulted in, among other things, the creation of PPL to hold 100.0% of each of Parkway and Pantai Irama.

Acibadem Holding

On 24 January 2012, our Company completed the acquisition of an indirect 60.0% equity interest in Acibadem Holding in exchange for cash and Shares for a total purchase consideration of approximately USD825.72 million, satisfied by cash payment of approximately USD275.24 million and issuance of our Shares valued at approximately USD550.48 million, which is subject to adjustments as described in “Statutory and Other General Information—Material Contracts”. At the time of this acquisition, Acibadem Holding held, through its wholly-owned subsidiary, Almond (Turkey), a 92.0% equity interest (which was later increased to 97.3% following the completion of the mandatory tender offer on 9 April 2012) in Acibadem as well as a 100.0% equity interest in Acibadem Proje and a 100.0% equity interest in APlus. In addition, Acibadem Holding and its subsidiaries had TL1,061.9 million (RM1,746.8 million, translated based on the closing exchange rate of TL1.00: RM1.6450 as at 31 December 2011) and TL987.5 million (RM1,692.6 million, translated based on the closing exchange rate of TL1.00: RM1.7141 as at 31 March 2012) of indebtedness outstanding as at 31 December 2011 and 31 March 2012, respectively. There was no material difference in Acibadem Holding’s indebtedness from that date until the date of the acquisition. The acquisition of Acibadem Holding was settled with a combination of cash, which was funded by external borrowings, and equity consideration.

Acibadem Holding normally takes on indebtedness to fund capital expenditures, such as the acquisition of new hospitals and equipment in addition to the replacement of existing medical equipment and expansion of existing hospitals, and we expect to continue to do the same going forward in order to fund Acibadem Holding’s expansion and new hospital projects. As the new hospitals ramp-up and gain economies of scale, over time the debt levels as a multiple of EBITDA are expected to decrease. Post Listing, the indebtedness level at our Group is expected to become lower as the majority of the proceeds will be utilised to pare down the debts at our Company and PPL. While we may choose to keep incurring debt at certain individual subsidiaries (such as Acibadem Holding), we believe that the overall low gearing ratio of our Group, which was 0.62 for the three months ended 31 March 2012 and the availability of debt capacity at our Group level decreases the risk associated with higher levels of total borrowings relative to total equity at selected individual subsidiaries. For additional information on the Group’s and Acibadem Holding’s key financial ratios, including gearing ratios, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Ratios”.

Acibadem Holding’s interest coverage ratio increased over the last three financial years from 2.1 for the year ended 31 December 2009 to 3.0, 3.7 and 4.9, for the years ended 31 December 2010 and 2011 and the three months ended 31 March 2012, respectively, primarily due to the increase in operating profit.

In 2011, Acibadem Holding has generated positive EBITDA and operating income. However, it generated a net loss. The net loss was due to higher unrealised foreign exchange losses of TL193.4 million (RM350.3 million, translated based on the average exchange rate of TL1.00: RM1.8107 as at 31 December 2011) in 2011 as compared to a foreign exchange loss of TL25.5 million (RM54.5 million, translated based on the average exchange rate of TL1.00: RM2.1405 as at 31 December 2010) in 2010. Such losses were primarily due to the fact that a significant portion of Acibadem Holding's debt is in foreign currency, mainly in U.S. Dollar, against which the Turkish Lira weakened in 2011. Going forward, we intend to evaluate different options for managing this foreign exchange risk and assess the cost of these options in order to decide on the path forward. In addition Acibadem Holding has opened multiple hospitals since 2009, which are still ramping-up their operations. The private hospital industry is capital intensive, so that the first few years of operations will generally post lower earnings. As these hospitals ramp up their operations, their increased revenue contribution is expected to help increase Acibadem Holding's net income.

For the year ended 31 December 2011 and the three months ended 31 March 2012, Acibadem Holding would have comprised 37.5% and 39.8% of our total pro forma revenues, respectively. Accordingly, our results for the year ending 31 December 2012 and future periods, consolidating the results of Acibadem Holding, will differ significantly from our results for the year ended 31 December 2011, which do not consolidate the results of Acibadem Holding.

See "Selected Pro Forma Financial Information" for a description of the effects of these acquisitions on our historical combined financial statements.

Integrating and realising synergies from acquisitions

Our growth and current form have largely been dependent on the various acquisitions discussed above. We may acquire other hospital and healthcare businesses in the future, the viability of which will depend on a number of considerations, such as market attractiveness, location, including the number of target patients in the area, available talent pool at that location, price and, for existing facilities, the quality of the infrastructure, the reputation of the staff and the institution's work culture. These factors also determine the ease with which we are able to integrate and realise synergies from our acquisitions. For example, the centralisation of Parkway and Pantai Irama's respective operations under PPL within a relatively short period of time has enabled us to streamline operations and achieve synergies and cost savings. As a result, PPL has been able to significantly improve business efficiency and extract synergies. For example, our Singapore and Malaysia operations began an initiative involving the sharing of management expertise, centralising procurement of key capital expenditure and operating expense items and leveraging joint marketing efforts, as well as other operational best practices to improve hospital performance, which resulted in cost savings (as compared to our expected budgeted costs) from April to December 2011 of approximately SGD19.0 million (RM46.9 million). Moreover, at Mount Elizabeth Novena Hospital, we were able to achieve capital expenditure savings of approximately SGD29.0 million (RM71.6 million) for the year ended 31 December 2011 (as compared to our expected budgeted expenditures for the same period) in relation to key medical and non-medical equipment. We expect to be able to achieve similar synergies and cost savings with the integration of Acibadem Holding and expect to do so for future acquisitions.

Goodwill on consolidation

For acquisitions, we measure 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 bargain purchase gain is recognised immediately in the combined statement of comprehensive income. For goodwill, the recoverable amount is estimated each period at the same time or when there is indicator of impairment. In the event that the recoverable amount is lower than the carrying amount of the goodwill, an impairment loss will be recognised in the combined statement of comprehensive income.

The following table shows the carrying amount of goodwill for the periods indicated:

	Year ended 31 December			Three months ended 31 March
	2009	**2010**	**2011**	**2012**
		(RM million)		
Singapore hospital and healthcare services	—	4,248.0	4,382.0	4,387.0
Malaysia hospital and healthcare services	—	1,967.4	1,995.0	2,005.6
Turkey hospital and healthcare services	—	—	—	2,050.4
Education	106.6	106.0	110.1	110.1
Total carrying amount of goodwill	**106.6**	**6,321.4**	**6,487.1**	**8,553.1**

Capital expenditure

We have implemented plans to significantly increase the number of licensed and operating beds across our hospital network through new hospital developments, expansion of existing facilities and selective acquisitions. We operate a network of 30 hospitals and have one other hospital in Turkey the acquisition of which is pending completion, with more than 4,900 licensed beds as well as medical centres, clinics and ancillary healthcare businesses across eight countries. In addition, at the time we acquired Parkway, it was in the midst of building Mount Elizabeth Novena Hospital, a 333-bed high-end, state-of-the-art medical facility, with respect to which the overall land cost and the cost of developing, equipping (with medical and non-medical equipment) and financing is estimated at approximately SGD2.0 billion (RM4.9 billion and USD1.6 billion). As at 31 March 2012, Parkway had incurred SGD1.8 billion (RM4.4 billion and USD1.4 billion) of expenditure on this project, of which, the entire amount had been capitalised in our historical combined statements of financial position. The finance costs for the construction of our new hospital developments and any expansion of existing facilities will be capitalised during the period of construction, but once the new hospital or expansion commences operations, those finance costs incurred in relation to the construction loans will be expensed in our consolidated statement of comprehensive income. Construction and finance costs that have been capitalised as part of the cost of the new hospital building will be depreciated over the useful life of the hospital building.

We are also currently developing one new greenfield project in India, three new greenfield projects in Malaysia and two new greenfield projects in Turkey. Certain details of capital expenditure for these projects are set out in "Our Business" and "—Capital Expenditure and Divestment".

Economic conditions

Our healthcare business operations and related services are primarily located in Malaysia, Singapore and Turkey. Our Singapore, Malaysian and Turkish business operations accounted for approximately 36.9%, 21.5% and 37.5% of our total pro forma revenues for the year ended 31 December 2011, respectively, and 35.5%, 20.5% and 39.8% of our total pro forma revenues for the three months ended 31 March 2012, respectively. This concentration makes us particularly sensitive to the condition of the economy, foreign exchange rates, changes in the population and demographics and regulatory changes in these countries.

Singapore and Malaysia

The growth in private hospital admissions has been attributable to the availability of hospital beds and the demand for higher-quality healthcare services, coupled with economic growth that has increased disposable income and private insurance coverage.

We believe that stronger volume growth for the Malaysian and Singapore private healthcare sectors will be driven by:

- capacity constraints at key public hospitals, with these constraints likely further stretching the length of hospital bed waiting times and lead patients that need quick attention to look towards private hospitals;

- growing affluence of the populations in these countries coupled with economic growth and a preference for private hospitals due to affordability and increasing private insurance coverage;

- push by the governments of these countries for less dependence on public healthcare for the higher income population through various measures, such as means testing in Singapore, which has reduced subsidies provided to patients with higher annual income, thereby providing a further incentive for the use of private services to those that can afford such services;

- a continued increase in the percentage of the population aged 65 years or more, which increased by approximately 6.4% and 5.7% between 2006 and 2010 in Singapore and Malaysia, respectively, according to Frost & Sullivan; and

- the continued growth of the medical travel market, where revenue grew at an estimated CAGR of 1.9% and 19.0% in Singapore and Malaysia, respectively, from 2007 to 2011, according to Frost & Sullivan.

Turkey

According to Frost & Sullivan, the private sector plays a critical role in expanding the accessibility of healthcare coverage in Turkey as the number of inpatients visiting private hospitals increased from 1.2 million in 2006 to over 2.7 million in 2010, growing by a CAGR of 22.5%. In 2010, the number of private inpatients accounted for 25.5% of total inpatients in Turkey, according to Frost & Sullivan.

We believe that stronger volume growth for the Turkish private healthcare sector will be driven by:

- capacity constraints at public hospitals, with these constraints likely further stretching the length of hospital bed waiting times and lead patients that need quick attention to look towards private hospitals;

- insurance premiums for private health insurance becoming more affordable, allowing inpatients to seek higher quality healthcare services from private hospitals. The number of people with private health coverage almost doubled from 1.3 million in 2008 to 2.3 million in 2011, even though the total insurance premium collection only increased by 46.1% from TL1.2 billion in 2008 to TL1.7 billion in 2011, according to Frost & Sullivan;

- investment in healthcare infrastructure by the private sector, where the number of beds increased by a CAGR of 16.2% from 2006 to 2010, according to Frost & Sullivan; and

- government incentives and active promotion by MOH Turkey of medical travel, which has contributed to the continued growth of revenue from medical travel at an estimated CAGR of 20.3% from 2008 to 2011, according to Frost & Sullivan.

Revenue sources

Hospitals and healthcare

Our hospitals and other healthcare facilities offer a wide spectrum of services across the healthcare value chain. We have integrated the range of services and programmes we provide in our various facilities to help ensure a broad spectrum of revenue sources across service lines, income levels and geographies. Hospitals in our primary businesses generally generate revenues from patient services, which are paid through private and government healthcare insurance programmes, managed care plans, private insurers and directly from patients.

In Singapore, our Mount Elizabeth Hospital targets medical travellers and emergency air-evacuation cases from the Southeast Asia region, whereas our Gleneagles Hospital targets the mid- to high-income domestic market, including local expatriates, and our Parkway East Hospital focuses on community patients and third party payers in the eastern part of Singapore. These hospitals are complemented by our various diagnostic laboratory services, imaging centres and education facilities as well as our Parkway Shenton primary care clinic business. In addition, we intend to position our upcoming Mount Elizabeth Novena Hospital to service premium medical travellers and high-end domestic patients requiring complex, high-intensity treatments.

We utilise a dual-pronged brand positioning strategy in Malaysia. Our "Pantai" hospitals predominantly target the middle-to-high income domestic segment while our "Gleneagles" hospitals serve the premium domestic, local expatriate and medical travel markets.

Our business in Turkey is diversified both geographically and demographically, serving Istanbul and other large population centres across the country with premium "Acibadem" brand hospitals targeting affluent patients who pay for their own medical expenses or have private insurance, and "Aile Hastanesi" brand hospitals mostly catering to government-funded patients. In addition, our hospital network is supported by a range of ancillary services.

In selected specialties, PPL offers advanced medical services through the use of specialised equipment and integrated clinical services delivered through multi-disciplinary teams. PPL has developed various clinical delivery models within its hospitals in Singapore and Malaysia to provide complex treatments in a range of specialties through CoEs, advanced clinical programmes and specialised wards. Through these, PPL generates revenue from the treatment of patients who need specialised, state-of-the-art treatment or surgery. The sources of such revenue include consultation, surgical and hospitalisation services and the utilisation of its facilities, equipment, consumables and services by its patients.

In Singapore and Malaysia, most of the credentialed specialist doctors are independent medical practitioners. They operate from clinics, which are either in medical office buildings co-located with PPL's hospitals or in PPL's hospitals itself or located in the vicinity of PPL's hospitals. These credentialed specialist doctors may refer patients to one of PPL's hospitals for further care and use of inpatient facilities. The credentialed specialist doctors continues to consult and treat the patient while PPL provides the inpatient facilities, equipment and services of PPL's medical staff for a fee. These specialist doctors may also refer patients to PPL's medical centres, clinics and ancillary healthcare businesses and receive patients who are referred to them by PPL's medical centres, clinics and ancillary healthcare businesses. PPL employs nurses, resident physicians and ancillary medical and support staff directly at its hospitals and other healthcare operations in Singapore and Malaysia.

In Turkey, most of the doctors and physicians who practise in Acibadem's hospital network are either contracted or employed by Acibadem under a full- or part-time employment contract. The majority of the doctors have annual rolling contracts with Acibadem while others have two to three year contracts. The majority of doctors practise under a revenue-sharing model, under which Acibadem bills patients for all medical services rendered and then pays the doctors a portion of the fees received, whereas the remaining receive either a fixed salary or a combination of revenue-sharing and a salary.

In the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, our hospital and other healthcare business services contributed nil, RM1,051.7 million, RM3,085.6 million and RM1,212.0 million to our combined revenue, representing nil, 86.6%, 92.7% and 95.0%, respectively.

Education

At IMU, Pantai College and Parkway College, revenue is derived from tuition fees from students who pursue their studies at each institution. Tuition fees are paid in advance of each semester. At IMU, once registered, a student's tuition fees are set for the entire duration of his or her academic programme and there are no annual tuition fee increases for that student. However, tuition fees may increase from year to year for newly registered students.

In the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, our education services contributed RM121.1 million, RM138.5 million, RM162.2 million and RM44.6 million to our combined revenue, representing 100.0%, 11.4%, 4.9% and 3.5%, respectively.

Inpatient revenue

Our inpatient revenue is highly dependent on the number of admissions, complexity of cases of inpatient admissions and, to a certain extent, the average length of stay at our hospitals. Balancing these factors with our available beds and operating theatres is critical to optimising profitability at our facilities and is an integral part of our management system. The inpatient admissions of a hospital for any given period is a function of, among others, inpatient admission volume, the efficient management of available beds and operating theatres and increasing patient turnover as a result of better surgical outcomes and recovery.

Inpatient admission volumes are driven by, among other things, the hospital image and brand reputation, the type of services offered, the economic and social conditions of local and regional communities, the degree of competition from other hospitals, the clinical reputation of our accredited doctors and their retention and attrition, the effectiveness of our marketing programmes, corporate contracts, seasonal climate and weather conditions and seasonal religious and cultural periods. We aim to increase the average revenue per patient day at our hospitals and healthcare facilities by (i) increasing the mix of inpatients who need complex procedures with higher margins and (ii) increasing patient turnover by having successful surgical outcomes as a result of credentialing the most experienced specialist doctors, having quality nursing care and introducing less invasive new and advanced technologies and medical procedures, so that the inpatient is able to recover more quickly.

For a discussion of the performance of our individual hospitals and outpatient clinics, see "Our Business—Parkway Pantai Limited" and "Our Business—Acibadem".

Costs of operations

Our primary costs in our operations relate to costs such as inventories and consumables, purchased and contracted services, rental costs, staff costs and benefits (excluding physician staff), utilities, property taxes, maintenance and depreciation cost of the hospital properties, machinery, equipment, laboratory and support services.

Inventories and consumables

Our cost of inventories and consumables is predominantly driven by the amounts we use and our procurement costs. The amount of inventories and consumables we use is principally driven by inpatient admissions and outpatient visits, the number and complexity of treatments, procedures and other medical services provided. In addition, our procurement costs are principally driven by the terms of our contracts with suppliers, our relative purchasing power and other market factors, which may be outside of our control. Our costs may also be driven by the nature of the inventories and consumables requested by doctors, such as the prescription of generic pharmaceutical drugs as opposed to brand-name pharmaceutical drugs.

Purchased and contracted services

Our purchased and contracted services principally comprise equipment service contracts and outsourcing of certain medical tests. Our cost of purchased and contracted services generally increases along with our operational levels, primarily driven by the amount of equipment, its age and utilisation rate. We generally outsource certain medical tests where we believe that there is insufficient demand to warrant the necessary investment or development of the expertise and infrastructure. In addition, our cost of purchased and contracted services is driven by the terms of our service agreements with doctors who are contracted by our CoEs.

Rental costs

We lease some of our hospital facilities. In particular, we lease our three existing hospital properties in Singapore, and the majority of our hospitals (10 out of 14 hospitals) and all outpatient clinic properties in Turkey and Macedonia as at 1 June 2012. In addition, we lease a substantial portion of our medical centres and clinics utilised by our healthcare businesses. The majority of our lease expenditures relate primarily to the lease of our three hospital properties in Singapore, which we lease from PLife REIT. Under the terms of these lease and lease-back arrangements, the hospital properties are leased for a period of 15 years commencing from the date on which PLife REIT was listed on the SGX-ST. The leases will expire in 2022, with an option to extend the leases for a further term of 15 years upon the expiry of the initial term by giving a written notice. Under the terms of the leases, the rent payable for each of these Singapore hospitals is the higher of (a) the aggregate of a base rent and a variable rent which is tied to 3.8% of the hospital's adjusted revenue for the relevant financial year; and (b) the total rent paid in the immediately preceding year, adjusted for any growth in the Singapore consumer price index plus 1% of such total rent paid in the immediately preceding year. For a further description of our income from PLife REIT, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Principal income statement components—Revenue—Management and acquisition fees".

Staff costs

In Turkey, most of the doctors and physicians who practise in Acibadem's hospital network are either contracted or employed by Acibadem under a full- or part-time employment contract. The majority of doctors have annual rolling contracts with Acibadem while others have two to three year contracts. The majority of doctors practise under a revenue-sharing model, under which Acibadem bills patients for all medical services rendered and then pays the doctors a portion of the fees received, whereas the remaining receive either a fixed salary or a combination of revenue-sharing and a salary. For the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, 49.0%, 46.7%, 47.0% and 45.8%, respectively, of Acibadem Holding's total consolidated revenue were personnel expenses (including specialist doctors). See Acibadem Holding's consolidated financial statements as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012 included in Appendix Q.

Although in Singapore and Malaysia, most of the specialist doctors who practise in or refer patients to PPL's hospital network are independent medical practitioners and not salaried employees of PPL, PPL employs nurses, resident physicians and ancillary medical and support staff directly for its hospitals and other healthcare operations in Singapore and Malaysia. For the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, 43.5%, 30.7%, 32.2% and 36.1%, respectively, of our total combined revenue were staff costs, which in the year ended 31 December 2009 consisted primarily of IMU Health's staff costs.

Contribution from associates and others

As at 1 June 2012, we had a 35.8% equity interest in PLife REIT. In 2007, we entered into a lease and leaseback arrangement with the trustee of PLife REIT pursuant to which three of PPL's hospital properties, Gleneagles Hospital, Mount Elizabeth Hospital and Parkway East Hospital, were leased to the trustee and subsequently leased back to us. See "Appendix C — Details of our material properties". As at 1 June 2012, PLife REIT also owned 29 nursing homes and one pharmaceutical product distributing and manufacturing facility in Japan. It is one of Asia's largest healthcare real estate investment trusts with 36 properties with a carrying amount of SGD1,397.9 million (RM3,452.8 million) as at 31 March 2012, and a market capitalisation of SGD1,119.2 million (RM2,764.4 million) as at 1 June 2012. We equity accounted for the profits of PLife REIT as a result of our 35.8% equity interest in it. We receive quarterly dividends from PLife REIT. We also own 100.0% equity interest in Parkway Trust Management, the manager of PLife REIT. As such, we are also entitled to a share of dividends distributed and management fees.

As at 1 June 2012, we had an 11.2% equity interest in Apollo, which is accounted for as an available-for-sale investment in our combined statement of financial position. Apollo operates healthcare facilities that provide treatment for acute and chronic diseases across primary, secondary, and tertiary care sectors. As at 31 December 2011, Apollo had more than 8,200 beds in 51 hospitals in India and overseas. Apollo also has a network of 100 primary care clinics, an extensive chain of Apollo pharmacies, business process outsourcing as well as health insurance services and clinical research divisions. Apollo has a presence outside India including in the Republic of Mauritius and Bangladesh and has signed a preliminary joint venture agreement with the Board of Trustees of the National Social Security Fund, Tanzania and the Tanzanian Ministry of Health & Social Welfare, in connection with the establishment of an advanced healthcare facility in Dar es Salaam.

Regulatory conditions

We are subject to national and local laws, rules and regulations in Malaysia, Singapore, Turkey, the PRC, India and the other countries in which we operate. These laws, rules and regulations are generally stringent and it is possible that they will become significantly more stringent in the future. If we are held to be in violation of such regulatory requirements, including conditions in the permits required for our operations, by courts or governmental agencies, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us. Any such costs may have a material adverse effect on our business, financial condition, results of operations and prospects. See "Risk Factors—Risks related to our business" and "Risk Factors—Risks related to our countries of operation".

Foreign exchange rates

Most of our operating subsidiaries' functional currencies are denominated in currencies other than Ringgit Malaysia, such as Singapore Dollar and Turkish Lira, and will be translated into Ringgit Malaysia for consolidation into our Group's combined financial statements. Generally, assets and liabilities are translated from the respective functional currencies into Ringgit Malaysia using the exchange rate on the relevant reporting balance sheet date. Statements of comprehensive income are generally translated using the average exchange rate for the reporting period. Any currency exchange gain or loss arising from the translation process is recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. Significant changes in exchange rates from period to period would affect the comparability of the financial statements across periods.

In addition, we and our subsidiaries do not fully hedge against exchange rate fluctuations, so any decline in the value of Singapore Dollar, Ringgit Malaysia and Turkish Lira against the currency in which our liabilities, in particular, indebtedness, may be denominated may lead to a decrease in our net income and cash flow amounts, caused by effective increases in payments of interest expenses and repayment of principal amounts on fixed obligations and indebtedness denominated in U.S. Dollar, Euro or currencies other than the functional currencies of our key operating subsidiaries. For example, in the years ended 31 December 2010 and 2011, adverse movements in the Turkish Lira against several foreign currencies resulted in a foreign exchange loss of TL25.5 million (RM54.5 million, translated based on the average exchange rate of TL1.00: RM2.1405 as at 31 December 2010) and TL193.4 million (RM350.3 million, translated based on the average exchange rate of TL1.00: RM1.8107 as at 31 December 2011). This was primarily because of U.S. Dollar- and Euro-denominated credit facilities at Acibadem Holding and a Swiss franc-denominated equipment lease agreement, the foreign currency exposure in respect of which was not fully hedged. For the three months ended 31 March 2012, Acibadem Holding had a foreign exchange gain of TL62.7 million (RM107.2 million, translated based on the average exchange rate of TL1.00: RM1.7097 as at 31 March 2012), primarily due to the appreciation of the Turkish Lira against several foreign currencies, such as the U.S. Dollar and Euro.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates. The methods, estimates and judgments that we use in applying our accounting policies may have a significant impact on our results as reported in our historical combined financial statements included elsewhere in this Prospectus. Some of the accounting policies require us to make judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Below is a summary of the accounting policies in accordance with MFRS and IFRS that we believe are both important to the presentation of our financial results and involve the need to make estimates and judgments about the effect of matters that are inherently uncertain. We also have other policies that we consider to be key accounting policies, which are set out in detail in note 2 to the historical combined financial statements which appear elsewhere in this Prospectus.

Basis of combination

Subsidiaries

Subsidiaries are entities controlled by our Group. Control exists when our Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by our Group.

Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to our Group.

Acquisitions on or after 1 January 2009

For acquisitions on or after 1 January 2009, we measure 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 bargain purchase gain is recognised immediately in our combined statement of comprehensive income.

For each business combination, we elect whether we measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable NA at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that we incurred in connection with a business combination are expensed as incurred.

When a business combination is achieved in stages, the acquirer's previously held non-controlling equity interest in the acquiree is remeasured to fair value at the acquisition date, with any resulting gain or loss recognised in our combined statement of comprehensive income.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is considered as equity, then it is remeasured and settlement is recognised in equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in our combined statement of comprehensive income.

Acquisitions before 1 January 2009

In preparing this first set of combined financial statements under MFRS and IFRS, we elected not to restate those business combinations undertaken by Khazanah that occurred before 1 January 2009. Goodwill arising from acquisitions before 1 January 2009 has been carried forward from the consolidated financial statements of Khazanah as at 1 January 2009.

Acquisition of non-controlling interests

We treat all changes in our ownership interest in a subsidiary that do not result in a loss of control as equity transactions between our Group and our non-controlling interest holders. Any difference between our share of NA before and after the change, and any consideration received or paid, is adjusted to or against our reserves.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of our Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are translated at exchange rates at the date of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on retranslation are recognised in the combined statement of comprehensive income, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with our accounting policy. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement costs when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the combined statement of comprehensive income.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to our Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised to combined statement of comprehensive income. The costs of the day-to-day servicing of property, plant and equipment are recognised in the combined statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in combined statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the lease term. Freehold land is not depreciated. Property, plant and equipment under construction (building-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:

- Leasehold land: remaining term of the lease;
- Buildings: 5 to 50 years;
- Motor vehicles: 5 years;
- Laboratory and teaching equipment: 2 to 10 years; and
- Hospital and medical equipment, renovation, and furniture, fittings and equipment: 3 to 25 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

Goodwill on consolidation

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses. In respect of equity accounted associates and jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates and jointly controlled entities.

Intangible assets

Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the lease term unless usage of the land use rights is dependent upon the construction of additional property, plant and equipment. In such a case, amortisation is charged on a straight line basis over the remaining term of the land use rights once the additional property, plant and equipment is ready for its intended use.

Other intangible assets

Customer relationships and concession rights that are acquired by our Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Brand names that have indefinite lives and other intangible assets that are not available for use are stated at cost less impairment losses. Such intangible assets are tested for impairment annually and whenever there is an indication that they may be impaired.

Amortisation

Amortisation is based on the cost of an asset less its residual value. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet in use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired. Other intangible assets are amortised from the date that they are available for use.

Amortisation is recognised in combined statement of comprehensive income 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 are as follows:

- Concession rights: 15 years;
- Land use rights: 65 years;
- Customer relationships: 5 years; and
- Development costs: 5 to 20 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Development property

Development property is stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The cost of property under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure that can be allocated on a reasonable basis to the property under development. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

Impairment—other assets

The carrying amounts of other assets (except for inventories, development property, deferred tax asset, assets arising from employee benefits and non-current assets (or disposal groups) classified as held for sale), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in combined statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to combined statement of comprehensive income in the year in which the reversals are recognised.

Employee benefits—share-based payments transactions

We recognise the grant date fair value of share-based payment awards granted to employees as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to 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. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee share options are measured using a binomial lattice model and a market value approach on a minority, non-marketable basis for EPP and LTIP respectively. 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, 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 taken into account in determining fair value.

Revenue recognition

Goods sold

Revenue from the sale of pharmaceutical products is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Services rendered

Revenue from provision of medicine and medical services, including healthcare support services rendered and service fees charged on the management of medical examination of foreign worker is recognised in the profit or loss net of service tax and discount as and when the services are performed.

Sale of development property

We recognise income on property development projects when the significant risks and rewards of ownership have been transferred to the purchasers. Revenue and associated expenses will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides which the time the development units are delivered to the purchasers, such as upon the completion of the construction and when the rest of the purchase price is paid. Revenue excludes goods and services or other sale taxes and is after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the unit sold.

PRINCIPAL INCOME STATEMENT COMPONENTS

Revenue

Our revenue is mainly derived from the provision of hospital and other healthcare services, consisting of inpatient and outpatient services, the provision of educational services, rental income and management and acquisition fees.

Due to differences in the underlying business models of Acibadem and PPL, Acibadem's revenue is accounted for on a gross basis (inclusive of doctor consultation fees), while PPL's revenue is accounted for on a net basis (exclusive of doctor consultation fees). For example, in Singapore and Malaysia, most of the specialist doctors who practise in or refer patients to PPL's hospital network are independent medical practitioners who may buy or lease clinic space from PPL and will bill their patients upon discharge for consulting and surgical fees either directly through their clinics or through PPL's hospital billing system for doctor consultation fees. PPL bills patients for hospital charges for the use of its operating theatres, medical equipment and other facilities and for the provision of pharmaceutical drugs, implants, consumables, diagnostic and other ancillary services to patients and recognises only these hospital charges as revenue. In Turkey, however, most of the doctors and physicians who practise in Acibadem's hospital network are either contracted or employed by Acibadem under a full- or part-time employment contract. A majority of the doctors do not receive a set salary, but operate under a revenue-sharing model by which Acibadem bills patients for all medical services rendered, including consultations with the doctors, and then pays the doctors a portion of the fees received.

The components of our revenue are set out below:

Hospital and other healthcare services income

For the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, hospital and other healthcare services revenue represented approximately nil, 86.6%, 92.7% and 95.0% of our combined revenue, respectively.

Inpatient revenue

Inpatient revenue represents revenue generated from the provision of inpatient services, including fees for medical services, such as operating theatre fees, pharmaceutical drugs and consumables, doctors' fees (in relation to our Turkish operations), nursing services, food and beverages for patients and room charges, with fees for medical services representing the majority of the income. Inpatient revenue is recognised as and when the services are rendered. We expect inpatient revenue to increase in the future both in absolute terms and as a percentage of total income as we expand our hospital network and continue to focus on sophisticated procedures which require more complex and increased instances of medical treatments and for which there is an increasing demand.

Outpatient revenue

Outpatient revenue represents revenue generated from the provision of outpatient services at the hospitals we operate, including fees for physiotherapy, imaging and diagnostic services. It also includes consulting fees and pharmacy revenue from our CoEs and primary care medical centres and clinics, diagnostic services rendered at our medical centres and clinics and health screening services. Outpatient income is recognised as and when the services are rendered. We expect outpatient income to increase in the future as a result of both higher demand for healthcare services in the countries in which we operate and the expansion of our hospital network.

Discounts and subsidies

Discounts and subsidies represent discounts on healthcare services for individual patients. For our Group, discounts and subsidies also include the discounts provided under arrangements with government-sponsored insurance, corporate clients and private healthcare insurers. We expect discounts and subsidies to increase in absolute terms as a result of higher patient volumes and, in respect of our Acibadem hospitals, we also expect discounts and subsidies to increase as a percentage of total revenue as the number of negotiated arrangements with SGK and the number of patients covered by such arrangements increase.

Educational services income

Educational services income is generated from tuition fees paid by students enrolled at our educational institutions, IMU, Pantai College and Parkway College. Tuition fees are recognised at the time service is rendered. For the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, educational services income represented approximately 100.0%, 11.4%, 4.9% and 3.5% of our combined revenue, respectively. We expect educational services income to increase in the future as a result of both higher demand for healthcare education in Malaysia and Singapore and the expansion of our academic programmes.

Rental income

Our rental income consists primarily of rent paid to us by independent medical practitioners in respect of the medical office suites, the rental of wards for clinical research, teaching or public sector outsourcing and the rental of retail space located at our hospitals in Singapore and Malaysia. For the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012, rental income represented approximately nil, 1.1%, 1.6% and 1.0% of our combined revenue, respectively. We expect rental income to increase due to the limited supply of hospital space in the markets in which we operate.

Management and acquisition fees

Management fees are derived mainly from HMA fees as well as from the management of PLife REIT through Parkway Trust Management, our wholly-owned subsidiary. We enter into HMAs to provide consultancy and advisory services for the construction and operation of hospitals. We earn management fees when these hospitals become operational based on the higher of a minimum fee or a certain percentage of revenue at the hospital. As we add new HMA hospitals to our network and improve the operating efficiencies at our existing HMA hospitals, we expect to experience increases in management fees from new and existing HMA hospital partners. Parkway Trust Management, as the manager of PLife REIT, earns acquisition and annual management fees from PLife REIT upon each successful acquisition of a property and for the ongoing management of PLife REIT's portfolio of properties. As a percentage of our revenue, management and acquisition fees could either increase or decrease depending on the rate and nature of our expansion and upon the growth of the hospitals we manage.

Other operating income

Other operating income consists primarily of foreign exchange gains and other miscellaneous income such as carpark fee income, retail pharmacy rental income and administrative fee income from doctors.

Costs of operations

The primary categories of our costs of operations include inventories and consumables, purchased and contracted services, staff costs, operating expenses, operating lease expenses and finance costs. We exclude from our costs of operations those expenses that are recoverable from our HMA hospitals in accordance with the terms of our HMAs. In our financial statements, all operating expenses are recorded net of discounts given to us by third party vendors.

Inventories and consumables

Inventories and consumables include the cost of consumable medical supplies, as well as pharmaceutical drugs and consumables administered or sold to a patient at one of our hospitals or healthcare facilities, and include customs duty and freight charges. Our most significant costs include the costs for medical implants, pharmaceutical drugs, consumables and spare parts for medical and other equipment. We expect inventories and consumables expense to increase in absolute terms as our volume of patients increases. However, inventories and consumable expense may increase or decrease as a percentage of combined total revenue due to an increase in the mix of more expensive pharmaceutical drugs and implants that are used for increasingly more complex cases, which effect is partially offset by the economies of scale and greater negotiating leverage that comes with a larger hospital network. For example, joint replacement surgeries will consume higher amounts of material costs than maternity cases.

Purchased and contracted services

Purchased and contracted services include equipment service contracts, outsourcing of certain medical tests and the terms of our service agreements with doctors who are contracted by our CoEs. We expect that these expenses will increase in the future, primarily as a result of the increase in patient volume and our expansion plans. Purchased and contracted services may increase or decrease as a percentage of consolidated total revenue depending on the proportion of service agreements with doctors as compared to other service agreements. Fees paid to those doctors with whom we have a service agreement will generally vary with the revenue and profits of our CoEs. Maintenance and equipment service contract expenses are generally fixed and these costs are spread out over a larger income base as revenue increase.

Staff costs

Staff costs consist primarily of salaries and wages, staff welfare expenses, contributions to the statutory provident fund, statutory gratuities, bonus payments, share-based payments and staff recruitment and training. In the future, we expect staff costs to increase in absolute terms, as a result of both growth in our business and upward pressure on wages for healthcare professionals, especially doctors and nurses. Although many of our doctors in Singapore and Malaysia are independent medical practitioners, we employ most of our doctors in Turkey. Opening a new hospital requires us to install a basically full complement of doctors even if occupancy rates have not yet reached target levels. As a result of ramping up our staffing levels for doctors and nurses and, to a lesser degree, other staff at new hospitals in anticipation of higher patient volumes in the future, personnel expenses will represent a higher percentage of revenue in respect of a newly acquired or opened hospital before it reaches maturity. This will decline as patient volumes and manpower utilisation rates increase at a hospital. During periods of expansion in which newly acquired or opened hospitals make up the majority of our portfolio, staff costs will represent a higher percentage of consolidated total revenue.

Operating expenses

Operating expenses consist primarily of repairs and maintenance of buildings, plant and machinery, utility charges (including power and water), property taxes, insurance premiums, professional fees, security, housekeeping expenses and food and beverage expenses. As we expand our business, operating expenses will increase correspondingly in absolute terms. Much of the infrastructure for a hospital must be put in place when a hospital commences operations and many operating expenses are required to be incurred regardless of patient admission levels, and thus initially, operating expenses will represent a higher percentage of a hospital's total revenue until patient volumes reach targeted levels.

Operating lease expenses

Operating lease expenses consist primarily of the lease amounts we paid to PLife REIT for Gleneagles Hospital, Mount Elizabeth Hospital and Parkway East Hospital in Singapore as well as lease amounts of medical centre and clinic premises. We also lease land and buildings for our hospitals and outpatient clinics in Turkey. We expect that these expenses will increase in the future, primarily as a result of our expansion plans. We expect operating lease expenses to decrease as a percentage of consolidated total revenue as these costs (many of which are fixed) are spread out over a larger revenue base as we expand our network.

Finance costs

Finance costs are primarily composed of interest paid on loans, foreign exchange losses on foreign currency-denominated loans and also include other bank charges. Although a portion of the proceeds from this Global Offering will help repay a portion of our existing loans and fund our future projects, we expect to incur additional indebtedness in the future to help finance our expansion plans, which would increase our finance costs. Finance costs may increase or decrease as a percentage of revenue depending on our currency exposure to foreign currency denominated loans, our rate of expansion and also on our mix of greenfield hospitals and acquisitions. The finance costs for the construction of our new hospital developments are capitalised during the period of construction, but once the new hospital commences operations, those finance costs are recognised in our combined statement of comprehensive income. Finance costs incurred for acquisitions are immediately recognised in our statement of comprehensive income as an expense.

Depreciation and amortisation

Our intangible assets that have a finite useful life are amortised from the date that they are available for use. We expect amortisation expenses to increase in the future as we invest in the development of intangible assets such as educational curriculums and customised information systems. In addition, the land use rights for Gleneagles Khubchandani Hospital will be amortised upon the completion of the hospital. We also expect depreciation expenses to increase upon the completion of Mount Elizabeth Novena Hospital. Depreciation of the land and building of the hospital over its useful life will commence from the date that it commences operations.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures consist primarily of our share of earnings from PLife REIT, Apollo Gleneagles Hospital, Apollo Gleneagles PET-CT Centre and Shenton Family Medical Clinics. We expect that this share of profits will increase in the future primarily as a result of the growth of these operations and our expansion plans. Prior to August 2010, we also accounted for share of profits from Pantai Irama and Parkway.

RESULTS OF OPERATIONS

This table shows our combined statement of comprehensive income for the periods indicated.

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM million)		(USD million)	(RM million)		(USD million)
	(except for share and margin information)						
Revenue	121.1	1,214.1	3,328.8	1,043.5	859.9	1,276.2	400.1
Other operating income	2.9	21.8	159.8	50.1	48.9	19.0	6.0
Inventories and consumables	—	(191.2)	(680.2)	(213.2)	(189.0)	(252.3)	(79.1)
Purchased and contracted services	—	(216.2)	(398.6)	(125.0)	(113.9)	(131.2)	(41.1)
Depreciation and impairment losses on property, plant and equipment	(9.2)	(57.4)	(165.8)	(52)	(38.3)	(74.4)	(23.3)
Amortisation and impairment losses on intangible assets	—	(44.3)	(55.0)	(17.2)	(29.9)	(14.7)	(4.6)
Staff costs	(52.6)	(372.4)	(1,073.0)	(336.4)	(266.9)	(460.3)	(144.3)
Operating lease expenses	(0.6)	(72.5)	(186.6)	(58.5)	(44.7)	(59.9)	(18.8)
Operating expenses	(22.1)	(225.6)	(456.2)	(143.0)	(90.3)	(133.8)	(41.9)
Finance income	0.7	6.5	28.9	9.1	10.2	55.4	17.4
Finance costs	(3.5)	(84.1)	(106.4)	(33.4)	(28.6)	(47.4)	(14.9)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	—	530.1	—	—	—	—	—
Share of profits of associates (net of tax)	59.5	70.8	79.9	25.0	12.2	14.5	4.5
Share of profits of joint ventures (net of tax)	4.4	34.0	13.9	4.4	2.7	3.4	1.0
Profit before income tax	**100.6**	**613.6**	**489.5**	**153.4**	**132.3**	**194.5**	**61.0**
Income tax expense	(8.1)	(38.8)	(95.4)	(29.9)	(26.8)	(42.2)	(13.2)
Profit for the year/period	**92.5**	**574.8**	**394.1**	**123.5**	**105.5**	**152.3**	**47.8**
Profit before income tax margin (%)	83.1	50.5	14.7	14.7	15.4	15.2	15.2
Profit for the year/period margin (%)	76.4	47.3	11.8	11.8	12.3	11.9	11.9
Profit attributable to:							
Owners of our Company	83.2	554.4	379.9	119.1	101.8	123.8	38.9
Non-controlling interests	9.3	20.4	14.2	4.4	3.7	28.5	8.9
Profit for the year/period	**92.5**	**574.8**	**394.1**	**123.5**	**105.5**	**152.3**	**47.8**
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	—	(54.6)	88.9	27.9	22.7	8.7	2.7
Net change in fair value of available-for-sale financial assets	—	—	22.6	7.1	—	76.2	23.9
Cumulative changes in fair value of cash flow hedges transferred to profit or loss	—	15.9	—	—	—	—	—
Share of other comprehensive income/(expense) of associates	17.8	(21.5)	(0.1)	—	0.5	(0.1)	—
	17.8	(60.2)	111.4	35.0	23.2	84.8	26.6
Total comprehensive income for the year/period	**110.3**	**514.6**	**505.5**	**158.5**	**128.7**	**237.1**	**74.4**
Total comprehensive income attributable to:							
Owners of our Company	101.0	486.5	501.4	157.2	128.8	190.9	59.8
Non-controlling interests	9.3	28.1	4.1	1.3	(0.1)	46.2	14.6
	110.3	**514.6**	**505.5**	**158.5**	**128.7**	**237.1**	**74.4**

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
	(RM million)			(USD million)	(RM million)		(USD million)
	(except for share and margin information)						
Earnings per Share (sen)							
Basic(1)	1.51	10.08	6.91	2.17	1.85	2.00	0.63
Diluted, based on enlarged share capital at Listing(2)	1.03	6.88	4.72	1.48	1.26	1.54	**0.48**
Diluted, based on MFRS/IFRS(3)	1.51	10.08	6.90	2.16	1.85	1.99	0.62

Notes:

(1) Based on 5,500.0 million Shares in issue for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 6,195.4 million Shares in issue for the three months ended 31 March 2012.

(2) Based on the enlarged share capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of Our Shares—Share Capital" for further details.

(3) Based on the number of Shares used in the basic earnings per Share in note 1 above, adjusted for dilution effects of outstanding LTIP units and EPP options (where applicable) as calculated in accordance with MFRS 133 and IAS 33 "Earnings per share". Please refer to the combined financial statements and condensed interim combined financial statements as set out in Appendices M and O of this Prospectus for further details.

Three months ended 31 March 2012 compared to three months ended 31 March 2011

Revenue

Our revenue increased by 48.4% to RM1,276.2 million (USD400.1 million) for the three months ended 31 March 2012 from RM859.9 million for the three months ended 31 March 2011, primarily due to an increase in hospital and other healthcare services revenue. This was mainly due to our acquisition of Acibadem Holding.

Revenue breakdown

The following table provides a breakdown of our revenue by revenue type and operating segments for the periods indicated.

	Three months ended 31 March		
	2011	2012	2012
	(RM million)		(USD million)
Hospital and other healthcare	797.2	1,212.0	379.9
Education services	43.7	44.6	14.0
Rental income	12.5	12.4	3.9
Management and acquisition fees	6.5	7.2	2.3
Total	859.9	1,276.2	400.1

	Three months ended 31 March											
	Singapore		Malaysia		CEEMENA		China		Other regions		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	(RM million)											
Total revenue from external customers[(1)]	458.5	524.7	351.1	303.1	—	388.2	33.4	41.1	16.9	19.1	859.9	1,276.2

Note:

(1) This does not include associates and joint ventures.

Our revenue from hospital and other healthcare services increased by 52.0% to RM1,212.0 million (USD379.9 million) for the three months ended 31 March 2012 from RM797.2 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding, which contributed RM388.2 million, or 32.0%, of our hospital and other healthcare services revenue for the three months ended 31 March 2012.

In addition, hospital and other healthcare revenue generally increased in respect of PPL's operations in Singapore and internationally due to increases in inpatient admissions and average revenue per patient day. This increase was partially offset by a slight decrease in hospital and other healthcare revenue in Malaysia due to the sale in March 2011 of Pantai Irama's concession business, Pantai Support Services Sdn Bhd and its subsidiaries, which primarily provided clinical waste management, cleaning and maintenance services for hospitals, as well as laundry and dry cleaning services, and supervised the medical examination of foreign workers in Malaysia. Besides that, our Malaysian hospital and healthcare revenue increased for the three months ended 31 March 2012 compared to the three months ended 31 March 2011, primarily due to increases in inpatient admissions and average revenue per patient day. Acibadem Holding's hospital and other healthcare services revenue increased for the three months ended 31 March 2012 compared to the three months ended 31 March 2011, primarily due to increases in the number of hospitals and inpatient admissions.

Our revenue from education services increased by 2.1% to RM44.6 million (USD14.0 million) for the three months ended 31 March 2012 from RM43.7 million for the three months ended 31 March 2011, primarily due to increased student enrolment in IMU's existing and new academic programmes.

Our revenue from rentals decreased slightly by 0.8% to RM12.4 million (USD3.9 million) for the three months ended 31 March 2012 from RM12.5 million for the three months ended 31 March 2011.

Our revenue from management and acquisition fees increased by 10.8% to RM7.2 million (USD2.3 million) for the three months ended 31 March 2012 from RM6.5 million for the three months ended 31 March 2011, primarily due to increased management and acquisition fees earned from PLife REIT.

Other operating income

Our other operating income decreased by 61.1% to RM19.0 million (USD6.0 million) for the three months ended 31 March 2012 from RM48.9 million for the three months ended 31 March 2011, primarily due to foreign exchange gains of RM33.8 million that were recognised for the three months ended 31 March 2011. These foreign exchange gains arose primarily from translation gains on non-Ringgit Malaysia amounts owing to Khazanah and its subsidiaries. These amounts have since been capitalised during 2011.

Inventories and consumables

Our inventories and consumables expenses increased by 33.5% to RM252.3 million (USD(79.1) million) for the three months ended 31 March 2012 from RM189.0 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding, which accounted for RM81.2 million, or 32.2%, of our inventories and consumables expenses for the three months ended 31 March 2012, offset by cost savings in procurement.

Purchased and contracted services

Our purchased and contracted services expenses increased by 15.2% to RM131.2 million (USD41.1 million) for the three months ended 31 March 2012 from RM113.9 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding, which accounted for RM32.0 million, or 24.4% of our purchased and contracted services for the three months ended 31 March 2012, and increased utilisation of purchased and contracted services in PPL and IMU Health to support our revenue growth.

Staff costs

Our staff costs increased by 72.5% to RM460.3 million (USD144.3 million) for the three months ended 31 March 2012 from RM266.9 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding, where doctors' salaries are recognised as staff costs and comprise a higher percentage of Acibadem Holding's costs of operations as compared to the rest of our Group. In addition, there was a slight increase in PPL's staff costs for the three months ended 31 March 2012 due to share-based payments from our LTIP and EPP plans to employees in Singapore and Malaysia.

Operating lease expenses

Our operating lease expenses increased by 34.0% to RM59.9 million (USD18.8 million) for the three months ended 31 March 2012 from RM44.7 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding.

Operating expenses

Our operating expenses increased by 48.2% to RM133.8 million (USD41.9 million) for the three months ended 31 March 2012 from RM90.3 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding as well as increased operating expenses at PPL due to the expanded scope of its operations.

Finance income

Our finance income increased by 443.1% to RM55.4 million (USD17.4 million) for the three months ended 31 March 2012 from RM10.2 million for the three months ended 31 March 2011, primarily due to Acibadem Holding's net foreign exchange gain of RM41.8 million, which resulted from net exchange gains on translation of Acibadem Holding's foreign currency-denominated loans to Turkish Lira when the Turkish Lira appreciated against such foreign currencies.

Finance costs

Our finance costs increased by 65.7% to RM47.4 million (USD14.9 million) for the three months ended 31 March 2012 from RM28.6 million for the three months ended 31 March 2011, primarily due to our acquisition of Acibadem Holding, which was principally due to the consolidation of Acibadem Holding's finance costs of RM25.7 million and finance costs incurred for borrowings taken up to acquire Acibadem Holding of RM3.5 million, which were partially offset by lower finance costs incurred by Pantai Irama and IMU Health upon repayment of their borrowings in 2011.

Share of profits of associates and joint ventures

Our share of profits of associates (net of tax) increased by 18.9% to RM14.5 million (USD4.5 million) for the three months ended 31 March 2012 from RM12.2 million for the three months ended 31 March 2011, primarily due to share of higher results contribution from PLife REIT.

Our share of profits of joint ventures (net of tax) increased by 25.9% to RM3.4 million (USD1.0 million) for the three months ended 31 March 2012 from RM2.7 million for the three months ended 31 March 2011, primarily due to an increase in profits at Apollo Gleneagles.

Profit before income tax

Principally as a result of the foregoing factors, our profit before income tax increased by 47.0% to RM194.5 million (USD61.0 million) for the three months ended 31 March 2012 from RM132.3 million for the three months ended 31 March 2011. Our profit before income tax margin decreased to 15.2% for the three months ended 31 March 2012 from 15.4% for the three months ended 31 March 2011.

Income tax expense

Our income tax expense increased by 57.5% to RM42.2 million (USD13.2 million) for the three months ended 31 March 2012 from RM26.8 million for the three months ended 31 March 2011, primarily due to the increase in our profit before income tax as well as our acquisition of Acibadem Holding.

Profit for the period

Principally as a result of the foregoing factors, our profit for the period increased by 44.4% to RM152.3 million (USD47.8 million) for the three months ended 31 March 2012 from RM105.5 million for the three months ended 31 March 2011. Our profit for the period margin decreased to 11.9% for the three months ended 31 March 2012 from 12.3% for the three months ended 31 March 2011.

Year ended 31 December 2011 compared to year ended 31 December 2010

Revenue

Our revenue increased by 174.2% to RM3,328.8 million (USD1,043.5 million) for the year ended 31 December 2011 from RM1,214.1 million for the year ended 31 December 2010, primarily due to general increases across the business segments in which we operate, principally driven by an increase in hospital and other healthcare services revenue. This was due to the fact that we consolidated a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010.

Revenue breakdown

The following table provides a breakdown of our revenue by revenue type and geographical segments for the periods indicated.

	Year ended 31 December		
	2010	**2011**	**2011**
	(RM million)		**(USD million)**
Hospital and other healthcare services	1,051.7	3,085.6	967.3
Education services	138.5	162.2	50.8
Rental income	13.2	51.8	16.2
Management and acquisition fees	10.7	26.3	8.3
Dividend income	—	2.9	0.9
Total	**1,214.1**	**3,328.8**	**1,043.5**

	Year ended 31 December									
	Singapore		Malaysia		China		Other regions		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	(RM million)									
Total revenue from external customers[1]	573.5	1,916.0	568.5	1,199.7	48.9	143.3	23.2	69.8	1,214.1	3,328.8

Note:

(1) This does not include associates and joint ventures.

Our revenue from hospital and other healthcare services increased by 193.4% to RM3,085.6 million (USD967.3 million) for the year ended 31 December 2011 from RM1,051.7 million for the year ended 31 December 2010, primarily due to the full year consolidation of revenue from operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. In addition, hospital and other healthcare revenues generally increased in respect of operations in Singapore, Malaysia and internationally. This increase was partially offset by the sale in March 2011 of Pantai Irama's concession business, Pantai Support Services Sdn Bhd and its subsidiaries.

Our revenue from education services increased by 17.1% to RM162.2 million (USD50.8 million) for the year ended 31 December 2011 from RM138.5 million for the year ended 31 December 2010, primarily due to increased student enrolment in IMU's existing and new academic programmes.

Our revenue from rentals increased by 292.4% to RM51.8 million (USD16.2 million) for the year ended 31 December 2011 from RM13.2 million for the year ended 31 December 2010, primarily due to the full year consolidation of revenue from operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010.

Our revenue from management and acquisition fees increased by 145.8% to RM26.3 million (USD8.3 million) for the year ended 31 December 2011 from RM10.7 million for the year ended 31 December

2010, primarily due to the full year consolidation of revenue from operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010.

Our revenue from dividend income increased to RM2.9 million (USD0.9 million) for the year ended 31 December 2011 from nil for the year ended 31 December 2010, primarily due to our investment in a 8.2% stake in Apollo in March 2011, which we subsequently increased to a 11.2% stake in October 2011.

Other operating income

Our other operating income increased by 633.0% to RM159.8 million (USD50.1 million) for the year ended 31 December 2011 from RM21.8 million for the year ended 31 December 2010, primarily due to the fact that we had full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010 and foreign exchange gains in 2011.

Inventories and consumables

Our inventories and consumables expenses increased by 255.8% to RM680.2 million (USD213.2 million) for the year ended 31 December 2011 from RM191.2 million for the year ended 31 December 2010, primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010.

Purchased and contracted services

Our purchased and contracted services expenses increased by 84.4% to RM398.6 million (USD125.0 million) for the year ended 31 December 2011 from RM216.2 million for the year ended 31 December 2010, primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. The increase was partially offset by our disposal of Pantai Support Services Sdn Bhd and its subsidiaries in March 2011.

Staff costs

Our staff costs increased by 188.1% to RM1,073.0 million (USD336.4 million) for the year ended 31 December 2011 from RM372.4 million for the year ended 31 December 2010, primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. Our staff costs of RM372.4 million for the year ended 31 December 2010 includes a one-off increase in staff cost resulting from a revaluation of our employee performance incentive scheme conducted in December 2010.

Operating lease expenses

Our operating lease expenses increased by 157.4% to RM186.6 million (USD58.5 million) for the year ended 31 December 2011 from RM72.5 million for the year ended 31 December 2010, primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. In addition, our lease payments to PLife REIT increased in 2011 compared to 2010.

Operating expenses

Our operating expenses increased by 102.2% to RM456.2 million (USD143.0 million) for the year ended 31 December 2011 from RM225.6 million for the year ended 31 December 2010, primarily due to the fact that we consolidated a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. This was partially offset by a decrease in one-off expenses to RM66.3 million in 2011, which included a RM19.5 million write-off of property, plant and equipment, professional and consultancy fees of RM9.1 million for internal restructuring and RM35.1 million for the acquisition of Acibadem Holding. We had one-off expenses of RM97.5 million in 2010, which included an impairment loss on goodwill and an impairment loss on deposits of RM4.9 million and RM65.1 million, respectively, and expenses incurred relating to the acquisition of Parkway and Pantai Irama amounting to RM27.9 million.

Finance income

Our finance income increased by 344.6% to RM28.9 million (USD9.1 million) for the year ended 31 December 2011 from RM6.5 million for the year ended 31 December 2010, primarily due to a RM12.6 million fair value gain on financial instruments and an increase of interest income by RM9.5 million. The fair value gain on financial instruments refers primarily to interest-rate swap derivatives which need to be fair valued at each reporting date.

Finance costs

Our finance costs increased by 26.5% to RM106.4 million (USD33.4 million) for the year ended 31 December 2011 from RM84.1 million for the year ended 31 December 2010, primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. In addition, we recognised a RM15.1 million fair value loss on financial instruments in 2010 due to the restructuring of a SGD500 million term loan and a SGD850 million term loan facilities once Parkway was taken private in December 2010, whereas no such loss was recognised in 2011.

Share of profits of associates and joint ventures

Our share of profits of associates (net of tax) increased by 12.9% to RM79.9 million (USD25.0 million) for the year ended 31 December 2011 from RM70.8 million for the year ended 31 December 2010, primarily due to share of higher results contribution from PLife REIT.

Our share of profits of joint ventures (net of tax) decreased by 59.1% to RM13.9 million (USD4.4 million) for the year ended 31 December 2011 from RM34.0 million for the year ended 31 December 2010, primarily due to the consolidation of Pantai Irama from September 2010 onwards after we attained control. Prior to September 2010, we equity accounted for Pantai Irama.

Profit before income tax

Principally as a result of the foregoing factors, as well as the fact that we did not have a gain on remeasurement of investment previously accounted for as associates and joint ventures, in the year ended 31 December 2011, our profit before income tax decreased by 20.2% to RM489.5 million (USD153.4 million) for the year ended 31 December 2011 from RM613.6 million for the year ended 31 December 2010. Our profit before income tax margin decreased to 14.7% for the year ended 31 December 2011 from 50.5% for the year ended 31 December 2010.

Income tax expense

Our income tax expense increased by 145.9% to RM95.4 million (USD29.9 million) for the year ended 31 December 2011 from RM38.8 million for the year ended 31 December 2010, primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010.

Profit for the year

Principally as a result of the foregoing factors, our profit for the year decreased by 31.4% to RM394.1 million (USD123.5 million) for the year ended 31 December 2011 from RM574.8 million for the year ended 31 December 2010. Our profit margin for the year decreased to 11.8% for the year ended 31 December 2011 from 47.3% for the year ended 31 December 2010.

Year ended 31 December 2010 compared to year ended 31 December 2009

Revenue

Our revenue increased by 902.6% to RM1,214.1 million for the year ended 31 December 2010 from RM121.1 million for the year ended 31 December 2009, primarily due to the fact that our revenue in 2010 included four months of operations from Parkway and Pantai Irama as compared to 2009 (when our revenue only included IMU Health's operations), which had an ensuing impact on all of our line items for 2010.

Revenue Breakdown

The following table provides a breakdown of our revenue by revenue type and geographical segments for the periods indicated.

	Year ended 31 December		
	2009	2010	2010
	(RM million)		(USD million)
Hospital and other healthcare	—	1,051.7	329.7
Education services	121.1	138.5	43.4
Rental income	—	13.2	4.1
Management and acquisition fees	—	10.7	3.5
Total	**121.1**	**1,214.1**	**380.7**

	Year ended 31 December									
	Singapore		Malaysia		China		Other regions		Total	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	(RM million)									
Total revenue from external customers(1)	—	573.5	121.1	568.5	—	48.9	—	23.2	121.1	1,214.1

Note:
(1) This does not include associates and joint ventures.

Our revenue from hospital and other healthcare services increased to RM1,051.7 million for the year ended 31 December 2010 from nil for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Our revenue from education services increased by 14.4% to RM138.5 million for the year ended 31 December 2010 from RM121.1 million for the year ended 31 December 2009, primarily due to increased tuition revenue due to higher student enrolment in IMU's existing and new academic programmes.

Our revenue from rentals increased to RM13.2 million for the year ended 31 December 2010 from nil for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Our revenue from management and acquisition fees increased to RM10.7 million for the year ended 31 December 2010 from nil for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Other operating income

Our other operating income increased by 651.7% to RM21.8 million for the year ended 31 December 2010 from RM2.9 million for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Inventories and consumables

Our inventories and consumables expenses increased to RM191.2 million for the year ended 31 December 2010 from nil for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Purchased and contracted services

Our purchased and contracted services expenses increased to RM216.2 million for the year ended 31 December 2010 from nil for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Staff costs

Our staff costs increased by 608.0% to RM372.4 million for the year ended 31 December 2010 from RM52.6 million for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control and an increase in staff costs at each of Parkway and Pantai Irama.

Operating lease expenses

Our operating lease expenses increased to RM72.5 million for the year ended 31 December 2010 from RM0.6 million for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Operating expenses

Our operating expenses increased by 920.8% to RM225.6 million for the year ended 31 December 2010 from RM22.1 million for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control. We also recognised one-off expenses of RM97.9 million in 2010, which included an impairment loss on goodwill and an impairment loss on deposits of RM4.9 million and RM65.1 million, respectively, and expenses incurred relating to the acquisition of Parkway and Pantai Irama amounting to RM27.9 million.

Finance income

Our finance income increased by 828.6% to RM6.5 million for the year ended 31 December 2010 from RM0.7 million for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Finance costs

Our finance costs increased to RM84.1 million for the year ended 31 December 2010 from RM3.5 million for the year ended 31 December 2009, primarily due to our consolidation of the results of Parkway and Pantai Irama after attaining control. In addition, we recognised a RM15.1 million fair value loss on financial instruments in 2010 due to the restructuring of a SGD500 million term loan and a SGD850 million term loan facilities once Parkway was taken private in December 2010.

Gain on remeasurement of investment previously accounted for as associates and joint ventures

We recorded a gain on remeasurement of investment previously accounted for as associates and joint ventures of RM530.1 million for the year ended 31 December 2010 on the derecognition of our non-controlling interest in Parkway and our joint venture interest in Pantai Irama prior to our consolidation of the results of Parkway and Pantai Irama after attaining control. We did not have a similar gain on remeasurement of investment previously accounted for as associates and joint ventures in the years ended 31 December 2009 or 2011.

Share of profits of associates and joint ventures

Our share of profits of associates (net of tax) increased by 19.0% to RM70.8 million for the year ended 31 December 2010 from RM59.5 million for the year ended 31 December 2009, primarily due to an increase in profits of Parkway, which was accounted for as an associate, as well as an increase in profits of PLife REIT.

Our share of profits of joint ventures (net of tax) increased by 672.7% to RM34.0 million for the year ended 31 December 2010 from RM4.4 million for the year ended 31 December 2009, primarily due to an increase in profits of Pantai Irama, which was accounted for as a joint venture from January 2009 to August 2010.

Profit before income tax

Principally as a result of the foregoing factors, our profit before income tax increased by 509.9% to RM613.6 million for the year ended 31 December 2010 from RM100.6 million for the year ended 31 December 2009. Our profit before income tax margin decreased to 50.5% for the year ended 31 December 2010 from 83.1% for the year ended 31 December 2009.

Income tax expense

Our income tax expense increased by 379.0% to RM38.8 million for the year ended 31 December 2010 from RM8.1 million for the year ended 31 December 2009, primarily due to our increase in revenue related to our consolidation of the results of Parkway and Pantai Irama after attaining control.

Profit for the year

Principally as a result of the foregoing factors, our profit for the year increased by 521.4% to RM574.8 million for the year ended 31 December 2010 from RM92.5 million for the year ended 31 December 2009. Our profit for the year margin decreased to 47.3% for the year ended 31 December 2010 from 76.4% for the year ended 31 December 2009.

LIQUIDITY AND CAPITAL RESOURCES

Working capital

Our principal source of liquidity is cash generated from our operations and borrowings from financial institutions. Following the Listing, we may, from time to time, also rely on additional equity and debt offerings to raise capital. Our ability to rely on these sources of funding could be affected by our results of operations and financial position and by the conditions in the local and global financial markets.

Our principal liquidity requirements are for capital expenditures, such as for our greenfield and brownfield projects under development, including Mount Elizabeth Novena Hospital, acquisitions, technical upgrades of our medical equipment and other technological systems, and working capital.

As at 31 March 2012, we had cash and cash equivalents of RM1,599.6 million (USD501.4 million) and total borrowings of RM7,639.0 million (USD2,394.7 million). Our working capital, calculated as current assets minus current liabilities, was RM1,171.2 million (USD367.1 million) as at 31 March 2012. Taking into consideration our funding requirements for our committed capital expenditure, expected funds to be generated from cash flows from operations, as well as our existing level of cash and cash equivalents and credit sources, our Board believes that in their reasonable opinion, the working capital available to us is sufficient for the present requirements of our Group and for a period of twelve months from the date of this Prospectus.

Cash flows

The following is a summary of our cash flow statements for the periods indicated.

	For the year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
	(RM million)			(USD million)	(RM million)		(USD million)
Net cash generated from operating activities	35.3	398.7	887.1	278.1	240.0	394.1	123.5
Net cash used in investing activities	(14.8)	(5,960.2)	(1,285.7)	(403.0)	(578.7)	(1,062.9)	(333.2)
Net cash generated from financing activities	2.7	6,924.8	423.6	132.8	44.2	911.0	285.6
Net increase/(decrease) in cash and cash equivalents	23.2	1,363.3	25.0	7.9	(294.5)	242.2	75.9
Cash and cash equivalents at beginning of the year/period	18.4	41.7	1,158.1	363.0	1,158.1	1,251.4	392.3
Effect of exchange rate fluctuations on cash held	—	(246.9)	68.3	21.4	(3.4)	(24.0)	(7.5)
Cash and cash equivalents at end of the year/period	**41.6**	**1,158.1**	**1,251.4**	**392.3**	**860.2**	**1,469.6**	**460.7**

We need cash primarily to fund our working capital needs, expansion, capital expenditure and service our indebtedness. Our ability to expand our business operations has been largely dependent upon, and will continue to depend upon, our ability to finance these activities through cash from operations, bank borrowings and the issuance of equity and debt securities. We believe that existing cash and cash equivalent balances and credit lines, together with existing and future bank borrowings and the proceeds of this Global Offering will be sufficient to fund our anticipated working capital and capital expenditure requirements for 2012 and for a period of twelve months from the date of this Prospectus. However, if adequate funds are not available on satisfactory terms or at all, we may be required to delay our business plans.

Save as disclosed in "—Financing activities" below and "Exchange Rates and Exchange Controls", our Board of Directors is of the opinion that there are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances.

Net cash generated from operating activities

Net cash generated from operating activities increased by 64.2% to RM394.1 million (USD123.5 million) in the three months ended 31 March 2012 from RM240.0 million in the three months ended 31 March 2011, primarily as a result of an increase in operating profit before changes in working capital to RM281.9 million and trade and other payables to RM187.9 million, partially offset by an increase in development property (consisting of Mount Elizabeth Novena Hospital's medical suites) to RM36.2 million. Net cash generated from operating activities increased by 122.5% to RM887.1 million (USD278.1 million) in the year ended 31 December 2011 from RM398.7 million in the year ended 31 December 2010, primarily as a result of an increase in operating profit before changes in working capital to RM706.1 million and trade and other payables to RM569.7 million, partially offset by an increase in development property (consisting of Mount Elizabeth Novena Hospital's medical suites) to RM181.4 million and income taxes paid to RM110.0 million primarily due to the fact that we had a full year of operations from Parkway and Pantai Irama in 2011 as compared to four months of operations in 2010. Net cash generated from operating activities increased by 1,029.5% to RM398.7 million in the year ended 31 December 2010 from RM35.3 million in the year ended 31 December 2009, primarily as a result of an increase in operating profit before changes in working capital to RM234.6 million and trade and other payables to RM309.0 million, partially offset by an increase in development property (consisting of Mount Elizabeth Novena Hospital's medical suites) to RM61.7 million and trade and other receivables to RM63.5 million.

Net cash used in investing activities

Net cash used in investing activities was RM14.8 million, RM5,960.2 million, RM1,285.7 million and RM1,062.9 million (USD333.2 million) in the year ended 31 December 2009, 2010, and 2011 and the three months ended 31 March 2012, respectively. These amounts mostly reflected our acquisition of subsidiaries, net of cash acquired and capital expenditures for property, plant and equipment. Our Group's capital expenditures in the year ended 31 December 2010 were primarily for the acquisition of Parkway and Pantai Irama. Our Group's capital expenditures in the year ended 31 December 2011 were primarily for the development of its new greenfield projects, including Mount Elizabeth Novena Hospital in Singapore. Our Group's capital expenditures in the three months ended 31 March 2012 were primarily for the acquisition of Acibadem Holding as well as the development of our new greenfield projects, including Mount Elizabeth Novena Hospital in Singapore.

Net cash generated from financing activities

Net cash generated from financing activities was RM911.0 million (USD285.6 million) in the three months ended 31 March 2012, primarily reflecting proceeds from bank borrowings of RM1,159.1 million and the partial disposal of interests in IHH Turkey to a non-controlling shareholder of RM109.4 million, which was partially offset by repayment of bank borrowings of RM273.5 million. Net cash generated from financing activities was RM423.6 million (USD132.8 million) in the year ended 31 December 2011, primarily reflecting proceeds of issue of ordinary shares of RM1,978.0 million and advances from holding company of RM485.3 million, partially offset by a repayment of bank borrowings of RM1,907.6 million and interest paid of RM170.1 million. Net cash generated from financing activities was RM6,924.8 million in the year ended 31 December 2010, primarily reflecting advances from holding company of RM3,623.7 million, proceeds from bank borrowings of RM3,573.8 million and proceeds of issue of ordinary shares of RM2,782.4 million, partially offset by an acquisition of non-controlling interests of RM703.4 million and an acquisition of equity interest in subsidiaries, associates and joint ventures of RM2,238.2 million from holding company. Net cash generated from financing activities was RM2.7 million in the year ended 31 December 2009, primarily reflecting proceeds from disposal of investment in financial assets of RM18.4 million and proceeds from bank borrowings of RM9.9 million, partially offset by dividends paid to the owner of our Company of RM11.4 million, repayment of bank borrowings of RM3.8 million and interest paid of RM3.7 million.

Financing activities

Our credit facilities contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and certain of our subsidiaries' ability to, among other things:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell or transfer assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

Under our credit facilities, we are required to satisfy and maintain specified financial ratios. Our ability to meet those financial ratios can be affected by events beyond our control, and there can be no assurance we will continue to meet those ratios. A breach of any of these covenants could result in a default under our credit facilities.

Upon the occurrence of an event of default under the credit facilities, the lenders thereunder could elect to declare all amounts outstanding under the credit facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under the credit facilities could proceed against the collateral granted to them to secure such indebtedness. We have pledged a significant portion of our assets under our senior secured credit facilities.

As at 31 March 2012, we have the following material borrowings:

- SGD1.8 billion (RM4.4 billion and USD1.4 billion) facility due in 2013, which is secured by a charge on the shares of Parkway and Pantai Irama and a guarantee from our Company. Under the facility, PPL must maintain at least a reserve amount of six months' interest in its Singapore Dollar account before it is able to pay any dividends to us;

- Two Murabaha facilities, comprising a Murabaha term facility of SGD500.0 million (RM1,235.0 million and USD390.6 million) and a Murabaha revolving credit facility of SGD250.0 million (RM617.5 million and USD195.3 million) due in 2015, under which Parkway's net debt to tangible net worth ratio cannot exceed 1.5:1;

- Two term loan facilities due in 2014 of SGD470.0 million (RM1,160.9 million and USD367.2 million) and RM450.0 million (USD141.1 million) each, which are secured by a guarantee from our Company and were entered into for the purpose of the acquisition of Acibadem Holding. Under the facilities, effective from 1 January 2013, the consolidated net tangible assets of our Group must not fall below RM1.6 billion at any time and this covenant is tested on a semi-annual basis;

- Two tranches of facilities consisting of (i) a USD200.0 million (RM638.0 million) facility due in 2015 ("**Tranche I**") by Almond (Turkey) (as borrower) and Acibadem Holding (as guarantor), which was entered into for the purpose of the acquisition of Acibadem by Almond (Turkey) and (ii) a USD200.0 million (RM638.0 million) fixed facility due in 2018 ("**Tranche II Facility 1**"), which was entered into by Acibadem (as borrower) for the purpose of refinancing the financial indebtedness under the then-existing facility agreements and financing capital expenditures of Acibadem, and a facility up to USD100 million (RM319.0 million) ("**Tranche II Facility 2**") due in 2018, which was entered into for the purpose of Acibadem's acquisition of Acibadem Sistina. Tranche II Facility 2 may be utilised only upon Acibadem's request. As at 31 March 2012, there was an outstanding principal amount of USD168.0 million (RM535.9 million) under Tranche II Facility 1 and an outstanding amount of USD35.6 million (RM113.6 million), which comprised an outstanding principal amount of USD28.0 million (RM89.3 million) and an outstanding fixed interest amount of USD7.6 million (RM24.2 million), under Tranche II Facility 2. Almond (Turkey) has not yet repaid any of the principal amounts due under Tranche I and as at 31 March 2012, there was an outstanding principal amount of USD257.1 million (RM820.1 million). Under these facilities, before Acibadem Holding, Almond (Turkey) or Acibadem, as the case may be, is able to pay any dividends, it must be: (i) in compliance with its financial covenants under the respective facility agreement and no default should be continuing or no default would occur as a result of the dividend payment; (ii) for the purpose of meeting a scheduled interest or fee payment or principal repayment by Almond (Turkey); or (iii) fall under another exception as set out in the respective facility agreement. Tranche I, Tranche II Facility 1 and Tranche II Facility 2 are secured by a security package which includes first- or second-ranking share pledges over the shares of Almond (Turkey), Acibadem and Acibadem's subsidiaries (including its subsidiaries in Macedonia), account pledges, assignments of receivables, assignment of insurance receivables, commercial enterprise pledge, security assignment in relation to hedging and numerous mortgages on real estate and hedging arrangements;

- RM138 million (USD43.3 million) credit facilities due in 2014, comprising a term loan facility and overdraft facility, which is secured by a third party first land charge;

- RM107.5 million (USD33.7 million) term loan facility due in 2020, which is secured, among others, by land for the new building at Gleneagles Medical Centre that is being funded by the facility. Under the facility, a subsidiary of our Company, Pulau Pinang Clinic, may not declare or pay any dividend in excess of 12.0% per annum, issue bonuses or make any other distribution in respect of its share capital without a written consent from the banks providing the facility; and

- €13.4 million (RM52.8 million and USD16.6 million) loan agreement due in October 2012, of which there was €1.6 million (RM6.3 million and USD2.0 million) outstanding as at 31 March 2012. The loan agreement is secured.

  The effective interest rate for our fixed rate bank loans as at 31 March 2012 ranged from 6.35% to 6.70% per annum for U.S. Dollar loans, from 11.50% to 13.50% per annum for Turkish Lira loans, 7.50% per annum for Euro loans and from 5.50% to 9.75% per annum for Macedonia Denar loans for our borrowings in Turkey. As at 1 June 2012, we did not have any fixed rate bank loans in Singapore and Malaysia.

BORROWINGS

Our total outstanding borrowings as at 31 March 2012 were as follows:

Borrowings	(RM million)	(USD million)
Current borrowings		
Secured bank borrowings	218.4	68.5
Secured finance lease liabilities	49.7	15.6
Secured bank overdrafts	9.4	2.9
Total current borrowings	277.5	87.0
Non-current borrowings		
Secured bank borrowings	4,998.0	1,566.8
Secured finance lease liabilities	168.2	52.7
Unsecured bank borrowings	2,195.3	688.2
Total non-current borrowings	7,361.5	2,307.7
Total borrowings	**7,639.0**	**2,394.7**
Cash and cash equivalents	1,599.6	501.4
Gearing ratio (times)(1)	0.62(3)	0.62
Net gearing ratio (times)(2)	0.49(3)	0.49

Notes:

(1) The gearing ratio is calculated by dividing total borrowings over total equity.

(2) The net gearing ratio is calculated by dividing total borrowings less cash and cash equivalents over total equity.

(3) Based on the pro forma cash and cash equivalents as at 31 March 2012 of RM1,660.3 million, as set out in Appendix P, the gearing and net gearing ratio were 0.17 times and 0.08 times respectively.

The table below shows, as at 31 March 2012, our outstanding borrowings, by the currency in which they are denominated:

Borrowings	Original currency amount	Translated amount
	(million)	(RM million)
Ringgit Malaysia	RM330.5	330.5
Singapore Dollar[1]	SGD2,291.5	5,590.7
Turkish Lira[2]	TL29.3	50.2
U.S. Dollar[3]	USD475.1	1,443.8
Euro[4]	Euro 18.6	75.2
Swiss franc[5]	CHF28.7	96.4
Others[6]		52.2
Total borrowings		**7,639.0**

Notes:

(1) The Singapore Dollar amounts have been translated based on the exchange rate of SGD1.00: RM2.4397.

(2) The Turkish Lira amounts have been translated based on the exchange rate of TL1.00: RM1.7133.

(3) The U.S. Dollar amounts have been translated based on the exchange rate of USD1.00: RM3.0389.

(4) The Euro amounts have been translated based on the exchange rate of Euro1.00: RM4.0430.

(5) The Swiss franc amounts have been translated based on the exchange rate of CHF1.00: RM3.3612.

(6) Includes Hong Kong Dollar, Indian Rupee, Australian Dollar, Brunei Dollar and Macedonian Denar.

There has been no default on payments of either interest or principal for any of our borrowings throughout the year ended 31 December 2011 and the three months ended 31 March 2012.

We are not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans which can materially affect our financial position and results or business operations, or the investment by holders of our securities.

The maturity profile of our borrowings as at 31 March 2012 was as follows:

	RM million	USD million
Within 1 year	540.4	169.4
After 1 year but within 5 years	7,426.0	2,328.0
After 5 years	134.2	42.1
Total	**8,100.6**[1]	**2,539.5**

Note:

(1) Includes interest payable.

The table below set forth the interest rate profile of our borrowings as at 31 March 2012:

	RM million	USD million
Fixed rate borrowings	389.2	122.0
Floating rate borrowings	7,249.9	2,272.7
Total	**7,639.1**	**2,394.7**

INTEREST EXPENSE

As part of our finance cost, the following table sets forth the breakdown of our interest paid as at and for the periods indicated.

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
	(RM million)			(USD million)	(RM million)		(USD million)
	(except for share and margin information)						
Interest paid and payable to:							
Banks and financial institutions	3.5	42.6	82.6	25.9	25.9	36.0	11.3
Others	—	1.6	1.3	0.4	—	0.2	0.1
Total	**3.5**	**44.2**	**83.9**	**26.3**	**25.9**	**36.2**	**11.4**

Interest paid and payable to banks and financial institutions was primarily due to the interest due on our borrowings. See "—Borrowings".

CAPITAL EXPENDITURE AND DIVESTMENT

Historical capital expenditure and divestment

Our capital expenditures of RM246.9 million in the three months ended 31 March 2012 were mainly due to three months' recognition of the cost of construction of Mount Elizabeth Novena Hospital and the purchase of medical equipment. There were no material changes from 1 April 2012 up to 1 June 2012 in our capital expenditure as compared to our capital expenditure in the three months ended 31 March 2012.

Our capital expenditures of RM743.7 million in the year ended 31 December 2011 were mainly due to a full year's recognition of the cost of construction of Mount Elizabeth Novena Hospital and the purchase of medical equipment. In March 2011, we also divested our ownership of Pantai Support Services Sdn Bhd to Pulau Memutik for a consideration of RM2.00, which is equivalent to Pantai Irama's cost of investment in the shares of Pantai Support Services Sdn Bhd, as the businesses of Pantai Support Services Sdn Bhd were not identified as part of the Group's core businesses.

Our capital expenditures of RM201.3 million in the year ended 31 December 2010 were mainly due to four months recognition of the cost of construction of Mount Elizabeth Novena Hospital.

Our capital expenditures of RM15.4 million in the year ended 31 December 2009 were mainly for the purchase of fixed assets at IMU.

Planned capital expenditure

Our actual and planned capital expenditures for the year ending 31 December 2012 are RM1,593.7 million which we intend to use primarily as described below.

Planned capital expenditures	Company/ Project	Actual: Prior to 1 January 2012 (a)	Actual: 3 months — January 2012 to March 2012	Planned: 9 months — April 2012 to December 2012	Planned: Year ending 31 December 2012 Subtotal (b)	Planned: January 2013 to completion of construction (c)	Total (a) + (b) + (c) (RM million)	Total (a) + (b) + (c) (USD million)	Expected year of completion of construction
		(RM million)							
(i) Expansion capital expenditure									
Singapore									
Construction cost and medical equipment	Mount Elizabeth Novena Hospital	**913.8**	158.3	356.0[1]	**514.3**	—	**1,428.1**	447.7	2012
Malaysia									
Construction cost and medical equipment	Gleneagles Medical Centre Penang	**57.0**	11.0	46.0	**57.0**	43.0	**157.0**	49.2	2012
Construction cost	Pantai Hospital Kuala Lumpur	**24.0**	1.7	44.7	**46.4**	152.5	**222.9**	69.9	2014
Consultation, design and construction related costs	Gleneagles Medini	**—**	—	45.5	**45.5**	348.5	**394.0**	123.5	2014
Construction cost and medical equipment	Gleneagles Kuala Lumpur	**—**	—	—	**—**	25.0	**25.0**	7.8	2015
Construction cost and medical equipment	Pantai Hospital Klang	**—**	0.1	5.8	**5.9**	43.5	**49.4**	15.5	2014
Subtotal—Malaysia		**81.0**	**12.8**	**142.0**	**154.8**	**612.5**	**848.3**	**265.9**	
		(RM million (except where indicated))							
India									
Construction cost and medical equipment	Gleneagles Khubchandani Hospital	**61.3**	20.2	199.5	**219.7**	26.7	**307.7**	96.5	2012
Turkey									
Construction cost and medical equipment	Acibadem Ankara Hospital	**27.6 (TL16.0)**	5.6 (TL3.3)	64.8	**70.4**	—	**98.0**	30.7	2012
Construction cost and medical equipment	Acibadem Bodrum Hospital opening in 2012-2013	**23.2 (TL13.5)**	6.7 (TL3.9)	41.6	**48.3**	26.3	**97.8**	30.7	2012-2013
Construction cost and medical equipment	Acibadem Sistina Skopje Clinical Hospital	**—**	—	13.8	**13.8**	—	**13.8**	4.3	2012
Construction cost and medical equipment	Acibadem Maslak Hospital	**—**	—	30.4	**30.4**	126.9	**157.3**	49.3	2014
Construction, design and construction related costs	Budgeted capital expenditure[2]	**—**	—	72.5	**72.5**	164.1	**236.6**	74.2	2014
Subtotal—Turkey		**50.8**	**12.3**	**223.1**	**235.4**	**317.3**	**603.5**	**189.2**	
Total expansion capital expenditure		**1,106.9**	**203.6**	**920.6**	**1,124.2**	**956.5**	**3,187.6**	**999.3**	

Planned capital expenditures	Company/ Project	Actual: Prior to 1 January 2012 (a)	Actual: 3 months — January 2012 to March 2012	Planned: 9 months — April 2012 to December 2012	Planned: Year ending 31 December 2012 Subtotal (b)	Planned: January 2013 to completion of construction (c)	Total (a) + (b) + (c) (RM million)	Total (a) + (b) + (c) (USD million)	Expected year of completion of construction
		(RM million (except where indicated))							
(ii) Maintenance capital expenditure									
Singapore and Malaysia									
General renovation of wards and medical and other equipment	Other PPL and IMU Health entities	—	292.0		292.0	—	292.0	91.5	—
Turkey									
General construction cost and medical equipment (existing healthcare businesses: Acibadem Proje, APlus, Acibadem Labmed and Acibadem Mobil)	Other Acibadem locations[(2)]	—	177.5		177.5	—	177.5	55.6	—
Total maintenance capital expenditure		**—**	**469.5**		**469.5**	**—**	**469.5**	**147.1**	
Total capital expenditure		**1,106.9**	**1,593.7**		**1,593.7**	**956.5**	**3,657.1[(3)]**	**1,146.4**	

Notes:

(1) For Mount Elizabeth Novena Hospital, for the three months ending 30 June 2012 and the six months ending 31 December 2012, we have a planned capital expenditure of RM245.4 million and RM110.6 million, respectively.

(2) As at 1 June 2012, the budget for these projects has been approved, but agreements for development or purchase, as applicable, have not yet been finalised, and there have been no regulatory applications for the relevant licences or the initiation of development.

(3) This excludes total land cost of RM3,168.8 million, of which RM3,144.7 million has been incurred as at 31 March 2012. Of the amount incurred as at 31 March 2012:

- — RM3,081.6 million relates to the land acquired in relation to the Mount Elizabeth Novena Hospital project;
- — RM22.5 million relates to the land acquired in relation to the Gleneagles Medical Centre Penang project;
- — RM14.7 million relates to the land acquired in relation to the Gleneagles Medini project;
- — RM5.6 million relates to the land acquired in relation to the Pantai Hospital Klang project; and
- — RM20.3 million (TL11.8 million) relates to the land acquired in relation to the Acibadem Ankara Hospital project.

In addition, total land use rights of RM159.8 million has been recognised for Gleneagles Khubchandani Hospital, but is not included in the total land cost mentioned above and is instead accounted for as an intangible asset in our combined financial statements as at 31 December 2011.

Our actual capital expenditures may vary from projected amounts due to various factors, including changes in market conditions, unplanned cost overruns, our ability to generate sufficient cash flows from operations, our ability to obtain adequate financing for these planned capital expenditures, demand for our services and the state of local and global economies. In addition, our planned capital expenditures do not include any expenditures for acquisitions of potential companies or businesses that we may evaluate from time to time.

We expect to meet our capital expenditure requirements through our cash and cash equivalents on hand, cash generated from future operations and financing activities. Our ability to obtain external financing and to make timely repayments of our debt obligations are subject to various uncertainties, including our future results of operations, financial condition and cash flows, the condition of the local and global economies and the markets for our services, the cost of financing and the condition of financial markets, the issuance of relevant government approvals and other project risks associated with the development of infrastructure in the countries in which we operate and the continuing willingness of banks to provide new loans as we pay down existing debt. See "Risk Factors—Risks related to our business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations or generate sufficient cash to service all of, or refinance, our indebtedness, limit our ability to react to opportunities and expose us to interest rate risk and currency exchange risk".

Except as disclosed in this "Historical capital expenditure and divestment" section, there have not been any material divestments undertaken by us for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012. There were no material changes from 1 April 2012 up to 1 June 2012, in divestments undertaken by us as compared to divestments undertaken by us in the three months ended 31 March 2012.

See "—Factors affecting our results of operations—Acquisitions" for more information.

MATERIAL COMMITMENTS AND CONTRACTUAL OBLIGATIONS

We had capital commitments of RM1,341.5 million and non-cancellable operating lease payables of RM2,279.6 million (USD714.6 million) as at 31 March 2012. These commitments consisted of the following:

	Within one year	More than one year but within five years	More than five years	Total	
	(RM million)				(USD million)
Property, plant and equipment					
Amounts authorised and contracted for	543.0	36.0	—	579.0	181.5
Amounts authorised and not contracted for	402.5	360.0	—	762.5	239.0
	945.5	**396.0**	**—**	**1,341.5**	**420.5**
Non-cancellable operating lease payables	**254.9**	**875.4**	**1,149.3**	**2,279.6**	**714.6**

Except as disclosed above, as at 1 June 2012, we are not aware of any material capital commitments incurred or known to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position.

There were no material changes, as at 1 June 2012, to our commitments as compared to the amount shown above as at 31 March 2012.

We expect to meet our material commitments through our cash and cash equivalents on hand, cash generated from future operations and financing activities.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENT LIABILITIES

We do not have any off-balance sheet arrangements which are reasonably likely to have a current and future material effect on the results of operations or our financial condition.

Except as disclosed in Note 29 to the historical combined financial statements included in Appendix O, we do not have any contingent liabilities.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT RISKS

We are exposed to certain financial risks that arise in our normal course of business, such as credit risk, liquidity risk and market risk. We have implemented risk management policies and guidelines that set out our tolerance for risk and our general risk management philosophy. Accordingly, we have established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner.

We do not enter into derivative financial instruments for speculative purposes.

Credit risk

Credit risk is the risk of a financial loss to our Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our Group's exposure to credit risk arises principally from our receivables from customers. Our management 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. For our hospital operations, we do not grant credit to non-corporate customers. Instead, a non-corporate customer is requested to place an initial deposit at the time of admission to the hospital. An additional deposit is requested from the customer when the hospital charges exceed a certain level.

Liquidity risk

Liquidity risk is the risk that our Group will not be able to meet our financial obligations as they fall due. Our Group's exposure to liquidity risk arises principally from our various payables, loans and borrowings. Our Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect our Group's financial position or cash flows.

Foreign exchange risk

Our Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables that are denominated in a currency other than the respective financial currencies of our Group entities. In respect of exposure that is certain, our Group will partially hedge these risks in order to keep them at an acceptable level. See "Risk Factors—Risks related to our business—Exchange rate instability may adversely affect our business, financial condition, results of operations and prospects".

Interest rate risk

Interest rate risk relates to changes in interest rates which affect mainly our Group's fixed deposits and our debt obligations with banks and financial institutions. Our Group's fixed-rate financial assets and borrowings are exposed to a risk of change in their fair value due to changes in interest rates while our variable-rate financial assets and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Our Group's policy is to manage our interest cost using a mix of fixed and variable rate debts as well as by rolling over our fixed deposits and variable rate borrowings on a short-term basis. In respect of long-term borrowings, our Group may enter into interest rate derivatives to manage our exposure to adverse movements in interest rates. See "Risk Factors—Risks related to our business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations or generate sufficient cash to service all of, or refinance, our indebtedness, limit our ability to react to opportunities and expose us to interest rate risk and currency exchange risk".

Equity price risk

Equity price risk mainly arises from our investments in quoted equity security classified as available-for-sale financial assets. The equity investments are held for long term strategic purposes. Their performance is assessed periodically together with assessment of their relevance to our Group's long term strategic plans.

Fair value of financial instruments

Quoted investments

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date.

Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps and caps is based on broker quotes. 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 measurement date.

Non-derivatives interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements. The notional amounts of financial liabilities with a maturity of less than one year or which reprice frequently appropriate their fair values.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year including trade and other receivables, cash and cash equivalents, trade and other payables approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Government debt securities

The fair values of government debt securities are determined by reference to their quoted closing bid price at the end of the reporting period.

KEY FINANCIAL RATIOS

Our Group

Our key financial ratios based on our combined financial statements for the periods indicated are as follows:

	As at 31 December				As at 31 March	
	2009	2010	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)	(USD000)
Trade receivables[1]	4,029	513,674	538,741	168,884	772,687	242,222
Trade receivables turnover period[2] (days)	12.1	51.5	59.1	59.1	55.1	55.1
Trade payables[3]	5,200	473,889	406,297	127.366	517,274	162,155
Trade payables turnover period[4] (days)	83.9	81.7	86.1	86.1	81.6	81.6
Inventories[5]	—	74,968	78,784	24,697	120,936	37,911
Inventories turnover period[6] (days)	—	47.7	42.3	42.3	43.6	43.6
Current ratio[7]	0.7	0.5	1.7	1.7	1.4	1.4
Borrowings[8]	111,749	6,711,128	5,038,348	1,579,419	7,639,044	2,394,685
Gearing ratio[9]	0.05	2.10	0.50	0.5	0.62	0.62

Notes:

(1) Trade receivables reflect outstanding amount receivable from customers, before impairment of trade receivables. Included in trade receivables are amounts due from related companies that are trade in nature.

(2) Trade receivables at each year end divided by total revenue. As Parkway and Pantai Irama were consolidated for four months from September 2010, total revenue for Parkway and Pantai Irama in 2010 is extrapolated to 12 months for purposes of determining the trade receivables turnover period for the year ended 31 December 2010.

(3) Trade payables reflect outstanding amount payable to suppliers and vendors for purchase of goods and services. Included in trade payables are amounts due to holding and related companies that are trade in nature.

(4) Trade payables at each year end divided by total inventories and consumables, purchased and contracted services, operating lease expenses and other operating expenses. As Parkway and Pantai Irama were consolidated for four months from September 2010, total inventories and consumables, purchased and contracted services, operating lease expenses and other operating expenses for Parkway and Pantai Irama in 2010 are extrapolated to 12 months for purposes of determining the trade payables turnover period for the year ended 31 December 2010.

(5) Inventories comprise of pharmaceutical, surgical and medical supplies.

(6) Inventories at each year end divided by total inventories and consumables. As Parkway and Pantai Irama were consolidated for four months from September 2010, total inventories and consumables expense for Parkway and Pantai Irama in 2010 is extrapolated to 12 months for purposes of determining the inventories turnover period for the year ended 31 December 2010.

(7) Current assets divided by current liabilities.

(8) Borrowings comprise bank borrowings, finance lease liabilities and bank overdrafts.

(9) Total borrowings divided by total equity.

Our trade receivables turnover period was 12.1 days for the year ended 31 December 2009, reflecting the trade receivables turnover period of IMU Health, where IMU's students typically make upfront payment for their tuition fees before the commencement of the semester. It increased to 51.5 days for the year ended 31 December 2010, reflecting the fact that it is computed by dividing our trade receivables balances as at 31 December 2010, which included Parkway, Pantai Irama and IMU Health, by revenue that was extrapolated to a full year of operations from each of Parkway, Pantai Irama and IMU Health. Our trade receivables turnover period was 59.1 days for the year ended 31 December 2011. Our trade receivables turnover period increased once Parkway and Pantai Irama joined our Group due to the nature of their business, as they grant credit to their customers. In contrast to the students enrolled at IMU, certain of Parkway and Pantai Irama's customers such as insurance companies, typically take a longer time to pay, as they need to verify invoices and may ask for additional information before making payments. Our trade receivables turnover period was 55.1 days for the three months ended 31 March 2012. Our trade receivables turnover period decreased as a result of the consolidation of Acibadem Holding for the three months ended 31 March 2012, whereby Acibadem Holding's trade receivables turnover period is generally lower than the rest of our Group.

Our trade payables turnover period was 83.9 days for the year ended 31 December 2009, reflecting the trade payables turnover period of IMU Health. This trade payables turnover period was in line with the credit terms of approximately 90 days extended by IMU Health's creditors, whereas some of Parkway and Pantai Irama's creditors extended a shorter credit period to Parkway and Pantai, resulting in a lower overall trade payables turnover period in 2010 of 81.7 days for the year ended 31 December 2010. This decrease also reflects the fact that the trade payables turnover period for the year ended 31 December 2010 is computed by dividing our trade payables balances as at 31 December 2010, which included Parkway, Pantai Irama and IMU Health, by inventories and consumables, purchased and contracted services, operating lease expenses and other operating expenses that were extrapolated to a full year of operations from each of Parkway, Pantai Irama and IMU Health. Our trade payables turnover period was 86.1 days for the year ended 31 December 2011. Our trade payables turnover period was 81.6 days for the three months ended 31 March 2012. Our trade payables turnover period decreased mainly as a result of the settlement of trade payables as at end of March 2012.

Our inventories turnover period was nil for the year ended 31 December 2009, reflecting the fact that IMU Health did not have any inventories. It increased to 47.7 days for the year ended 31 December 2010, reflecting the fact that it is computed by dividing our inventories balances as at 31 December 2010, which included Parkway and Pantai Irama, by inventories and consumables that was extrapolated to a full year of operations from each of Parkway and Pantai Irama. Our inventories turnover period was 42.3 days for the year ended 31 December 2011. Our inventories turnover period was 43.6 days for the three months ended 31 March 2012. Our inventories turnover period increased as a result of the consolidation of Acibadem Holding for the three months ended 31 March 2012 whereby Acibadem Holding's inventories turnover period is generally higher than the rest of our Group.

Our current ratio was 0.7 for the year ended 31 December 2009 due to the fact that IMU Health bills its students in advance and recognises such advance billings as current liabilities. Our current ratio decreased to 0.5 for the year ended 31 December 2010 primarily due to an increase in current liabilities, particularly the amount due to holding company of RM4.2 billion, for the financing of our acquisition of Parkway and Pantai Irama. Our current ratio increased to 1.7 for the year ended 31 December 2011 due to a decrease in current liabilities, particularly the amount due to holding company of RM4.6 billion, which was capitalised during 2011. Our current ratio decreased slightly to 1.4 for the three months ended 31 March 2012 due to the recognition of contingent consideration payable in relation to our acquisition of Acibadem Holding of approximately RM51.2 million.

Our gearing ratio increased from 0.05 for the year ended 31 December 2009 to 2.10 for the year ended 31 December 2010 primarily due to the increase in borrowings to finance our acquisition of Parkway in 2010. Our gearing ratio decreased to 0.50 for the year ended 31 December 2011 as a result of an increase in share capital in 2011 as set out in "Description of Our Shares—Share Capital". Our gearing ratio increased to 0.62 for the three months ended 31 March 2012 as a result of the increase in borrowings to finance our acquisition of Acibadem Holding during the period as well as the consolidation of Acibadem Holding's borrowings.

Our normal credit period given to our trade debtors generally ranges from 30 days to 90 days. Trade and other receivables that are neither past due nor impaired are credit-worthy debtors with good payment records with our Group.

The aging analysis for trade receivables and trade amounts due from related companies, net of impairment, as at 31 March 2012 is as follows:

		Past due				
	Current	**1–30 days**	**31–180 days**	**181 days– 1 year**	**More than 1 year**	**Total**
Trade receivables and trade amounts due from related companies (RM million)	446.3	109.5	99.4	16.5	3.6	675.3
Percentage of total trade receivables and trade amounts due from related companies (%)	66.1	16.2	14.7	2.5	0.5	100.0

We believe that adequate allowance has been made for doubtful debts based on historical experience and the balance of the trade receivables is recoverable.

The aging analysis for trade payables as at 31 March 2012 is as follows:

		Past due				
	Current	**1–30 days**	**31–60 days**	**61–90 days**	**More than 90 days**	**Total**
Trade payables (RM million)	396.5	100.2	3.4	1.1	16.1	517.3
Percentage of total trade payables (%)	76.6	19.4	0.7	0.2	3.1	100.0

The normal credit period extended by our suppliers generally ranges from 30 days to 90 days.

Acibadem Holding

The key financial ratios of Acibadem Holding based on Acibadem Holding's audited financial statements for the periods indicated are as follows:

	As at 31 December				As at 31 March	
	2009	**2010**	**2011**	**2011**	**2012**	**2012**
	(TL000/RM000)			(USD000)	(TL000/ RM000)	(USD000)
Trade receivables[1]	66,528/ 150,061	83,700/ 167,099	128,554/ 211,472	70,634	151,487/ 259,664	83,235
Trade receivables turnover period[2] (days)	44.5	38.9	42.2	42.2	40.8	40.8
Trade payables[3]	74,347/ 167,697	88,680/ 177,041	160,641/ 264,254	88,264	139,421/ 238,981	76,605
Trade payables turnover period[4] (days)	137.5	116.8	156.7	156.7	117.9	117.9
Inventories[5]	11,863/ 26,758	14,147/ 28,243	21,914/ 36,050	12,041	24,752/ 42,428	13,600
Inventories turnover period[6] (days)	59.5	47.7	53.3	53.3	45.3	45.3
Current ratio[7]	0.9	0.7	0.7	0.7	1.1	1.1
Borrowings[8]	775,115/ 1,748,349	856,536/ 1,709,989	1,061,914/ 1,746,848	583,469	987,473/ 1,692,628	542,568
Gearing ratio[9]	1.4	1.6	2.7	2.7	1.3	1.3

Notes:

(1) Trade receivables reflect outstanding amount receivable from customers, before impairment of trade receivables. Included in trade receivables are amounts due from related companies that are trade in nature.

(2) Trade receivables at each year end divided by total revenue.

(3) Trade payables reflect outstanding amount payable to suppliers and vendors for purchase of goods and services and notes payable. Included in trade payables are amounts due to related companies that are trade in nature.

(4) Trade payables at each year end divided by total cost of revenue, selling, marketing and distribution expenses, general administrative and other operating expenses excluding depreciation, amortisation and personnel expenses.

(5) Inventories comprise of medical materials and medicine and other inventories.

(6) Inventories at each year end divided by total cost of inventories.

(7) Current assets divided by current liabilities.

(8) Borrowings comprise bank borrowings and finance lease liabilities.

(9) Total borrowings divided by total equity.

(10) The Turkish Lira amounts have been translated to Ringgit Malaysia based on the average and closing exchange rates for the periods indicated.

Acibadem Holding's trade receivables turnover period was 44.5 days for the year ended 31 December 2009. For the year ended 31 December 2009, Acibadem Maslak Hospital, Acibadem Kayseri Hospital and Acibadem Adana Hospital commenced operations but they did not contribute revenue over the full financial year. Acibadem Holding's trade receivables turnover period decreased to 38.9 days for the year ended 31 December 2010, showing a lower increase in Acibadem Holding's overdue balances compared to the increase in Acibadem Holding's total revenue for the year ended 31 December 2010. This decrease primarily reflected shorter collection periods for a portion of Acibadem Holding's receivables due to better credit terms obtained pursuant to agreements entered with private insurance companies. Acibadem Holding's trade receivables turnover period increased to 42.2 days for the year ended 31 December 2011, primarily due to an increase in patient receivables. Acibadem Holding's trade receivables turnover period decreased to 40.8 days for the three months ended 31 March 2012, primarily due to the improved collection of its receivables against the increase in its revenue during the period. The normal credit period given to Acibadem Holding's trade debtors is generally approximately 45 days. Such trade debtors are typically private insurance companies.

Acibadem Holding's trade payable turnover period was 137.5 days for the year ended 31 December 2009. It decreased to 116.8 days for the year ended 31 December 2010, reflecting shorter credit periods and faster payments made to suppliers by Acibadem Holding. Acibadem Holding's trade payable turnover period increased to 156.7 days for the year ended 31 December 2011, primarily due to better credit terms obtained from suppliers. Acibadem's trade payables turnover period decreased to 117.9 days for the three months ended 31 March 2012, primarily due to an increase in payments made to its suppliers during the period as trade payables decreased by 9.6% from 31 December 2011. Acibadem's trade payable turnover period for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012 was higher than our Group's trade payable turnover period for the same period due to an increase in Acibadem Holding's trade payables. In order to mitigate the negative effect of such increase, Acibadem Holding extended the dates of its payments with the consent of its suppliers. In addition, due to the differing business environments in which they operate, Acibadem Holding generally receives longer credit periods from its suppliers than PPL.

Acibadem Holding's inventories turnover period was 59.5 days for the year ended 31 December 2009. It decreased to 47.7 days for the year ended 31 December 2010, reflecting a faster turnover on purchased inventories. Acibadem Holding's inventories turnover period increased to 53.3 days for the year ended 31 December 2011 due to the higher level of inventory maintained for medical materials and medicine purchases. Acibadem Holding's inventories turnover period decreased to 45.3 days for the three months ended 31 March 2012, primarily due to faster turnover of inventories in conjunction with an increase in revenue for the period.

Acibadem Holding's current ratio declined from 0.9 for the year ended 31 December 2009 to 0.7 for the year ended 31 December 2010, primarily due to the increase in current financial liabilities and trade and other payables for the year ended 31 December 2010. Acibadem Holding's current ratio remained at 0.7 for the year ended 31 December 2011. Acibadem Holding's current ratio increased to 1.1 for the three months ended 31 March 2012, primarily due to higher cash balances compared to 31 December 2011 that were held by Acibadem Holding with regard to payments to be made for the mandatory tender offer by Almond (Turkey) described in the section "—Recent Developments —Mandatory Tender Offer for Acibadem". If the impact of this funding were to be excluded, Acibadem Holding's current ratio for the three months ended 31 March 2012 would have remained at 0.7.

Acibadem Holding's total borrowings have been increasing for the years ended 31 December 2009, 2010 and 2011 as a result of the loans obtained for financing acquisitions and capital expenditures at existing and greenfield hospitals. However, the total borrowings in RM equivalent decreased from RM1,748.3 million (TL775.1 million) as at 31 December 2009 to RM1,710.0 million (TL856.5 million) as at 31 December 2010 due to foreign exchange translation differences arising from the conversion of the borrowings from Turkish Lira to RM. With that, the gearing ratio increased from 1.4 for the year ended 31 December 2009 to 1.6 and 2.7 for the years ended 31 December 2010 and 2011, respectively. Acibadem Holding's gearing ratio decreased to 1.3 for the three months ended 31 March 2012, primarily due to the reduction in total borrowings and increase in share capital and share premium as a result of capital injection by Acibadem Holding's shareholders for the acquisitions of APlus and Acibadem Proje. In addition, there was an increase in capital advances received in relation to the mandatory tender offer by Almond (Turkey).

GOVERNMENT / ECONOMIC / FISCAL / MONETARY POLICIES

Our facilities are based in Malaysia, Singapore, Turkey, the PRC, India, Hong Kong, Vietnam, Macedonia and Brunei. As a result, changes in political, economic, fiscal and monetary conditions in local and global markets generally, could materially or adversely affect our business, financial condition, results of operations and future growth.

For a more detailed description of risks relating to government, economic, fiscal or monetary policies or factors that may materially affect our operations, see "Risk Factors—Risks related to our countries of operation—We are subject to political, economic and social developments as well as the laws, regulations and the licensing requirements in Singapore, Malaysia, Turkey, the PRC, India and the other countries in which we operate."

SEASONALITY

Our inpatient and outpatient volumes are lowest during festive periods and summer months in each of the relevant countries in which we operate and other holiday periods as both patients and doctors may take vacation. These lower volumes result in lower inpatient and outpatient revenue during these periods, especially for elective or non-urgent procedures. Conversely, patient volumes and thus inpatient and outpatient revenue are highest during the winter months in each of the relevant countries in which we operate. As we are continuously expanding, the effects of seasonality may be difficult to ascertain from our financial statements.

INFLATION

We do not believe that inflation has a material impact on our business, financial condition or result of operations. However, any increase in inflation rate beyond levels experienced in the past may affect our operations and performance if we are unable to fully offset higher costs through increases in our prices.

ORDER BOOK

Due to the nature of our business, we do not maintain an order book. See “Our Business”.

PROSPECTS

The results of our operations for the year ending 31 December 2012 have been and are expected to continue to be primarily influenced by the following factors, in addition to the factors included in “Risk Factors” and “—Factors Affecting Our Results of Operations”:

- our ability to maintain our market share and grow our revenue;
- local and global economies and expectations on growth; and
- management of operating costs.

Except as disclosed above and in “Risk Factors” and “—Factors Affecting Our Results of Operations”, to the best of our Board’s knowledge and belief, there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on our financial condition and results of operations.

Subject to the factors described in this section of this Prospectus, our Board expects the results of our operations for the financial year ending 31 December 2012 to be satisfactory.

CHANGES IN ACCOUNTING POLICIES

We have not made any significant changes in our accounting policies during the three years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012.

RECENT ACCOUNTING PRONOUNCEMENTS

We do not expect any upcoming accounting pronouncements to have a material effect on our financial conditions or results of operations. See note 1(a) to the historical combined financial statements included in Appendices M and O of this Prospectus.

SELECTED PRO FORMA FINANCIAL INFORMATION

You should read the following selected pro forma financial information for the periods and as at the dates indicated in conjunction with "Discussion and Analysis of Pro Forma Financial Information" and our pro forma financial information and the accompanying notes included in this Prospectus. Our pro forma financial information is reported in Ringgit Malaysia.

The selected pro forma financial information for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 and as at 31 December 2011 and 31 March 2012 have been derived from our pro forma financial statements, which is included in this Prospectus, and the information should be read together with those financial statements and the notes thereto. We have prepared and presented our pro forma financial information based on our historical combined financial statements as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012. Our historical results for any prior periods are not necessarily indicative of results to be expected for a full fiscal year or for any future period and our pro forma results have been compiled, on the basis of assumptions, for illustrative purposes only.

Our pro forma income statement information illustrates the effect of the formation of our Company, the acquisition of PPL, IMU Health and Acibadem Holding and all other acquisitions and disposals of companies by our Group since 1 January 2009 or the date of incorporation of the relevant entities, if later. Our selected pro forma balance sheet information illustrate the effects of the acquisition of Acibadem Holding as if it had taken place on 31 December 2011 and 31 March 2012, respectively, for the purpose of preparing our pro forma balance sheets as at those dates. Our selected pro forma statement of cash flows information illustrate the effect of the acquisition of Acibadem Holding by our Group as if it had taken place on 1 January 2011. See "Corporate Structure and History" and notes 2, 3, and 4 to our pro forma financial information included in Appendix P to this Prospectus for a further discussion of our corporate structure and history and the presentation of our pro forma financial information, respectively.

The presentation of our pro forma financial information may differ from the manner in which pro forma financial information would be presented in accordance with Regulation S-X under the U.S. Securities Act. Specifically, the formation of our Company and the acquisition of each of PPL, IMU Health and Acibadem Holding have all been treated as if they had taken place at the respective dates indicated in the paragraph above and note 4 to our pro forma financial information. The retrospective effect given to these transactions significantly differs from and exceeds the retrospective pro forma treatment of businesses acquired or to be acquired pursuant to Regulation S-X under the U.S. Securities Act.

For a discussion of the risks relating to relying on our pro forma financial information, see "Risk Factors—Risks related to our business—The historical combined financial statements and the pro forma financial information contained herein may not accurately reflect our historical financial position, results of operations and cash flows."

SELECTED PRO FORMA INCOME STATEMENT INFORMATION

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)		(USD000)
	(except for share and margin information)						
Revenue	3,946,250	4,506,735	5,190,764	1,627,199	1,273,647	1,476,374	462,813
Other operating income	102,121	70,590	176,885	55,450	56,495	21,484	6,735
Inventories and consumables	(720,469)	(809,322)	(1,025,237)	(321,391)	(234,478)	(282,966)	(88,704)
Purchased and contracted services	(509,214)	(558,620)	(580,358)	(181,930)	(128,827)	(146,358)	(45,880)
Depreciation and impairment losses on property, plant and equipment	(374,982)	(370,272)	(369,297)	(115,767)	(90,924)	(89,996)	(28,212)
Amortisation and impairment losses on intangible assets	(80,181)	(84,068)	(72,268)	(22,655)	(18,707)	(17,820)	(5,586)
Staff costs	(1,511,717)	(1,725,308)	(1,988,251)	(623,276)	(492,941)	(545,287)	(170,936)
Operating lease expenses	(211,567)	(230,559)	(258,252)	(80,957)	(59,769)	(65,706)	(20,597)
Operating expenses	(430,738)	(435,795)	(421,539)	(132,145)	(98,645)	(139,357)	(43,686)
Finance income	37,254	37,685	58,339	18,288	16,069	122,804	38,496
Finance costs	(404,122)	(344,176)	(584,827)	(183,331)	(65,162)	(76,866)	(24,096)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	530,120	—	—	—	—	—	—
Share of profits of associates (net of tax)	57,562	52,196	79,937	25,059	12,160	14,472	4,537
Share of profits of joint ventures (net of tax)	3,725	8,776	13,909	4,360	2,742	3,407	1,068
Profit before income tax	**434,042**	**117,862**	**219,805**	**68,904**	**171,660**	**274,185**	**85,952**
Income tax expense	(6,797)	(76,407)	(87,760)	(27,511)	(37,473)	(57,751)	(18,104)
Profit for the year/period	**427,245**	**41,455**	**132,045**	**41,393**	**134,187**	**216,434**	**67,848**
Profit before income tax margin (%)	11.0	2.6	4.2	4.2	13.5	18.6	18.6
Profit for the year/period margin (%)	10.8	0.9	2.5	2.5	10.5	14.7	14.7
Profit attributable to:							
Owners of the Company	463,547	78,717	245,655	77,008	118,121	164,504	51,569
Non-controlling interests	(36,302)	(37,262)	(113,610)	(35,615)	16,066	51,930	16,279
Profit for the year/period	**427,245**	**41,455**	**132,045**	**41,393**	**134,187**	**216,434**	**67,848**
Earnings per Share (sen)							
Basic(1)	5.76	0.98	3.05	0.96	1.47	2.04	0.64
Diluted(2)	5.75	0.98	3.05	0.96	1.47	2.04	0.64

Notes:

(1) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(2) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of Our Shares—Share Capital" for further details.

SELECTED PRO FORMA BALANCE SHEET INFORMATION

The pro forma balance sheets presented below are after taking into consideration the effects of the utilisation of proceeds from the Public Issue. Please refer to "Discussion and analysis of pro forma financial information—Pro forma adjustments to combined financial statements—Adjustments to combined balance sheets" for further details.

	As at 31 December		As at 31 March	
	2011	2011	2012	2012
	(RM000)	(USD000)	(RM000)	(USD000)
Non-current assets				
Property, plant and equipment	6,044,178	1,894,727	6,300,609	1,975,113
Intangible assets	2,992,066	937,952	3,038,754	952,587
Goodwill on consolidation	8,562,159	2,684,062	8,499,464	2,664,409
Interest in associates	862,273	270,305	864,238	270,921
Interest in joint ventures	28,009	8,780	31,302	9,813
Other financial assets	568,494	178,211	591,542	185,436
Other receivables	—	—	42,313	13,264
Deferred tax assets	70,709	22,166	57,682	18,082
	19,127,888	**5,996,203**	**19,425,904**	**6,089,625**
Current assets				
Assets classified as held for sale	1,463	459	1,463	459
Development property	1,121,195	351,472	1,160,548	363,808
Inventories	117,909	36,962	120,936	37,911
Trade and other receivables	814,160	255,223	854,194	267,772
Tax recoverable	29,879	9,366	26,092	8,179
Other financial assets	39,637	12,425	26,967	8,454
Derivative assets	—	—	3,007	943
Cash and cash equivalents	1,768,218	554,300	1,660,336	520,482
	3,892,461	**1,220,207**	**3,853,543**	**1,208,008**
Total assets	**23,020,349**	**7,216,410**	**23,279,447**	**7,297,633**
Non-current liabilities				
Bank borrowings	2,797,276	876,889	2,698,802	846,019
Employee benefits	21,112	6,618	19,085	5,983
Other payables	91,716	28,751	77,081	24,163
Deferred tax liabilities	784,757	246,005	804,126	252,077
	3,694,861	**1,158,263**	**3,599,094**	**1,128,242**
Current liabilities				
Bank overdrafts	584	183	9,433	2,957
Trade and other payables	2,019,207	632,979	2,168,497	679,779
Bank borrowings	246,019	77,122	268,047	84,027
Derivative liabilities	1,252	392	6,369	1,997
Employee benefits	41,935	13,146	20,865	6,541
Tax payable	119,860	37,574	148,372	46,512
	2,428,857	**761,396**	**2,621,583**	**821,813**
Total liabilities	**6,123,718**	**1,919,659**	**6,220,677**	**1,950,055**

	As at 31 December		As at 31 March	
	2011	2011	2012	2012
	(RM000)	(USD000)	(RM000)	(USD000)
Equity attributable to owners of our Company				
Share capital	8,053,294	2,524,544	8,053,294	2,524,544
Share premium	7,975,665	2,500,208	7,975,665	2,500,208
Reserves	275,604	86,396	415,673	130,305
	16,304,563	**5,111,148**	**16,444,632**	**5,155,057**
Non-controlling interests	592,068	185,601	614,138	192,520
Total equity	**16,896,631**	**5,296,749**	**17,058,770**	**5,347,577**
Total equity and liabilities	**23,020,349**	**7,216,408**	**23,279,447**	**7,297,632**
Net assets(1)	16,304,563	5,111,148	16,444,632	5,155,057
Net tangible assets(2)	4,750,338	1,489,134	4,906,414	1,538,061
Net assets per Share(3) (RM)	2.02	0.63	2.04	0.64
Net tangible assets per share(3) (RM)	0.59	0.18	0.61	0.19

Notes:

(1) Being NA attributable to ordinary shareholders (excluding non-controlling interests).

(2) Net tangible assets are computed as NA less goodwill on consolidation and intangible assets.

(3) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

SELECTED PRO FORMA STATEMENT OF CASH FLOWS INFORMATION

The pro forma statement of cash flow presented below is after taking into consideration the effects of the utilisation of proceeds from the Public Issue. Please refer to "Discussion and analysis of pro forma financial information—Pro forma adjustments to combined financial statements—Adjustments to combined statements of cash flows" for further details.

	Year ended 31 December		Three months ended 31 March	
	2011	2011	2012	2012
	(RM000)	(USD000)	(RM000)	(USD000)
Net cash generated from operating activities	1,356,032	425,088	275,106	86,240
Net cash used in investing activities	(2,267,335)	(710,763)	(224,202)	(70,283)
Net cash generated from financing activities	1,324,276	415,134	204,452	64,092
Net increase in cash and cash equivalents	412,973	129,459	255,356	80,049
Cash and cash equivalents at beginning of the year/period	1,158,109	363,044	1,256,900	394,013
Effect of exchange rate fluctuations on cash held	68,339	21,423	(22,852)	(7,164)
Cash and cash equivalents at end of the year/period	1,639,421	513,926	1,489,404	466,898

SELECTED NON-IFRS PRO FORMA FINANCIAL INFORMATION

Pro Forma EBITDA Reconciliation

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
	(RM million)			(USD million)	(RM million)		(USD million)
Net profit for the year/period	**427.2**	**41.5**	**132.0**	**41.4**	**134.2**	**216.4**	**67.8**
Income tax	6.8	76.4	87.8	27.5	37.5	57.8	18.1
Profit before income tax	**434.0**	**117.9**	**219.8**	**68.9**	**171.7**	**274.2**	**85.9**
Depreciation on property, plant and equipment	355.5	370.3	369.3	115.8	90.9	90.0	28.2
Amortisation on intangible assets	80.2	81.7	72.3	22.7	18.7	17.8	5.6
Other exchange loss/(gain)	2.3	6.7	(95.6)	(30.0)	(33.8)	3.8	1.2
Finance income	(37.3)	(37.7)	(58.3)	(18.3)	(16.1)	(122.8)	(38.5)
Finance costs	404.1	344.2	584.8	183.3	65.2	76.9	24.1
Share of profits of associates (net of tax)	(57.6)	(52.2)	(79.9)	(25.0)	(12.2)	(14.5)	(4.5)
Share of profits of joint ventures (net of tax)	(3.7)	(8.8)	(13.9)	(4.4)	(2.7)	(3.4)	(1.1)
Impairment loss on:							
Property, plant and equipment	19.5	—	—	—	—	—	—
Goodwill	—	2.4	—	—	—	—	—
Available-for-sale financial assets	5.3	—	2.4	0.8	—	—	—
Deposits paid to non-controlling shareholders	—	65.1	—	—	—	—	—
Write off of property, plant and equipment	10.7	—	19.4	6.1	—	0.1	—
Loss/(gain) on disposal of:							
Property, plant and equipment	0.4	(0.8)	0.3	0.1	(0.4)	0.2	0.1
Available-for-sale financial assets	(1.3)	—	—	—	—	—	—
Gain on remeasurement of investment previously accounted for as associates and joint ventures	(530.1)	—	—	—	—	—	—
Fair value loss on contingent consideration payable	—	—	—	—	—	10.8	3.4
Professional and consultancy fees incurred for:							
Internal restructuring	—	—	9.1	2.9	1.9	—	—
Acquisitions	92.6	—	—	—	—	—	—
EBITDA	**774.6**	**888.8**	**1,029.7**	**322.9**	**283.2**	**333.1**	**104.4**
Real estate rental expense	202.8	213.9	242.8	76.1	58.2	63.0	19.7
EBITDAR	**977.4**	**1,102.7**	**1,272.5**	**399.0**	**341.4**	**396.1**	**124.1**
EBITDA margin (%)	**19.6**	**19.7**	**19.8**	**19.8**	**22.2**	**22.6**	**22.6**
EBITDAR margin (%)	**24.8**	**24.5**	**24.5**	**24.5**	**26.8**	**26.8**	**26.8**

Note:

(1) Pro forma EBITDA and EBITDAR are not calculations required by or presented in accordance with MFRS and IFRS. Pro forma EBITDA and EBITDAR presented in this document is a supplemental measure of our operating performance and liquidity, and should not be considered as an alternative to net profit as an indicator of our operating performance or as an alternative to operating cash flows as a measure of our liquidity. Moreover, you should be aware that pro forma EBITDA and EBITDAR measures presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation. Therefore, the table above provides you with further information to reconcile pro forma EBITDA and EBITDAR to pro forma net profit, which is also not a calculation presented in accordance with MFRS and IFRS.

Pro forma EBITDA margin and EBITDAR margin are not calculations required by or presented in accordance with MFRS and IFRS. Pro forma EBITDA margin and EBITDAR margin are calculated by dividing each of pro forma EBITDA and EBITDAR by pro forma revenue.

Pro Forma Segmental EBITDA Breakdown

EBITDA and EBITDAR are primarily a function of revenues and costs across our various business segments, which in turn are impacted by various factors. As a result of the different underlying revenue and cost structures of these segments, various segments have differing EBITDA as a proportion of revenues as compared to other segments. For example, due to the nature of the specific businesses, EBITDA as a percentage of revenue for our education business has typically been higher than our hospital and healthcare businesses during the years ended 31 December 2009, 2010 and 2011. Furthermore, during the years ended 31 December 2009, 2010 and 2011, within PPL, EBITDA as a percentage of revenue for our Singapore operations has typically been lower than our Malaysian operations, partially as a result of the fact our Singapore hospitals incur rental expenses payable to PLife REIT whereas we own a significant portion of our hospitals in Malaysia, as well as the fact that our Singapore hospitals target different patient markets and demographics as compared to our hospitals in Malaysia, among other reasons. In addition, during the years ended 31 December 2009, 2010 and 2011, overall EBITDA as a percentage of revenue for PPL has been similar to that of Acibadem Holding. For a further discussion of the specific factors affecting our revenues and costs, please refer to "Factors Affecting Our Results of Operations", including "Factors Affecting Our Results of Operations—Revenue sources" and "Factors Affecting Our Results of Operations—Costs of operations".

	PPL								Acibadem Holding		IMU Health		Others(2)		Total	
	Singapore		Malaysia		International		Sub-total		CEEMENA		Malaysia					
	Three months ended 31 March															
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
EBITDA(1)	(RM million)															
Hospital(3)	38.9	57.4	54.5	62.7	3.8	4.1	97.2	124.2	115.5	122.3	—	—	—	—	212.7	246.5
Healthcare(3)	24.7	35.6	5.5	5.5	10.1	0.8	40.3	41.9	10.2	14.6	—	—	—	—	50.5	56.5
Education(4)	1.1	1.3	0.7	1.6	—	—	1.8	2.9	—	—	18.9	17.4	—	—	20.7	20.3
Non- healthcare	1.9	18.3	0.1	0.2	—	—	2.0	18.5	—	(0.8)	—	—	(2.7)	(7.9)	(0.7)	9.8
Total EBITDA	66.6	112.6	60.8	70.0	13.9	4.9	141.3	187.5	125.7	136.1	18.9	17.4	(2.7)	(7.9)	283.2	333.1
Real estate rental expense	39.8	43.1	1.4	2.0	2.4	2.8	43.6	47.9	14.5	15.0	0.1	0.1	—	—	58.2	63.0
Total EBITDAR	106.4	155.7	62.2	72.0	16.3	7.7	184.9	235.4	140.2	151.1	19.0	17.5	(2.7)	(7.9)	341.4	396.1

Notes:

(1) EBITDA represents profit before income tax adjusted for depreciation, amortisation, foreign exchange gains and losses, net finance costs, share of profits of associates and joint ventures (net of tax) and other various non-recurring gains and losses, certain impairment losses and write-offs, gains and losses on disposals and various professional and consultancy fees incurred for internal restructuring and acquisitions, as applicable.

(2) Includes the corporate office of our Company.

(3) The "Hospital" segment includes our hospitals operated by PPL and Acibadem Holding. the "Healthcare" segment includes the operation of medical clinics and provision of primary healthcare services, ownership and management of radiology clinics, provision of diagnostic laboratory services and provision of managed care and related services by PPL and Acibadem Holding.

(4) Our PPL Singapore "Education" segment comprises Parkway College. Our PPL Malaysia "Education" segment comprises Pantai College, which will be transferred from PPL to IMU Health upon completion of the conditional share sale agreement dated 3 April 2012 between IMU Health and Pantai Resources for the sale of the entire equity interest in Pantai Education. Our IMU Health "Education" segment currently comprises IMU.

(5) Pro forma EBITDA and EBITDAR are not calculations required by or presented in accordance with MFRS and IFRS. Pro forma EBITDA and EBITDAR should not be considered as an alternative to net profit as an indicator of our operating performance or as an alternative to operating cash flows as a measure of our liquidity. Moreover, you should be aware that pro forma EBITDA and EBITDAR measures presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

(6) The classification of pro forma EBITDA and EBITDAR among our business segments and geographic areas has been done on a legal-entity and profit centre basis. This does not include associates and joint ventures.

	PPL								Acibadem Holding		IMU Health		Others[(2)]		Total	
	Singapore		Malaysia		International		Sub-total		CEEMENA		Malaysia					
	Year ended 31 December															
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
EBITDA[(1)]	(RM million)															
Hospital[(3)]	147.6	179.6	193.4	222.3	10.4	15.5	351.4	417.4	281.2	343.6	—	—	—	—	632.6	761.0
Healthcare[(3)]	110.7	109.0	20.2	15.3	43.1	49.8	174.0	174.1	18.5	36.1	—	—	—	—	192.5	210.2
Education[(4)]	0.1	5.0	3.4	4.0	—	—	3.5	9.0	—	—	55.9	61.2	—	—	59.4	70.2
Non-healthcare	6.6	6.4	1.6	2.8	(0.3)	(0.1)	7.9	9.1	(0.9)	(0.3)	—	—	(2.7)	(20.5)	4.3	(11.7)
Total EBITDA	265.0	300.0	218.6	244.4	53.2	65.2	536.8	609.6	298.8	379.4	55.9	61.2	(2.7)	(20.5)	888.8	1,029.7
Real estate rental expense[(5)]	153.6	166.3	5.2	5.7	9.8	10.1	168.6	182.1	44.7	60.0	0.6	0.7	—	—	213.9	242.8
Total EBITDAR	418.6	466.3	223.8	250.1	63.0	75.3	705.4	791.7	343.5	439.4	56.5	61.9	(2.7)	(20.5)	1,102.7	1,272.5

Notes:

(1) EBITDA represents profit before income tax adjusted for depreciation, amortisation, foreign exchange gains and losses, net finance costs, share of profits of associates and joint ventures (net of tax) and other various non-recurring gains and losses, certain impairment losses and write-offs, gains and losses on disposals and various professional and consultancy fees incurred for internal restructuring and acquisitions, as applicable.

(2) Includes the corporate office of our Company.

(3) The "Hospital" segment includes our hospitals operated by PPL and Acibadem Holding. The "Healthcare" segment includes the operation of medical clinics and provision of primary healthcare services, ownership and management of radiology clinics, provision of diagnostic laboratory services and provision of managed care and related services by PPL and Acibadem Holding.

(4) Our PPL Singapore "Education" segment comprises Parkway College. Our PPL Malaysia "Education" segment comprises Pantai College, which will be transferred from PPL to IMU Health upon completion of the conditional share sale agreement dated 3 April 2012 between IMU Health and Pantai Resources for the sale of the entire equity interest in Pantai Education. Our IMU Health "Education" segment currently comprises IMU.

(5) Singapore contributes approximately 75.3%, 71.8% and 68.5%, respectively, of our Group's total real estate rental expenses for the years ended 31 December 2009, 2010 and 2011, of which Singapore hospitals' rental expenses amounts to RM136.1 million, RM135.8 million and RM145.1 million, respectively, for the same periods.

(6) Pro forma EBITDA and EBITDAR are not calculations required by or presented in accordance with MFRS and IFRS. Pro forma EBITDA and EBITDAR should not be considered as an alternative to net profit as an indicator of our operating performance or as an alternative to operating cash flows as a measure of our liquidity. Moreover, you should be aware that pro forma EBITDA and EBITDAR measures presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

(7) The classification of pro forma EBITDA and EBITDAR among our business segments and geographic areas has been done on a legal-entity and profit centre basis. This does not include associates and joint ventures.

	PPL								Acibadem Holding		IMU Health		Others[(2)]		Total	
	Singapore		Malaysia		International		Sub-total		CEEMENA		Malaysia					
	Year ended 31 December															
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
EBITDA[(1)]	(RM million)															
Hospital[(3)]	132.5	147.6	198.4	193.4	8.6	10.4	339.5	351.4	172.4	281.2	—	—	—	—	511.9	632.6
Healthcare[(3)]	122.2	110.7	18.7	20.2	37.7	43.1	178.6	174.0	24.9	18.5	—	—	—	—	203.5	192.5
Education[(4)]	2.1	0.1	2.6	3.4	—	—	4.7	3.5	—	—	48.9	55.9	—	—	53.6	59.4
Non-healthcare	6.4	6.6	—	1.6	(0.4)	(0.3)	6.0	7.9	(0.4)	(0.9)	—	—	—	(2.7)	5.6	4.3
Total EBITDA	263.2	265.0	219.7	218.6	45.9	53.2	528.8	536.8	196.9	298.8	48.9	55.9	—	(2.7)	774.6	888.8
Real estate rental expenses[(5)]	152.7	153.6	6.5	5.2	10.5	9.8	169.7	168.6	32.6	44.7	0.5	0.6	—	—	202.8	213.9
Total EBITDAR	415.9	418.6	226.2	223.8	56.4	63.0	698.5	705.4	229.5	343.5	49.4	56.5	—	(2.7)	977.4	1,102.7

Notes:

(1) EBITDA represents profit before income tax adjusted for depreciation, amortisation, foreign exchange gains and losses, net finance costs, share of profits of associates and joint ventures (net of tax) and other various non-recurring gains and losses, certain impairment losses and write-offs, gains and losses on disposals and various professional and consultancy fees incurred for internal restructuring and acquisitions, as applicable.

(2) Includes the corporate office of our Company.

(3) The "Hospital" segment includes our hospitals operated by PPL and Acibadem Holding. The "Healthcare" segment includes the operation of medical clinics and provision of primary healthcare services, ownership and management of radiology clinics, provision of diagnostic laboratory services and provision of managed care and related services by PPL and Acibadem Holding.

(4) Our PPL Singapore "Education" segment comprises Parkway College. Our PPL Malaysia "Education" segment comprises Pantai College, which will be transferred from PPL to IMU Health upon completion of the conditional share sale agreement dated 3 April 2012 between IMU Health and Pantai Resources for the sale of the entire equity interest in Pantai Education. Our IMU Health "Education" segment currently comprises IMU.

(5) Singapore contributes approximately 75.3%, 71.8% and 68.5%, respectively, of our Group's total real estate rental expenses for the years ended 31 December 2009, 2010 and 2011, of which Singapore hospitals' rental expenses amounts to RM136.1 million, RM135.8 million and RM145.1 million, respectively, for the same periods.

(6) Pro forma EBITDA and EBITDAR are not calculations required by or presented in accordance with MFRS and IFRS. Pro forma EBITDA and EBITDAR should not be considered as an alternative to net profit as an indicator of our operating performance or as an alternative to operating cash flows as a measure of our liquidity. Moreover, you should be aware that pro forma EBITDA and EBITDAR measures presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

(7) The classification of pro forma EBITDA and EBITDAR among our business segments and geographic areas has been done on a legal-entity and profit centre basis. This does not include associates and joint ventures.

Acibadem Maslak Hospital EBITDA

One of the greenfield projects completed by Acibadem Holding is Acibadem Maslak Hospital, which commenced operations in 2009, further details of which are set out in "Our Business—Our Competitive Strengths—Strong track record of operational and financial performance". The following table shows certain EBITDA financial information for our Acibadem Maslak Hospital for the years ended 31 December 2009, 2010 and 2011.

	Year ended 31 December		
	2009	2010	2011
		(RM million)	
Net Revenue	121.7	229.8	298.4
Gross EBITDA[(1) (2)]	29.0	79.7	112.3

Notes:

(1) Gross EBITDA represents net revenue after adjusting for various operating costs, including certain material expenses, doctor expenses, other personnel expenses, outsourcing expenses, other production expenses, other general expenses and regional marketing expenses.

(2) Gross EBITDA is not a calculation required by or presented in accordance with MFRS and IFRS. Gross EBITDA information in the above table is not an IFRS measure and was not derived from our underlying accounting records, but was instead compiled based on hospital operating data. In addition, net revenue has been recognised in accordance with Turkish GAAP. Consequently, if net revenue were to be recognised in accordance with MFRS or IFRS or if gross EBITDA in the above table were to be compiled on a basis consistent with EBITDA in "Summary Combined Financial Information" and "Selected Financial Information", respectively, a different amount may result. Moreover, you should be aware that the gross EBITDA measures presented in the above table may not be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation. Furthermore, we have not presented other measures of operating performance or liquidity for this entity on a standalone basis in this Prospectus. Therefore, the gross EBITDA amounts in the above table should not be considered as an alternative to net profit of our Group presented elsewhere in this Prospectus as an indicator of our operating performance or as an alternative to operating cash flows of our Group presented elsewhere in this Prospectus as a measure of our liquidity.

(3) The Turkish Lira amounts have been translated for convenience to Ringgit Malaysia at the rate of TL1.00 to RM1.72.

Shared Services Costs

Shared services for our hospitals in Singapore include various centralised services, such as marketing, procurement, finance, human resources, information technology, corporate communications, legal, company secretarial and certain other services which are accounted for on a shared services basis. For the years ended 31 December 2009, 2010 and 2011, shared services costs for our hospitals in Singapore were RM120.3 million, RM155.5 million and RM160.6 million, respectively, which included real estate rental expense of RM8.8 million, RM8.8 million and RM9.1 million.

DISCUSSION AND ANALYSIS OF PRO FORMA FINANCIAL INFORMATION

The objective of pro forma financial information is to illustrate how a proposed or completed transaction (or event) might have affected the financial information presented in the prospectus had the transaction occurred at an earlier date. Pro forma financial information does not represent an entity's actual financial position or results. It addresses a hypothetical situation and is prepared for illustrative purposes only. There is no independent examination of any of the underlying financial information, including the adjustments to our Company's accounting policies, nor of the pro forma assumptions used as the basis of the adjustments to the pro forma financial information.

In the following section we discuss and analyse our pro forma financial information for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012. You should read the following discussion together with (i) our pro forma financial information for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012; (ii) our audited historical combined financial statements as at and for the years ended 31 December 2009, 2010 and 2011; and (iii) our audited condensed interim financial statements as at and for the three months ended 31 March 2012. All of these financial statements are included in this Prospectus. Our pro forma financial information is reported in Ringgit Malaysia.

The pro forma financial information for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 and as at 31 December 2011 and 31 March 2012 have been derived from the pro forma financial information as set out in Appendix P of this Prospectus. We have prepared and presented our pro forma financial information based on our historical combined financial statements as at and for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012. Our historical results for any prior periods are not necessarily indicative of results to be expected for a full fiscal year or for any future period and our pro forma results have been compiled, on the basis of assumptions, for illustrative purposes only.

See "Corporate Structure and History" for our corporate structure and history and notes 2, 3 and 4 to our pro forma financial information as set out in this Prospectus for a further discussion of the presentation of our pro forma financial information.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out under "Risk Factors" and "Forward-Looking Statements". We have prepared our pro forma financial information from our historical combined financial statements, which are in accordance with MFRS and IFRS which may differ in certain significant respects from generally accepted accounting principles in other countries, including the United States. The presentation of our pro forma financial information differs from the manner in which pro forma financial information would be presented in accordance with Regulation S-X under the U.S. Securities Act. Specifically, the formation of our Company and the acquisition of each of PPL, IMU Health and Acibadem Holding, have all been treated as if they had taken place as at the earliest date of the relevant period presented in the pro forma financial information. The retrospective effect given to these transactions significantly differs from and exceeds the retroactive pro forma treatment of businesses acquired or to be acquired pursuant to Regulation S-X under the U.S. Securities Act.

For a discussion of risks relating to relying on our pro forma financial information, see "Risk Factors—Risks related to our business—The historical combined financial statements and the pro forma financial information contained herein may not accurately reflect our historical financial position, results of operations and cash flows."

BASIS OF PRESENTATION

The pro forma financial information has been compiled based on:

(a) the audited historical combined financial statements of our Group for the years ended 31 December 2009, 2010 and 2011, which were prepared in accordance with MFRS and IFRS;

(b) the audited condensed interim historical combined financial statements of our Group for the three months ended 31 March 2012, which were prepared in accordance with MFRS and IFRS; and

(c) the audited historical financial statements of Acibadem Holding prepared in accordance with the Turkish Uniform Chart of Accounts promulgated by CMB, the Turkish Commercial Code and the Turkish Tax Code for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012.

The pro forma financial information reflects:

(a) what the financial results of our Group for the financial years ended 31 December 2009, 2010 and 2011 and for the three months ended 31 March 2011 and 2012 would have been, had the acquisitions of Pantai Irama, Parkway and IMU Health (the "Parkway Pantai Acquisitions and Disposals") and the acquisition of Acibadem Holding and its subsidiaries, including APlus and Acibadem Proje (the "Acibadem Holding Acquisition") existed on 1 January 2009;

(b) what the financial position of our Group as at 31 December 2011 and 31 March 2012 would have been, had (a) the Acibadem Holding Acquisition and (b) this Global Offering been completed on 31 December 2011 and 31 March 2012 respectively. Funds arising from the Public Issue and considerations for acquisitions of subsidiaries are received or paid on the relevant dates presented; and

(c) what the cash flows of our Group for the financial year ended 31 December 2011 and for the three months ended 31 March 2012 would have been, had (a) the Acibadem Holding Acquisition been completed on 1 January 2011 and (b) this Global Offering been completed on 31 December 2011 and 31 March 2012, respectively. Funds arising from the Public Issue are assumed to have been received on 31 December 2011 and 31 March 2012, respectively.

The historical combined financial statements of our Group for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012 were audited by KPMG. KPMG reported on the above financial statements, which were not subjected to any qualifications, modifications or disclaimers.

The objective of the pro forma financial information is to show what the financial positions, results and cash flows might have been, had the Parkway Pantai Acquisitions and Disposals, Acibadem Holding Acquisition, and the Public Issue as described above, occurred at an earlier date. However, the pro forma financial information is not necessarily indicative of the financial position, results and cash flows of the operations that would have been attained had the Parkway Pantai Acquisitions and Disposals, Acibadem Holding Acquisition, and the Public Issue actually occurred earlier. The pro forma financial information has been prepared for illustrative purposes only, and because of its nature, may not give a true picture of the actual financial position, results of operations and cash flows of our Group.

The pro forma financial information is expressed in Ringgit Malaysia, and is rounded to the nearest thousand, unless otherwise stated. The pro forma financial information consists of the following:

(a) the pro forma income statements for the financial years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012;

(b) the pro forma statements of financial position as at 31 December 2011 and 31 March 2012; and

(c) the pro forma statements of cash flows for the financial year ended 31 December 2011 and for the three months ended 31 March 2012.

These, together with the notes thereon, have been prepared for illustration purposes only and based on certain bases and assumptions as explained therein. See note 4 to the pro forma financial information included in Appendix P.

PRO FORMA ADJUSTMENTS TO COMBINED FINANCIAL STATEMENTS

The following tables show the pro forma adjustments made to our combined financial statements.

Adjustments to combined balance sheets

In the preparation of the pro forma balance sheets as at 31 December 2011 and 31 March 2012, acquisitions are assumed to have occurred on 31 December 2011 and 31 March 2012. The assets and liabilities of those entities subject to the Acquisitions within our Group are included in the pro forma balance sheets as at each of 31 December 2011 and 31 March 2012.

The following table shows the pro forma adjustments made to our combined balance sheets as at the dates indicated.

As at 31 March 2012	Historical combined balance sheet	Acibadem Holding Acquisition[1]	Total after Acibadem Holding Acquisition	Public Issue[2]	Pro forma balance sheet
			(RM000)		
Non-current assets					
Property, plant and equipment	6,290,970	9,639	6,300,609	—	6,300,609
Goodwill on consolidation	8,553,089	(53,625)	8,499,464	—	8,499,464
Intangible assets	3,032,753	6,001	3,038,754	—	3,038,754
Interest in associates	864,238	—	864,238	—	864,238
Interest in joint ventures	31,302	—	31,302	—	31,302
Other financial assets	591,542	—	591,542	—	591,542
Other receivables	42,313	—	42,313	—	42,313
Deferred tax assets	57,682	—	57,682	—	57,682
	19,463,889	(37,985)	19,425,904	—	19,425,904

As at 31 March 2012	Historical combined balance sheet	Acibadem Holding Acquisition(1)	Total after Acibadem Holding Acquisition	Public Issue(2)	Pro forma balance sheet
			(RM000)		
Current assets					
Assets classified as held for sale	1,463	—	1,463	—	1,463
Development property	1,160,548	—	1,160,548	—	1,160,548
Inventories	120,936	—	120,936	—	120,936
Trade and other receivables	854,194	—	854,194	—	854,194
Tax recoverable	26,092	—	26,092	—	26,092
Other financial assets	26,967	—	26,967	—	26,967
Derivative assets	3,007	—	3,007	—	3,007
Cash and cash equivalents	1,599,558	(218,864)	1,380,694	279,642	1,660,336
	3,792,765	(218,864)	3,573,901	279,642	3,853,543
Total assets	23,256,654	(256,849)	22,999,805	279,642	23,279,447
Non-current liabilities					
Bank borrowings	7,361,564	—	7,361,564	(4,662,762)	2,698,802
Employee benefits	19,085	—	19,085	—	19,085
Other payables	77,081	—	77,081	—	77,081
Deferred tax liabilities	801,248	2,878	804,126	—	804,126
	8,258,978	2,878	8,261,856	(4,662,762)	3,599,094
Current liabilities					
Bank overdrafts	9,433	—	9,433	—	9,433
Trade and other payables	2,168,497	—	2,168,497	—	2,168,497
Bank borrowings	268,047	—	268,047	—	268,047
Derivative liabilities	6,369		6,369	—	6,369
Employee benefits	20,865	—	20,865	—	20,865
Tax payable	148,372	—	148,372	—	148,372
	2,621,583	—	2,621,583	—	2,621,583
Total liabilities	10,880,561	2,878	10,883,439	(4,662,762)	6,220,677
Equity attributable to owners of our Company					
Share capital	6,195,442	57,852	6,253,294	1,800,000	8,053,294
Share premium	4,678,425	100,083	4,778,508	3,197,157	7,975,665
Reserves	666,069	(195,643)	470,426	(54,753)	415,673
	11,539,936	(37,708)	11,502,228	4,942,404	16,444,632
Non-controlling interests	836,157	(222,019)	614,138	—	614,138
Total equity	12,376,093	(259,727)	12,116,366	4,942,404	17,058,770
Total equity and liabilities	23,256,654	(256,849)	22,999,805	279,642	23,279,447

Notes:

(1) Adjustments to reflect the financial position pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje); (b) additional borrowings obtained to finance the acquisition of Acibadem Holding as if this exercise occurred on 31 March 2012; and (c) purchase price allocation is assumed to be completed on 31 March 2012.

(2) Being adjustments to effect the Public Issue as set out in "Details of the IPO" and "Use of Proceeds" respectively, which is assumed to occur on 31 March 2012.

As at 31 December 2011	Historical combined balance sheet	Acibadem Holding Acquisition[1]	Total after Acibadem Holding Acquisition	Public Issue[2]	Pro forma balance sheet
			(RM000)		
Non-current assets					
Property, plant and equipment	4,726,753	1,317,425	6,044,178	—	6,044,178
Goodwill on consolidation	6,487,070	2,075,089	8,562,159	—	8,562,159
Intangible assets	1,618,598	1,373,468	2,992,066	—	2,992,066
Interest in associates	862,273	—	862,273	—	862,273
Interest in joint ventures	28,009	—	28,009	—	28,009
Other financial assets	529,881	38,613	568,494	—	568,494
Deferred tax assets	24,279	46,430	70,709	—	70,709
	14,276,863	**4,851,025**	**19,127,888**	**—**	**19,127,888**
Current assets					
Assets classified as held for sale	1,463	—	1,463	—	1,463
Development property	1,121,195	—	1,121,195	—	1,121,195
Inventories	78,784	39,125	117,909	—	117,909
Trade and other receivables	518,496	295,664	814,160	—	814,160
Tax recoverable	20,422	9,457	29,879	—	29,879
Other financial assets	27,066	12,571	39,637	—	39,637
Cash and cash equivalents	1,310,803	177,773	1,488,576	279,642	1,768,218
	3,078,229	**534,590**	**3,612,819**	**279,642**	**3,892,461**
Total assets	**17,355,092**	**5,385,615**	**22,740,707**	**279,642**	**23,020,349**
Non-current liabilities					
Bank borrowings	4,991,264	2,468,774	7,460,038	(4,662,762)	2,797,276
Employee benefits	15,544	5,568	21,112	—	21,112
Other payables	8,580	83,136	91,716	—	91,716
Deferred tax liabilities	446,127	338,630	784,757	—	784,757
	5,461,515	**2,896,108**	**8,357,623**	**(4,662,762)**	**3,694,861**
Current liabilities					
Bank overdrafts	584	—	584	—	584
Trade and other payables	1,576,158	443,049	2,019,207	—	2,019,207
Bank borrowings	46,500	199,519	246,019	—	246,019
Derivative liabilities	1,252	—	1,252	—	1,252
Employee benefits	41,935	—	41,935	—	41,935
Tax payable	118,703	1,157	119,860	—	119,860
	1,785,132	**643,725**	**2,428,857**	**—**	**2,428,857**
Total liabilities	**7,246,647**	**3,539,833**	**10,786,480**	**(4,662,762)**	**6,123,718**

As at 31 December 2011	Historical combined balance sheet	Acibadem Holding Acquisition(1)	Total after Acibadem Holding Acquisition	Public Issue(2)	Pro forma balance sheet
			(RM000)		
Equity attributable to owners of our Company					
Share capital	5,500,000	753,294	6,253,294	1,800,000	8,053,294
Share premium	3,885,803	892,705	4,778,508	3,197,157	7,975,665
Reserves	476,024	(145,667)	330,357	(54,753)	275,604
	9,861,827	1,500,332	11,362,159	4,942,404	16,304,563
Non-controlling interests	246,618	345,450	592,068	—	592,068
Total equity	**10,108,445**	**1,845,782**	**11,954,227**	**4,942,404**	**16,896,631**
Total equity and liabilities	**17,355,092**	**5,385,615**	**22,740,707**	**279,642**	**23,020,349**

Notes:

(1) Adjustments to reflect the financial position pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje); (b) additional borrowings obtained to finance the acquisition of Acibadem Holding as if this exercise occurred on 31 December 2011; and (c) purchase price allocation is assumed to be completed on 31 December 2011.

(2) Being adjustments to effect the Public Issue as set out in "Details of the IPO" and "Use of Proceeds" respectively, which is assumed to occur on 31 December 2011.

Adjustments to combined income statements

In the preparation of the pro forma income statements for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012, the Acquisitions and Disposals are assumed to have occurred on 1 January 2009. The profit and loss pertaining to the entities subject to acquisitions and disposals within our Group that were acquired or disposed of between 1 January 2009 and 1 June 2012 including the acquisition of Jinemed Saglik pursuant to the share purchase agreement entered into in January 2012 are included in our pro forma income statements for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 2012 as combined entities on 1 January 2009, or, if later, the date of incorporation of the relevant entity. As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Holding as the share transfer has not yet been completed and such share transfer is expected to be completed within 2012.

The following tables show the pro forma adjustments made to our combined income statements for the respective periods presented.

Three months ended 31 March 2012	Historical combined income statement	Acibadem Holding Acquisition[(1)]	Pro forma income statement
		(RM000)	
Revenue	1,276,192	200,182	1,476,374
Other operating income	18,955	2,529	21,484
Inventories and consumables	(252,332)	(30,634)	(282,966)
Purchased and contracted services	(131,182)	(15,176)	(146,358)
Depreciation and impairment losses on property, plant and equipment	(74,367)	(15,629)	(89,996)
Amortisation and impairment losses on intangible assets	(14,650)	(3,170)	(17,820)
Staff costs	(460,344)	(84,943)	(545,287)
Operating lease expenses	(59,853)	(5,853)	(65,706)
Operating expenses	(133,800)	(5,557)	(139,357)
Finance income	55,410	67,394	122,804
Finance costs	(47,404)	(29,462)	(76,866)
Share of profits of associates (net of tax)	14,472	—	14,472
Share of profits of joint ventures (net of tax)	3,407	—	3,407
Profit before income tax	194,504	79,681	274,185
Income tax expense	(42,203)	(15,548)	(57,751)
Profit for the period	152,301	64,133	216,434
Attributable to:			
Owners of our Company	123,839	40,665	164,504
Non-controlling interests	28,462	23,468	51,930
Profit for the period	152,301	64,133	216,434
Earnings per Share (sen)			
Basic	2.00		2.04[(2)]
Diluted	1.99		2.04[(3)]

Notes:

(1) Adjustments to reflect the financial results pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009; (b) additional finance costs relating to borrowings obtained by our Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and (c) purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(2) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(3) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of our Shares—Share Capital" for further details.

Three months ended 31 March 2011	Historical combined income statement	Parkway Pantai Acquisitions and Disposals(1)	Acibadem Holding Acquisition(2)	Pro forma income statement
	(RM000)			
Revenue	859,927	(84,246)	497,966	1,273,647
Other operating income	48,864	(131)	7,762	56,495
Inventories and consumables	(189,019)	—	(45,459)	(234,478)
Purchased and contracted services	(113,860)	61,288	(76,255)	(128,827)
Depreciation and impairment losses on property, plant and equipment	(38,348)	665	(53,241)	(90,924)
Amortisation and impairment losses on intangible assets	(29,911)	21,592	(10,388)	(18,707)
Staff costs	(266,890)	6,399	(232,450)	(492,941)
Operating lease expenses	(44,650)	132	(15,251)	(59,769)
Operating expenses	(90,327)	2,225	(10,543)	(98,645)
Finance income	10,232	(120)	5,957	16,069
Finance costs	(28,638)	952	(37,476)	(65,162)
Share of profits of associates (net of tax)	12,160	—	—	12,160
Share of profits of joint ventures (net of tax)	2,742	—	—	2,742
Profit before income tax	**132,282**	**8,756**	**30,622**	**171,660**
Income tax expense	(26,737)	1,324	(12,060)	(37,473)
Profit for the year	**105,545**	**10,080**	**18,562**	**134,187**
Profit attributable to:				
Owners of our Company	101,875	10,483	5,763	118,121
Non-controlling interests	3,670	(403)	12,799	16,066
Profit for the period	**105,545**	**10,080**	**18,562**	**134,187**
Earnings per Share (sen)				
Basic	1.85			1.47(3)
Diluted	1.85			1.47(4)

Notes:

(1) Adjustments to exclude the three month financial results in Pantai Support Services Sdn Bhd, and its subsidiaries which was disposed of in March 2011, as if it was not part of our Group since 1 January 2009.

(2) Adjustments to reflect the financial results pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009; (b) additional finance costs relating to borrowings obtained by our Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and (c) purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(3) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(4) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of our Shares—Share Capital" for further details.

Year ended 31 December 2011	Historical combined income statement	Parkway Pantai Acquisitions and Disposals(1)	Acibadem Holding Acquisition(2)	Pro forma income statement
	(RM000)			
Revenue	3,328,849	(84,247)	1,946,162	5,190,764
Other operating income	159,768	(131)	17,248	176,885
Inventories and consumables	(680,242)	—	(344,995)	(1,025,237)
Purchased and contracted services	(398,590)	61,288	(243,056)	(580,358)
Depreciation and impairment losses on property, plant and equipment	(165,751)	665	(204,211)	(369,297)
Amortisation and impairment losses on intangible assets	(54,989)	21,592	(38,871)	(72,268)
Staff costs	(1,073,066)	6,399	(921,584)	(1,988,251)
Operating lease expenses	(186,605)	132	(71,779)	(258,252)
Operating expenses	(456,162)	2,796	31,827	(421,539)
Finance income	28,907	(120)	29,552	58,339
Finance costs	(106,420)	14,692	(493,099)	(584,827)
Share of profits of associates (net of tax)	79,937	—	—	79,937
Share of profits of joint ventures (net of tax)	13,909	—	—	13,909
Profit before income tax	489,545	23,066	(292,806)	219,805
Income tax expense	(95,428)	1,324	6,344	(87,760)
Profit for the year	394,117	24,390	(286,462)	132,045
Profit attributable to:				
Owners of our Company	379,903	24,793	(159,041)	245,655
Non-controlling interests	14,214	(403)	127,421	(113,610)
Profit for the year	394,117	24,390	(286,462)	132,045
Earnings per Share (sen)				
Basic	6.91			3.05(3)
Diluted	6.90			3.05(4)

Notes:

(1) Adjustments to exclude the three month financial results in Pantai Support Services Sdn Bhd, and its subsidiaries which was disposed in March 2011, as if it was not part of our Group since 1 January 2009.

(2) Adjustments to reflect the financial results pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje); (b) additional finance costs relating to borrowings obtained by our Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and (c) purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(3) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(4) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of our Shares—Share Capital" for further details.

Year ended 31 December 2010	Historical combined income statement	Parkway Pantai Acquisitions and Disposals(1)	Acibadem Holding Acquisition(2)	Pro forma income statement
	(RM000)			
Revenue	1,214,085	1,660,377	1,632,273	4,506,735
Other operating income	21,812	35,946	12,832	70,590
Inventories and consumables	(191,198)	(369,494)	(248,630)	(809,322)
Purchased and contracted services	(216,151)	(126,196)	(216,273)	(558,620)
Depreciation and impairment losses on property, plant and equipment	(57,350)	(89,492)	(223,430)	(370,272)
Amortisation and impairment losses on intangible assets	(44,298)	6,065	(45,835)	(84,068)
Staff costs	(372,440)	(564,079)	(788,789)	(1,725,308)
Operating lease expenses	(72,514)	(108,808)	(49,237)	(230,559)
Operating expenses	(225,618)	(166,844)	(43,333)	(435,795)
Finance income	6,476	20,077	11,132	37,685
Finance costs	(84,111)	(53,897)	206,168	(344,176)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	530,120	(530,120)	—	—
Share of profits of associates (net of tax)	70,794	(18,598)	—	52,196
Share of profits of joint ventures (net of tax)	34,039	(25,263)	—	8,776
Profit before income tax	**613,646**	**(330,326)**	**(165,458)**	**117,862**
Income tax expense	(38,892)	(40,562)	(3,047)	(76,407)
Profit for the year	**574,754**	**(370,888)**	**(162,411)**	**41,455**
Profit attributable to:				
Owners of the Company	554,424	(377,087)	(98,620)	78,717
Non-controlling interests	20,330	6,199	(63,791)	(37,262)
Profit for the year	**574,754**	**(370,888)**	**(162,411)**	**41,455**
Earnings per Share (sen)				
Basic	10.08			0.98(3)
Diluted	10.08			0.98(4)

Notes:

(1) Adjustments to reflect the financial results pertaining to (a) the Parkway Pantai Acquisitions and Disposals; (b) additional finance costs relating to borrowings obtained by our Group to finance the acquisition of Parkway and Pantai Irama and restructuring of certain loan facilities to repay the existing loan facilities as if these exercises occurred on 1 January 2009; and (c) purchase price allocation for Parkway and Pantai Irama is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised from 1 January 2009.

(2) Adjustments to reflect the financial results pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009; (b) additional finance costs relating to borrowings obtained by our Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and (c) purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(3) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(4) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of our Shares—Share Capital" for further details.

Year ended 31 December 2009	Historical combined income statement	Parkway Pantai Acquisitions and Disposals[(1)]	Acibadem Holding Acquisition[(2)]	Pro forma income statement
	(RM000)			
Revenue	121,081	2,542,198	1,282,971	3,946,250
Other operating income	2,983	87,479	11,659	102,121
Inventories and consumables	—	(494,672)	(225,797)	(720,469)
Purchased and contracted services	—	(344,963)	(164,251)	(509,214)
Depreciation and impairment losses on property, plant and equipment	(9,244)	(156,783)	(208,955)	(374,982)
Amortisation and impairment losses on intangible assets	(34)	(32,881)	(47,266)	(80,181)
Staff costs	(52,622)	(817,834)	(641,261)	(1,511,717)
Operating lease expenses	(573)	(174,063)	(36,931)	(211,567)
Operating expenses	(22,052)	(338,487)	(70,199)	(430,738)
Finance income	656	25,911	10,687	37,254
Finance costs	(3,526)	(242,718)	(157,878)	(404,122)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	—	530,120	—	530,120
Share of profits of associates (net of tax)	59,480	(1,918)	—	57,562
Share of profits of joint ventures (net of tax)	4,447	(722)	—	3,725
Profit before income tax	**100,596**	**580,667**	**(247,221)**	**434,042**
Income tax expense	(8,115)	(60,948)	62,266	(6,797)
Profit for the year	**92,481**	**519,719**	**(184,955)**	**427,245**
Profit attributable to:				
Owners of the Company	83,201	512,699	(132,353)	463,547
Non-controlling interests	9,280	7,020	(52,602)	(36,302)
Profit for the year	**92,481**	**519,719**	**(184,955)**	**427,245**
Earnings per Share (sen)				
Basic	1.51			5.76[(3)]
Diluted	1.51			5.75[(4)]

Notes:

(1) Adjustments to reflect the financial results pertaining to (a) the Parkway Pantai Acquisitions and Disposals. Accordingly, a gain on remeasurement of previously held equity interest of approximately RM530.0 million arising from the acquisition of Parkway and Pantai Irama and related acquisition costs of RM51.0 million are assumed to have been recognised on 1 January 2009; (b) additional finance costs and related costs relating to the borrowings obtained by our Group to finance the acquisition of Parkway and Pantai Irama and restructuring of certain loan facilities to repay the existing loan facilities as if these exercises occurred on 1 January 2009; and (c) purchase price allocation for Parkway and Pantai Irama is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(2) Adjustments to reflect the financial results pertaining to (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding has been assumed to be recognised on 1 January 2009; (b) additional finance costs relating to borrowings obtained by our Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and (c) purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(3) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(4) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares), and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of our Shares—Share Capital" for further details.

Adjustments to combined statements of cash flows

The following tables show the pro forma adjustments made to our combined statements of cash flows for the periods presented.

Three months ended 31 March 2012	**Historical combined statement of cash flows**	**Acibadem Holding Acquisition[1]**	**Total after Acibadem Holding Acquisition**	**Public Issue[2]**	**Pro forma statements of cash flows**
			(RM000)		
Net cash generated from/(used in) operating activities	394,087	(118,981)	275,106	—	275,106
Net cash (used in)/generated from investing activities	(1,062,906)	838,704	(224,202)	—	(224,202)
Net cash generated from/(used in) financing activities	910,946	(986,136)	(75,190)	279,642	204,452
Net increase/(decrease) in cash and cash equivalents	242,127	(266,413)	(24,286)	279,642	255,356
Cash and cash equivalents at beginning of the period	1,251,485	5,415	1,256,900	—	1,256,900
Effect of exchange rate fluctuations on cash held	(24,007)	1,155	(22,852)	—	(22,852)
Cash and cash equivalents at end of the period	1,469,605	(259,843)	1,209,762	279,642	1,489,404

Notes:

(1) Adjustments to reflect the financial results pertaining to: (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje); and (b) additional borrowings obtained to finance the acquisition of Acibadem Holding as if this exercise occurred on 1 January 2011.

(2) Being adjustments to effect the Public Issue as set out in "Details of the IPO" and "Use of Proceeds" respectively, which is assumed to occur on 31 March 2012.

Year ended 31 December 2011	Historical combined statement of cash flows	Acibadem Holding Acquisition[(1)]	Total after Acibadem Holding Acquisition	Public Issue[(2)]	Pro forma statements of cash flows
			(RM000)		
Net cash generated from operating activities	887,111	468,921	1,356,032	—	1,356,032
Net cash used in investing activities	(1,285,719)	(981,616)	(2,267,335)	—	(2,267,335)
Net cash generated from financing activities	423,645	620,989	1,044,634	279,642	1,324,276
Net increase in cash and cash equivalents	25,037	108,294	133,331	279,642	412,973
Cash and cash equivalents at beginning of the period	1,158,109	—	1,158,109	—	1,158,109
Effect of exchange rate fluctuations on cash held	68,339	—	68,339	—	68,339
Cash and cash equivalents at end of the period	1,251,485	108,294	1,359,779	279,642	1,639,421

Notes:

(1) Adjustments to reflect the financial results pertaining to: (a) the Acibadem Holding Acquisition (including APlus and Acibadem Proje); and (b) additional borrowings obtained to finance the acquisition of Acibadem Holding as if this exercise occurred on 1 January 2011.

(2) Being adjustments to effect the Public Issue as set out in "Details of the IPO" and "Use of Proceeds" respectively, which is assumed to occur on 31 December 2011.

PRO FORMA RESULTS OF OPERATIONS

	Year ended 31 December				Three months ended 31 March		
	2009	2010	2011	2011	2011	2012	2012
		(RM000)		(USD000)	(RM000)		(USD000)
	(except for share and margin information)						
Revenue	3,946,250	4,506,735	5,190,764	1,627,199	1,273,647	1,476,374	462,813
Other operating income	102,121	70,590	176,885	55,450	56,495	21,484	6,735
Inventories and consumables	(720,469)	(809,322)	(1,025,237)	(321,391)	(234,478)	(282,966)	(88,704)
Purchased and contracted services	(509,214)	(558,620)	(580,358)	(181,930)	(128,827)	(146,358)	(45,880)
Depreciation and impairment losses on property, plant and equipment	(374,982)	(370,272)	(369,297)	(115,767)	(90,924)	(89,996)	(28,212)
Amortisation and impairment losses on intangible assets	(80,181)	(84,068)	(72,268)	(22,655)	(18,707)	(17,820)	(5,586)
Staff costs	(1,511,717)	(1,725,308)	(1,988,251)	(623,276)	(492,941)	(545,287)	(170,936)
Operating lease expenses	(211,567)	(230,559)	(258,252)	(80,957)	(59,769)	(65,706)	(20,597)
Operating expenses	(430,738)	(435,795)	(421,539)	(132,145)	(98,645)	(139,357)	(43,686)
Finance income	37,254	37,685	58,339	18,288	16,069	122,804	38,496
Finance costs	(404,122)	(344,176)	(584,827)	(183,331)	65,162	(76,866)	(24,096)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	530,120	—	—	—	—	—	—
Share of profits of associates (net of tax)	57,562	52,196	79,937	25,059	12,160	14,472	4,537
Share of profits of joint ventures (net of tax)	3,725	8,776	13,909	4,360	2,742	3,407	1,068
Profit before income tax	**434,042**	**117,862**	**219,805**	**68,904**	**171,660**	**274,185**	**85,952**
Income tax expense	(6,797)	(76,407)	(87,760)	(27,511)	(37,473)	(57,751)	(18,104)
Profit for the year/period	**427,245**	**41,455**	**132,045**	**41,393**	**134,187**	**216,434**	**67,848**
Profit before income tax margin (%)	11.0	2.6	4.2	4.2	13.5	18.6	18.6
Profit for the year/period margin (%)	10.8	0.9	2.5	2.5	10.5	14.7	14.7
Profit attributable to:							
Owners of our Company	463,547	78,717	245,655	77,008	118,121	164,504	51,569
Non-controlling interests	(36,302)	(37,262)	(113,610)	(35,615)	16,066	51,930	16,279
Profit for the year/period	**427,245**	**41,455**	**132,045**	**41,393**	**134,187**	**216,434**	**67,848**
Earnings per Share (sen)							
Basic(1)	5.76	0.98	3.05	0.96	1.47	2.04	0.64
Diluted(2)	5.75	0.98	3.05	0.96	1.47	2.04	0.64

Notes:

(1) Based on 8,053.3 million Shares in issue, being 5,500.0 million Shares issued at 31 December 2011, 695.4 million new Shares issued as share consideration for the Acibadem Holding Acquisition, the maximum of 57.9 million new Shares arising from the Symphony Conversion and 1,800.0 million new Shares issued pursuant to the Public Issue.

(2) Based on the Enlarged Share Capital at Listing of 8,057.1 million Shares. The above does not account for new Shares that may arise from the surrender/exercise of the outstanding LTIP units and EPP options which were granted before the Listing but become vested or exercisable only after the Listing (of up to 168.7 million Shares, and the exercise of any of the Aydinlar Option and Bagan Lalang Option (of up to 611.0 million Shares). See "Description of Our Shares—Share capital" for further details.

Three months ended 31 March 2012 compared to three months ended 31 March 2011

Revenue

Our pro forma revenue increased by 15.9% to RM1,476.4 million (USD462.8 million) for the three months ended 31 March 2012 from RM1,273.6 million for the three months ended 31 March 2011, primarily due to increases across our hospital, healthcare, education and non-healthcare business segments.

Segmental revenue

The following table provides a breakdown of our pro forma revenue by key subsidiaries, business segments and geographic areas for the periods indicated.

	PPL								Acibadem Holding		IMU Health		Others[(1)]		Total	
	Singapore		Malaysia		International		Sub-total		CEEMENA		Malaysia					
	Three months ended 31 March															
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	(RM million)															
Hospital[(2)]	285.0	324.6	218.7	247.6	16.9	19.1	520.6	591.3	439.7	519.8	—	—	—	—	960.3	1,111.1
Healthcare[(2)]	167.6	192.6	5.5	11.8	33.4	41.1	206.5	245.5	58.2	68.5	—	—	—	—	264.7	314.0
Education[(3)]	1.6	1.7	1.5	1.2	—	—	3.1	2.9	—	—	41.4	42.5	—	—	44.5	45.4
Non-healthcare	4.1	5.9	—	—	—	—	4.1	5.9	—	—	—	—	—	—	4.1	5.9
Total	458.3	524.8	225.7	260.6	50.3	60.2	734.3	845.6	497.9	588.3	41.1	42.5	—	—	1,273.6	1,476.4

Notes:

(1) Includes the corporate office of our Company.

(2) The "Hospital" segment includes our hospitals operated by PPL and Acibadem Holding. The "Healthcare" segment includes the operation of medical clinics and provision of primary healthcare services, ownership and management of radiology clinics, provision of diagnostic laboratory services and provision of managed care and related services by PPL and Acibadem Holding.

(3) Our PPL Singapore "Education" segment comprises Parkway College. Our PPL Malaysia "Education" segment comprises Pantai College, which will be transferred from PPL to IMU Health upon completion of the conditional share sale agreement dated 3 April 2012 between IMU Health and Pantai Resources for the sale of the entire equity interest in Pantai Education. Our IMU Health "Education" segment currently comprises IMU.

(4) This does not include associates and joint ventures.

Our pro forma revenue from our hospital segment increased by 15.7% to RM1,111.1 million (USD348.3 million) for the three months ended 31 March 2012 from RM960.3 million for the three months ended 31 March 2011, primarily due to increases in the revenue from PPL's Singapore hospital operations by 13.9% to RM324.6 million due to increases in inpatient admissions by 5.7% to 13,261 and average revenue per patient day by 5.9% to RM5,849, from PPL's Malaysia hospital operations by 13.1% to RM247.6 million due to increases in inpatient admissions by 8.6% to 40,443 and average revenue per patient day by 3.8% to RM1,461, from PPL's international hospital operations by 13.0% to RM19.1 million and from Acibadem Holding's hospital operations by 18.2% to RM519.8 million due to increases in the number of hospitals from 11 in the three months ended 31 March 2011 to 14 in the three months ended 31 March 2012 and inpatient admissions by 31.4% to 27,872.

Our pro forma revenue from our healthcare segment increased by 18.6% to RM314.0 million (USD98.4 million) for the three months ended 31 March 2012 from RM264.7 million for the three months ended 31 March 2011, primarily due to increases in the revenue from PPL's Singapore healthcare operations by 14.9% to RM192.6 million due to increased demand for diagnostic services from our inpatients, from PPL's Malaysia healthcare operations by 114.5% to RM11.8 million due to increased demand for diagnostic services from our inpatients and outpatients as well as revenue contributed from Twin Towers Medical Centre, which was acquired in February 2012, from PPL's international healthcare operations by 23.1% to RM41.1 million and from Acibadem Holding's healthcare operations by 17.7% to RM68.5 million due to increased demand for diagnostic services from our outpatient clinic patients as well as the operations of our ancillary businesses which cater to our hospital business.

Our pro forma revenue from our education segment increased by 2.0% to RM45.4 million (USD14.2 million) for the three months ended 31 March 2012 from RM44.5 million for the three months ended 31 March 2011, primarily due to increases in the revenues from PPL's Singapore education business segment by 6.3% to RM1.7 million and from IMU Health's education segment by 2.7% to RM42.5 million, which increases were driven by increased student enrolment in the Group's existing and new academic programmes.

Our pro forma revenue from our non-healthcare segment increased by 43.9% to RM5.9 million (USD1.8 million) for the three months ended 31 March 2012 from RM4.1 million for the three months ended 31 March 2011, primarily due to an increase in management and acquisition fees earned from PLife REIT.

Other operating income

Our pro forma other operating income decreased by 61.9% to RM21.5 million (USD6.7 million) for the three months ended 31 March 2012 from RM56.5 million for the three months ended 31 March 2011, primarily due to foreign exchange gains of RM33.8 million recognised for the three months ended 31 March 2011.

Inventories and consumables

Our pro forma inventories and consumables expenses increased by 20.7% to RM283.0 million (USD88.7 million) for the three months ended 31 March 2012 from RM234.5 million for the three months ended 31 March 2011, primarily due to the increased use of inventories and consumables as a result of our revenue growth, partially offset by cost savings in procurement.

Purchased and contracted services

Our pro forma purchased and contracted services expenses increased by 13.7% to RM146.4 million (USD45.9 million) for the three months ended 31 March 2012 from RM128.8 million for the three months ended 31 March 2011, primarily due to an increase in the utilisation of purchased and contracted services to support the growth of our revenue.

Staff costs

Our pro forma staff costs increased by 10.6% to RM545.3 million (USD171.0 million) for the three months ended 31 March 2012 from RM492.9 million for the three months ended 31 March 2011, primarily due to an increase in our headcount as we expanded our operations and grew our revenue, particularly an increase in Acibadem Holding's revenue, of which a portion was paid to its physicians.

Operating lease expenses

Our pro forma operating lease expenses increased by 9.9% to RM65.7 million (USD20.6 million) for the three months ended 31 March 2012 from RM59.8 million for the three months ended 31 March 2011, primarily due to an increase in PLife REIT's rental expenses for PPL's Singapore hospitals.

Operating expenses

Our pro forma operating expenses increased by 41.4% to RM139.4 million (USD43.7 million) for the three months ended 31 March 2012 from RM98.6 million for the three months ended 31 March 2011, primarily due to the expanded scope of our operations and the recognition of a fair value loss on contingent payables of RM10.8 million.

Finance income

Our pro forma finance income increased by 662.7% to RM122.8 million (USD38.5 million) for the three months ended 31 March 2012 from RM16.1 million for the three months ended 31 March 2011, primarily due to Acibadem Holding's net foreign exchange gain of RM41.8 million, which resulted from net foreign exchange gains on translation of Acibadem Holding's foreign currency-denominated loans to Turkish Lira when the Turkish Lira appreciated against such foreign currencies.

Finance costs

Our pro forma finance costs increased by 17.9% to RM76.9 million (USD24.1 million) for the three months ended 31 March 2012 from RM65.2 million for the three months ended 31 March 2011, primarily due to higher finance costs at Acibadem Holding.

Share of profits of associates and joint ventures

Our pro forma share of profits of associates (net of tax) increased by 18.9% to RM14.5 million (USD4.5 million) for the three months ended 31 March 2012 from RM12.2 million for the three months ended 31 March 2011, primarily due to an increase in profits at PLife REIT.

Our pro forma share of profits of joint ventures (net of tax) increased by 25.9% to RM3.4 million (USD1.1 million) for the three months ended 31 March 2012 from RM2.7 million for the three months ended 31 March 2011, primarily due to an increase in profits at Apollo Gleneagles.

Profit before income tax

Principally as a result of the foregoing factors, our pro forma profit before income tax increased by 59.7% to RM274.2 million (USD86.0 million) for the three months ended 31 March 2012 from RM171.7 million for the three months ended 31 March 2011. Our pro forma profit before income tax margin increased to 18.6% for the three months ended 31 March 2012 from 13.5% for the three months ended 31 March 2011.

Income tax expense

Our pro forma income tax expense increased by 54.1% to RM57.8 million (USD18.1 million) for the three months ended 31 March 2012 from RM37.5 million for the three months ended 31 March 2011, primarily due to an increase in our taxable net profit, which does not include share of profits of associates and joint ventures.

Profit for the period

Principally as a result of the foregoing factors, our pro forma profit for the period increased by 61.3% to RM216.4 million (USD67.8 million) for the three months ended 31 March 2012 from RM134.2 million for the three months ended 31 March 2011. Our pro forma profit for the period margin increased to 14.7% for the three months ended 31 March 2012 from 10.5% for the three months ended 31 March 2011.

Year ended 31 December 2011 compared to year ended 31 December 2010

Revenue

Our pro forma revenue increased by 15.2% to RM5,190.8 million (USD1,627.2 million) for the year ended 31 December 2011 from RM4,506.7 million for the year ended 31 December 2010, primarily due to increases across our hospital, healthcare, education and non-healthcare business segments.

Segmental revenue

The following table provides a breakdown of our pro forma revenue by key operating subsidiaries, business segments and geographic areas for the periods indicated.

	PPL								Acibadem Holding		IMU Health		Others[1]		Total	
	Singapore		Malaysia		International		Sub-total		CEEMENA		Malaysia					
	Year ended 31 December															
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	(RM million)															
Hospital[2]	1,031.7	1,179.7	826.2	922.3	55.9	67.0	1,913.8	2,169.0	1,442.6	1,702.8	—	—	—	—	3,356.4	3,871.8
Healthcare[2]	634.0	710.3	19.7	29.2	138.4	143.3	792.1	882.8	189.7	243.4	—	—	—	—	981.8	1,126.2
Education[3]	4.3	5.3	6.4	6.8	—	—	10.7	12.1	—	—	138.4	158.8	—	—	149.1	170.9
Non-healthcare	19.4	19.0	—	—	—	—	19.4	19.0	—	—	—	—	—	2.9	19.4	21.9
Total	1,689.4	1,914.3	852.3	958.3	194.3	210.3	2,736.0	3,082.9	1,632.3	1,946.2	138.4	158.8	—	2.9	4,506.7	5,190.8

Notes:

(1) Includes the corporate office of our Company.

(2) The “Hospital” segment includes our hospitals operated by PPL and Acibadem Holding. The “Healthcare” segment includes the operation of medical clinics and provision of primary healthcare services, ownership and management of radiology clinics, provision of diagnostic laboratory services and provision of managed care and related services by PPL and Acibadem Holding.

(3) Our PPL Singapore “Education” segment comprises Parkway College. Our PPL Malaysia “Education” segment comprises Pantai College, which will be transferred from PPL to IMU Health upon completion of the conditional share sale agreement dated 3 April 2012 between IMU Health and Pantai Resources for the sale of the entire equity interest in Pantai Education. Our IMU Health “Education” segment currently comprises IMU.

(4) This does not include associates and joint ventures.

Our pro forma revenue from our hospital segment increased by 15.4% to RM3,871.8 million (USD1,213.7 million) for the year ended 31 December 2011 from RM3,356.4 million for the year ended 31 December 2010, primarily due to increases in the revenue from PPL's Singapore hospital operations by 14.3% to RM1,179.7 million due to increases in inpatient admissions by 3.8% to 51,036 and average revenue per patient day by 8.8% to RM5,460, from PPL's Malaysia hospital operations by 11.6% to RM922.3 million due to increases in inpatient admissions by 1.7% to 154,823 and average revenue per patient day by 7.5% to RM1,399, from PPL's international hospital operations by 19.9% to RM67.0 million and from Acibadem Holding's hospital operations by 18.0% to RM1,702.8 million due to increases in the number of hospitals from 11 in 2010 to 14 in 2011 and inpatient admissions by 33.3% to 88,525.

Our pro forma revenue from our healthcare segment increased by 14.7% to RM1,126.2 million (USD353.0 million) for the year ended 31 December 2011 from RM981.8 million for the year ended 31 December 2010, primarily due to increases in the revenue from PPL's Singapore healthcare operations by 12.0% to RM710.3 million due to increased demand for diagnostic services from our inpatients, from PPL's Malaysia healthcare operations by 48.2% to RM29.2 million due to increased demand for diagnostic services from our inpatients and outpatients, from PPL's international healthcare operations by 3.5% to RM143.3 million and from Acibadem Holding's healthcare operations by 28.3% to RM243.4 million due to increases in the number of our outpatient clinics from seven in 2010 to nine in 2011 as well as the operations of our ancillary businesses which cater to our hospital business.

Our pro forma revenue from education services increased by 14.6% to RM170.9 million (USD53.6 million) for the year ended 31 December 2011 from RM149.1 million for the year ended 31 December 2010, primarily due to increases in the revenue from PPL's Singapore education segment by 23.3% to RM5.3 million, from PPL's—Malaysia education segment by 6.3% to RM6.8 million and increase in revenue of IMU Health's education segment by 14.7% to RM158.8 million, which increases were driven by increased student enrolment in the Group's existing and new academic programmes.

Our pro forma revenue from non-healthcare services increased by 12.9% to RM21.9 million (USD6.9 million) for the year ended 31 December 2011 from RM19.4 million for the year ended 31 December 2010, primarily due to dividend income from Apollo of RM2.9 million, in which we invested in March 2011.

Other operating income

Our pro forma other operating income increased by 150.6% to RM176.9 million (USD55.5 million) for the year ended 31 December 2011 from RM70.6 million for the year ended 31 December 2010, primarily due to a foreign exchange gain recognised by our Group in 2011 compared to a foreign exchange loss in 2010. The foreign exchange gain in 2011 primarily arose from the translation gains on Singapore Dollar cash balances recorded in the Company's books. In 2010, the foreign exchange loss arising primarily from the translation loss on a U.S. Dollar-denominated deposit paid to non-controlling interest in a subsidiary, was recognised as other operating expenses in the pro forma income statement.

Inventories and consumables

Our pro forma inventories and consumables expenses increased by 26.7% to RM1,025.2 million (USD321.4 million) for the year ended 31 December 2011 from RM809.3 million for the year ended 31 December 2010, primarily due to the increased usage of inventories and consumables as a result of our revenue growth, partially offset by cost savings in procurement.

Purchased and contracted services

Our pro forma purchased and contracted services expenses increased by 3.9% to RM580.4 million (USD181.9 million) for the year ended 31 December 2011 from RM558.6 million for the year ended 31 December 2010, primarily due to an increase in the utilisation of purchased and contracted services to support the growth of our revenue, partially offset by increased efficiencies in utilisation.

Staff costs

Our pro forma staff costs increased by 15.2% to RM1,988.3 million (USD623.3 million) for the year ended 31 December 2011 from RM1,725.3 million for the year ended 31 December 2010, primarily due to an increase in our headcount as we expanded our operations and grew our revenue, particularly an increase in Acibadem Holding's revenue, of which a portion was paid to its physicians.

Operating lease expenses

Our pro forma operating lease expenses increased by 12.0% to RM258.3 million (USD81.0 million) for the year ended 31 December 2011 from RM230.6 million for the year ended 31 December 2010, primarily due to an increase in PLife REIT's rental expenses for PPL's Singapore hospitals and an increase in the number of hospitals leased by Acibadem Holding from seven in 2010 to 10 in 2011.

Operating expenses

Our pro forma operating expenses decreased by 3.3% to RM421.5 million (USD132.1 million) for the year ended 31 December 2011 from RM435.8 million for the year ended 31 December 2010, due to a decrease in one-off expenses to RM31.3 million in 2011, which included a RM19.4 million write-off of property, plant and equipment, professional and consultancy fees of RM9.1 million for internal restructuring, from RM66.7 million in 2010, which included an impairment loss on goodwill and an impairment loss on deposits of RM2.4 million and RM65.1 million, respectively.

Finance income

Our pro forma finance income increased by 54.6% to RM58.3 million (USD18.3 million) for the year ended 31 December 2011 from RM37.7 million for the year ended 31 December 2010, primarily due to an increase in Acibadem Holding's finance income related to net change in fair value of derivatives.

Finance costs

Our pro forma finance costs increased by 69.9% to RM584.8 million (USD183.3 million) for the year ended 31 December 2011 from RM344.2 million for the year ended 31 December 2010, primarily due to a foreign exchange loss from Acibadem Holding's U.S. Dollar- and Euro-denominated credit facilities and a Swiss franc-denominated equipment lease arrangement.

Share of profits of associates and joint ventures

Our pro forma share of profits of associates (net of tax) increased by 53.1% to RM79.9 million (USD25.0 million) for the year ended 31 December 2011 from RM52.2 million for the year ended 31 December 2010, primarily due to an increase in profits at PLife REIT arising from higher property revaluation gains in 2011.

Our pro forma share of profits of joint ventures (net of tax) increased by 58.0% to RM13.9 million (USD4.4 million) for the year ended 31 December 2011 from RM8.8 million for the year ended 31 December 2010, primarily due to an increase in profits at Apollo Gleneagles.

Profit before income tax

Principally as a result of the foregoing factors, our pro forma profit before income tax increased by 86.4% to RM219.8 million (USD68.9 million) for the year ended 31 December 2011 from RM117.9 million for the year ended 31 December 2010. Our pro forma profit before income tax margin increased to 4.2% for the year ended 31 December 2011 from 2.6% for the year ended 31 December 2010.

Income tax expense

Our pro forma income tax expense increased by 14.9% to RM87.8 million (USD27.5 million) for the year ended 31 December 2011 from RM76.4 million for the year ended 31 December 2010, primarily due to an increase in our taxable net profit, which does not include share of profits of associates and joint ventures.

Profit for the year

Principally as a result of the foregoing factors, our pro forma profit for the year increased by 218.1% to RM132.0 million (USD41.4 million) for the year ended 31 December 2011 from RM41.5 million for the year ended 31 December 2010. Our pro forma profit for the year margin increased to 2.5% for the year ended 31 December 2011 from 0.9% for the year ended 31 December 2010.

Year ended 31 December 2010 compared to year ended 31 December 2009

Revenue

Our pro forma revenue increased by 14.2% to RM4,506.7 million for the year ended 31 December 2010 from RM3,946.3 million for the year ended 31 December 2009, primarily due to increases across our hospital, healthcare, education and non-healthcare business segments.

Segmental revenue

The following table provides a breakdown of our pro forma revenue by key operating subsidiaries, business segments and geographic areas for the periods indicated.

	PPL								Acibadem Holding		IMU Health		Others[1]		Total	
	Singapore		Malaysia		International		Sub-total		CEEMENA		Malaysia					
	Year ended 31 December															
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	(RM million)															
Hospital[2]	943.0	1,031.7	742.2	826.2	55.3	55.9	1,740.5	1,913.8	1,135.5	1,442.6	—	—	—	—	2,876.0	3,356.4
Healthcare[2]	611.4	634.0	22.3	19.7	143.8	138.4	777.5	792.1	147.5	189.7	—	—	—	—	925.0	981.8
Education[3]	3.7	4.3	4.0	6.4	—	—	7.7	10.7	—	—	121.1	138.4	—	—	128.8	149.1
Non-healthcare	16.5	19.4	—	—	—	—	16.5	19.4	—	—	—	—	—	—	16.5	19.4
Total	1,574.6	1,689.4	768.5	852.3	199.1	194.3	2,542.2	2,736.0	1,283.0	1,632.3	121.1	138.4	—	—	3,946.3	4,506.7

Notes:

(1) Includes the corporate office of our Company.

(2) The "Hospital" segment includes our hospitals operated by PPL and Acibadem Holding. The "Healthcare" segment includes the operation of medical clinics and provision of primary healthcare services, ownership and management of radiology clinics, provision of diagnostic laboratory services and provision of managed care and related services by PPL and Acibadem Holding.

(3) Our PPL Singapore "Education" segment comprises Parkway College. Our PPL Malaysia "Education" segment comprises Pantai College, which will be transferred from PPL to IMU Health upon completion of the conditional share sale agreement dated 3 April 2012 between IMU Health and Pantai Resources for the sale of the entire equity interest in Pantai Education. Our IMU Health "Education" segment currently comprises IMU.

(4) This does not include associates and joint ventures.

Our pro forma revenue from our hospital segment increased by 16.7% to RM3,356.4 million for the year ended 31 December 2010 from RM2,876.0 million for the year ended 31 December 2009, primarily due to increases in the revenue from PPL's Singapore hospital operations by 9.4% to RM1,031.7 million due to increases in inpatient admissions by 4.7% to 49,182 and average revenue per patient day by 6.6% to RM5,018, from PPL's Malaysia hospital operations by 11.3% to RM 826.2 million due to increases in inpatient admissions by 4.2% to 152,286 and average revenue per patient day by 12.5% to RM1,301, from PPL's international hospital operations by 1.1% to RM55.9 million and from Acibadem Holding's hospital operations by 27.0% to RM1,442.6 million due to increases in the number of hospitals from nine in 2009 to 11 in 2010 and inpatient admissions by 25.6% to 66,428.

Our pro forma revenue from our healthcare segment increased by 6.1% to RM981.8 million for the year ended 31 December 2010 from RM925.0 million for the year ended 31 December 2009, primarily due to increases in the revenue from PPL's Singapore healthcare operations by 3.7% to RM634.0 million due to increased demand for diagnostic services from our inpatients and from Acibadem Holding's healthcare operations by 28.6% to RM189.7 million due to increases in the number of our outpatient clinics as well as the operations of our ancillary businesses which cater to our hospital business, partially offset by decreases in the revenue from PPL's Malaysia healthcare operations by 11.7% to RM19.7 million due to the transfer of the Oncology Centre (KL) to our hospital business in 2010, when it integrated with our hospital operations, as compared to its classification under our healthcare business in 2009, and from PPL's international healthcare operations by 3.8% to RM138.4 million.

Our pro forma revenue from our education segment increased by 15.8% to RM149.1 million for the year ended 31 December 2010 from RM128.8 million for the year ended 31 December 2009, primarily due to increases in the revenue from PPL's Singapore education segment by 16.2% to RM4.3 million, from PPL's Malaysia education segment by 60.0% to RM6.4 million and from IMU Health's education segment by 14.3% to RM138.4 million, which increases were driven by increased student enrolment in the Group's existing and new academic programmes.

Our pro forma revenue from our non-healthcare segment increased by 17.6% to RM19.4 million for the year ended 31 December 2010 from RM16.5 million for the year ended 31 December 2009, primarily due to an increase in acquisition and management fees earned by Parkway Trust Management.

Other operating income

Our pro forma other operating income decreased by 30.9% to RM70.6 million for the year ended 31 December 2010 from RM102.1 million for the year ended 31 December 2009, primarily due to the phasing out of government grants received by PPL's Singapore operations under the Singapore government's jobs credit scheme in 2010.

Inventories and consumables

Our pro forma inventories and consumables expenses increased by 12.3% to RM809.3 million for the year ended 31 December 2010 from RM720.5 million for the year ended 31 December 2009, primarily due to the increased usage of inventories and consumables as a result of our revenue growth.

Purchased and contracted services

Our pro forma purchased and contracted services expenses increased by 9.7% to RM558.6 million for the year ended 31 December 2010 from RM509.2 million for the year ended 31 December 2009, primarily due to an increase in the utilisation of purchased and contracted services to support the growth of our revenue, partially offset by increased efficiencies in utilisation.

Staff costs

Our pro forma staff costs increased by 14.1% to RM1,725.3 million for the year ended 31 December 2010 from RM1,511.7 million for the year ended 31 December 2009, primarily due to an increase in PPL's staff costs.

Operating lease expenses

Our pro forma operating lease expenses increased by 9.0% to RM230.6 million for the year ended 31 December 2010 from RM211.6 million for the year ended 31 December 2009, primarily due to an increase in PLife REIT's rental expenses for PPL's Singapore hospitals and an increase in the number of hospitals leased by Acibadem Holding from five in 2009 to seven in 2010.

Operating expenses

Our pro forma operating expenses increased by 1.2% to RM435.8 million for the year ended 31 December 2010 from RM430.7 million for the year ended 31 December 2009, primarily due to our expanded scope of operations and the relatively fixed nature of our operating expenses.

Finance income

Our pro forma finance income increased by 1.1% to RM37.7 million (USD11.8 million) for the year ended 31 December 2010 from RM37.3 million for the year ended 31 December 2009.

Finance costs

Our pro forma finance costs decreased by 14.8% to RM344.2 million for the year ended 31 December 2010 from RM404.1 million for the year ended 31 December 2009, primarily due to the expensing of one-off financing charges in 2009 as well as a fair value loss on financial instruments recognised in the same year.

Gain on remeasurement of investment previously accounted for as associates and joint ventures

We recorded a pro forma gain on remeasurement of investment previously accounted for as associates and joint ventures of RM530.1 million for the year ended 31 December 2009, prior to our attainment of control of each of Parkway and Pantai Irama. We did not have a similar pro forma gain on remeasurement of investment previously accounted for as associates and joint ventures in the years ended 31 December 2010 or 2011.

Share of profits of associates and joint ventures

Our pro forma share of profits of associates (net of tax) decreased by 9.4% to RM52.2 million for the year ended 31 December 2010 from RM57.6 million for the year ended 31 December 2009 primarily due to a decrease in profits at PLife REIT arising from lower property revaluation gains in 2010.

Our pro forma share of profits of joint ventures (net of tax) increased by 137.8% to RM8.8 million for the year ended 31 December 2010 from RM3.7 million for the year ended 31 December 2009 primarily due to an increase in profits at Apollo Gleneagles.

Profit before income tax

Principally as a result of the foregoing factors, our pro forma profit before income tax decreased by 72.8% to RM117.9 million for the year ended 31 December 2010 from RM434.0 million for the year ended 31 December 2009. Our pro forma profit before income tax margin decreased to 2.6% for the year ended 31 December 2010 from 11.0% for the year ended 31 December 2009.

Income tax expense

Our pro forma income tax expense increased by 1,023.5% to RM76.4 million for the year ended 31 December 2010 from RM6.8 million for the year ended 31 December 2009, primarily due to an increase in our taxable net profit, which does not include share of profits of associates and joint ventures and a gain on remeasurement of investment previously accounted for as associates and joint ventures, which is not taxable.

Profit for the year

Principally as a result of the foregoing factors, our pro forma profit for the year decreased by 90.3% to RM41.5 million for the year ended 31 December 2010 from RM427.2 million for the year ended 31 December 2009. Our pro forma profit for the year margin decreased to 0.9% for the year ended 31 December 2010 from 10.8% for the year ended 31 December 2009.

Independent Market Research on the Global Healthcare Services (HCS) Industry

20 April 2012

FINAL REPORT

FROST & SULLIVAN

© 2012

© April 2012 Frost & Sullivan

The market research process for this study has been undertaken through secondary or desktop research, as well as primary research, which involves discussing the status of the industry with leading participants and experts. The research methodology used is the *Expert Opinion Consensus Methodology*. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain. Forecasts, estimates, predictions and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions or such statements.

This study has been prepared for inclusion in the Prospectus of IHH Healthcare Berhad ("IHH or the company") in relation to an initial public offering in connection with its listing on the Main Market of Bursa Malaysia Securities Berhad and Main Board of the Singapore Exchange Securities Limited ("the Listing").

Save for the inclusion of this study in the prospectus issued by the company and in such presentation materials prepared by or on behalf of the Company (reviewed by Frost & Sullivan) in relation to the Listing, no part of it may be otherwise given, lent, resold, or disclosed to non-customers without our written permission. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without our permission.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the Healthcare Services industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered as a consequence of reliance on the information contained in this study (save as may be required by applicable laws and regulations, including, but not limited to, the statutory liabilities under sections 253 and 254 of the Securities and Futures Act, Chapter 289 of Singapore and under sections 214 of the Capital Markets and Services Act 2007 of Malaysia). This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

For further information, please contact: Frost & Sullivan (S) Pte Ltd, 100 Beach Road, #29-01/11 Shaw Tower, Singapore 189702.

For and on behalf of Frost & Sullivan (S) Pte Ltd:
Authorised Signatory

Sanjay Singh
Vice President

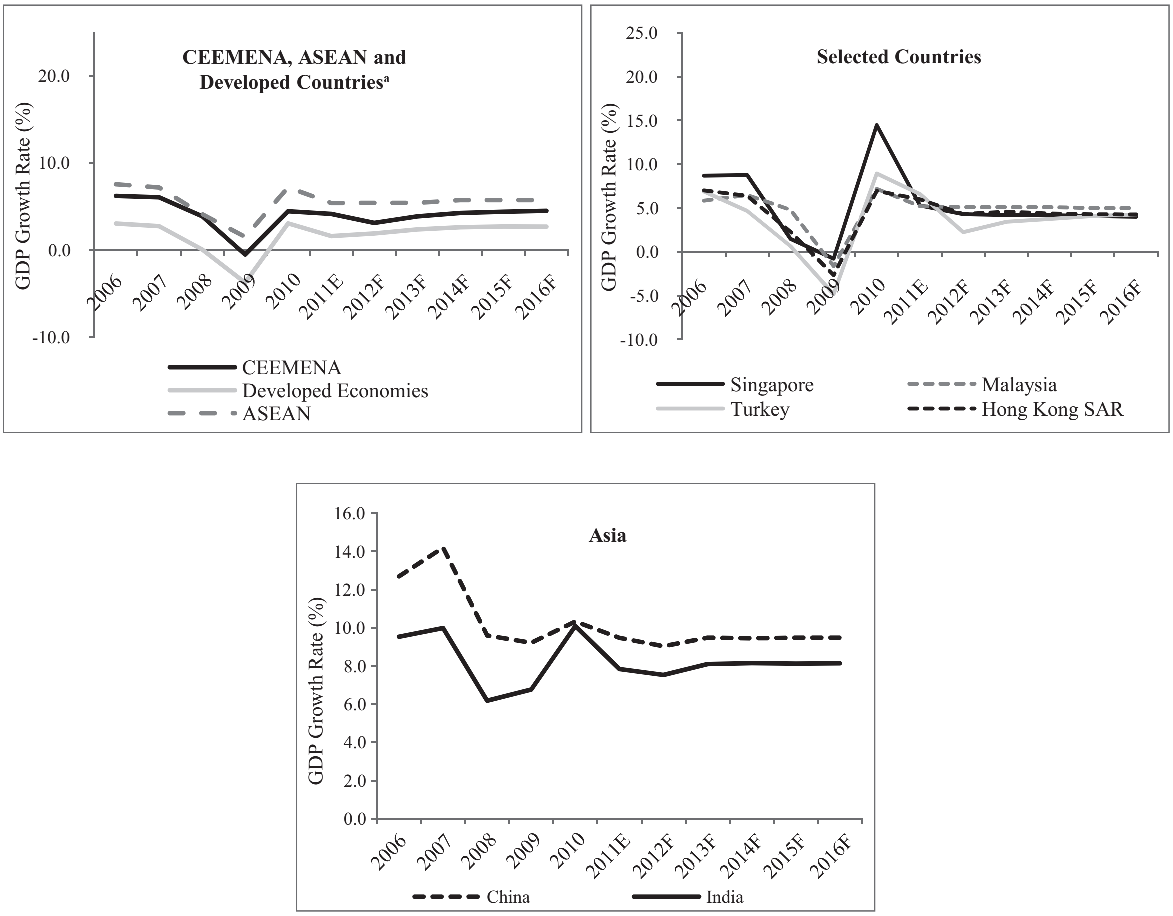
TABLE OF CONTENTS

1 GLOBAL MACROECONOMIC TRENDS

1.1 GROSS DOMESTIC PRODUCT (GDP) GROWTH

Most countries in the world witnessed a global financial crisis in 2008 and 2009 with GDP growth rates recovering in 2010 after a dip in 2009. The following charts illustrate the historical and forecast GDP growth rates in selected economies between 2006 and 2016.

Historical and Forecast GDP Growth Rates in Selected Economies, 2006 to 2016F



Source: World Economic Outlook (WEO) Database, September 2011 published online by the International Monetary Fund (IMF), based on GDP in constant prices.
Note: a. As defined by the United Nations (UN)

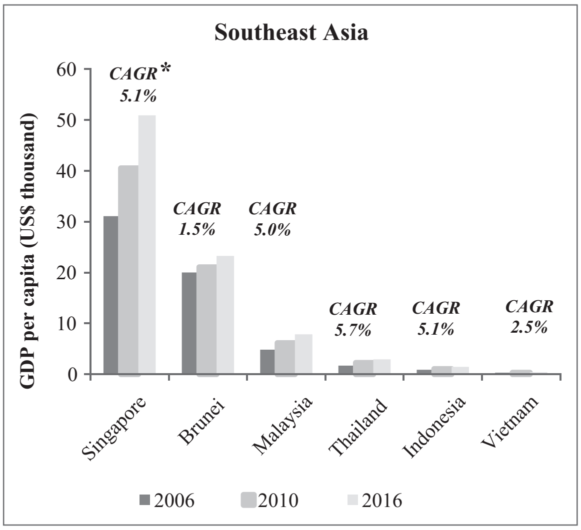
China and India recorded a GDP growth rate of above 8.0% in 2010. In the CEEMENA region, Turkey's GDP growth rate was higher than the region's average growth rate. Singapore and Malaysia's GDP growth rate were also above the Association of the Southeast Asian Nations (ASEAN) average in the same year. The developed economies showed a relatively lower GDP growth rate of less than 5.0% in 2010.

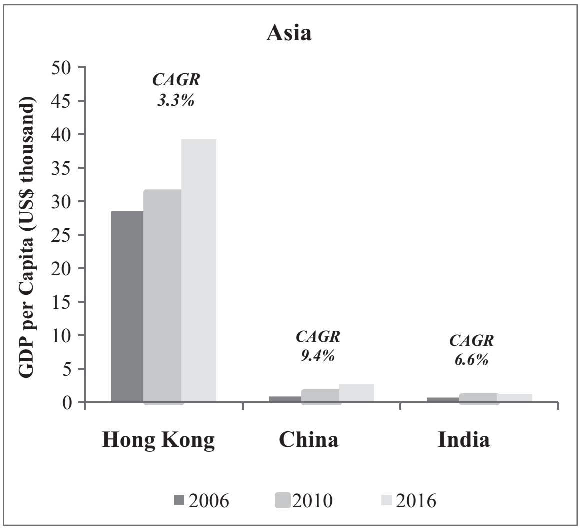
The economic outlook for China, India and the ASEAN region is highly positive and annual GDP growth rates between 5%–10% are expected over the next 4 years. Average GDP growth rate of developed countries is expected to be low, likely to be affected, amongst other things, by the Euro debt crisis. The better economic outlook in Asia and Southeast Asia has led to higher investment by the private sector accompanied by higher public spending in sectors such as infrastructure, education and healthcare.

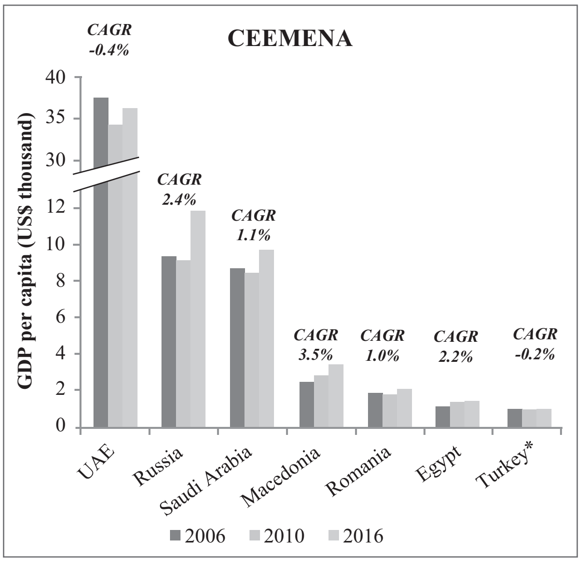
1.2 GDP PER CAPITA

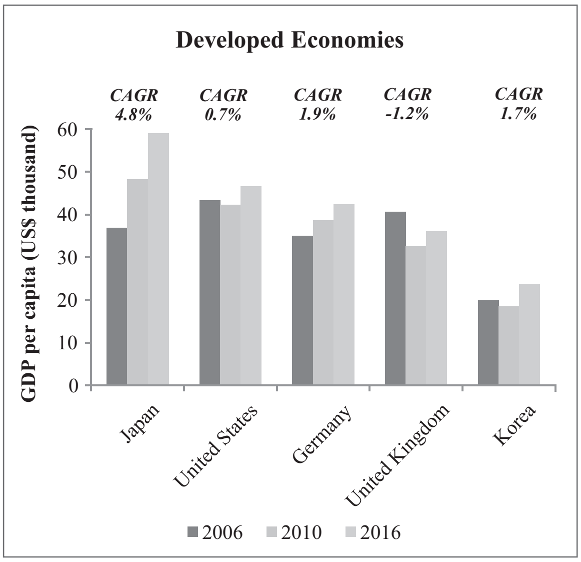
An increase in wealth implies a trend towards the improvement of basic living standards, including better nutrition, sanitation and healthcare. The WEO (World Economic Outlook) report projects growth rates in GDP per capita, to be fastest in the newly developed and emerging economies of Singapore, Hong Kong and Korea. The following charts illustrate the GDP per capita in 2006, 2010 and 2016 for selected countries in Asia, the CEEMENA region and the developed economies.

GDP per capita (at constant prices) for Selected Countries, 2006, 2010 and 2016F









Source: Data in the above charts are based on GDP per capita data in constant prices in the respective country's national currency as sourced from the WEO Database, September 2011 published online by IMF. The data above was converted to U.S. Dollar based using the currency conversion rate for the respective years as depicted in the Appendix. Analysis by Frost & Sullivan.

Note:

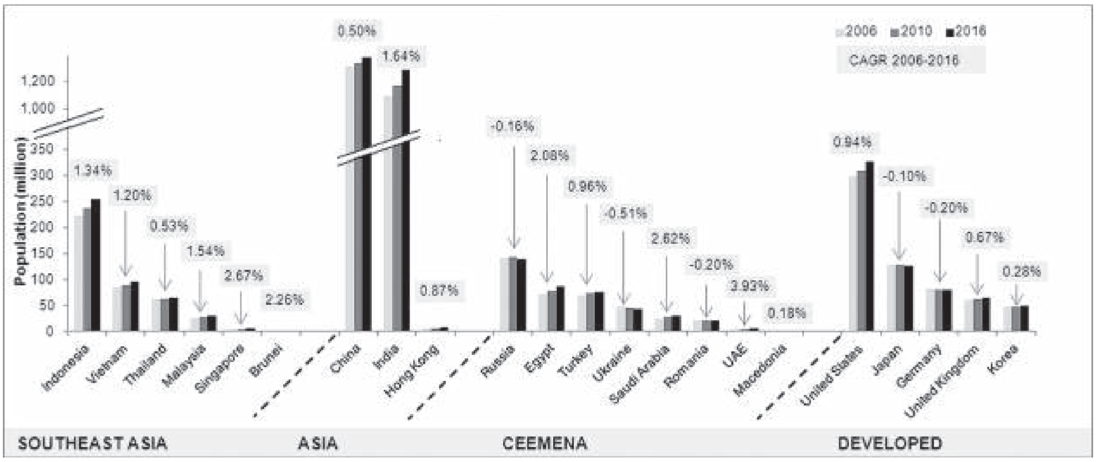
** All CAGRs pertain to the period from 2006 to 2016.*

*** In the CEEMENA chart above, Turkey's GDP per capita at current prices in 2010 is U.S.$ 10,047 (TL 15,119).*

1.3 POPULATION GROWTH AND AGEING POPULATION

Population growth between 2006 and 2010 was significant in emerging countries with a large population base such as Indonesia, China and India. Population growth was also high in newly developed economies such as the UAE, Saudi Arabia, Brunei, and Singapore (mainly fuelled by immigration). Growth in population is expected to lead to a growing demand for resources and basic needs, particularly for food, clean water, energy and healthcare. The population in countries like Germany and Japan registered a decreasing rate of growth over the same period. The following chart illustrates the population in 2006 and 2010 and the forecasted population in 2016 in selected countries in Asia, the CEEMENA region and selected developed economies.

Population Growth in Selected Countries, 2006, 2010 and 2016F



Source: *WEO Database, September 2011 published online by IMF and countries data*

An ageing population is defined as a shift in the distribution of a country's population towards an older age group, which is mainly caused by the ageing of the baby boomers[1], who are moving into the retirement age, and further exacerbated by low birth rate, low mortality rate and improved life expectancy. A low birth rate is mainly the result of increasing urbanisation which is associated with increased living costs and a busy lifestyle, both of which are less conducive to family building. Further, in some countries like the People's Republic of China (PRC), government restrictions on the number of children per family also contribute to lower birth rates.

A low mortality rate and improved life expectancy are primarily the result of better living conditions from increased wealth, access to better nutrition, healthcare and sanitation, as well as the political stability in countries. An ageing population is expected to lead to an increase in the demand for HCS due to:

- higher occurrence of non-communicable lifestyle diseases such as cardiovascular diseases as well as cancer and age related diseases such as arthritis and diabetes, among others;
- higher requirement for diagnosis and hospital-based inpatient and outpatient treatment; and
- longer duration of care.

[1] *The baby boomers refer to those born during the 1940s-1960s*

The following table shows the percentage of ageing population (aged 65 years and above) and the ageing population CAGR between 2006 and 2010 for selected countries. As can be seen from the table, Asia, in particular Singapore, Malaysia, the PRC and Korea, have the fastest ageing population.

Ageing Population (65 years and above), 2006–2010

Population 65 years and above (in thousands)					
Country	**2006**	**% of Total Population**	**2010**	**% of Total Population**	**CAGR 2006–10**
Southeast Asia					
Indonesia	11,630.9	5.2%	13,194.5	5.6%	3.2%
Thailand	5,163.6	8.2%	5,677.2	8.9%	2.4%
Vietnam	4,958.8	5.9%	5,298.5	6.0%	1.7%
Malaysia	1,153.8	4.3%	1,440.8	5.1%	5.7%
Singapore	356.5	8.1%	456.9	9.0%	6.4%
Brunei	12.5	3.3%	14.3	3.6%	3.2%
Asia					
The PRC	100,981.5	7.7%	119,235.1	8.9%	4.2%
India	50,938.5	4.7%	57,742.5	4.9%	3.2%
Hong Kong	844.7	12.3%	904.6	12.7%	1.7%
CEEMENA					
Russia	19,482.2	13.7%	18,289.3	12.8%	–1.6%
Ukraine	7,552.7	16.2%	7,075.5	15.5%	–1.6%
Turkey	4,628.7	6.7%	5,063.0	6.9%	2.3%
Egypt	3,399.7	4.8%	3,913.6	5.0%	3.6%
Romania	3,214.3	14.9%	3,196.4	14.9%	–0.1%
Saudi Arabia	716.3	3.0%	815.5	3.0%	3.3%
Macedonia	228.8	11.2%	243.0	11.8%	1.5%
UAE	30.1	0.7%	22.3	0.4%	–7.2%
Developed Countries					
United States	37,108.9	12.4%	40,483.8	13.1%	2.2%
Japan	26,038.2	20.4%	28,947.1	22.7%	2.7%
Germany	16,004.1	19.5%	16,632.7	20.4%	1.0%
United Kingdom	9,724.3	16.1%	10,321.1	16.6%	1.5%
Korea	4,668.2	9.7%	5,446.5	11.1%	3.9%

2nd fastest growth

Fastest growth and most affluent

3rd fastest growth with a large population base

One of the highest percentages of ageing population in Asia (ex Japan)

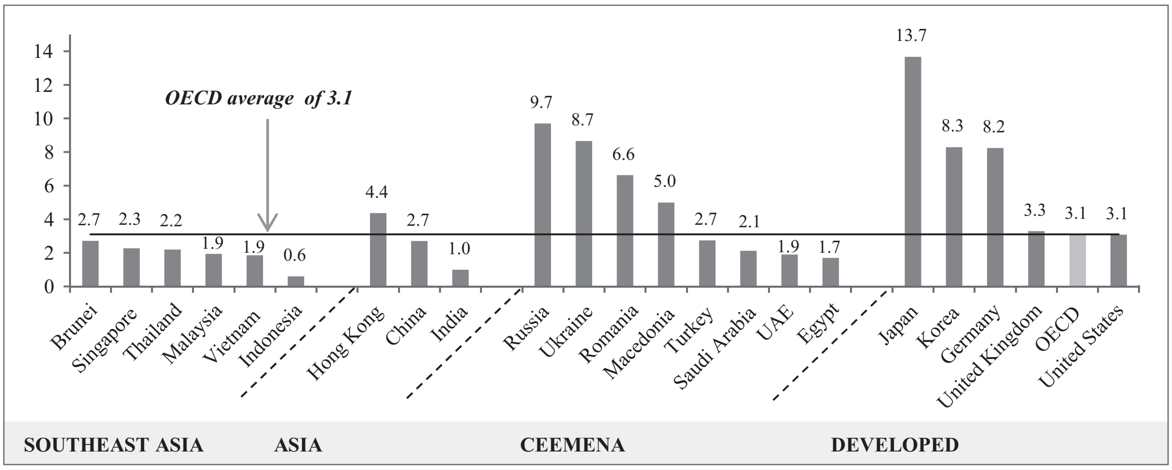
Source: WEO Database, September 2011, published online by IMF and countries data.

1.4 HEALTHCARE INDICATORS

Most of the developed and mature economies such as United States and United Kingdom have over 3.0 hospital beds per 1,000 population. In comparison, countries like Singapore, Thailand, Malaysia, Indonesia and India have a ratio of hospital beds per 1,000 population of below 3.0. The following chart shows the hospital beds per 1,000 population ratio data of selected countries in Southeast Asia, Asia, the CEEMENA region and selected developed economies, as compared with the Organisation for Economic Cooperation and Development (OECD) average ratio in 2009 or latest available year.

A low proportion of beds per 1,000 population is indicative of latent demand for additional hospital beds reflecting the growth potential for healthcare infrastructure in the country.

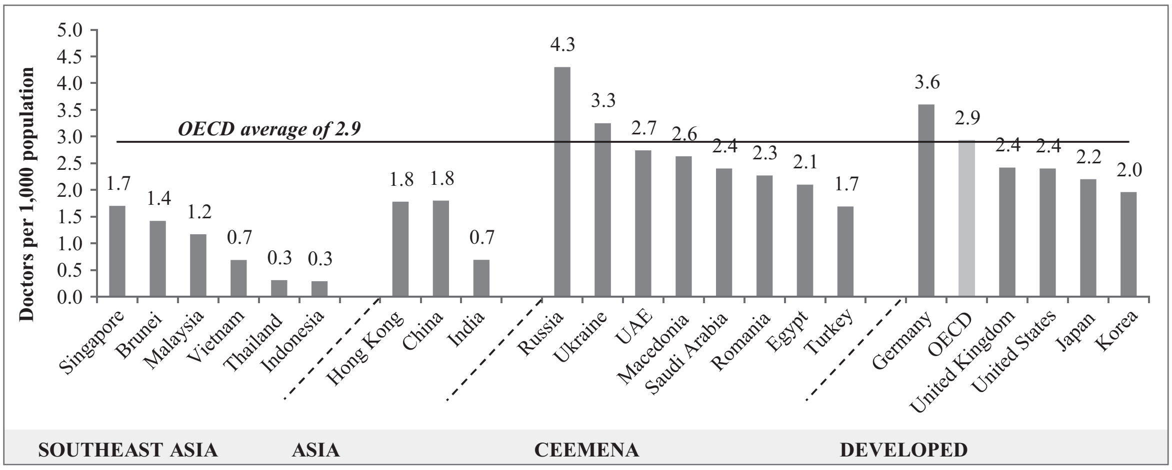
Hospital beds per 1,000 population ratio, 2009 (or latest available year)



Note: Data for Singapore, Malaysia, Hong Kong, China, India, Saudi Arabia and Turkey are as of 2010, sourced from the data published by the respective countries' government departments. Data for Russia, Japan, Korea and United States are as of 2009, sourced from the OECD. Data for Vietnam is as of 2009, sourced from government published data. All other countries' data are as of 2009 or latest available year, sourced from the World Bank.

Developing countries in Southeast Asia and other emerging economies in Asia tend to have lower ratios of doctors per 1,000 population and nurses per 1,000 population when compared with developed countries and emerging economies in the CEEMENA region. The development of the healthcare sector is highly related to government policies, investments in the area of healthcare education and the supply of healthcare workers. The following chart shows the doctors per 1,000 population ratio of selected countries in Southeast Asia, Asia, the CEEMENA region and the developed economies, as compared with the OECD average ratio in 2009 or latest available year.

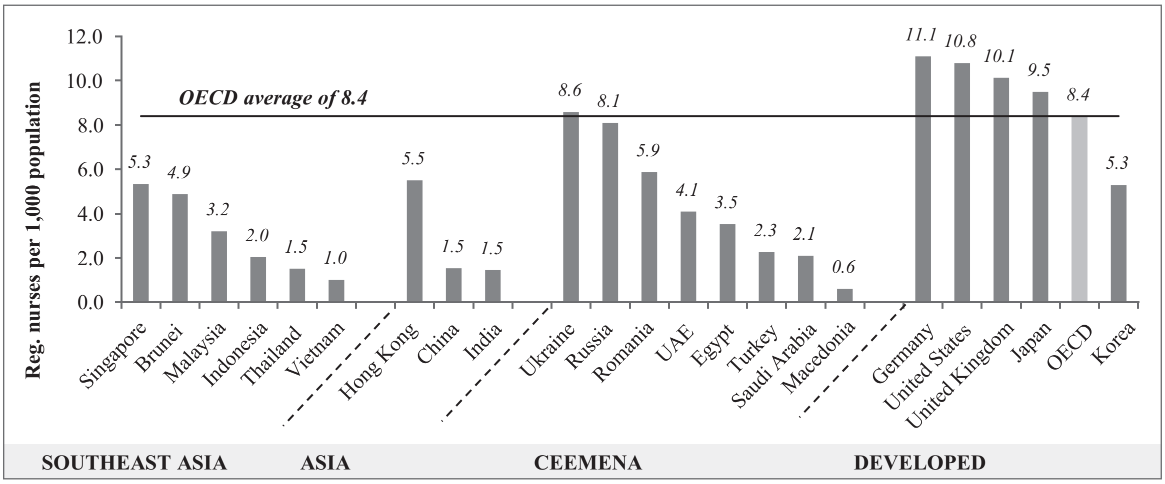
Doctors per 1,000 population ratio, 2009 (or latest available year)



Note: Data for Singapore, Malaysia, Hong Kong, China, India, Saudi Arabia and Turkey are as of 2010, sourced from the data published by the respective countries' government departments. Data for United States and Japan are as of 2009, sourced from OECD. Data for Egypt is as of 2008, sourced from EIU. All other countries' data are as of 2009 or latest available year as published by the WHO.

The following chart shows the registered nurses per 1,000 population ratio of selected countries in Southeast Asia, Asia, the CEEMENA region and selected developed economies, as compared with the OECD average ratio in 2009 or latest available year.

Registered nurses per 1,000 population ratio, 2009 (or latest available year)



Note: Data for Singapore, Malaysia, Hong Kong, China, India and Turkey are as of 2010, sourced from the data published by the respective countries' government departments. Data for United States and Japan are as of 2009, sourced from the OECD. All other countries' data are as of 2009 or latest available year as published by the WHO.

1.4.1 Challenges in a Public Healthcare Delivery System

Generally, the public healthcare policy in a relatively less-developed country is driven by government initiatives in providing healthcare to its population. The objective of governments in such countries is to provide its population with access to basic HCS, control and eradication of communicable diseases such as tuberculosis, rubella, leprosy, and Acquired Immuno Deficiency

Syndrome (AIDS), providing care for the infirm and elderly, as well as creating awareness amongst the public on ways to prevent diseases.

As a country progresses from being under-developed to a developing economy, its public healthcare infrastructure typically lags due to limited funding, resulting in overcrowding in hospitals, shortage of resources and long waiting times. As a result of the high volume, a need- based system is typically implemented. Furthermore, public HCS tend to have less advanced treatment, medication and drugs. This leads to a growing demand for private hospitals and also an increase in outbound medical travel.

In developed countries, the government's role revolves around ensuring that public interest is protected through implementation of regulations and by channelling private spending in healthcare to achieve a more sustainable public funding system. In mature economies, a system of universal healthcare or national insurance is usually implemented to cater for public healthcare funding. Such a system is only sustainable in a country with a large wealthy population segment paying high taxes to fund public HCS. As a result, the majority of the population in developed countries utilises public HCS, resulting in long waiting times and backlog of treatment.

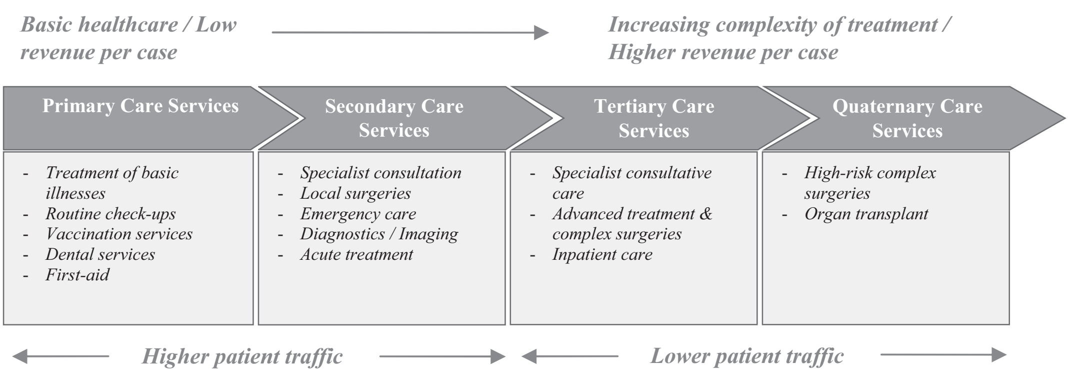
In comparison, private healthcare is typically seen as a premium service that provides an alternative option to the wealthier population who are able to pay out-of-pocket (OOP) or can fund private HCS via medical insurance. Private healthcare therefore provides a choice to the patients desiring shorter waiting times and faster access to quality healthcare.

2 OVERVIEW OF THE GLOBAL HEALTHCARE SERVICES (HCS) MARKET

2.1 DEFINITION OF HCS

HCS is defined as the provision of consultation, diagnostic, patient care and medication for the prevention or treatment of diseases, ailments, injuries or other physical and psychological health conditions. These services are provided by healthcare professionals such as specialists and general physicians, supported by medical assistants, nurses and allied health workers. The classification of HCS based on the type of care delivered is summarised in the following diagram:

Categorisation of HCS by Level of Service



Source: Compiled by Frost & Sullivan

Primary care is the most basic HCS that is provided to the general public, delivered by primary care physicians, nurses or family doctors on an outpatient basis. Primary care services are generally provided via health centres, clinics and sometimes pharmacies. They also include administering first-aid to injuries and dental services.

Secondary care refers to the intermediate HCS or consultation by medical specialists to patients, usually referred by primary care personnel and may be delivered on an inpatient or outpatient basis. Secondary care is typically provided in specialist clinics, hospitals and medical centres that have special facilities for diagnostic, inpatient treatment and general surgeries. Secondary care services are supported by healthcare workers such as nurses, pharmacists and allied health personnel.

Tertiary care is the level of HCS provided to patients which typically involves specialist consultative care, advanced treatment or complex surgery and inpatient care. Tertiary care patients are usually referred by primary or secondary care personnel. The provision of these services is delivered via hospitals and medical centres with specialised equipment and facilities for complex medical interventions. Examples of tertiary care include cardiac surgery, neurosurgery, reconstructive surgery and cancer treatment.

Quaternary care is the highest level of HCS which involves high-risk and complex surgeries such as organ transplants.

2.2 Segmentation of HCS

The general HCS model can be segmented into public and private HCS:

Public HCS is the foundation for a country's HCS structure. It refers to HCS provided by the government, typically through appointed ministries or administrative bodies. The services provided are funded through public sector budgets, national insurance schemes and/or universal healthcare programmes.

Private HCS can be split between for-profit businesses and not-for-profit organisations. Private healthcare funding typically comprise of OOP expenditure or private insurance plans, and in some countries, funds from national or social insurance.

2.2.1 Development of the Public and Private HCS Market

A country's HCS public-private mix is highly related to the country's level of economic development. The following table summarises the relationship between a country's HCS and its level of economic development.

HCS Industry Profiling based on Level of Development in an Economy

Economy	Underdeveloped ➡	Developing ➡	Newly Developed ➡	Matured
Infrastructure	- *Mainly public primary care, rural clinics and outbound non-profit clinics.* - *Low number of public hospitals available in central/urban areas* - *Low number of private practices, mainly primary clinics operated by family doctors*	- *Higher number of public clinics* - *Increasing number of public hospitals being built and mainly concentrated in central/urban areas* - *Growing number of private primary clinics. The start of private hospitals targeted at the wealthy population*	- *High number of public and private clinics* - *Growth in the number of secondary and tertiary public healthcare* - *Privatisation of public healthcare* - *Rapid growth in the number of private hospitals*	- *Continued capacity building in public hospitals and raising standards* - *Consolidation of the private healthcare sector*
Healthcare Workforce	- *Few trained doctors and surgeons, mainly generalists* - *Voluntary foreign doctors serving under not-for-profit/non-government organisation (NPO/NGO)* - *Very few nurses, mainly care workers with limited formal qualifications*	- *Generalist physicians or surgeons mainly locally trained* - *Overseas-trained specialists* - *Growing number of nurses and technical assistants trained in public hospitals or vocational schools*	- *Higher number of local and foreign trained doctors* - *Increase in number of specialists over a wide range of sub-specialties* - *Movement of doctors from public to private sector*	- *Low rate of talent replacement* - *Higher number of specialists over a wide range of sub-specialties,* - *In-migration of foreign physicians, trained nurses and allied workforce*

Economy	Underdeveloped ➡	Developing ➡	Newly Developed ➡	Matured
Healthcare Funding	- *Low public funding due to limited government resources* - *Larger contribution from charity foundations, the United Nations (UN), Economic Groups and other (NPO/NGO)* - *Limited healthcare insurance structure available Mainly OOP spending*	- *General reliance on taxation* - *Some contribution from charity, UN, Economic Groups and other NPO/NGO* - *Growing OOP spending* - *Small insured population* - *Developing funding structure for the poor*	- *High reliance on taxation* - *Large social security contribution transitioning into universal healthcare model* - *Large OOP spending in particular private sector* - *Higher number of insured population* - *Governments implement cost-containment strategies*	- *Very high reliance on taxation* - *Mandatory contribution to social security/ universal healthcare model* - *Low OOP spending* - *Majority insured population*
Technology	- *Basic medical, surgical and imaging equipment*	- *Basic medical, surgical and imaging equipment* - *The start of Information and Communication Technology (ICT) integration*	- *Advanced equipment mainly in private facilities* - *Higher ICT integration*	- *State-of-the-art equipment in both public and private facilities* - *High ICT integration*
Regulations	- *Unstructured* - *Regulations mainly to maintain workforce and sanitation/hygiene standards*	- *Evolving, regulating the private sector* - *Increasing standards compliance guidelines*	- *Maturing* - *Higher governance on private sector* - *Higher definition on accountability* - *Standards compliance enforcement*	- *Matured* - *High governance on private sector* - *High definition on accountability, emphasis on standards compliance*
Examples of Countries	- *Cambodia, Laos, Bangladesh, Nepal*	- *Thailand, Indonesia, Malaysia, India, Egypt, Turkey, China*	- *Singapore, Hong Kong, Korea*	- *United Kingdom, United States, Germany, Japan*

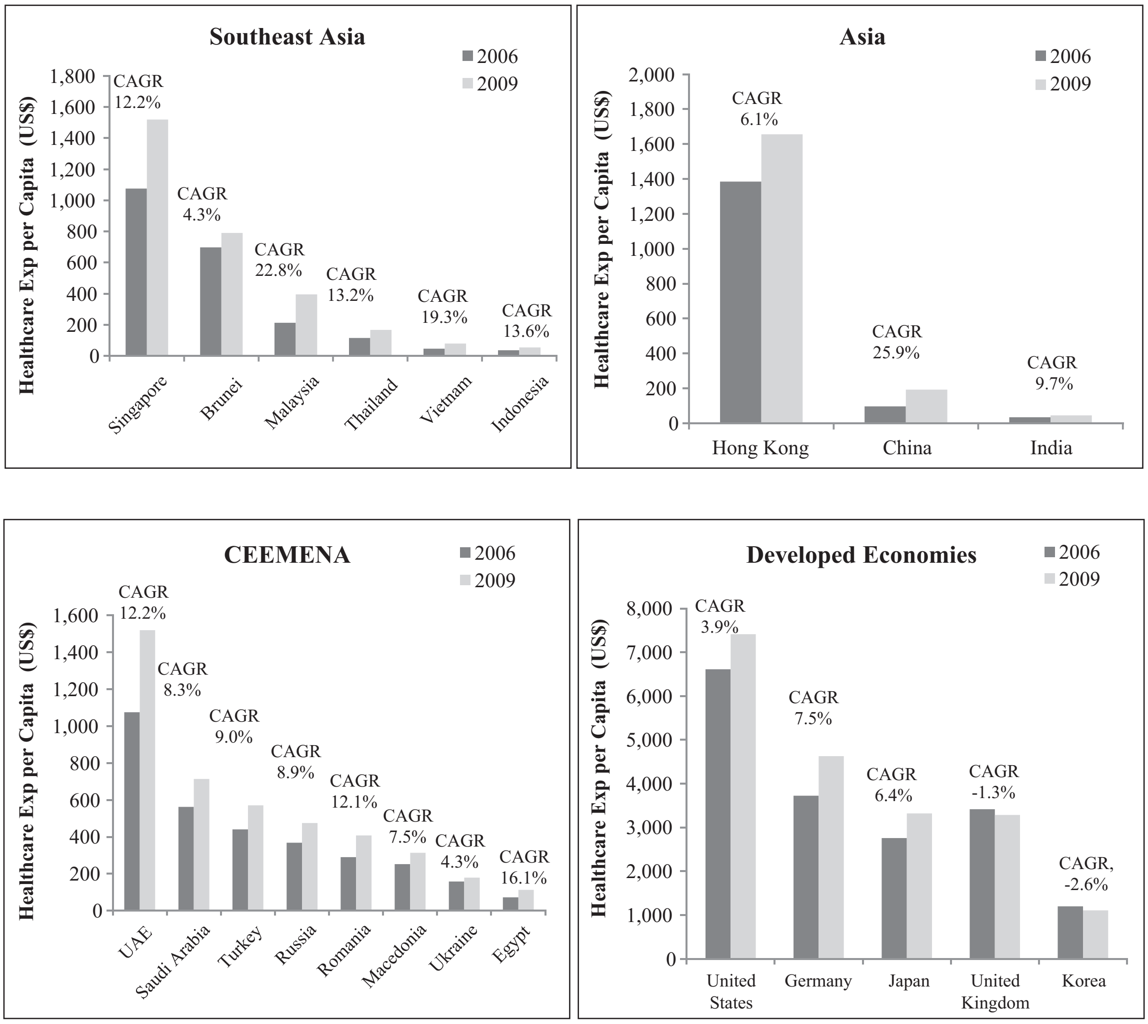
Source: Compiled by Frost & Sullivan

2.2.2 Development and Trends in the HCS Market

Total healthcare expenditure per capita is increasing in most countries. Moderate to high growth was observed between 2006 and 2009, across the developing and newly developed regions in Asia and the CEEMENA region. These countries were either largely underserved and experiencing large capacity building or actively upgrading their healthcare systems. In these economies, healthcare expenditure is driven by factors such as changing lifestyle, ageing population, political conflicts and war, and the outbreak of highly transferable diseases.

The GDP in developed countries such as the United States, United Kingdom and Japan registered a lower growth at a CAGR of sub–3.0% from 2006 to 2009. Nevertheless, the total healthcare expenditure per capita in the developed countries is amongst the highest in the world, mainly due to higher living costs in these countries as well as the higher prevalence of age-related diseases.

Total Healthcare Expenditure per Capita (in current U.S.$) and Growth Trends, 2006 and 2009



Source: The World Bank Database and countries data.
Note: Total healthcare expenditure is the sum of public expenditure and private expenditure. Public expenditure includes capital expenditure by public HCS providers.

Global Migration of Healthcare Workers into Higher Income Countries

Migration of healthcare workers originating from the developing countries into developed and mature economies is mainly driven by the motivation for employment opportunities, higher wages and better living conditions. Developed countries usually have a strict policy regarding the in-migration of healthcare workers, however such policies may be relaxed when there is a severe shortage. In-migration of doctors is apparent in countries such as Singapore, Australia, New Zealand, United States, Canada, Hong Kong and UAE. On the other hand, the in-migration of nurses is often due to the sector being less attractive to the locals due to the lower salary scale. Hong Kong, Singapore and the Gulf countries import nurses from other developing Asian countries such as Malaysia and the Philippines to fulfil the shortages of nurses in their respective countries.

Globalisation has also created new opportunities for healthcare tertiary education (HTE) providers in these developing countries to produce local talent for the purpose of supplying staff to the developed countries, in addition to serving their own countries. (*Refer to Chapter 6 for more details on HTE*).

Advanced Technology and ICT (Information and Communications Technology) Integration

Advanced technologies are changing the landscape of disciplines such as investigative medicine and micro-surgery. For instance, high-definition imaging equipment with 3-D visualisation and advanced ultrasound equipment enable doctors to diagnose and detect ailments in its early stage whereas robot-assisted surgery devices reduce surgeons' level of fatigue during complex surgeries. Technology also plays an important part in addressing the manpower shortage in the developed countries by relieving the need for a larger workforce. Furthermore, the integration of ICT in the healthcare sector allows efficient document handling of patient records and imaging files, which can be seamlessly transferred within or across different hospitals, providing patients with a more personalised service.

The United States, Japan and Germany are the major consumers of medical devices as well as being the leading producers and exporters of technologically advanced medical instruments. Based on the WHO global disease statistics, the top causes of mortality predicted in 2030 are expected to be cardiovascular diseases, cancers and pulmonary diseases. Therefore, healthcare providers are increasingly upgrading their facilities with advanced healthcare technologies for better and early diagnosis of such diseases. The use and deployment of such advanced technologies is also likely to support cost savings at patient level resulting from early diagnosis and treatment leading to faster recovery.

2.3 BARRIERS TO ENTRY

High Capital Expenditure (CAPEX): Building a healthcare facility incurs significant CAPEX investments. Such CAPEX includes the purchase of land and equipment as well as the construction cost of new buildings. For example, in Malaysia, a 200-bed hospital would typically cost between U.S.$ 40 million to U.S.$ 65 million to build, and in urban areas, the cost would be higher. The biggest variable is land cost which varies across locations. The cost of setting up an operation theatre in Malaysia could be approximately U.S.$ 0.7 million. Furthermore, there will be other start-up costs involved for the operation of the facility.

Licensing: The HCS industry is regulated and HCS providers are required to apply for a license in order to operate. The ease of obtaining a private operating license differs between countries. For mature economies, the constraints faced may be greater as these countries typically have a well-developed public healthcare system or may have exhausted the issuance of private licenses. By comparison, private hospital licenses are usually easier to obtain in developing countries such as Southeast Asia and in Middle Eastern countries with underdeveloped healthcare infrastructure and overburdened public resources. In these countries, the private sector is often encouraged to participate in providing HCS to the general public in order to complement the public HCS.

Limited Land Bank: Countries with limited land areas such as Singapore and Hong Kong are among the most difficult countries to obtain new private hospital licenses due to the limitation of land. As such, there could be higher levels of consolidation activities amongst the private sector players in these markets.

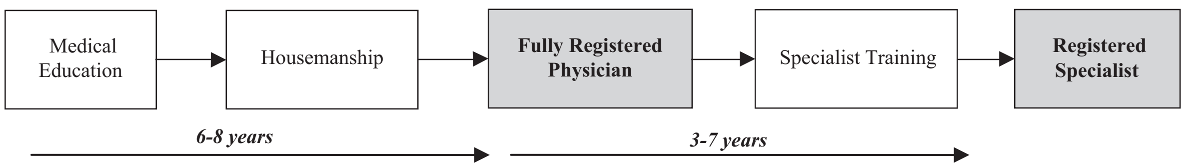
Regulatory Requirements and Standards: In general, the HCS sector is highly regulated by the government. The industry is subject to high levels of regulations and standards in the administration of its facilities, handling of supplies and in clinical operation procedures to ensure the safety of the general public. A new entrant must be highly familiar with the industry and highly knowledgeable in the intricacies of HCS.

Consumer Confidence in Brand and Industry Recognition: Typically, brand recognition is important in private HCS. The ability to attract specialists already established in their profession to set up a consultation clinic within a private hospital ensures a ready stream of patients and new entrants to a HCS market may have difficulties doing this due to the lack of brand recognition. Furthermore, new entrants have to compete with well established service providers who have achieved industry awards and accreditations like Joint Commission International (JCI).

Availability of doctors and nurses: The availability of qualified and experienced doctors/specialists and allied healthcare professionals (especially nurses) to support investments in new facilities/ expansion plans could pose a challenge to the success of new hospitals/medical facilities.

Long training time to become a doctor, in particular, a specialist: It takes approximately 6–8 years to become a fully registered doctor and a further 3–7 years to be trained as a specialist. This long training time is highly challenging and as a result, the number of specialists produced is generally lower than other disciplines for most countries. The availability of such experienced specialists is one of the major barriers to entry for a new private HCS provider.

Typical Medical Specialist Career Progression Track



Source: Compiled by Frost & Sullivan

2.4 PRODUCT SUBSTITUTION

There is no substitution for HCS. However, within the general HCS models, patients may choose to seek treatment with either a public or a private HCS provider, which are able to provide the range of basic to a more complex HCS.

2.5 VULNERABILITY TO IMPORTS

Medical Supplies and Pharmaceuticals

Major producers of medical supplies and pharmaceuticals such as Pfizer, Abbot and Baxter, to name a few, operate a global supply network with manufacturing and distribution facilities present across different regions. Hence, most of the medical supplies and pharmaceuticals are easily available from country distribution agents making the healthcare sector less-vulnerable to imports of such items.

3 OVERVIEW OF MEDICAL TRAVEL IN SELECTED COUNTRIES

3.1 DEFINITIONS

Medical travel is defined as the activity of seeking medical treatment outside the borders of one's own country, and requires a patient to travel to a destination country, including making necessary arrangements (akin to a tourist) such as entry visas/permits, transfers and accommodation. Such medical travel is often necessary due to the patient's prevailing illness, but may also include elective procedures.

Typical complex (high intensity) cases include heart surgeries, hip/knee replacement surgeries, cancer treatments and organ transplants. Such treatments generally require hospitalisation and in most cases post-operative visits to monitor progress. Elective procedures include enhancement surgeries, gender reassignments and reproduction/fertility treatments. Medical travel is distinct from medical tourism which usually involves non-invasive consultative care, wellness therapies or visiting therapeutic rehabilitation facilities for health rejuvenation.

Drivers for medical travel

It is generally observed that the overall economic development of a country precedes the development of the healthcare infrastructure therein. However, usually, there is a time lag (despite funds available for investment) largely on account of the following reasons:

- Healthcare is a highly regulated industry (in terms of licenses, approvals, monitoring, etc) with specific processes/procedures that need to be strictly followed, which leads to bureaucratic and regulatory delays; and
- The time taken to develop qualified, trained and experienced doctors & specialists and allied healthcare professionals (which are the most integral part of the healthcare delivery system in any country) adds to the 'lag' effect. The availability of the healthcare professionals can also be impacted by issues such as limited availability of trainers and related facilities.

This lag effect can be noticed in countries like Indonesia and other fast growing economies such as CEEMENA and these often become medical travel source markets. In such markets, the rising affluence and a desire for better quality of care is driving patients to seek medical treatment overseas in destinations such as Singapore and Malaysia, among others, where the healthcare infrastructure and availability of such professionals addresses their needs. One of the primary reasons for Indonesians seeking treatment overseas is the perceived poor quality of healthcare at home. The limited presence of holistic treatment services in Indonesia and the availability of better quality of healthcare in neighbouring countries, especially Singapore and Malaysia, act as a curb to the growth of and demand for the Indonesian domestic healthcare market. Competitive hospital fees in Malaysia are increasingly attracting Indonesians. In addition, tour operators in Singapore and

Malaysia offer specially tailored packages for Indonesian patients. Special referral mechanisms as well as international customer departments at major private hospitals in these countries also serve as friendly points of contact for medical travellers from Indonesia.

An increasing trend of hospitals having international accreditations is another driver for medical travel. International accreditation plays an important role for medical travellers as it acts as a credibility stamp for the medical traveller indicating that the hospital meets international standards of care and quality treatment.

Therefore, the drivers for medical travel are typically based on one or a combination of factors related to quality of care, technology, unavailability of treatment in the home country, low access to treatment due to overcrowded facilities and long waiting times in the home country. The patients' financial capabilities, reputation of doctors at foreign hospitals, distance and connectivity to country of treatment are also key influences on the decision of medical travellers seeking treatment overseas.

Singapore and Malaysia are medical travel hubs for travellers from Asia, while Thailand and Turkey typically attract patients from CEEMENA region.

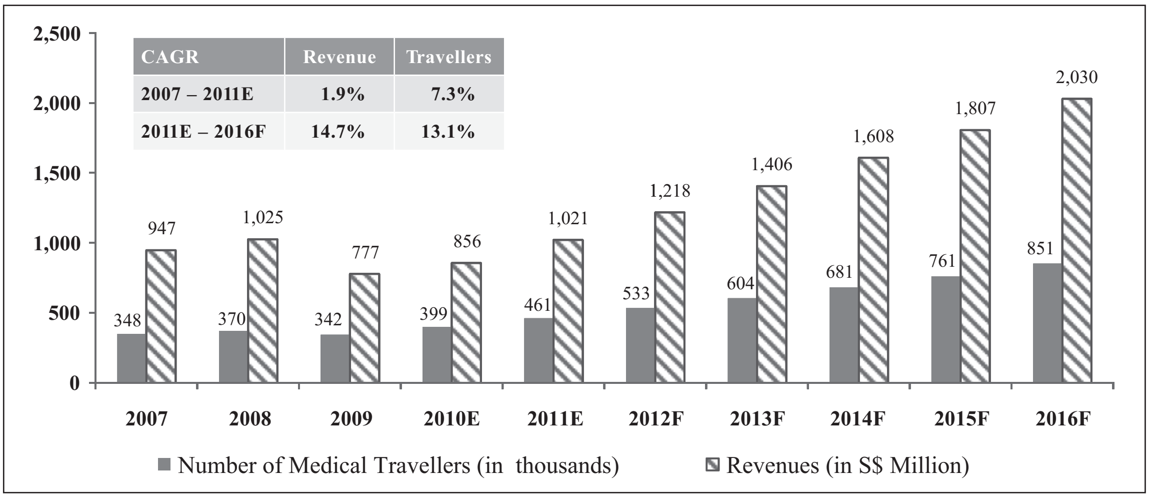
3.2 SINGAPORE

A medical travel destination offering state-of-the-art technologies and medical procedures

Singapore is recognised for its HCS and medical expertise. It is one of the most favoured medical travel destinations in Southeast Asia for complex treatments in the field of oncology, organ transplants, cardiology and neurological surgery. The high quality of HCS has always been a driver for the country in attracting foreign patients mainly from Indonesia (47.0%) and Malaysia (14.0%). Strong policies and regulatory frameworks, which are recognised internationally, coupled with active governance, adherence to prescribed guidelines/accreditations and a strong focus on quality put the medical traveller at ease. These position Singapore as the destination of choice for complex treatments in the region.

The global financial crisis had an impact on the number of medical travellers and medical travel revenues in 2009. However, the industry recovered in 2010 and recorded revenues to the tune of S$ 856.0 million (U.S.$ 628.0 million) which represented a growth of 10.1% over 2009. Singapore medical travel revenues and the number of medical travellers are expected to grow at CAGRs of 14.7% and 13.1% respectively between 2011 and 2016. This is attributable to Singapore having established itself as a centre of referral for complex procedures including organ transplants, cardiovascular surgeries and new cutting edge treatments such as, among others, hematopoietic stem cell transplantation. Apart from the presence of highly qualified and specialised transplant surgeons and strong healthcare support infrastructure, the country's popularity for organ transplants can also be attributable to, but not limited to, the high success rate of non-related living donor transplants, as Singapore HCS is governed by a strong ethical code resulting in high levels of trust in the medical system.

Medical Travel Market Size, Singapore, 2007 to 2016F



Source: Singapore Tourism Board (STB). Estimates by Frost & Sullivan.
Note: The above numbers of medical travellers represent approximately 60.0% of the total medical travellers (patient and the accompanying family) that visited Singapore. The number of travellers and revenues pertain to the actual medical travellers and the amount spent by the medical traveller on hospital treatment only. It does not include co-traveller(s) and incidental tourism related expenses. Estimates by Frost & Sullivan

The high occupancy rate and longer waiting times at major public hospitals in Singapore dissuades foreign patients from choosing public hospitals. As a result, private hospitals such as Mount Elizabeth Hospital, Gleneagles Hospital and Raffles Hospital are the key beneficiaries of the development of the medical travel market and increase in medical travellers. In addition to these hospitals, new premium private hospitals are also expected to benefit from the potential increase in medical travellers.

The government of Singapore has supported the medical travel industry by encouraging the country's hospitals to obtain international accreditations such as the JCI or International Organization for Standardization (ISO). One of the key factors that attract and strongly influence the decision of international patients to visit Singapore hospitals is the international accreditations that stand testimony to the quality of its healthcare delivery. For instance, as at 2011, 14 hospitals are JCI accredited (it has one of the highest percentages of JCI hospitals over total hospitals) and 11 hospitals are ISO certified.

In addition some hospitals in Singapore have set up overseas marketing and patient referral networks to expand their market coverage. The networks can be in the form of marketing agent tie-ups, doctor (referral) networks, government and corporate payer networks.

Singapore as a centre of evacuation/emergency treatments for the Southeast Asian region

Singapore also acts as an important evacuation centre for emergency treatment in the region. This ensures that the critically ill patients who face emergencies are air-lifted with trained doctors on board. Distinctive characteristics of the connectivity of the healthcare system in Singapore are expected to continuously aid in positioning the country as one of the most prominent medical travel hubs in the Asia Pacific region. Medical evacuation centres in Singapore have played a major role during Bali bombings, accidents during mining and in reaching out to tsunami affected victims. As corporates expand their presence in the ASEAN region, particularly in sectors such as oil & gas and mining, they have tie-ups with key medical evacuation agencies to better serve their employees in times of extreme medical emergencies. Singapore, with its state-of-the-art medical system, serves as one of the key hubs for such tie-ups among corporates.

Singapore's strategic geographical position, air and sea connectivity, and proximity to other Southeast Asian countries enables it to act as a centre for evacuation/emergency treatments and a key medical hub for medical travel source markets.

3.3 MALAYSIA

A cost competitive destination for medical travellers from, but not limited to, Indonesia

Medical travel market growth in Malaysia is on an upward trend. In 2011, the medical travel market in Malaysia generated approximately RM 509.8 million (U.S.$ 167.0 million) in revenues, having grown from approximately RM 253.8 million (U.S.$ 59.0 million) in 2007, registering a CAGR of 19.0% during the same period. As of 2011, hospitals in Penang received the highest share of medical travel revenue at 49.0%, followed by hospitals within the Klang Valley at 21.0% and Melaka at 10.0%. Upcoming and potential medical travel hubs in Malaysia include the Medini Health Hub in the Iskandar Development Region (please refer to the demand dynamics section in the HCS chapter in Malaysia) and Kota Kinabalu, Sabah.

Malaysia attracts a majority of its medical travellers from Indonesia given the close proximity and offering of quality healthcare at affordable prices. It is observed that patients from areas such as Sumatra seek treatment in Penang or Melaka while more affluent patients from Jakarta and Surabaya, among others, generally travel to Singapore for treatment.

Since March 2010, Singapore patients can utilise their national insurance fund (Medisave) for day surgery or in-hospital admissions at selected hospitals in Malaysia sourced via appointed referral centres[2]. As of March 2012, there were 13 hospitals in Malaysia registered under this scheme. The following table lists the referral centres and their respective HCS facilities in Malaysia.

[2] *Patients must be referred by the appointed referral centres (Balestier Clinic and Parkway East Hospital) recognised by the government of Singapore prior to travelling to Malaysia for treatment.*

Medisave referral centres in Malaysia

Management	Referral Centre	HCS Facilities in Malaysia
Health Management International, Malaysia	Balestier Clinic, Singapore	• Regency Specialist Hospital, Johor Bahru • Mahkota Medical Centre, Melaka
Parkway Pantai Limited, Malaysia	Parkway East Hospital, Singapore	• Gleneagles Hospital, Kuala Lumpur • Gleneagles Medical Centre, Penang • Pantai Hospital, Kuala Lumpur • Pantai Hospital, Cheras • Pantai Hospital, Ampang • Pantai Hospital, Klang • Pantai Hospital, Ipoh • Pantai Hospital, Ayer Keroh • Pantai Hospital, Penang • Pantai Hospital, Batu Pahat • Pantai Hospital, Sungai Petani

On average, the cost of surgery in a single bedded room in most Malaysian private hospitals is in the range of the cost at B1 wards and C wards in Singapore public hospitals. Several factors such as waiting time, affordability, quality of services/doctors and proximity from Singapore determine the patients' choice. As a result, private hospitals in Malaysia which provide locations in close proximity to Singapore, have a track record of quality service, short waiting times and competitive price point, and allow patients access to their Medisave, may be well positioned to tap into the segment of Singapore patients who may otherwise have confined their choices to the B1 and C-class wards in Singapore. The surgery cost comparisons between such private hospitals in Malaysia and Singapore's public B1 wards is estimated as follows:

Estimated surgery cost comparison between Singapore public & Malaysia private hospitals

Surgeries	B1 Ward[3] in Singapore (U.S.$)	C Ward[4] in Singapore (U.S.$)	Private Hospital Ward[5] in Malaysia (U.S.$)
Hip replacement	16,000	6,000	10,000
Knee replacement	14,000	4,300	8,000
Angioplasty	20,000	5,500	11,000
Heart bypass	20,000	4,000	9,000

Source: Compiled by Frost & Sullivan

The Economic Transformation Programme (ETP) outlined by the Malaysian government has identified the healthcare sector as a focus area for development to transform the country into a higher income economy. The Malaysian government has set a target for the medical travel industry to contribute RM 50.5 billion (U.S.$17 billion) to the Gross National Income (GNI) by 2020. The target is expected to be realised through various entry point projects under the ETP such as the

[3] *Class B1 ward = Air-conditioned 4 bedded ward (Source: Ministry of Health Singapore)*

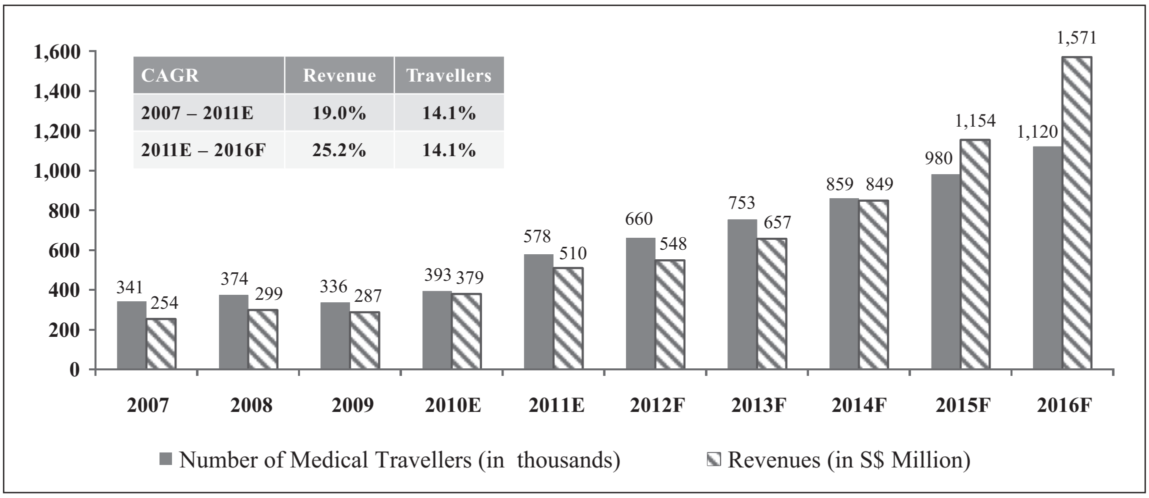
[4] *Class C ward = Fan-ventilated 8 or 9 bedded ward (usually greater than 6 beds) (Source: Ministry of Health Singapore)*

[5] *Private hospital wards in Malaysia refer to single bed wards in private hospitals (Source: OECD)*

implementation of marketing plans and collaborations with private HCS providers; foreign governments and insurance agencies in order to attract more medical travellers from countries such as Vietnam, Cambodia, Bangladesh, Canada, Brunei and countries of the Middle East; among others. Furthermore, the government is also providing tax benefits to encourage private HCS companies to obtain international accreditation such as JCI or ISO. To ease entry formalities for patients, the Immigration Department of Malaysia has implemented the Green Lane System at main entry points which expedites custom clearance for medical travellers.

Key drivers for the medical travel industry in Malaysia include accessibility to medical travel destinations (for instance, patients from Indonesia have the option of travelling to Penang either through sea or by air; Kuala Lumpur through air-route and Melaka through sea-link), reasonable healthcare costs, the availability of high quality treatment and an advanced medical infrastructure.

Medical Travel Market Size, Malaysia, 2007 to 2016F



Source: Malaysia Health Tourism Council (MHTC) and Association of Private Hospitals Malaysia (APHM).
Note: The number of travellers and revenues pertain to the actual medical travellers and the amount spent by the medical travellers on hospital treatment only. It does not include co-traveller(s) and incidental tourism related expenses. Estimates by Frost & Sullivan.

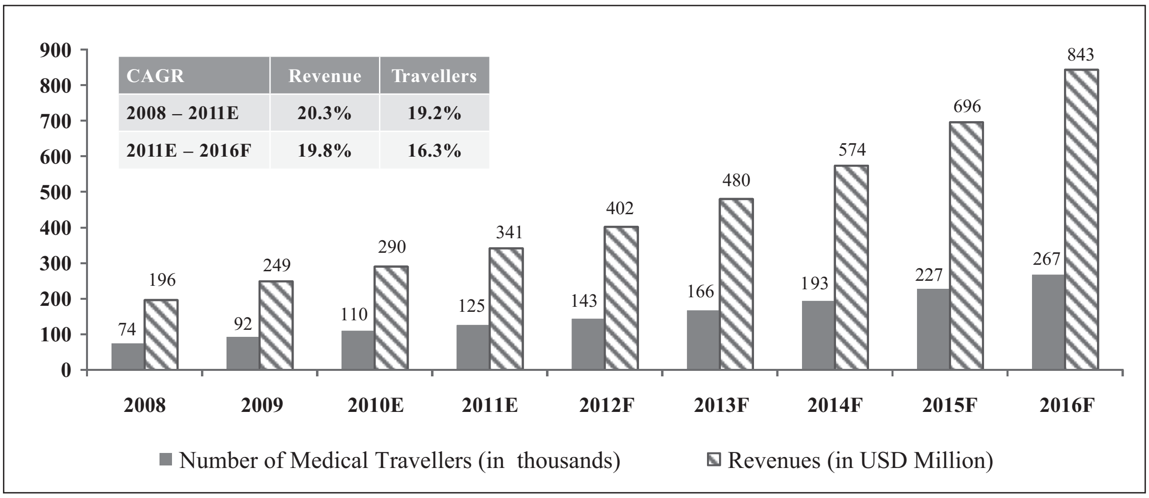
3.4 TURKEY

A medical travel destination catering to complex surgeries at competitive prices for patients from the CEEMENA region

The medical travel market size in Turkey was estimated at approximately U.S.$331.9 million in 2011. Turkey has emerged as one of the most popular medical travel destinations in the CEEMENA region due to its high quality medical facilities, high concentration of specialists and capabilities in complex surgical procedures. It is strategically located between Europe, Asia and the Middle East which is also a contributing factor to its status as a key medical travel hub. A majority of medical travellers to Turkey were from Germany (39.0%) while Holland, Cyprus and Austria jointly accounted for approximately 17.0% of medical travellers in 2011. Libya is also one of the growing source markets for medical travellers in Turkey. The civil war which started in February 2011 has caused the healthcare facilities in Libya to be overcrowded with the injured. As a result, the more affluent population is increasingly travelling to Turkey to receive medical treatment in a more comfortable setting. Some of the key destinations (in alphabetical order) for medical travel in

Turkey include Adana, Ankara, Antalya, Istanbul, Izmir and Kayseri. Medical travellers prefer Turkey due to its quality of healthcare, cost competitiveness and shorter waiting time compared to the majority of the EU countries.

Medical Travel Market Size, Turkey, 2008 to 2016F



Source: MOH Turkey, Department of Statistics Turkey. Estimates by Frost & Sullivan.
Note: The number of travellers and revenues pertain to the estimated medical travellers and amount spent by the medical travellers on hospital treatment only. It does not include co-traveller(s) and incidental tourism related expenses. Estimates by Frost & Sullivan.

As of March 2012, there were 38 JCI accredited hospitals in Turkey, which is the highest number of JCI accredited hospitals in a single country in the world. Since March 2011, to support the development of the medical travel industry, the Turkish government subsidises 50% of expenses incurred in applying for the JCI accreditation, for private sector hospitals. Additionally, the Turkish government will also be paying up to 75% of the expenses incurred by hospitals or associations that promote medical tourism abroad.

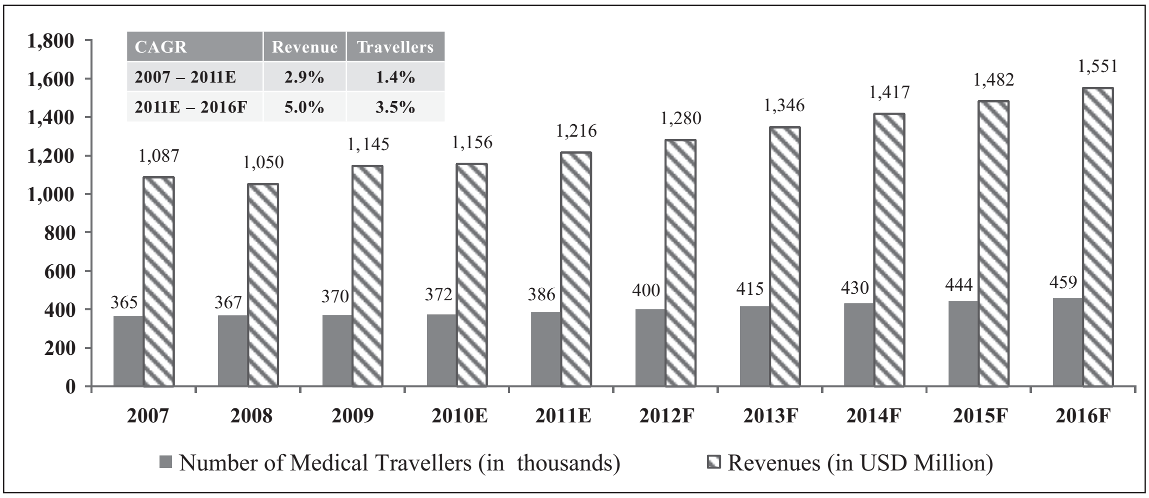
3.5 Thailand

A key medical travel destination for patients from the Middle East with the added benefit of being a post-surgery holiday destination

Thailand is one of the key medical travel destinations in Southeast Asia in terms of the total number of medical travellers and revenues generated. The private healthcare sector has largely contributed to the growth of the medical travel industry in Thailand. The leading private participants in the Thai medical travel industry are Bumrungrad International Hospital, Bangkok Hospital, Vejthani Hospital and Samitivej Hospital.

In 2008, the industry was mildly affected by the global financial crisis and saw a drop in medical travel revenue. Nevertheless, it quickly recovered during 2009–2011 and is expected to be on an upward trend moving forward. However, growth is expected to be moderated by the continuing political uncertainty and the effects of recent major flooding in Bangkok. Thailand's medical travel revenues and number of medical travellers are projected to grow at a CAGR of 5.0% and 3.5% respectively over the years 2011 to 2016, slower than the expected growth in Singapore, Malaysia and Turkey.

Medical Travel Market Size, Thailand, 2007 to 2016F



Source: Thailand Medical Tourism Cluster, Primary interviews. Estimates by Frost & Sullivan.
Note: The numbers of medical travellers depicted above include tourists receiving treatment and exclude expatriates. Any incidental tourism expenses incurred during travel are also considered.

The majority of medical travellers to Thailand are from the Middle East region. Patients who visit Thailand often combine a holiday with their medical travel and this is a key attraction for many medical travellers. Although, for certain procedures, the cost of surgery in Thailand is comparable to Singapore, the two countries attract medical travellers from different source markets and generally do not compete in the same space, in terms of medical procedures performed. The government of Thailand has recognised the economic potential of medical travel and is planning to implement initiatives to support and promote this sector.

3.6 POSITIONING AND MARKET SEGMENTS

While the four countries mentioned above are popular medical travel destinations, each one primarily caters to a distinctive segment of medical travellers (based on, among others, traveller preferences, medical conditions, and costs). The table below outlines the key benchmarks and highlights the key differences among these four medical travel destinations.

Country	Capability to Perform Complex Procedures (Relative to other medical travel hubs in the region)	Price Benchmark[6] (Average cost of selected surgeries in U.S.$)	Diversity of Patients (Top countries)	JCI Accredited Hospitals
Singapore	**High** Key Treatments: Cardiology, Cardio-thoracic surgery, Orthopaedics surgery, Reconstructive surgery, and Oncology	CABG[7]: 20,000 Hip replacement: 11,000 Rhinoplasty: 4,375	Indonesia >47.0% Malaysia 14.0% Russia, Vietnam >4.0% (each) Middle East, Europe, Korea >3.5% (each) North America >1.0%	**14**
Malaysia	**Medium-High** Key Treatments: Cardiology, Cardio-thoracic surgery, Orthopaedics surgery, In-vitro fertilisation (IVF), Reconstructive surgery, and dental related treatment	CABG: 9,000 Hip replacement: 10,000 Rhinoplasty: 2,083	Indonesia 75.0% Singapore/Middle East/ Others 21.0% India 4.0%	**6**
Turkey	**High** Key Treatments: Ophthalmology, Dental, Orthopaedic, Cardiology, Reconstructive surgery, Oncology, and Neurosurgery	CABG: 10,000 Hip replacement: 10,750 Rhinoplasty: 3,500	Germany 39.0% Holland 8.0% Austria 5.0% Cyprus 4.0% Azerbaijan, Russia, Iraq, France 3.0% (each) Belgium 2.0%	**38**
Thailand	**Medium-High** Key Treatments: Botox and face lift	CABG: 13,000 Hip replacement: 12,000 Rhinoplasty: 2,500	UAE >40.0% Qatar 9.0% Oman 6.0% Japan, Myanmar> 5.0%	**13**

Source: Primary interviews. Analysis by Frost & Sullivan

India

Refer to the section on medical travel in India HCS chapter—under the ***'Introduction'*** and ***'Demand dynamics'*** sections.

3.7 SUPPLY AND DEMAND CONDITIONS

The general perception that the growth in medical travel is primarily driven by "cheaper/lower cost treatment" may not necessarily paint the exact picture of the industry in the current economic conditions. Lower treatment cost is typically an enabler for seeking treatment abroad; however the final decision of the medical traveller would also depend on a number of other equally important factors including:

6 *Source: OECD, March 2011, compiled from medical travel providers and brokers online and Frost & Sullivan*
7 *Coronary Artery Bypass Graft*

- ***Quality of HCS and Industry Recognition:*** The main concern in seeking treatment abroad is that the patient can never be fully certain of the real medical condition or quality of service. Patients may assess quality of service by seeking hospitals that have been accredited by an international accreditation body. Accreditation by ISO and JCI are highly sought after by HCS providers in order to gain global recognition.
- ***Global Healthcare Network and Branding:*** People tend to benchmark a service or product they are seeking based on familiarity with the product or by association. Typically patients may refer to friends or relatives that have successfully received treatment from a particular specialist or hospital when making their decision. In addition, HCS providers with a global referral centre or hospital network also leverage the same in promoting their services and strengthening their brand name. Both the hospital network and the brand can attract medical travellers to the HCS provider. Furthermore, the strength of having a global operating network is a differentiator especially in the post treatment phase as the hospital may connect the patient with its local operations for follow up rehabilitation sessions. This idea of seamless integration of services, may become an increasingly important decision factor for potential patients in their choice of medical travel destination.
- ***Transportation and Access to Locations:*** Another factor considered by medical travellers is safety of flying post-surgery as there may be possibilities of medical complications such as blood clotting leading to embolism, among others. Typically, medical travellers are likely to select destinations with direct flights, or border crossing by land to a neighbouring country, for treatment. Government regulations such as immigration policy of the destination country, complicated and time consuming visa application procedures also influence the choice of the medical travel destination. In addition to the costs related to the medical procedures and accommodation, travel costs are also an important consideration. The rising cost of fossil fuel has impacted the airlines industry and very often, these increases are onward passed to travellers in the form of higher fares. Nevertheless, the availability of low-cost or budget airlines and expansion of their route network in the region has helped to dampen the effect of rising fuel prices and provide greater access for medical travellers seeking treatment in the destination countries. Increasingly, HCS providers are offering value added services especially targeted to medical travellers such as travel, accommodation and visa arrangement packages so as to allow the overall travelling costs to be contained as well as to ensure that the patient's convenience and comfort are taken care of.
- ***Internet and Communication Technology:*** The proliferation of internet and communication technologies has greatly contributed to the marketing efforts of the medical travel industry. HCS providers are reaching out to interested patients globally through websites and other online platforms to provide them information about their services and a point of contact for their hospital. Network tools such as emails or bulletin boards provide a platform to the patients for communicating directly with HCS providers. Furthermore, such technologies are also very useful in the situation when patients develop complications after returning to their home country and may need to consult the overseas specialist who administered treatment or obtain medical records on an urgent basis. These tools may also be utilised for remote consultation sessions with overseas specialists as well as for delivering the patient's health records electronically to any local hospitals for follow up treatment.

4 ANALYSIS OF THE HCS MARKET IN SELECTED COUNTRIES

4.1 SINGAPORE

4.1.1 Introduction and Background

Singapore is one of the newly industrialised countries and its economy is driven by its services sector (65.0% contribution to GDP) and manufacturing sector (21.0% contribution to GDP). It is one of the very few countries to have achieved an urbanisation rate of 100.0%, leading to high economic growth and wealth.

Socioeconomic Indicators, 2006 and 2010

Indicators	2006	2010
GDP (S$ billion)	230.9	303.6
GDP per Capita (S$) *(current prices)*	50,326	58,579
Population (million)	4.6	5.1
0–14 years (%)	19.1	17.4
15–64 years (%)	72.3	73.6
65 years and above (%)	8.1	9.0
Non-resident (%)	21.9	26.9
Birth Rate (per 1,000 people)	10.2	9.3
Infant Mortality Rate (per 1,000 births)	2.1	2.0
Crude Death Rate (per 1,000 population)	4.4	4.4
Total Fertility Rate (per female)	1.26	1.15
Life Expectancy—Female (Years)	80.0	84.1
Life Expectancy—Male (Years)	77.6	79.3
Total Employed (million)	2.5	3.1
Household Income Distribution:		
No. of households with household income of S$ 6,000 and above	345,000 (33% of total)	490,000 (43% of total)
No. of households with household income less than S$ 6,000	710,000 (67% of total)	658,000 (57% of total)
Urbanisation Rate (%)	100.0	100.0

Source: Yearbook of Statistics 2011, United Nations World Urbanisation Prospects Report, MOH Singapore.

The country is supported by a large productive population (aged 15–64) and high employed segment, which contributes to the increasing wealth of the population and a growing middle income group. The GDP per capita is the highest in Southeast Asia. When compared to other countries in the world, Singapore ranked high in terms of disposable income per capita.

Singapore has a well developed healthcare sector. Government expenditure per capita for healthcare in 2010 was approximately S$ 842 (U.S.$ 617), having grown from S$ 493 (U.S.$ 310) in 2006. Private expenditure per capita on healthcare in 2010 was approximately S$ 1,477 (U.S.$ 1,083), having grown from S$ 1,146 (U.S.$ 721) in 2006.

Singapore has a low population base which has expanded at a CAGR of 3.1% between 2006 and 2010. The non-resident population expanded at a CAGR of 8.5% and resident population expanded at a CAGR of 1.4% during the same period. The low growth in resident population is attributable to the decreasing birth rate.

Its ageing population (65 years and above) is around 9.0% of the total population and is increasing at a quicker pace.

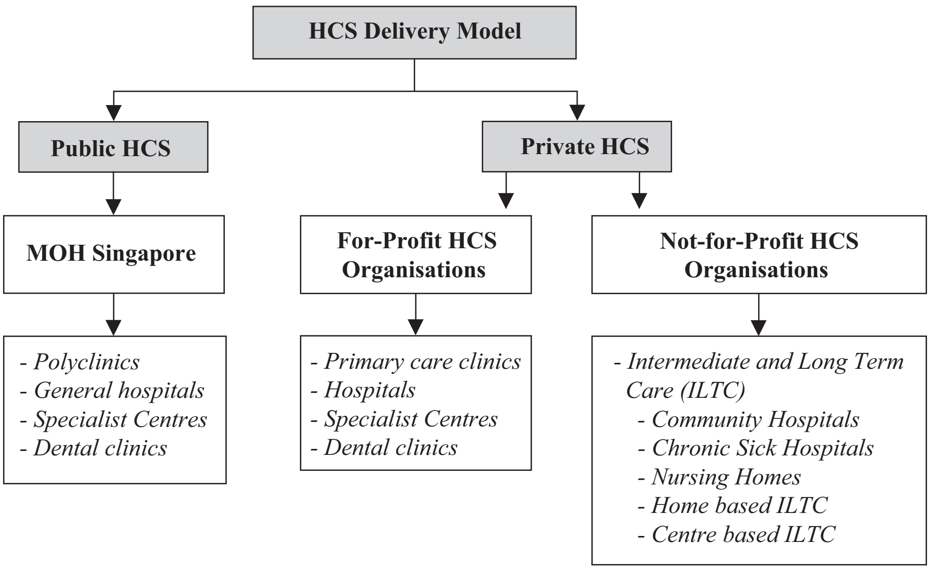
Cancer, ischemic heart disease, pneumonia and cerebrovascular disease are the principal causes of deaths in Singapore representing over 72.0% of all deaths in 2010. There is a trend of increasing chronic lifestyle diseases mainly attributable to the sedentary lifestyle. As a result, there has been an increase in diseases such as cancer, diabetes, psychological and cardiovascular disease. This increase in lifestyle diseases is among the main drivers for the utilisation of the HCS in Singapore.

4.1.2 Overview of HCS model and funding

The government of Singapore manages the public healthcare system through the Ministry of Health (MOH Singapore), which aims to provide access to quality and affordable basic medical services to all residents (citizens and permanent residents; excludes non-residents). This is achieved through providing subsidised medical services while promoting individual fiscal responsibility for the cost of HCS, thus encouraging the adoption of a healthy lifestyle and taking responsibility for one's own health.

All residents are entitled to basic medical services at government polyclinics and public hospitals, where rates are regulated and subsidised. Patients are expected to pay part of the cost, and to pay more when they require higher levels of service. MOH Singapore licenses and regulates all healthcare establishments such as hospitals, nursing homes, clinical laboratories, medical and dental clinics. However, the rates at private clinics and private hospitals are not regulated and are subject to market forces of demand and supply.

HCS Delivery Model in Singapore, 2011



Source: Frost & Sullivan primary and secondary desktop research
Note: ILTC cannot be clearly classified into public and private, as most of them are run by Voluntary Welfare Organisations (VWO) either partially funded by the government or in full by private charity and donations. Due to the lack of clarity, ILTC is classified by the way in which it operates, rather than by who operates it.

- ***Primary HCS:*** In Singapore, primary HCS include curative out-patient medical treatments, health screening, preventive health programmes for school children, home nursing, day care and rehabilitation for the elderly, health education and health promotion. Private General Physician (GP) clinics account for 80.0% of the primary care market in terms of patient volume, while the public sector caters to the remaining 20.0% of patients. At the point of primary care treatment, when patients have to be referred to specialists, the private GPs may recommend specific hospitals or doctors; however, the patient has the final decision.

- ***Secondary & Tertiary HCS:*** In the case of more expensive in-patient hospital care, 80.0% is provided by the public sector and the remaining 20.0% by the private sector (in terms of patient volume). Public sector hospital services are provided by various clusters of general hospitals and specialist centres run by the government. Private sector hospital services are provided by privately-run hospitals and hospital groups, also located in geographical clusters.
- ***Quaternary HCS:*** This is the highest level of HCS which involves high-risk and complex surgeries, such as transplantation of the cornea, kidney, liver and heart from deceased donors. Kidney and liver transplants are performed with living donors as well. Very few hospitals, primarily from the private sector, provide quaternary care in Singapore.
- ***Intermediate and Long Term Care (ILTC) Services:*** ILTC service (such as care at community hospitals, nursing homes, day rehabilitation and home visits etc.) is mainly provided by Voluntary Welfare Organisations (VWO), with support from the government. The government provides up to 90.0% of capital funding and up to 50.0% of operating expenditure for long-term care institutions run by VWO. The VWO raise the rest of their funding through community donations.

Sources of Healthcare Funding

Healthcare expenditure in Singapore can be categorised into public expenditure and private expenditure (which includes expenditure by individuals, employers and private insurance). The components of the national healthcare expenditure are summarised in the following diagram.

Components of the National Healthcare Expenditure

Individual • OOP expenses (Direct payment) • Insurance premiums • Medisave contributions (can be used to pay MediShield premiums)	**Government** • Subsidies • Medisave contributions (as an employer)
Employer • Medical Insurance premiums for the employee • Medisave contributions	**Private Insurance provider** • Insurance payouts • Medisave contributions (as an employer)

Source: Compiled by Frost & Sullivan from various sources

Public healthcare expenditure in Singapore refers to the government expenditure on healthcare infrastructure in the form of capital expenditure, healthcare subsidies, and the procurement of pharmaceutical and medical supplies. The funding originates from tax collection and other government income and the majority of it is channelled to MOH Singapore through annual budget allocations. Singapore practises a co-payment policy with individual citizens.

Private healthcare expenditure is composed of three components in the following order of importance: OOP expenditure, private insurance and contributions from non-profit institutions.

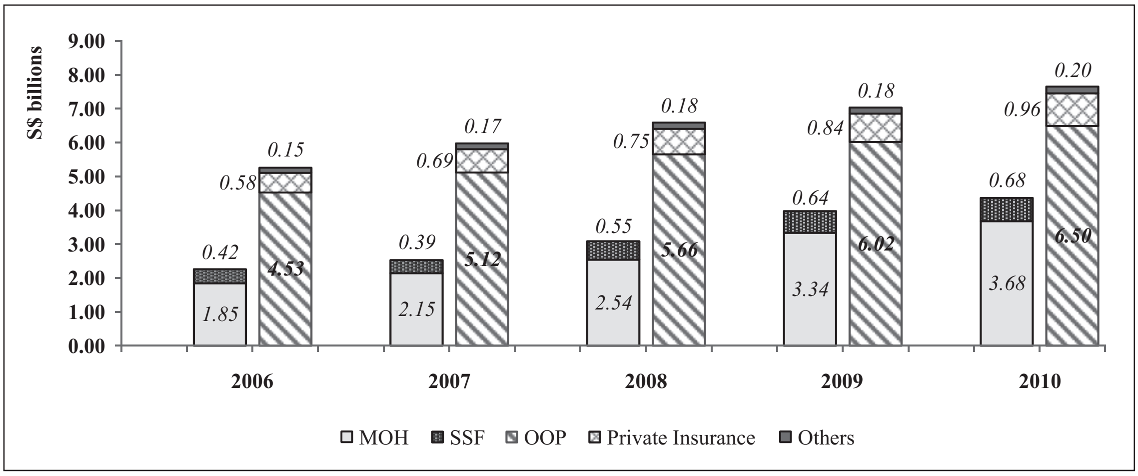
Healthcare Expenditure	2006	2007	2008	2009	2010	2011E	CAGR (%) 2006–2011E
Total (S$ billion)	7.52	8.51	9.69	11.02	12.02	12.92	11.4
Public Contribution	*2.26*	*2.53*	*3.09*	*3.98*	*4.37*	*4.74*	*15.9*
Private Contribution	*5.26*	*5.98*	*6.60*	*7.04*	*7.66*	*8.19*	*9.2*
Public as a% of total	*30.1*	*29.8*	*31.9*	*36.1*	*36.3*	*36.7*	—
Private as a% of total	*69.9*	*70.2*	*68.1*	*63.9*	*63.7*	*63.3*	—
Total as a% of GDP	*3.3*	*3.2*	*3.6*	*4.1*	*4.0*	*3.9*	—

Source: The WHO Healthcare Expenditure Database. Projection and analysis by Frost & Sullivan

During the period 2006 to 2011, public healthcare spending grew at a CAGR of 15.9% as compared to the private healthcare spending, which grew at a CAGR of 9.2%. The growth in public healthcare spending is attributable to the government introducing additional healthcare subsidies and various healthcare schemes during the global financial crisis. In dollar terms, the private healthcare spending increased by S$ 2.93 billion (U.S.$ 2.33 billion), while the public spending increased by S$ 2.48 billion (U.S.$ 1.97 billion).

The chart below shows the public and private healthcare expenditure further classified into their respective components.

Components of Public and Private Healthcare Expenditure (in S$ billion), 2006 to 2010



Source: The WHO Healthcare Expenditure Database

Notes:

(1) *Public Expenditure Components: MOH (Direct subvention by MOH Singapore via Medisave and MediShield), SSF (Social Security funds such as Medifund)*

(2) *Private Expenditure Components: OOP expense, Private Insurance and Others. The breakdown of 'Others' is not available.*

4.1.3 Regulatory Overview

MOH Singapore's primary role, along with its statutory boards, is to establish and monitor legislation to ensure the appropriate allocation of resources and achievement of clinical outcomes and professional standards to residents.

All hospitals, clinics, clinical laboratories and nursing homes are required to maintain good standards of medical services through licensing by the MOH Singapore. The following table lists the relevant laws and regulations pertaining to the operation and delivery of private HCS in Singapore:

Key healthcare acts and regulations

Act/Regulation	Key provisions
Private Hospitals and Medical Clinics Act 1993 (Chapter 248)	Provides for the control, licensing and inspection of private hospitals, medical clinics, clinical laboratories and healthcare establishments.
Medical Registration Act (Chapter 174)	Provides mechanisms to: – ensure that registered medical practitioners are competent and fit to practise medicine; – uphold standards of practice within the medical profession; and – maintain public confidence in the medical profession.
Human Organ Transplant Act (Chapter 131A)	Provides guidelines and regulations concerning the removal of organs after death, the prohibition of trading in organs and blood, living donor organ transplants and for the enforcement of the act.
Regulation of Imports and Exports Act (Chapter 272A)	Provides for the regulation, registration and control of imports and exports of any goods in Singapore, including medical supplies and medical devices.

Source: MOH Singapore, Attorney General's Chamber

4.1.4 Supply Dynamics

Infrastructure

In terms of hospital bed capacity, Singapore has a relatively low total hospital beds ratio (2.22 beds per 1,000 population in 2010), when compared to other developed nations. Though the government has increased the bed capacity of public hospitals periodically (through expansions and new developments), public hospitals are still unable to cater to the rising demand for hospital beds.

Public and Private Hospital Beds 2006 to 2010

Hospital beds	2006	2007	2008	2009	2010	CAGR (%) 2006–2010
Total Beds	**11,527**	**11,547**	**11,580**	**11,564**	**11,509**	**-0.1**
Public Hospital Licensed Beds	*8,320*	*8,368*	*8,319*	*8,456*	*8,881*	*1.6*
Private Hospital Licensed Beds	*3,207*	*3,179*	*3,261*	*3,108*	*2,628*	*-4.9*
Beds per 1,000 population	2.51	2.39	2.32	2.28	2.22	—

Source: Yearbook of Statistics 2011. Analysis by Frost & Sullivan
Note: The decrease in licensed beds between 2009 and 2010 was due to a re-classification by MOH Singapore under which the number of licensed beds became a closer reflection of the number of operational beds.

In comparison with the United States, the United Kingdom, Italy and France, the desired bed ratio for an economy like Singapore's is estimated to be 2.98 beds per 1,000 population (average of the bed ratios in the above mentioned countries). Based on the number of beds to be added in Singapore in the next 5 years, the supply of public and private hospital beds can be projected. In addition, applying the desired bed ratio over the population projected by the IMF, Frost & Sullivan estimates that there will be a significant shortfall in the supply of hospital beds.

Hospital beds projection and shortfall analysis, 2011E to 2016F

Shortfall of beds	2011E	2012F	2013F	2014F	2015F	2016F
Desired Beds [A]	15,634	15,904	16,181	16,464	16,749	17,041
Projected Beds [B]	11,509	11,873	12,093	13,043	14,143	14,393
Public Hospital Licensed Beds	*8,881*	*8,881*	*8,881*	*9,831*	*10,931*	*11,181*
Private Hospital Licensed Beds	*2,628*	*2,992*	*3,212*	*3,212*	*3,212*	*3,212*
Projected per 1,000 population	2.19	2.22	2.22	2.36	2.51	2.51
Shortfall of beds [A] *minus* [B]	**4,125**	**4,031**	**4,088**	**3,421**	**2,606**	**2,648**

Source: Population projections by IMF. Upcoming new hospital data from hospital websites and MOH Singapore publications. Other projections and analysis by Frost & Sullivan.
Note: 'Private Hospital Licensed Beds' include beds from private hospitals, community hospitals, chronic sick hospitals and inpatient hospice care centres. Desired hospital beds ratio=2.98 per 1,000 population; average of 2010 ratios from the United States, the United Kingdom, Italy and France

Public hospitals in Singapore are running at very high occupancy rates of 85.0% to 95.0% (based on weekly data published by MOH Singapore in the first week of March 2012). In view of the current and potential shortfall of hospital beds, the government has announced in its Healthcare 2020 Masterplan, the addition of 1,900 acute hospital beds and 1,800 community hospital beds, as follows:

- Ng Teng Fong General Hospital—scheduled to open in 2014, followed by the Jurong Community Hospital in 2015, together adding about 1,000 beds.
- Seng Kang General Hospital—opening date brought forward from 2020 to 2018, in addition to increasing the capacity to a total of 1,400 beds (general hospital + sister community hospital).
- An integrated building will be built near Changi General Hospital and St Andrew's Community Hospital, adding around 250 acute and community hospital beds by 2014.
- Community hospitals at Yishun and Outram—scheduled to open by 2015, adding about 800 beds.
- Khoo Teck Puat Hospital will convert its rooftop garden into a 32-bed ward by early 2013.

Addition of beds in the private sector is limited to the opening of Mount Elizabeth Novena Hospital (333 beds) and Fortis Specialty Centre (31 beds) in 2012 and the Farrer Park Hospital (220 beds) in 2013. The difficulty in obtaining a private hospital license due to stringent requirements and scarcity of available land have resulted in only 2 private hospital licenses to be issued in the past 15 years (Mount Elizabeth Novena Hospital and Farrer Park Hospital).

Further, since March 2010, MOH Singapore allowed residents to use Medisave to pay for their hospitalisation in selected private hospitals in Malaysia, thereby increasing the number of private acute beds in the Singapore healthcare system. Parkway Pantai Limited (10 hospitals) and Health Management International (2 hospitals) were chosen by MOH Singapore as local partners to support the move, which help residents access treatment at a comparatively lower cost.

Workforce

The government's move to further develop the healthcare infrastructure to meet the increasing healthcare demands requires the current number of doctors (9,030 in 2010) to be doubled by 2020. In order to manage the increasing workforce requirements, the government is increasing intakes into existing medical schools and setting up new medical schools (for example, the opening of Lee Kong Chian School of Medicine in 2013) to produce 500 doctors, 2,700 nurses, 240 pharmacists and 80 dentists every year. In addition, it is expected to allow more foreign trained doctors to practise in the country.

An increasing number of doctors are switching from public practice to private practice recently. In order to retain talent within the public healthcare sector, the government has proposed to increase salaries of the healthcare workforce by about 20.0% over the period of 2012 to 2015.

To manage the shortfall of doctors in the public sector, the government is exploring a sustainable framework to involve the private sector in public sector healthcare (akin to public private partnership), which would enable private doctors to treat subsidised patients. New models of care are expected to be introduced to tap on the capacity of private GPs to provide residents with accessible, affordable and high quality care.

Doctors and Nurses/Midwives 2006 to 2010

Doctors and Nurses	2006	2007	2008	2009	2010
Total Doctors	**6,931**	**7,384**	**7,841**	**8,323**	**9,030**
Specialists	*2,654*	*2,781*	*2,962*	*3,180*	*3,374*
Public	*1,557*	*1,617*	*1,772*	*1,927*	*2,060*
Private	*1,097*	*1,164*	*1,190*	*1,253*	*1,314*
Non-Specialists	*4,277*	*4,603*	*4,879*	*5,143*	*5,656*
Doctors per 1,000 population	1.51	1.53	1.57	1.64	1.70
Total Nurses/Midwives	**20,927**	**22,332**	**24,209**	**26,792**	**29,340**
Public	*11,574*	*12,294*	*13,711*	*15,675*	*17,613*
Private	*6,109*	*6,112*	*6,224*	*6,463*	*6,965*
Not in active practice	*3,244*	*3,926*	*4,274*	*4,654*	*4,762*
Nurses/Midwives per 1,000 population	4.56	4.64	4.85	5.28	5.34

Source: Singapore Medical Council Annual Report 2010, Yearbook of Statistics 2011. Analysis by Frost & Sullivan

Selected Specialists in Singapore, 2010

Specialist Discipline	Public	Private	Specialist Discipline	Public	Private
Medical Oncology	45	29	Obstetrics & Gynaecology	92	192
Cardiology	83	58	Otorhinolaryngology (ENT)	39	42
Cardiothoracic Surgery	24	12	Ophthalmology	103	68
Dermatology	42	38	Anaesthesiology	184	131
Orthopaedic Surgery	98	58	Neurology	47	16
General surgery	133	99	Neurosurgery	19	13
Urology	32	30			

Source: Singapore Medical Council Annual Report 2010

It is observed that Singapore has a higher number of specialists per 1,000 population than Malaysia, especially in the specialist disciplines of medical oncology, neurology, neurosurgery, cardiology, cardiothoracic surgery, urology and dermatology.

Doctors and Nurses/Midwives Projection 2011 to 2016F

Shortfall of Doctors & Nurses	2011E	2012F	2013F	2014F	2015F	2016F
Desired Doctors [A]	15,502	15,771	16,045	16,325	16,609	16,898
Projected Doctors [B]	9,730	10,430	11,130	11,830	12,530	13,230
Projected per 1,000 population	1.85	1.95	2.05	2.14	2.23	2.31
Shortfall of Doctors [A] *minus* [B]	**5,772**	**5,341**	**4,915**	**4,495**	**4,079**	**3,668**
Desired Nurses/Midwives [C]	46,375	47,178	47,999	48,838	49,685	50,550
Projected Nurses/Midwives [D]	32,040	34,740	37,440	40,140	42,840	45,540
Projected per 1,000 population	6.10	6.50	6.88	7.25	7.61	7.95
Shortfall of Nurses/Midwives [C] *minus* [D]	**14,335**	**12,438**	**10,559**	**8,698**	**6,845**	**5,010**

Source: Population projections by IMF. Other projections and analysis by Frost & Sullivan.
Notes:
Projected doctors = 700 new doctors per year (500 locally trained + 200 foreign trained)
Projected Nurses/Midwives = 2,700 new nurses/midwives per year (based on Healthcare 2020 Masterplan)
Desired doctors ratio=2.95 per 1,000 population; Desired nurses/midwives ratio=8.83 per 1,000 population; average of 2010 ratios from the United States, the United Kingdom, Italy and France

4.1.5 Demand Dynamics

Ageing Population Puts Pressure on Inpatient Hospital Services

Singapore's ageing population (above 65 years), which is the fastest growing in Southeast Asia (in terms of CAGR growth from 2006 to 2010), is expected to increase pressure on the public healthcare system due to the following reasons: increasing rate of admissions, increasing length of stay, increasing time for treatment, and lower ability of the elderly population to afford private healthcare. Given the above, the government may initiate additional insurance schemes and revise healthcare policies to shift larger portions of the younger, working patient population into the private sector. This is likely to further increase the growth potential of private hospital services.

Increasing Number of Foreigners

The government, as a part of its economic policies, has liberalised immigration policies in order to attract foreigners to settle in the country. With the increase in the migrant population, it is estimated that Singapore will have more non-residents who are not eligible for healthcare subsidies from the government, forcing them to use private HCS. This implies that private healthcare operators may see growth from the incremental expenditure on HCS by foreigners, paid from OOP or through employers/insurers.

Introduction of 'Means Testing'

The government introduced the concept of "means testing" in 2009, which adjusted subsidies provided to eligible patients in public hospitals based on their annual income. The subsidies decrease with increasing annual income, thereby shifting healthcare costs to individuals who can afford treatment in private hospitals. This is expected to further increase the growth potential of the private hospital sector in the long term.

Access to healthcare—Medical Insurance

MOH Singapore is the regulator of the health insurance industry. The government encourages individuals to subscribe for approved health insurance policies by allowing them to pay the premium from savings in the Medisave account. In addition, employers are encouraged by tax incentives to implement employer-sponsored health insurance schemes.

- MediShield is a low-cost national insurance scheme, for which premiums can be paid out of Medisave accounts, intended to cover residents when the balance in their Medisave accounts is insufficient to meet their healthcare expenses. MediShield can cover up to 80.0% of a large medical bill at the Class B2/C level[8] in public hospitals.
- In order to help residents who are willing to use private hospitals or Class B1/higher ward classes[9] in public hospitals, the government encourages the purchase of Medisave-approved private Integrated Shield Plans (health insurance) in addition to MediShield. The residents can opt for riders, to increase the scope and value of the insurance coverage.
- ElderShield is an affordable severe disability insurance scheme which provides basic financial protection to those who need long-term care, especially during old age. It provides a monthly cash payout to help pay OOP expenses for the care of a severely-disabled person.
- Residents with Medisave accounts are automatically covered under ElderShield from the age of 40. MOH Singapore has appointed 3 private insurers (Aviva, Great Eastern and NTUC Income) to run the ElderShield programme. By 2010, the scheme had 921,000 policyholders, up from 835,000 in 2008.

There are different coverage plans for private medical insurance in Singapore—with hospitalisation insurance and insurance for debilitating illnesses. Plans are either single-premium or regular premium. Most private insurance plans cover restructured hospitals (public hospitals, but not fully

8 *Class B2 = Fan-ventilated 6 bedded ward, Class C ward = Fan-ventilated 8 or 9 bedded ward (usually greater than 6 beds)*

9 *Class B1 = Air-conditioned 4 bedded ward. Higher ward classes include Class A1 and A1+ which are air-conditioned single rooms*

government-owned) and private hospitals; since there is a minor difference in the premiums for private hospitals and A wards of restructured hospitals, patients are more likely to choose a private hospital plan. Most companies in Singapore pay an annual premium for their employees which cover medical expenses and hospitalisation; however, in order to customise the coverage to their healthcare needs, many employees top this up with personal private health insurance.

While the MediShield and Integrated Shield Plans operate on a co-payment model (insurance payouts start only after Medisave deductibles and/or co-insurance payments by the insured), private insurers also offer first dollar coverage plans (the insurer pays for hospital bills on a 'as-charged' basis, up to a stipulated cap without any deductibles) that further supplements these plans. Such first dollar coverage provided by private insurers attract many residents, as they do not have to pay OOP expenses, despite the higher than usual premiums involved due to high risk to the insurer.

With the liberalisation of insurance policies, more private insurance companies have gained entry into the market, leading to increased competition, lower premiums and broader coverage. This has resulted in an increase in funds for private HCS, driving more patients to move towards private hospitals. Between 2006 and 2010, private insurance expenditure increased from S$ 581 million (U.S.$ 366 million) to S$ 964 million (U.S.$ 707 million) at a CAGR of 13.5%, as private insurance provides patients with more flexibility.

Medical Clusters and Concentration of Specialists

In Singapore, the public and private HCS providers are generally grouped together in geographic clusters. This enables easy referrals between the primary service providers, prominent secondary and tertiary hospitals and other ancillary HCS providers within the same cluster. There are 3 major private healthcare clusters and 5 public clusters. The private clusters, namely Orchard, Tanglin, and Novena, account for approximately 70.0% to 85.0% of the private market in terms of private specialist concentration. There is a crossover between the Orchard and Tanglin clusters due to their proximity. Specialists located in clinics around hospitals in these clusters are more likely to refer their patients to adjacent hospitals, due to convenience or partnerships with the hospitals. On the public side, most medical education and research takes place at 2 main clusters—Outram and Kent Ridge.

Out of the 1,314 private specialists in Singapore (as of 2010), it is estimated that around 35.0% to 40.0% practise in the Orchard cluster, another 25.0% to 30.0% practise in the Tanglin cluster, 10.0% to 15.0% in the Novena cluster and the remaining are spread around the island. In line with upcoming developments, the concentration of specialists in the Novena cluster is likely to increase in the near future.

According to the Healthcare 2020 Masterplan, it is expected that there will be more arrangements between the public and private hospitals within and across these clusters. For example, Changi General Hospital will lease some beds from Parkway East to cope with its increasing patient load. Similarly, MOH Singapore is entering into a memorandum of understanding with Raffles Hospital for subsidised patients. These measures will ensure that facilities within every healthcare cluster operate together to optimise doctor and bed capacity.

Government investing heavily in Health Promotion and Disease Preventive Programmes

The government is shifting focus from episodic care in the acute hospitals, to keeping people healthy and managing their chronic conditions, which is more effective and sustainable in the long term.

The Health Promotion Board (HPB) drives the national health promotion and disease prevention programmes targeted at increasing the years of healthy life and preventing illness, disability and premature death. Its focus is to increase awareness and prevent diseases and conditions at the initial stages, so that the need for more expensive medical treatments and associated expenses can be avoided.

The Community Health Assist Scheme (CHAS), formerly known as Primary Care Partnership Scheme (PCPS) enables the lower income residents to seek subsidised primary care at participating private GP and dental clinics. The scheme covers common medical illnesses, 10 chronic conditions and basic dental services. The amendments in January 2012 has increased the qualifying per capita monthly household income from S$ 800 to S$ 1,500 and lowered the qualifying age criteria from 65 years to 40 years, thereby increasing the shift of outpatients from public sector to participating private players.

Increase in Private Hospital Admissions

Though the historical (2006–2011) growth in private hospital admissions is the same as that of public hospital admissions, the year-on-year growth of private hospital admissions in recent years has overtaken that of public hospitals admissions, indicating a shift from public hospitals to private hospitals for secondary and tertiary care. This growth in private hospital admissions is attributable to the availability of hospital beds and sophisticated services in the private segment, coupled with increased disposable income and private insurance coverage.

Hospital Admissions	2006	2007	2008	2009	2010	2011	CAGR (%)
Total Hospital Admissions	415,833	429,744	433,876	436,346	450,325	469,441	2.45
Public Hospital Admissions	*316,261*	*325,261*	*330,071*	*332,595*	*343,332*	*357,022*	*2.45*
Private Hospital Admissions	*99,572*	*103,972*	*103,805*	*103,751*	*106,993*	*112,419*	*2.46*
Public as a% of total	*76.1*	*75.8*	*76.1*	*76.2*	*76.2*	*76.1*	—
Private as a% of total	*23.9*	*24.2*	*23.9*	*23.8*	*23.8*	*23.9*	—
Y-o-Y Growth Rate (Public)%	0.4	3.0	1.3	0.8	3.2	4.0	—
Y-o-Y Growth Rate (Private)%	0.4	4.4	-0.2	-0.1	3.1	5.1	—

Source: Singapore Year Book of Statistics 2011, Analysis by Frost & Sullivan
Note: Y-o-Y = Year on Year

4.1.6 Competitive Landscape

Private hospitals

In 2011, there were 7 private hospitals in Singapore. Parkway Pantai Limited is the only private hospital group with a network of 3 hospitals while the others are all single entity hospitals.

Private HCS providers may be categorised as for-profit or not-for-profit. The for-profit private HCS category comprises 1 hospital group and 3 single entity hospitals that hold licenses for majority of the hospital beds in Singapore. Mount Alvernia Hospital, is the only not-for-profit private hospital.

Positioning of Major Private HCS Providers in Singapore, 2011 (ranked by average per day inpatient bill size)

The following table lists the key private HCS providers (group and single entity) based on the total number of licensed beds and positions them based on the average bill size per patient per day:

Hospital Name	Location	Hospital Network					Total No. of Licensed Beds	Avg Per Day Inpatient Bill Size (in S$)	Avg Total Inpatient Bill Size (in S$)	Positioning
		No. of credentialed specialists	JCI accreditation	Specialist Areas	Target Customers	Key Value Proposition				
Mount Elizabeth Hospital (Parkway Pantai Limited)	Central	1,230	Yes	Cardiothoracic vascular surgery, Neurosurgery, General surgery, Kidney Transplantation, Hematopoietic Stem Cell Transplantation, Orthopaedics, Cardiology, Oncology	Affluent domestic patients, Medical travellers	High-end medical services catering to affluent population	345	4,836	12,848	Premium
Gleneagles Hospital (Parkway Pantai Limited)	Central	1,216	Yes	Cardiology, Gastroenterology, Liver Transplantation, Obstetrics & Gynaecology, Oncology, Orthopaedics	Affluent domestic patients, Expatriates, Medical travellers	High-end medical services catering to affluent population	272	3,972	10,583	High
Raffles Hospital (Raffles Medical Group)	Central	N/A	Yes	Cardiology, Orthopaedic, Oncology, Obstetrics & Gynaecology	Expatriates, Medical travellers	High-end HCS provider with an island wide referral network	380 (only 190 operational)	3,691	8,583	High

© Frost & Sullivan 2012

Hospital Name	Location	Hospital Network					Total No. of Licensed Beds	Avg Per Day Inpatient Bill Size (in S$)	Avg Total Inpatient Bill Size (in S$)	Positioning
		No. of credentialed specialists	JCI accreditation	Specialist Areas	Target Customers	Key Value Proposition				
Parkway East Hospital (Parkway Pantai Limited)	East	1,083	Yes	General Surgery, Paediatrics, Obstetrics and Gynaecology, Cardiology, Fertility services including IVF	Middle-high income population from the east zone	Medium-high end medical services	113	3,014	7,568	Medium to High
Mount Alvernia Hospital	Central	1,000	No	Cardiology, Cardiothoracic Surgery, Neurology, Neurosurgery, Orthopaedic, Ophthalmology, General Surgery	Middle-high income population from the central zone	Non-profit hospital with competitive pricing & multi-specialties	303	2,735	7,704	Medium to High
Thomson Medical Centre (Thomson Medical Pte Ltd)	Central	N/A	No	Obstetrics & Gynaecology and Paediatrics	Middle-high income population from the central & north-east zones	Birth deliveries and focuses on women and children care	190	2,230	5,615	Medium
West Point Hospital (China Healthcare Group)	West	N/A	No	Orthopaedic, General Surgery, Rehabilitation and Physiotherapy	Corporate customers, mainly the industrial workers	N/A	58 (34 leased to NUH)	N/A	N/A	N/A

© Frost & Sullivan 2012

Source: Hospital websites, MOH Singapore, Analysis by Frost & Sullivan

***Notes for the table in the previous page*:**

(a) *The number of private hospital licensed beds in the above table excludes the beds in community hospitals and chronic sick hospitals. However, the Singapore Yearbook of Statistics 2011 includes these two types of beds into the definition of the term 'private sector hospital beds'.*

(b) *Raffles Hospital has 190 active beds and 190 reserve beds. However, the total 380 beds are considered for the purpose of the above chart.*

(c) *West Point Hospital has 58 beds, of which 34 beds are leased out to NUH. However, the total number of 58 beds has been considered for the purpose of the above chart.*

(d) *The above mentioned average bill sizes are published by MOH Singapore, based only on Medisave claims submitted by the hospitals.*

(e) *The average bill sizes include doctors' charges.*

(f) *Average per day = total amount of inpatient bills divided by total number of days stayed in hospital (day surgery bills are not included).*

(g) *The comparison only serves as a guide and has not been standardised for the different range of medical specialties in each hospital.*

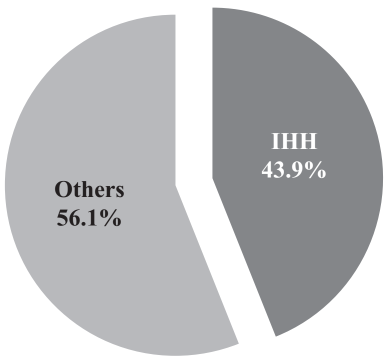
(h) *Only the following selected surgical specialties are used in the calculation of average inpatient bill sizes: Cardiothoracic Surgery, ENT, General Surgery, Neurosurgery, Gynaecology, Obstetrics, Orthopaedic Surgery, Paediatrics Surgery, Plastic Surgery.*

(i) *The number of accredited specialists may not add up to the total number of specialists in Singapore, as a specialist can be accredited to more than one hospital.*

In 2011, there were 1,661 private hospital licensed beds in Singapore among the major private HCS providers (excluding the beds in community hospitals and chronic sick hospitals). IHH's market share in Singapore, based on the number of beds was 43.9%. This makes IHH the leading private HCS provider in Singapore.

The following chart illustrates IHH's share in the number of private hospital beds in Singapore during 2011.

IHH's Market Share by Number of Licensed Beds (Private), 2011



Source: MOH Singapore, IHH, Analysis by Frost & Sullivan

4.1.7 Market Size ('For-Profit' Private Hospital Industry Revenue)

The 'for-profit' private hospitals market size in Singapore was estimated at S$ 768.5 million (U.S.$ 563.6 million) in 2010. The revenues of all 'for-profit' private hospitals in Singapore (only revenue from hospital operations, excluding all other HCS) were added up to calculate the 'for-profit' private hospital revenue market size. In 2010, IHH's market share by revenue was estimated to be 69.3%.

IHH's Market Size Based on 'For-Profit' Private Hospital Industry Revenue in Singapore, 2010

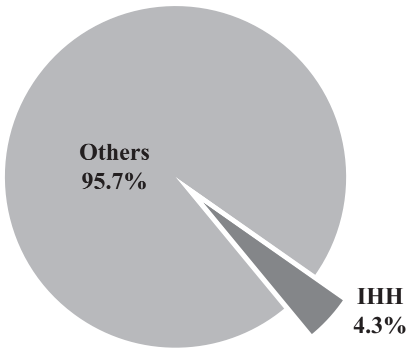
Source: ACRA, IHH, Analysis by Frost & Sullivan

4.1.8 Primary care clinics

In 2011, there were approximately 1,400 GP clinics in Singapore. The primary care sector is very fragmented with a large number of GPs in private practice (stand alone, or two or more GPs running a clinic) and only few primary care groups.

IHH's market share in Singapore, based on the number of primary care clinics was 4.3%. This makes IHH one of the leading private primary care groups in Singapore. The following chart illustrates IHH's share in the number of primary care clinics in Singapore during 2011.

IHH's Market Share by Number of Primary Care Clinics (Private), 2011



Source: MOH Singapore, Clinic websites, Analysis by Frost & Sullivan

4.1.9 Industry Outlook/Prospects

Healthcare expenditure is forecast to reach S$ 18.5 billion (U.S.$ 14.6 billion) in 2016, growing at a CAGR of 7.5% during the projection period of 2011 to 2016. The emphasis on healthcare as outlined in the Healthcare 2020 Masterplan is the major driver for investment in the industry, which has spurred the capacity building by both public and private sectors. As new private and public hospitals are expected to be operational during 2012 to 2013 and 2014 to 2018 respectively, the increase in healthcare expenditure is also expected to be apparent during the above mentioned time periods. During the forecast period from 2011 to 2016, public and private healthcare expenditures are estimated to grow at CAGRs of approximately 7.0% and 7.7% respectively.

The private hospital market is forecast to grow to S$ 1.2 billion (U.S.$ 0.9 billion) in 2016 at a CAGR of 7.7% during the period from 2011 to 2016. Growth is anticipated to be steady during the forecast period as a result of new hospitals starting operations.

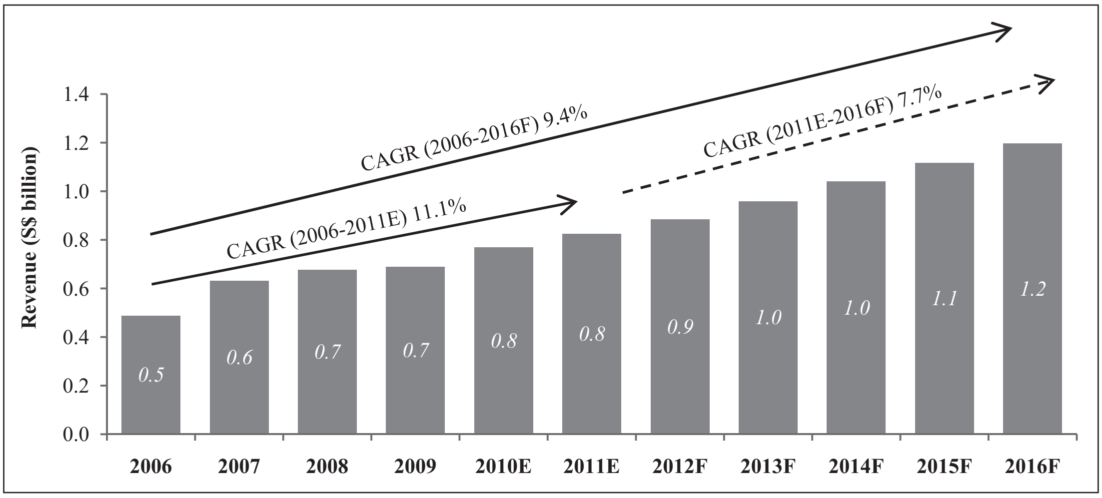
Healthcare Expenditure Forecast, 2011E to 2016F

Year	Total Healthcare Expenditure (S$ billion)	Public Healthcare Expenditure (S$ billion)	Private Healthcare Expenditure (S$ billion)	Private Hospital Market Size by Revenue (S$ billion)
2011E	12.9	4.7	8.2	0.8
2012F	13.8	5.0	8.8	0.9
2013F	14.9	5.3	9.6	1.0
2014F	16.1	5.7	10.4	1.0
2015F	17.2	6.1	11.1	1.1
2016F	18.5	6.5	11.9	1.2
CAGR (2011E–2016F)	**7.5%**	**7.0%**	**7.7%**	**7.7%**

Source: Analysis and Forecast by Frost & Sullivan

The chart below illustrates the private hospitals market size growth and forecast for the duration between 2006 and 2016.

Private Hospitals Market Size Growth Trend and Forecast, 2006 to 2016F



Source: Analysis and forecast by Frost & Sullivan

During the forecast period, major driving factors for growth in revenue include an increase in private hospital admissions due to increasing affluent population, increasing lifestyle diseases, decreasing government subsidies for high income population and increasing uptake of private insurance. With Singapore expected to maintain its lead position as a destination for quaternary care, the growth in medical travel industry is expected to contribute to the private hospital revenue growth.

4.2 MALAYSIA

4.2.1 Introduction and Background

Malaysia is a newly industrialised country with a growing economy and increasing wealth. The country's economy is mainly driven by its services sector, manufacturing industries and resources (palm oil plantations and downstream sectors, oil & gas, among others) contributing approximately 49.3%, 26.1% and 15.6% respectively to the GDP in 2010. Malaysia's urbanisation rate has been on an upward trend, increasing from 67.6% in 2005 to 72.2% in 2010.

Socioeconomic Indicators, 2006 and 2010

Indicators	2006	2010
GDP (RM billion)	574.4	766.0
GDP per Capita (RM) *(current prices)*	21,409	27,113
Population (million)	26.6	28.3
0–14 years (%)	32.4	30.3
15–64 years (%)	63.3	64.9
65 years and above (%)	4.3	5.1
Non-resident (%)	6.9	6.0
Birth Rate (per 1,000 people)	22	21(2009)
Infant Mortality Rate (per 1,000 births)	6.6	6.4
Crude Mortality Rate (per 1,000 population)	4.5	4.8
Life Expectancy—Female (Years)	76.3	76.6
Life Expectancy—Male (Years)	71.8	71.7
Total Employed (million)	10.1 (2005)	11.1
Household Income Distribution:		
Top 40 percentile	51.8% (2004)	49.6%
Bottom 20 percentile	13.2% (2004)	14.3%
Urbanisation Rate (%)	67.6% (2005)	72.2%

Source: Department of Statistics, Ministry of Health, Economic Planning Unit, Malaysia; United Nations World Urbanisation Prospects Report.

The country is supported by a large productive population (aged 15–64 years) and a high employed segment, which contributes to the increasing wealth of the population and a growing middle income group. The GDP per capita is higher than that in most Southeast Asian countries, with the exception of Singapore and Brunei.

Malaysia has a low population base which is on the rise, as a result of a moderate to high birth rate and low infant and crude mortality rate. The principal causes of deaths in Malaysia include old age, ischemic heart diseases, pneumonia, cancer, cerebrovascular diseases, asthma, septicaemia and transport accidents.

Malaysia's healthcare system is reasonably well developed, however the industry is not yet considered comparable to that of developed countries. This is mainly attributed to the low proportion of healthcare investment by the Malaysian government. In 2009, the Malaysian government spent approximately RM 623.2 (U.S.$ 177.3) per capita on healthcare, whereas United States, United Kingdom and Japan's public healthcare spending per capita was approximately U.S.$ 3,606, U.S.$ 2,745 and U.S.$ 2,364 respectively.

For any developing country, there is an increasing trend of chronic lifestyle diseases mainly attributable to the changing habits of leading a more stressful life, consuming more processed foods which are generally of high sugar and saturated fat content and lower nutrition, long working hours sitting in front of a computer causing neurological stress and occupational diseases, and leading a more sedentary lifestyle with the lack of regular exercise.

As a result, there has been an increase in psychological disease, cardiovascular disease, diabetes, cancer and orthopaedic diseases. The following table illustrates the growth in major lifestyle diseases between 2007 and 2009, based on the number of patients receiving outpatient treatment in MOH Malaysia's specialist medical facilities.

Incidence of Diseases[a]	2007	2008	2009
Heart-related disease (cardiology)	74,639	84,615	101,979
Diabetes[b]	47,836 (2006)	66,856	70,079
Cancer	59,739	62,170	47,047
Neurology	26,844	28,682	29,807
Ophthalmology	620,649	653,065	717,390
Urology	90,168	92,683	96,809
Orthopaedic	639,222	679,930	723,929
Neuro-Psychiatry	324,450	379,010	412,013

Source: MOH Malaysia Annual Report 2007–2009

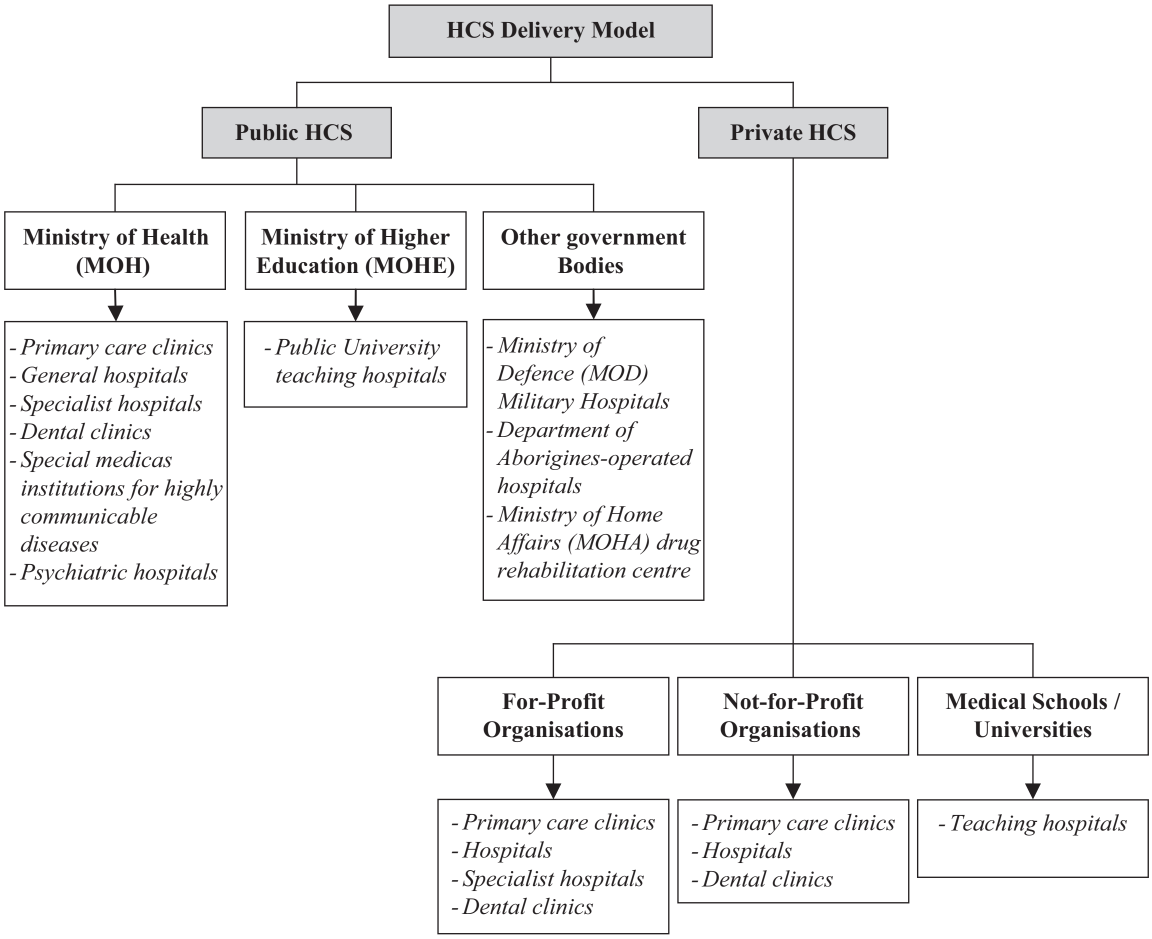
Notes: a. Data above is based on the number of patients receiving out-patient treatment in MOH Malaysia health facilities.

b. Data refer to new cases in MOH health facilities

4.2.2 Overview of HCS model and funding

HCS in Malaysia are available through public and private HCS providers. The following table summarises the HCS delivery model in Malaysia.

HCS Delivery Model in Malaysia, 2011



Source: Complied by Frost & Sullivan

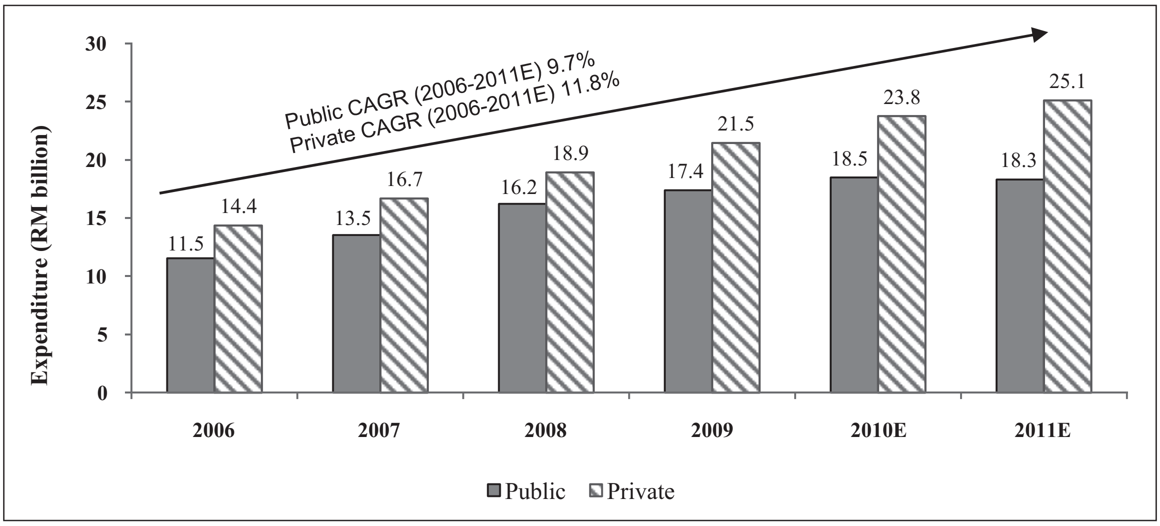
Total healthcare expenditure in Malaysia in 2011 was estimated at RM 43.4 billion (U.S.$ 14.2 billion), contributing to approximately 5.1% of the GDP. Healthcare expenditure in Malaysia comprises mainly public and private expenditure. Other contributions include those from foreign governments, non-government organisations (NGOs) like the WHO, Asian Development Bank (ADB), International Monetary Fund (IMF), among others, which are negligible in value.

The public healthcare system is highly subsidised and government spending on healthcare largely accounts for HCS operational costs, capacity building and the procurement of pharmaceuticals and medical supplies. The funds originate from tax collections and other government income and are mainly channelled to the MOH Malaysia through annual budgetary allocations. In 2011, the public healthcare expenditure contributed to approximately 42.2% or RM 18.3 billion (U.S.$ 6.0 billion) of the total healthcare expenditure.

Private healthcare expenditure comprises OOP expenditure incurred by individuals or corporates for healthcare bills, purchase of pharmaceuticals and disbursements made by private insurers for medical expenses. Private healthcare expenditure indicates spending incurred in both public and private healthcare facilities, as well as spending on over-the-counter medication/pharmaceuticals. In 2011, private healthcare expenditure was estimated at 56.9% or RM 25.1 billion (U.S.$ 8.2 billion) of the total healthcare expenditure in that year.

The growth in total healthcare expenditure is mainly attributable to an increase in private healthcare spending. Capacity building was apparent in both the public and private healthcare sectors as there was a general uptrend in the number of registered beds observed between 2007 and 2009. The last five years have seen a steady increase in private healthcare expenditure. The graph below shows the total healthcare expenditure and breakdown of public and private expenditure between 2006 and 2011.

Healthcare Expenditure Growth Trend in Malaysia, 2006–2011E



Source: Department of Statistics Malaysia, MOH Malaysia health facts 2007–2010, The World Bank, The WHO. Analysis by Frost & Sullivan.

Sources of Healthcare Funding

The choice of healthcare treatment recorded in Malaysia is highly related to the availability of healthcare funding, which is typically determined by the employment medical benefit structure or the disposable income of the person.

Public healthcare system in Malaysia is heavily subsidised by the government, making the service in public healthcare facilities almost free to the majority of the public. Under the public healthcare system, civil servants, old-age pensioners, school children, and the very poor enjoy free medical and dental services in public healthcare facilities. Hence, they are among the major groups that seek public healthcare treatment. Privately employed persons pay a government-subsidised fee when seeking treatment and medication in public healthcare facilities.

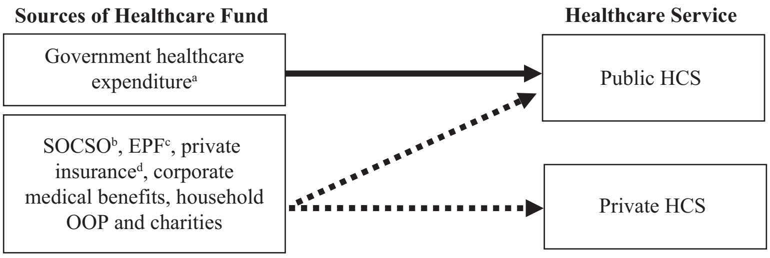
Public healthcare facilities lack capacity and suffer from over-utilisation due to insufficient infrastructure investment. In 2009, the government expenditure per capita on healthcare was approximately RM 623.2 (U.S.$ 177.3) versus more developed neighbouring countries such as Singapore and Brunei, whose government healthcare expenditure per capita was U.S.$ 607 (RM 2,146) and U.S.$ 720 (RM 2,545) respectively[10]. Despite the government's intentions to increase capacity and improve public healthcare facilities, the budgetary constraints limit the speed and scale of these developments. Patients who utilise public HCS face overcrowding and long waiting lists for major surgeries and treatments, which can vary from 4 weeks to 6 months.

10 *The World Bank data*

Private HCS on the other hand charge full medical fees to their patients, and can typically provide for surgeries within one week. Consultation charges by doctors are capped based on the Private Healthcare and Services Regulations 2006. For those employed in the private sector, the Employment Act 1955 entitles employees visiting the GP to be reimbursed or paid by the employer. Usually, this is provided by the private healthcare sector.

The following diagram illustrates the healthcare funding structure in Malaysia, for public and private HCS.

Sources of Healthcare Funding in Malaysia, 2011



Source: MOH Malaysia, Compiled Frost & Sullivan.

Notes:

(a) *Government healthcare expenditure is typically from tax contributions channelled through annual budget allocations*

(b) *Social Security Organisation (SOCSO) fund through pooled contributions by employer and employee*

(c) *EPF retirement account by employer contributions and employee savings*

(d) *Private insurance receives premium from corporate or individual households*

4.2.3 Regulatory Overview

The healthcare industry in Malaysia is highly regulated. The laws that have been established are fairly comprehensive, and cover all aspects of the HCS industry from licensing operations, to standards and guidelines for services, which include the quality of healthcare professionals and workers, equipment safety, fees structure and advertising prohibition and guidelines. In order to maintain standards and ensure the safety and protection of the general public, these laws and regulations place high requirements on the healthcare service sector in Malaysia. MOH Malaysia is the appointed authority responsible for regulating the HCS industry which includes determining the zoning of areas and issuance of operating licenses to the private HCS providers. The zoning of areas subjects private hospitals to proof a need or demand by the community for HCS, ensuring that there is equal distribution of hospitals within the country and to avoid limiting the concentration of hospitals to just certain areas. However, the issuance of new licenses in the same zone is subject to MOH Malaysia's policies and may be revised to accommodate for population growth. The acts that govern the private HCS industry include the *Private Healthcare Facilities and Services Act 1998* and the *Medicines (Advertisement and Sale) Act 1956 (Revised 1983).*

All healthcare professionals and allied workforce in Malaysia are, by law, required to register with the respective regulatory boards in order to practise in Malaysia. The registering bodies are Malaysian Medical Council (MMC) for medical practitioners, the Malaysian Dental Council (MDC) for dental practitioners, the Nursing Board for nurses and the Midwives Board for midwives. Graduates from MOH Malaysia recognised institutions may register and enter the workforce directly whereas foreign graduates are subjected to examinations in order to register and enter the workforce in Malaysia.

4.2.4 Supply Dynamics

Workforce

The supply of healthcare workforce in Malaysia has generally improved over the last 5 years from 2007 to 2011. Despite Malaysia having a steady supply of doctors and nurses, the ratio to population is still considered low when compared to developed countries. The following table shows the growth in the number of healthcare worker from 2006 to 2010, and the MOH Malaysia's projected workforce level in 2016.

Healthcare Workforce in Malaysia, 2006, 2010 and 2016F

Indicators	2006	2010	2016F
Total Specialists	2,413 (2007)	2,520 (2009)	5,492[a]
Total Doctors	21,937	32,979	48,742[a]
• Public	13,335	22,492	N/A
• Private	8,602	10,550	N/A
Doctors per 1,000 population	0.82	1.16	1.67[b]
Total Nurses	64,309	90,199	N/A
• Public	34,598	47,992	N/A
• Private	13,044	21,118	N/A
Nurses per 1,000 population	1.79	2.44	5.00[b]

Source: MOH Malaysia website & Annual Report 2009,Social Statistics Bulletin Malaysia 2010, MOH Malaysia Health Facts 2006–2010

Notes:

(a) MOH Malaysia forecast

(b) MOH Malaysia's target as per the Health Plan 2011–2015

The number of specialists in Malaysia is fairly small and is concentrated mainly in the private sector. This is even more prevalent in disciplines such as cardiology, orthopaedic surgery and obstetrics & gynaecology (O&G), and is the key driver for the general public to opt for private hospitals for the more complex surgeries and procedures. MOH Malaysia has set a target to double the number of specialists in Malaysia by 2016 in order to fulfil the healthcare needs of the population.

Selected Specialists in Malaysia, 2011

Specialist Discipline	Public	Private	Specialist Discipline	Public	Private
Medical Oncology	25	26	Obstetrics & Gynaecology	88	289
Cardiology	45	125	Otorhinolaryngology (ENT)	47	98
Cardiothoracic Surgery	21	25	Ophthalmology	106	125
Dermatology	25	43	Anaesthesiology	154	201
Orthopaedic Surgery	117	182	Neurology	22	27
General surgery	118	171	Neurosurgery	21	27
Urology	25	50			

Source: National Specialist Register database retrieved on 3 Feb 2012.

Note: The above list is non-exhaustive and not limited to these disciplines.

Prior to the Health Plan 2011–2015, foreign healthcare professionals were prohibited by the MOH Malaysia from practising in Malaysia. With the relaxation of these policies and in order to fulfil the shortage of local talent in this area, Malaysia can expect more foreign and qualified healthcare professionals to enter the workforce.

Hospital Beds

There is a general shortfall of hospital beds in Malaysia. Malaysia's number of hospital beds per 1,000 population was 1.94 in 2010, which was lower than the OECD's average of 3.1. Using the OECD average as a benchmark, the hospital beds shortfall analysis is shown in the following table.

Hospital beds projection and shortfall analysis, 2011E to 2015F

	2011E	2012F	2013F	2014F	2015F
Beds required (A)	88,970	90,520	92,070	93,620	95,170
Projected beds (B)	57,409	60,440	63,313	65,729	68,079
Beds shortfall (A-B)	31,561	30,080	28,757	27,891	27,091
Beds per 1,000 population	2.0	2.1	2.2	2.2	2.3

Source: Frost & Sullivan analysis.
Note: 2012–2015 hospital beds projection is based on actual hospital construction and expansion announcement on the media by the government and private companies.

Major Development Projects by MOH Malaysia and the Private Sector (2012–2015)

In 2010, there were 2,833 public clinics and 145 public hospitals in Malaysia[11]. For primary care, approximately 80 new clinics have commenced operations between January 2010 and April 2011. An additional 50 clinics are expected to be built during the 10th Malaysia Plan (10MP) under the First Rolling Plan (RP1). Major ongoing projects which started during 2011 include the construction, upgrading or expansion of hospitals in Kuala Lumpur, Taiping, Seremban, Kota Bharu, Tampoi, Kangar, Kuala Terengganu, Kota Bharu, Rompin and the Sabah Medical Centre (Hospital Queen Elizabeth II). Other new hospital projects under way are in Lawas and Petra Jaya (Sarawak), Tuaran (Sabah) and Kuala Krai (Kelantan)[12]. These expansion and development projects are at different stages of completion and are expected to add at least 3,777 new hospital beds to the public healthcare sector during the period between 2012 and 2015.

In 2010, there were 7,954 private clinics and 217 private hospitals in Malaysia[13]. There were at least 24 new private hospital development projects throughout Malaysia that have been announced and expected to be operational within the period 2012 to 2015[14], alongside several expansion plans for existing hospitals. These are at different stages of completion but are expected to add approximately 6,893 hospital beds in the private HCS sector during the period between 2012 and 2015. The new hospital developments are mainly concentrated in the Klang Valley, Johor and Melaka. As of Q1 2012, at least 2 of the hospitals announced have started operations, both located in the Klang Valley.

11 *MOH Health Facts 2010*

12 *Source*: MOF Economic Report 2011/12, Chapter 4: Public Sector Finance

13 *MOH Health Facts 2010*

14 *Company annual reports, websites and media announcements*

New Private Hospitals by Region, 2012 to 2015

State/Region	New Private Hospitals	Additional Beds[a]
Klang Valley[b]	10	2,427
Johor	5	1,140
Melaka	2	910
Sabah	1	500
Others	6	2,506
Total	**24**	**6,893**

Notes:
(a) Additional beds include beds from new private hospitals planned and the expansion of current private hospitals
(b) In Q1 2012, 2 new hospitals in the Klang Valley have started operations

Source: Company annual reports, websites and online media releases.

The following table shows the projected hospital beds for the public and private sector between 2011E and 2015F.

Public and Private Hospital Beds Projection 2011E to 2015F

	2011E	2012F	2013F	2014F	2015F	CAGR 2011E–2015F
Total Beds	57,409	60,440	63,313	65,729	68,079	4.4%
Public Hospital Beds	43,947	45,205	46,148	46,924	47,724	2.1%
Private Hospital Beds	13,462	15,235	17,165	18,805	20,355	10.9%

Source: Company annual reports, websites and online media releases. Compiled by Frost & Sullivan.

4.2.5 Demand Dynamics

Access to Healthcare Funds—Medical Insurance

One of the most important enablers in accessing healthcare is the accessibility to healthcare funds. Traditionally, those who seek treatment in a private healthcare facility pay OOP for the medical fees. The increasing availability of medical insurance packages in Malaysia has decreased the reliance on OOP spending for private HCS and has encouraged the transition from public to private HCS, in particular for the middle-income population. There were 27 registered medical insurance providers in Malaysia as at March 2012, out of which 9 of the companies also provide Life insurance policies. Examples of companies which provide general medical insurance include Kurnia Insurance (M) Berhad, MSIG Insurance (M) Berhad and ACE Jerneh Insurance Berhad, among others.

The growth in the insurance market indicates that the general public is increasingly accepting the benefits of subscribing to private insurance as part of the healthcare funding mix. The accessibility of funds for private HCS is largely dependent on the availability of competitive life insurance and general medical insurance offered in Malaysia subscribed by corporations or individuals. In 2010, the majority of the policies were individual policies (96.5%) and the remaining were group policies. In 2010, the written premium for general medical insurance was RM 643.5 million (U.S.$ 200.4 million), and is forecasted to grow to RM 1.5 billion (U.S.$ 490.7 million) by 2016. The following table illustrates the growth in general medical insurance net premium between 2006 and 2010 and the forecasted growth in 2016.

General Insurance Written Premium (Medical) 2006, 2010 and 2016F

	2006	2010	2016F	CAGR (2006–2016F)
Written Premium (RM million)	398.3	643.5	1,498.9	14.2%

Source: Annual Insurance Statistics (2006–2010), Bank Negara Malaysia. Forecasts by Frost & Sullivan.

Growing Middle and High Income Population Segment

Malaysia has a growing middle and high income class population. A wealthier population generally aspires for better living conditions and better quality of healthcare. Malaysia has a high national savings ratio of approximately RM 281.1 billion or 34.5% of the Gross National Income (GNI) in 2011[15]. This provides an opportunity for the private HCS providers to align its service offerings to cater for this segment. The following table shows the percentage distribution of households based on income class for the years 2004, 2007 and 2009.

Percentage Distribution of Household by Income Class, Malaysia, 2004, 2007 and 2009

Income Class	Distribution of Household (%)		
	2004	2007	2009
Below RM 2,499 per month	56.1	49.1	44.1
RM 2,500 – RM 4,999 per month	27.1	30.1	31.7
RM 5,000 and above per month	16.8	20.8	24.2

Source: Department of Statistics Malaysia

Iskandar Malaysia—Medical Hub

The Malaysian government has identified healthcare as one of the 6 economic growth drivers for Iskandar Malaysia (the other growth drivers being education, finance, creative industry, logistics and tourism), to be developed in the Nusajaya Flagship area which is situated to the West of Johor Bahru. The Nusajaya development spreads across a land area measuring 24,000 acres, and is one of the largest property developments in Southeast Asia and is projected to have a population of 500,000 by 2025.

Healthcare development plans in Nusajaya are as follows:

- The Afiat Healthpark development is under the ownership of UEM Land Bhd. The Afiat Healthpark hosts the Columbia Asia Nusajaya Hospital, an 82-bedded hospital, supported by other health facilities. The Columbia Asia Nusajaya Hospital commenced operations in June 2010.
- Medini Iskandar Malaysia—a 2,230-acre international mixed-used development under a joint development between Global Capital and Development Sdn Bhd and Medini Central Sdn Bhd. The target population by 2014 is 50,000. The North Medini development will include the building of a 300-bed tertiary healthcare complex by the Parkway-Pantai group which is expected to be operational in end 2014.

The Iskandar development region, being in close proximity to Singapore has an advantage over other cities in Malaysia, and has the potential to emerge as the next medical travel hub in Malaysia. It is expected to cater to domestic demand as well as to medical travellers, particularly from Singapore which is an attractive market for the private HCS industry in Malaysia given its population size of 5.2 million. As the private healthcare cost for a single bed ward in Malaysia is comparative with Singapore's public B1 ward hospitals, it is anticipated that Singaporeans who utilise the B1 and C wards may look to hospitals in Iskandar as an alternative. (*Refer to Section 3.3 Medical Travel—Malaysia for details*).

1Care for 1Malaysia — 5 Years National Health Plan (2011–2015)

The 1Care for 1Malaysia is a national health reform plan announced during the 10th Malaysia Plan (10 MP). The main objective is to alleviate the challenges faced by the public healthcare sector which includes overburdened resources, increasing cost of medical supplies and the migration of specialists to the private sector, as well as the varying quality of healthcare across the public sector, through greater integration with the private sectors. The other objective is to provide the general public with greater access to the private healthcare sector, at the same time addressing the healthcare financing structure in order to ensure that the general public is not burdened by high OOP expenditure. The efforts outlined by the "5 Years National Health Plan (2011–2015)" include:

- Contracting out certain auxiliary health services, such as radiotherapy services and emergency purchase of MRI, Computed Tomography Scan (CT-scan) and Intensive Care Unit (ICU) services to private hospitals. This will reduce the public medical costs and provide the private sector with an opportunity to grow in the healthcare delivery market.
- Employment of private specialists on a sessional or honorarium basis
- The introduction of a Full-Paying scheme to several public hospitals, namely Hospital Putrajaya and Hospital Selayang, which now makes it possible for MOH Malaysia specialists to receive referrals from private hospitals at full paying patient rates
- The approval of locum practices for MOH Malaysia doctors, which makes it possible for MOH Malaysia doctors to now legally practise as locums in private clinics with their head of department's approval—this is to address the brain-drain situation
- To address the rising rate of lifestyle diseases though wellness campaigns and programmes to lead a healthier lifestyle.

National Health Financing Scheme

The scheme is at the drafting stage and when implemented is expected to be mandatory for all Malaysians. It is to be funded through contributions from employees, employers and the federal government. The implementation of a national health financing scheme will relieve the government from the burden of subsidising healthcare, and channel their funds into investments in the public HCS infrastructure such as for capacity building, upgrading of current facilities and installing state-of-the-art medical equipment and systems, as well as focusing on other areas such as health awareness campaigns and research and development in healthcare. The scheme is expected to relieve the public healthcare system as those covered by the scheme may be allowed to opt for private HCS whereby the scheme may also be utilised. Nevertheless, the actual scheme is yet to be announced by the government.

4.2.6 Competitive Landscape

In 2011, there were 221 private hospitals in Malaysia. Many of the hospitals are part of a wider network of hospitals operated by several key service providers.

Private HCS providers may be categorised as for-profit or not-for-profit. In the for-profit private HCS category there are 7 major healthcare groups and at least 4 single entity hospitals that command the majority of the number of hospital beds in Malaysia. The following table lists the key for-profit HCS providers (group or single entity) based on the total number of beds available within their facilities.

Major[a] Private HCS Providers in Malaysia, 2011

Healthcare Group or Holding Company	Number of Hospitals	No. of MSQH/ JCI Accredited Hospitals[b]	Estimated no. of Specialists	Location/Region	Estimated no. of Beds[c]
KPJ Healthcare Bhd	20	MSQH: 10 hospitals	760	Peninsular Malaysia, Sabah & Sarawak	2,180
Pantai Hospitals Sdn Bhd and Gleneagles (Malaysia) Sdn Bhd (*Subsidiaries of Parkway Pantai Limited*)	11	MSQH: 7 hospitals JCI: 2 hospitals	>780	Peninsular Malaysia	2,010
Columbia Asia Sdn Bhd	10 (2012)	MSQH: 1 hospital	140	Klang Valley, Iskandar, Taiping & Sarawak	695 (2012)
Sime Darby Healthcare Sdn Bhd (*Subsidiary of Sime Darby Holdings Bhd*)	2 (2012)	MSQH: 1 hospital JCI: 1 hospital	94	Selangor	613 (2012)
Health Management International Ltd	2	None	127	Johor Bahru and Melaka	498
TDMC Hospital Sdn Bhd (*Subsidiary of TDM Bhd*)	4	None	39	Terengganu, Pahang & Klang Valley	352
Sunway Medical Centre	1	MSQH accredited	108	Selangor	350
Prince Court Medical Centre Sdn Bhd (*Subsidiary of Petronas*)	1	MSQH accredited	83	Kuala Lumpur	300
Putra Specialist Hospital Sdn Bhd	2	None	80	Batu Pahat and Melaka	288
Loh Guan Lye & Sons Sdn Bhd	1	MSQH accredited	57	Penang	265
Island Hospital Sdn Bhd	1	None	47	Penang	240

Note: The list above excludes not-for-profit hospitals. The list above is non-exclusive and not limited to these players.

Sources:

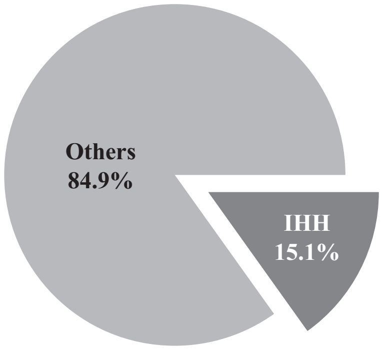
(a) Based on the number of beds.

(b) JCI website and the Malaysian Society for Quality in Health (MSQH) website. The MSQH information is correct as on 12 March 2012.

(c) The beds information in the table above was obtained on a best effort basis and as per published in the companies' own publication and/or websites, or announced in mainstream media. The term 'beds' may refer to licensed or operational beds.

In 2010, there were 13,186 private hospital beds in Malaysia. IHH's market share in Malaysia, based 1,993 licensed beds in 2010 was 15.1%. This ranks IHH as the second leading private HCS provider in Malaysia in 2010.

IHH's Market Share by Number of Licensed Beds (Private), 2010

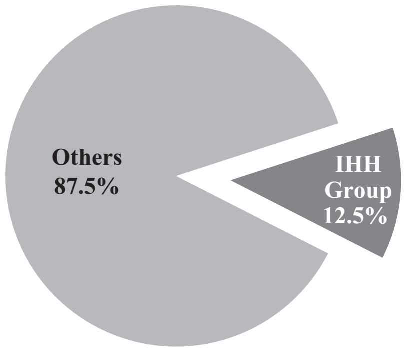


Source: MOH Malaysia, IHH, Analysis by Frost & Sullivan

4.2.7 Market Size (Private Hospital Industry Revenue)

In 2010, the private hospitals market size in Malaysia was estimated at RM 6,038 million (U.S.$ 1,880 million), having grown from RM 5,252 million (U.S.$ 1,494 million) in 2009. In 2010, IHH's market share by revenue was calculated to be 12.5%.

IHH's Market Size Based on Private Hospitals Industry Revenue in Malaysia, 2010



Source: MOH Malaysia, IHH, Analysis by Frost & Sullivan

4.2.8 Industry Outlook/Prospects

Healthcare expenditure is forecast to reach RM 65.9 billion (U.S.$ 21.6 billion) in 2016, growing at a CAGR of 8.7% during the period 2011–2016. The ETP and 10MP, with the emphasis on healthcare, is expected to be a major driver for investments spurring a flurry of capacity building by both public and private sectors. As most new hospitals are expected to be operational during 2012 to 2016, the increase in private healthcare expenditure is also expected to be apparent during this time period. The public-private integration is expected to relieve the over utilisation of resources in the public sector as the ancillary services such as imaging and laboratory services may be outsourced to the private sector. CAGRs for the public and private expenditure during 2011 to 2016 are estimated at 7.1% and 9.8% respectively. The following table shows the healthcare expenditure forecast and the private hospitals market size based on revenue between 2011 and 2016.

Healthcare Expenditure Estimates and Forecast, 2011E to 2016F

Year	Total Healthcare Expenditure (RM million)	Public Healthcare Expenditure (RM million)	Private Healthcare Expenditure (RM million)	Private Hospitals Market Size (RM million)
2011E	43,429	18,313	25,115	6,565
2012F	46,782	20,241	26,541	7,912
2013F	51,068	21,513	29,554	9,494
2014F	55,776	22,866	32,909	11,077
2015F	60,639	24,304	36,334	12,770
2016F	65,948	25,833	40,115	15,081
CAGR 2011E–2016F	**8.7%**	**7.1%**	**9.8%**	**18.1%**

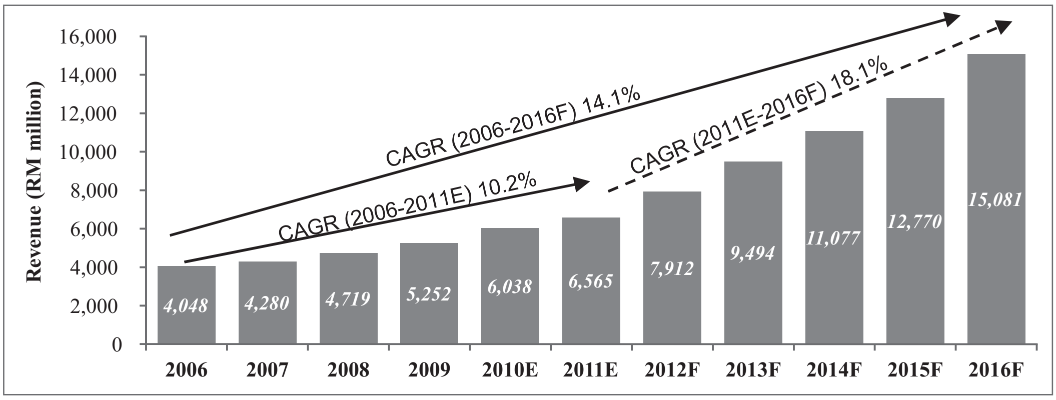
Source: Analysis and Forecast by Frost & Sullivan

The private hospital market size is forecast to grow to RM 15,081 million (U.S.$ 4,934 million) in 2016 at a CAGR of 18.1% during the period 2011 to 2016. Growth is anticipated to be higher during the forecast period (2012 to 2016) as a result of new hospitals opening during the time period. During this time, major driving factors for growth in revenue for private hospitals include:

- higher uptake of private insurance by middle income households which act as enablers to more complex treatments or procedures in private healthcare facilities,
- rising medical costs which are transferred to patients, and
- growth in the medical travel industry generally seeking for certain complex procedures which are cheaper than in the neighbouring medical hubs of Singapore and Thailand.

This is in addition to the increase in utilisation of HCS in general as a result of population growth, ageing population and increasing lifestyle diseases. The following chart illustrates the private hospitals market size growth trend and forecast for the duration 2006 to 2016.

Private Hospitals Market Size Growth Trend and Forecast, 2006 to 2016F



Source: *Analysis and forecast by Frost & Sullivan*

4.3 TURKEY

4.3.1 Introduction and Background

According to the IMF's World Economic Outlook Report, Turkey is a newly industrialised country. Turkey's urbanisation rate has been on an upward trend increasing from 67.3% in 2006 to 69.7% in 2010.

Socioeconomic Indicators, 2006 and 2010

Indicators	2006	2010
GDP (TL billion)	758.4	1,254.6
GDP per capita (TL) *(current prices)*	10,908	15,119
Population (million)	69.4	73.0
0–14 years (%)	27.9	26.0
15–64 years (%)	65.5	67.1
65 years and above (%)	6.7	6.9
Birth Rate (per 1,000 population)	18.6	17.5
Infant Mortality Rate (per 1,000 births)	20.6	10.1
Life Expectancy—Female (Years)	75.6	76.8
Life Expectancy—Male (Years)	71.2	71.8
Total Employed (million)	20.1 (2005)	22.6
Household Income Distribution:		
Top 40 percentile (%)	67.0	65.8
Bottom 20 percentile (%)	17.3	18.4
Urbanisation Rate (%)	67.3	69.7

Turkey has a large productive population (aged between 15–64 years) and high employed segment, which contribute to the increasing wealth of the population and a growing middle income group. The GDP per capita is generally higher than in most countries in the region. Turkey's large population base is rising as a result of a moderate birth rate and low infant mortality rate. The ageing population (aged above 65 years) accounted for approximately 6.9% of the population in 2010 and is expected to increase with higher life expectancy and low mortality rate.

Turkey's national healthcare expenditure grew from TL 40.6 billion (U.S.$ 28.4 billion) in 2006 to approximately TL 74.4 billion (U.S.$ 49.4 billion) in 2010, registering a strong CAGR of 14.0% during this period. The growth in healthcare infrastructure and facilities has spurred the demand for healthcare professionals.

The government introduced the 2003–2013 "Health Transformation Programme" (HTP) in Turkey to address the shortage of doctors, healthcare facilities and increase the quality and efficiency of the healthcare system as well as to enhance the accessibility of healthcare facilities. Driven by the HTP, Turkey's number of hospital beds per 1,000 population increased from 2.65 in 2006 to 2.74 in 2010. Likewise, the number of doctors per 1,000 population increased from 1.51 in 2006 to 1.69 in 2010. In addition, the private healthcare sector has blossomed in Turkey and there have been noticeable improvements in the quality of public hospitals due to rising competition from private hospitals.

Changing Lifestyle and Burden of Diseases

Rapid socio-economic development in Turkey has resulted in an increasing trend in non-communicable/lifestyle diseases such as coronary diseases, cancer, diabetes, hypertension, obesity and chronic obstructive pulmonary disease over the last 3 years. The key contributing risk factors for these diseases are urbanisation, mechanisation, reduced physical activity, an ageing population, air pollution, smoking and genetic predisposition.

Prevalence of Selected Diseases(in millions)	2009	2010	2011
Coronary Disease	3.6	3.8	4.1
Cancer	0.6	0.7	0.7
Diabetes	6.1	6.5	6.9
Hypertension	17.0	18.0	19.2
Obesity	14.5	15.2	15.9
Chronic Obstructive Pulmonary Disease (COPD)	4.5	5.0	5.5

Source: MOH Turkey

In 2010, lifestyle diseases such as coronary diseases, cancer and respiratory diseases accounted for more than 62% of the hospital deaths in Turkey. Given the inadequacy of public hospitals, the private healthcare sector has concentrated on secondary and tertiary healthcare, offering treatment for such lifestyle diseases. For instance, major industry players in the private healthcare sector such as Acibadem Health Group, Anadolu Saglik Merkezi (Health Group), Florence Nightingale Health Group and Memorial Health Group have all allocated resources to specialise in oncology and cardiovascular diseases.

Ageing population

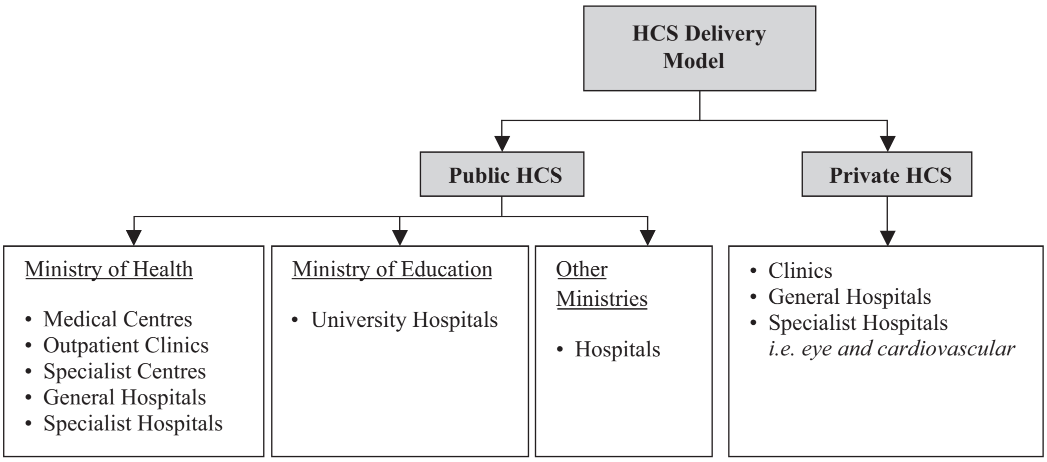
The increasing ageing population is also signalling an increasing need for HCS, especially for the elderly. MOH Turkey statistics show that people above the age of 65 made up 6.9% of the population in 2010 and this segment is expected to reach 7.6% of the population by 2016. This factor will drive the demand for: the treatment of chronic diseases including cardiovascular diseases; the long-term management of diseases such as osteoporosis and dementia; and home care or home monitoring and geriatric care. These factors will exert increasing pressure on healthcare budgets as they require sophisticated and capital intensive treatment.

4.3.2 Overview of HCS model and funding

The major healthcare providers in Turkey are the Ministry of Health (MOH Turkey), the Social Security Institution, the Ministry of Education, the Ministry of Defence, the Ministry of Labour and Social Security and private healthcare institutions. MOH Turkey is the largest healthcare provider in Turkey and essentially the only provider of preventive HCS at a national level. It is also responsible for regulating the private HCS industry and issuing operating licenses to private healthcare facilities.

Primary HCS in Turkey is available at family health centres, maternal and child health and family planning centres, population health centres, cancer early diagnosis screening and training centres, medical centres, outpatient centres, private doctor offices and tuberculosis control dispensaries. MOH Turkey provides secondary HCS through general state hospitals and other public hospitals. For public tertiary HCS, University Hospitals primarily cater to the need of general public. There are also specialist hospitals that provide specific quaternary HCS such as heart related diseases and eye treatments. The healthcare facilities in the public sector are complemented by a smaller network of private facilities. The provision of private healthcare in Turkey is available via medical centres, outpatient centres, private doctor offices, general hospitals and specialist hospitals such as eye hospitals.

HCS Delivery Model in Turkey, 2011



<u>Source</u>: *Frost & Sullivan primary and secondary desktop research.*

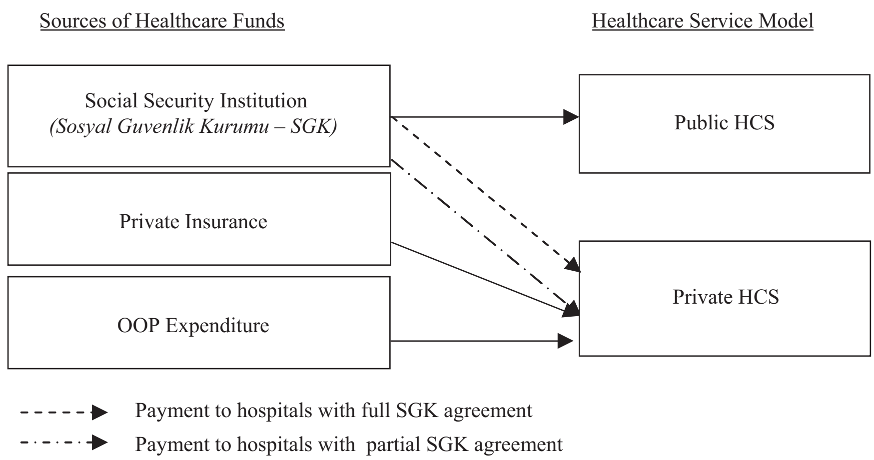
Turkey has a Universal Health Insurance (UHI) scheme that is provided by the Social Security Institution (*Sosyal Guvenlik Kurumu*—SGK). The UHI scheme provides basic healthcare coverage to all residents including foreigners who are working in the country through public hospitals. Those who are covered by SGK may also receive HCS in private hospitals that have agreements with SGK (either full or partial basis). In addition to the private hospitals, private medical centres may also enter into the agreement with SGK (full or partial basis).

There are two types of agreements between SGK and private hospitals as well as private medical centres—full SGK agreements and partial SGK agreements. Under the full SGK agreement, all units of the private hospitals can be utilised to serve SGK patients. In return, private hospitals may charge a premium (30% to 90%) on top of the SGK tariff, plus additional charges for amenities. Under the partial SGK agreement, private hospitals only need to provide cardiovascular surgery, cardiology, oncology, radiation oncology, organ and tissue transplantation, radio surgery, and emergency services. They may only charge a premium of up to 30% for these services to SGK patients. Even after accounting for such premiums, fees paid by full or partial SGK patients are generally lower than that of non-SGK patients. Individuals who seek additional medical services from the private healthcare which are not contracted under SGK need to pay their medical expenses OOP, if they do not have private health insurance coverage. Furthermore, the private hospitals are not bound by these price caps when serving non-SGK patients. Generally, private hospitals and private medical centres under partial SGK agreement are of higher quality compared to those with full SGK agreement because majority of these hospitals are located in major cities. They provide HCS to patients with higher income level who can afford OOP or private insurance payment. SGK patients receive only the basic services payment from the government whereas patients with private insurance coverage can receive a more comprehensive HCS from the private hospital at no additional cost.

Despite the availability of the UHI scheme, many employers subscribe to private health insurance schemes for their employees. This way, they can ensure that their employees receive quality treatment at private hospitals. Individuals in higher income groups may also personally subscribe to private health insurance to enjoy these benefits. In 2011, there were 27 private healthcare insurance providers in Turkey such as Acibadem Saglik ve Hayat Sigorta A.S, Allianz, Ak Sigorta Anadolu and Yapi Kredi, among others, providing private insurance coverage to approximately 2.3 million people (approximately 3.1% of the total population). However, private health insurance is not mandatory.

According to MOH Turkey, SGK expenditure, including both public and private, accounted for 45.2% of the total healthcare expenditure in 2010, followed by public expenditure (20.9%), OOP expenditure (23.3%), non-profit organisations (8.8%) and private healthcare insurance (1.8%). The following diagram illustrates the payment structure for a healthcare expense in Turkey, for public and private HCS:

Healthcare Expense Funding Structure in Turkey, 2011



Source: MOH Turkey, Frost & Sullivan primary and secondary desktop research.

4.3.3 Regulatory Overview

The healthcare industry in Turkey is highly regulated.

The laws and regulations that have been established are fairly comprehensive, and cover all aspects of the HCS industry including the provision of licenses for medical centres, outpatient centres, specialist centres and hospitals, guidelines for HCS as well as the quality of healthcare professionals and workers. The laws and regulations ensure that high standards are maintained and ensure the safety and protection of the general public.

4.3.4 Supply Dynamics

The growth in healthcare infrastructure and facilities has spurred the demand for healthcare resources including healthcare professionals and hospital beds.

Workforce

Even though the healthcare workforce in Turkey has improved in numbers from 2006 to 2010, the ratio to population is still considered low when compared to the OECD countries average. In order to improve the ratio, the government has passed a law enabling the employment of foreign healthcare professionals in private hospitals in 2012. This initiative will also support the medical travel industry in Turkey.

Doctors and Nurses	2006	2010	CAGR (%) 2006–2010
Total Healthcare Workforce	**307,546**	**404,537**	**7.1**
Total Doctors	104,475	123,447	4.3
General Practitioners	*33,383*	*38,818*	*3.8*
Assistant Doctors	*18,224*	*21,066*	*3.7*
Specialists	*52,868*	*63,563*	*4.7*
Doctors per 1,000 population	1.51	1.69	—
Total Nurses/Midwives	126,266	165,215	7.0
Nurses/Midwives per 1,000 population	1.82	2.26	—
Total Others	76,805	115,875	10.8

Source: MOH Turkey
Note: Others include dentists and allied healthcare workers

Infrastructure

The number of hospital beds provides a measure of the resources available for delivering services to inpatients in hospitals. In the private sector, the number of hospital beds accounted for approximately 14.0% of the total hospital beds in Turkey, recording a CAGR of 16.2% from 2006 to 2010. The following table shows the growth in number of hospital beds from 2006 to 2010, and Frost & Sullivan's projection up to 2016. The ratio for the number of hospital bed per 1,000 population is expected to approach 3.0 per 1,000 population.

	2006	2007	2008	2009	2010	2011F	2012F	2013F	2014F	2015F	2016F	CAGR 2006–2016F
Total Beds	183,696	184,983	188,065	195,549	199,950	203,960	208,561	213,177	217,872	222,541	227,227	2.1%
Public	168,280	166,988	167,127	170,371	171,887	173,090	174,821	176,569	178,335	180,118	181,920	0.8%
Private	15,416	17,995	20,938	25,178	28,063	30,869	33,740	36,608	39,537	42,423	45,308	11.4%
Beds per 1,000 population	2.64	2.63	2.65	2.71	2.74	2.76	2.79	2.81	2.84	2.87	2.90	N/A

Source: MOH Turkey. Analysis and forecasts by Frost & Sullivan

HCS Licensing

In 2002, MOH Turkey established a commission to plan the future development of the Turkish HCS sector and as part of this, several procedures were introduced. Such procedures included the suspension of new issuance of hospital/outpatient clinic licenses, special unit permits for new applicants and approvals for applications to increase capacity in or transfer health personnel to hospitals/outpatient clinics until the planning commission becomes fully effective. Notwithstanding the above, private hospitals that obtained a pre-approval certificate before February 15, 2008 were allowed to pursue the obtaining of other licenses required to commence operations. Hospitals that applied for but were unable to obtain a pre-approval certificate before February 15, 2008 due to certain irregularities could re-apply for the pre-approval certificate subject to irregularities having been solved within 3 months from March 11, 2009. Should such hospitals have completed their applications for the pre-approval certificate before June 11, 2009, they are allowed to pursue the licensing procedure. Other than the above exceptions, MOH Turkey has taken the general approach of not issuing any new licenses.

There are three separate licenses that companies need to secure in order to participate in the Turkish HCS market:

- Companies need to first obtain the 'pre-approval' license which evidence that the architectural design of the building is suitable for the operation of hospital in accordance with relevant provision of the Turkish health regulations. In order to obtain a pre-approval certificate, the construction permit and the building use permit must be obtained from the relevant governmental authorities.
- Following the pre-approval certificate, the applicant must obtain a hospital 'opening certificate' from MOH Turkey within 3 years (or if need be, a longer term with prior consent of MOH Turkey) from the issuance date of the pre-approval certificate. The hospital opening certificate evidenced that the hospital's building, management and healthcare technical reports and services have met the requirement stipulated under the Turkish health regulations.
- Companies then need to obtain the final and main 'operational' license for the commencement of patient reception and treatment within six months following the issuance date of the hospital opening certificate.
- In addition to the above, Medical Centre Regulation regulates the medical centres, outpatient clinics and special units. All of these centres should be incorporated only by doctors or by companies whose shareholders are doctors. These entities need to obtain 'pre-approval' certificate and 'operational' certificate in order to commence operations.

The above mentioned regulations have made it difficult for existing or new players to build new greenfield hospitals. As a result, major HCS players in Turkey have been pursuing M&A activities to expand their market share as well as relocate their facilities to a more strategic location. MOH Turkey has also made a provision to allow the conversion of two medical centre licenses into a single operational hospital license. One medical centre can also be converted into hospital if the qualifications satisfy the regulation terms and conditions. These developments are expected to aid the consolidation of the HCS industry in Turkey. Such expansion plans are also subject to the approval of the commission for planning established by the MOH Turkey and the applications for these transactions must be filed to the Ministry of Health until March 11, 2013. Furthermore, while the Hospital Regulation permits these expansion plans as being subject to the approval of the commission, the commission is likely to allow expansion plans, especially greenfield facilities, only in developing or underdeveloped cities.

4.3.5 Demand Dynamics

Access to Healthcare Funding—Medical Insurance

Access to healthcare funds is an important driver for private healthcare in Turkey. Traditionally, those who seek quality treatment in a private healthcare facility pay OOP for their medical fees. In 2011, the number of people with private health coverage had almost doubled from 1.28 million in 2008 to 2.28 million, even though the total insurance premium collection only increased by 46.1% from TL 1.17 billion (U.S.$ 898.3 million) in 2008 to TL 1.71 billion (U.S.$ 1.02 billion) in 2011. This implied that increasing portions of the Turkish population are covered by private health insurance as insurance premiums are becoming more affordable to the general public.

Demand for Quality Services

The private sector plays a critical role in expanding the accessibility of healthcare coverage in Turkey. The demand for health services increases every year. The number of inpatients visiting private hospitals increased from 1.2 million in 2006 to over 2.7 million in 2010 (22.5% CAGR). In 2010, the number of private inpatients accounted for 25.5% of the total inpatients in Turkey. Many of them are seeking HCS from private hospitals to avoid long waiting time in public hospitals in addition to receiving better quality services and treatments.

Health Transformation Programme (HTP)

MOH Turkey formulated the HTP to improve the quality and efficiency of the healthcare system as well as to enhance access to healthcare facilities. This has had a positive impact on the private healthcare sector as it is expected to divert more patients to private hospitals. Under the HTP priorities, MOH Turkey has set and implemented among others, the following critical initiatives:

- ***Implementation of Universal Health Insurance (UHI):*** The three main social security systems, Social Insurance Institution (SSK), Pension Fund for Civil Servants (Emekli Sandigi) and Social Security Institution for the self-employed (Bag-Kur), were combined under SGK, resulting in only one payment agency for healthcare. This has resulted in the expansion of health insurance coverage from 40% of the population in 2007 to approximately 90% in 2011.
- ***Establishment of Family Doctor Pilot Project:*** In December 2004, the Turkish government introduced the Family Doctor Pilot Project with the goal to increase the ratio of one family doctor per 2,000 population by 2023. Under this pilot project, individuals who participate in the UHI system will be registered with a primary care family doctor. They would need to visit that particular doctor before proceeding to a hospital for secondary care. Individuals who visit a hospital without referrals from a primary care doctor will likely incur additional charges. Nevertheless, this initiative is still voluntary at the moment. Upon full enforcement, this project is expected to reduce the burden on public hospitals.
- ***Expansion of SGK coverage to private hospitals:*** In 2007, MOH Turkey extended SGK's healthcare coverage to include private hospitals with the aim of alleviating the burden on public hospitals by encouraging patients to seek medical treatments in the private sector. Patients seeking basic treatments in both public and private hospitals (with SGK agreements) are now covered under the SGK scheme. However, patients who are seeking better amenities or specialised treatment in private hospital that are not covered under SGK have to pay the premium price charged by private hospitals through OOP expenditure or private health insurance. The expansion of the SGK coverage is expected to encourage the migration of patients from public hospitals to private hospitals with SGK agreements.

Government Incentives

In November 2011, the government announced a statutory decree to establish tax-free health zones in Turkey. Currently, investors who invest a minimum of TL50 million in the healthcare industry enjoy a corporate tax rate of between 2% and 10%. Furthermore, under a new plan, the government will also contribute to a social security premium for the employers for up to 7 years. These investment initiatives are designed to boost investment in the healthcare industry.

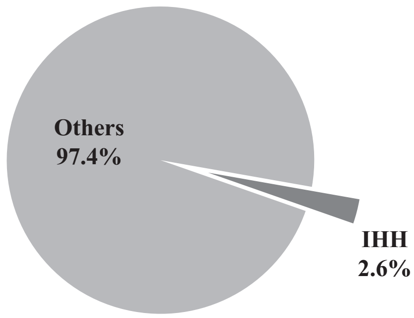
Allowance of Foreign Health Professionals

In February 2012, the government passed a law enabling the employment of foreign health professionals in private hospitals. Foreign health professionals with at least a diploma in a medical or allied health programme and a good command of the Turkish language are allowed to practise in private healthcare facilities, save for dentists, pharmacists and midwifery.

4.3.6 Market Size (Private HCS Industry Revenue)

The private HCS market size in Turkey has grown from TL 17.6 billion (U.S.$ 12.3 billion) in 2006 to an estimated TL 28.3 billion (U.S.$ 18.8 billion) in 2010, recording a CAGR of 12.6%. In 2010, IHH's market share by revenue was 2.6%.

IHH's Market Size Based on Private HCS Market Size in Turkey, 2010



Source: Analysis by Frost & Sullivan

4.3.7 Competitive Landscape

The major healthcare providers in the private sector, with a focus on hospitals with partial SGK and/or without SGK agreements, are summarised below in alphabetical order.

Major Industry Players with Partial SGK/Non SGK Agreements in Turkey, 2011

Major Private Hospitals Group	Hospital Networks	No. of Hospitals with Partial SGK agreements (Estimated no. of beds)	No. of Hospitals without SGK agreements (Estimated no. of beds)	No. of JCI Accredited Hospitals (Estimated no. of beds)	Estd Number of Total Beds	Estd Number of Beds (Non SGK/ Partial SGK)— Excludes Full SGK
Acibadem Health Group	13 hospitals[a], 9 medical centres	8 (1,046)	1 (100)	6 (881)	1,572	1,146
Anadolu Saglik Merkezi (Health Group)	1 hospital, 2 medical centres	1 (222)	0	1 (222)	222	222
Bayindir Health Group	3 hospitals, 1 medical centre	2 (239)	1 (121)	2 (242)	360	360

Major Private Hospitals Group	Hospital Networks	No. of Hospitals with Partial SGK agreements (Estimated no. of beds)	No. of Hospitals without SGK agreements (Estimated no. of beds)	No. of JCI Accredited Hospitals (Estimated no. of beds)	Estd Number of Total Beds	Estd Number of Beds (Non SGK/ Partial SGK)— Excludes Full SGK
Florence Nightingale Health Group	3 hospitals, 1 medical centre	3 (550)	0	3 (550)	550	550
Memorial Health Group	4 hospitals, 2 medical centres	3 (475)	0	2 (332)	615	475
Universal Health Group	14 hospitals	1 (289)	6 (631)	1 (289)	1,500	920

Source: Compiled by Frost & Sullivan

Note:

(a) Acibadem Health Group is currently in the process of acquiring Jinemed Hospital (with 23 beds) and Jinemed Medical Centre, which are not included in the table above.

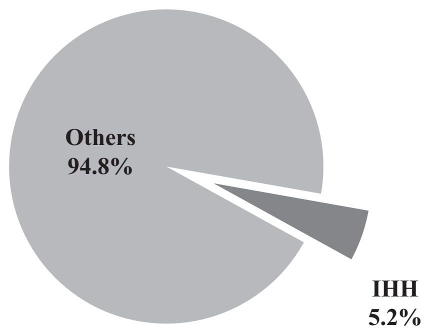
(b) This list is non-exhaustive and not limited to these players. The list excludes private hospital groups having hospitals with full SGK agreements.

(c) The beds information in the table above was obtained on a best effort basis and as per published in the companies' own publication and/or websites, or announced in mainstream media. The term 'beds' may refer to licensed or operational beds.

In addition to the above, hospital groups like Acibadem Saglik Hizmetleri ve Ticaret A.S., Memorial Health Group and Universal Health Group also include hospitals with full SGK agreements in their network. Some of the other major hospital groups that operate hospitals with full SGK agreements include Medical Park Health Group (comprising 17 hospitals and 2 medical centres with approximately 2,450 beds); Medicana Health Group (comprising 6 hospitals and 2 medical centres with approximately 1,170 beds) and BSK (Medline—comprising 6 hospitals with approximately 550 beds), among others.

In 2010, there were approximately 28,063 private hospital beds (encompassing hospitals with full SGK, partial SGK and non SGK agreements) in Turkey. IHH's market share in Turkey, based on the number of beds was 5.2%. Given the fragmented nature of the private HCS market (including full SGK, partial SGK and non-SGK), this ranks them as one of the leading private HCS provider in Turkey.

IHH's Market Share by Number of Beds (Private) in Turkey, 2010



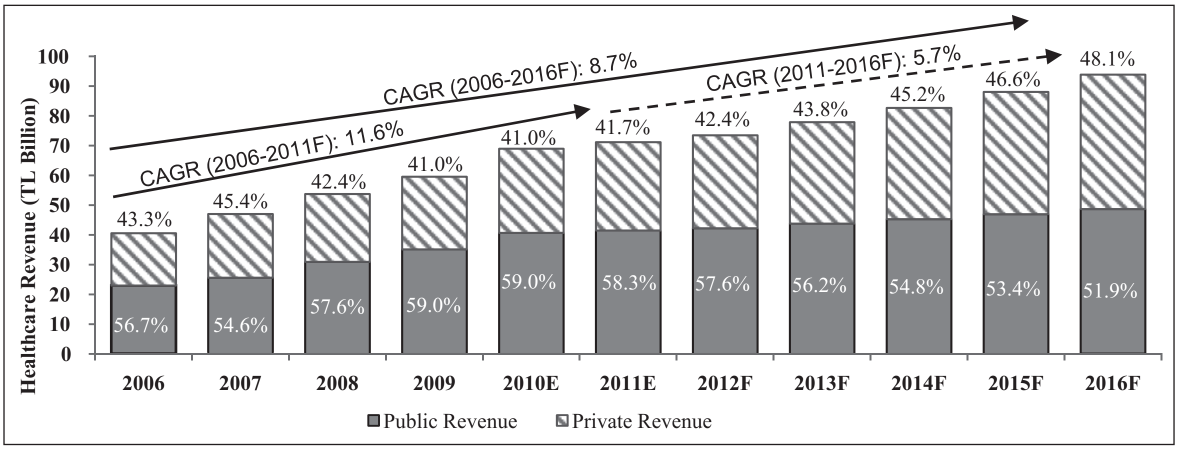
Source: Compiled by Frost & Sullivan

4.3.8 Industry Outlook/Prospects

The healthcare market in Turkey is expected to grow as a result of the implementation of the UHI scheme, increasing annual income, health awareness, ageing population, as well as the growing medical travel industry. All these factors are expected to lead to higher healthcare spending in Turkey which is estimated to reach TL 186.1 billion (U.S.$ 103.6 billion) in 2016 from TL 44.1 billion (U.S.$ 30.8 billion) in 2006 at a CAGR of 15.5%.

Private hospitals are expected to continue to grow in the healthcare market. M&A activities in the private healthcare sector are also expected to continue to increase as major players continue to grow and expand, further consolidating the market. Due to the license restrictions imposed by the government for building new hospitals, fewer new entrants/industry players are expected in the short to medium term from 2012 to 2015.

Private HCS Market Size Growth Trend and Forecast, 2006 to 2016F



Source: MOH Turkey, Analysis and Forecast by Frost & Sullivan.

4.4 INDIA

4.4.1 Introduction and Background

According to the IMF, India's nominal GDP rose from U.S.$ 0.9 trillion in 2006 to U.S.$ 1.5 trillion in 2010. The GDP per capita rose from U.S.$ 791.0 in 2006 to U.S.$1,265.0 in 2010. The population in India was estimated to be approximately 1.2 billion in 2010, making India the second-most populous country in the world, after the PRC. 4.9% of India's population was above 65 years of age in 2010. According to the World Bank, the adjusted national income per capita[16] of India was U.S.$ 1,024.0 in 2009, up from U.S.$ 742.0 in 2006 at a CAGR of 11.3%. The literacy rate of India went up from 64.8% of the total population in 2001 to 74.0% in 2011 showing an increase of 9.2 percentage points. With an increased national literacy rate and increasing access to information on HCS on the Internet and various interactive forums, there is a rapid increase in awareness regarding HCS across all age groups. According to the Associated Chambers of Commerce and Industry of India (ASSOCHAM), India's medical travel industry is also expected to grow from approximately U.S.$ 333.0 million in 2008 to U.S.$ 2.1 billion by 2015 at a CAGR of over 30.0%. With strong

[16] *Adjusted net national income is Gross National Income (GNI) minus consumption of fixed capital and natural resources depletion.*

economic growth, a burgeoning population with rising purchasing power, increasing literacy rates and expected growth in medical travel, India is emerging as a highly attractive market for healthcare delivery.

Burdens of diseases in India

According to the WHO and World Economic Forum (WEF), the income loss to Indians due to lifestyle diseases including coronary diseases, strokes, cancer, diabetes and respiratory infections was approximately U.S.$ 8.7 billion in 2005, and is projected to reach U.S.$ 54.0 billion in 2015. The rise in patient volumes driven by such lifestyle diseases and the increasing cost of treatment are expected to drive the revenue of participants in the healthcare delivery industry.

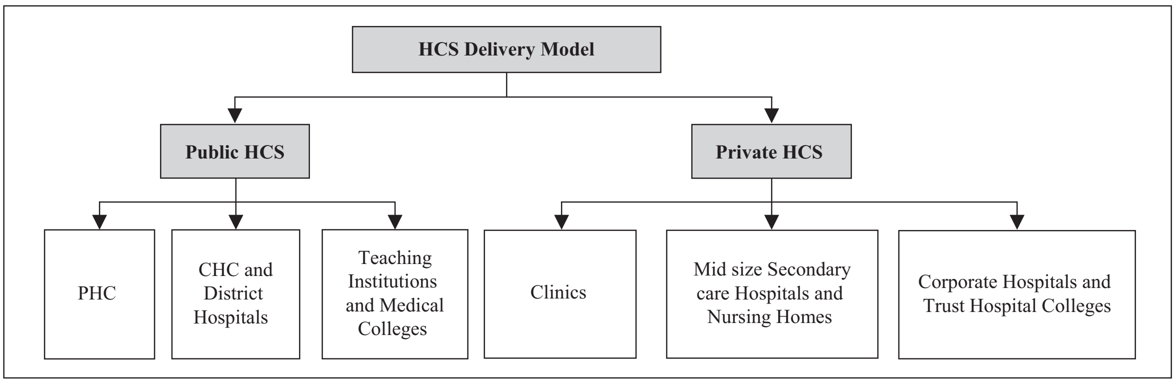
Prevalence of selected diseases	2006	2010	2015F
Coronary Heart Disease	37,871,227	46,968,695	61,522,343
Stroke	1,286,000	1,450,804	1,667,372
Diabetes	32,265,639	37,671,965	45,809,149
Chronic Asthma	28,173,000	31,054,659	34,399,180
Chronic Obstructive Pulmonary Disease (COPD)	17,020,000	18,851,985	21,603,800
Cancer	2,060,174	2,243,647	2,496,133
Hypertension	108,507,801	118,051,148	139,361,226

Source: Indian Council of Medical Research (ICMR)

4.4.2 Overview of HCS model and funding

The HCS delivery system in India is divided into public and private HCS delivery segments. Each of these segments provides primary, secondary and tertiary care to the population. The public segment focuses on primary and secondary care and caters mainly to the rural population due to its affordability. The private segment focuses on secondary and tertiary care and caters mainly to the urban population with a focus on the metropolitan, tier-1 and tier-2 cities in India.

HCS Delivery Model in India, 2011



Source: Compiled by Frost & Sullivan
Note: CHC and PHC stand for Community Health Centre and Primary Health Centre respectively

Within the public segment, the government in India has developed large numbers of PHC, which focus on providing immunisation, treatment for malnutrition, pregnancy and child birth as well as treatment of common illnesses, to cater to the primary healthcare needs of the rural population.

In India, approximately 70.0% to 80.0% of the total healthcare needs are catered for by the private segment by healthcare expenditure, as evident in table below (Please note that capital expenditure is not considered). This is as a result of limited government healthcare expenditure due to central and state government deficits and the government efforts to promote the growth of the private healthcare segment through measures such as introduction of tax incentives and land allocation. Generally more than 80.0% of private healthcare expenditure is from OOP expenditure.

Within the private segment, secondary and tertiary care is provided by private HCS providers, which can be further categorised into the following two segments:

- Private corporate hospitals, which are hospital chains operated by healthcare groups such as Apollo Hospitals, Fortis Healthcare and Manipal Health Systems.
- Private hospitals include unorganised private segment hospitals, which are owned and run by individual doctors or group of doctors.

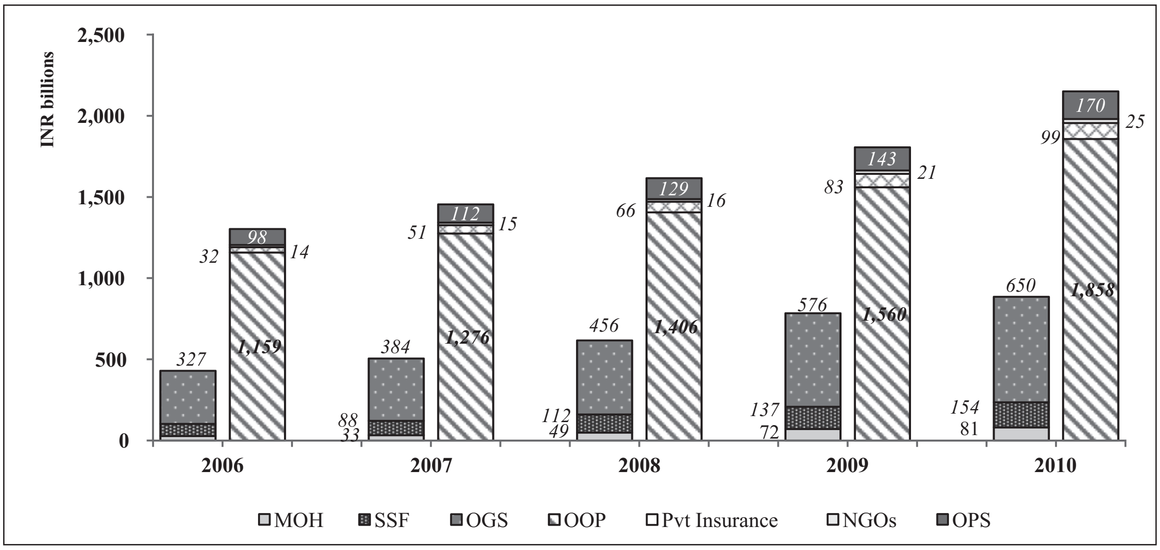
India Healthcare Expenditure, 2006 to 2010

Healthcare Expenditure	2006	2007	2008	2009	2010	CAGR (%) (2006–2010)
Total (INR million)	1,734,068	1,961,102	2,234,230	2,591,553	3,037,569	
Public Contribution	*430,385*	*505,993*	*617,588*	*784,584*	*886,140*	*19.8*
Private Contribution	*1,303,683*	*1,455,109*	*1,616,642*	*1,806,969*	*2,151,429*	*13.3*
Public as a% of total	*24.8*	*25.8*	*27.6*	*30.3*	*29.2*	—
Private as a% of total	*75.2*	*74.2*	*72.4*	*69.7*	*70.8*	—
Total as a% of GDP	4.0	4.0	4.0	4.2	4.1	—

Source: The WHO Healthcare Expenditure Database. Projection and analysis by Frost & Sullivan

The chart below shows the public and private healthcare expenditure further classified into their respective components.

Components of Public and Private Healthcare Expenditure (in INR billion), 2006 to 2010



Source: The WHO Healthcare Expenditure Database

Notes:

(1) Public Expenditure Components: MOH (Direct subvention by MOH India), SSF (Social security funds) and OGS (Other government spending).The breakdown of OGS is not available.

(2) Private Expenditure Components: OOP expense, Private Insurance, NGOs (Contribution from non-profit organisations) and OPS (Other private spending). The breakdown of OPS is not available.

(3) The MOH and NGO components are very small and not visible in the chart above. The corresponding data is given below:

INR billions	*2006*	*2007*	*2008*	*2009*	*2010*
MOH	*28*	*33*	*49*	*72*	*81*
NGOs	*14*	*15*	*16*	*21*	*25*

4.4.3 Regulatory Overview

In general, the Indian Government has found it difficult to regulate the healthcare sector in India adequately. Despite the existence of regulatory frameworks, effective enforcement and implementation remains challenging for both the central and state governments. However the government has, over time, begun to improve implementation of the regulatory framework, for example, increasing the number of common bio-medical waste treatment plants and approving more private incineration licenses so as to support the operations of HCS providers in India. The key policy maker in India is the Central Council of Health and Family Welfare. Key implementing agencies include the Union Ministry of Health and Family Welfare and Directorate General of Health Services (DGHS).

4.4.4 Supply Dynamics

Generally, doctors in India are sourced domestically. According to the Central Bureau of Health Intelligence (CBHI), India had approximately 300 medical colleges and 290 dental colleges with a total admission of 34,595 and 23,520 respectively in 2010. The existence of such educational infrastructure is important to meet the growing demand for doctors and other healthcare professionals in India. The majority of key specialists in India have foreign degrees and are largely concentrated in urban private hospitals.

Supply-demand gap of trained hospital staff and number of beds in India

According to the Indian Brand Equity Foundation (IBEF)[17], an additional 0.7 million doctors will be required by 2025 to reach a recommended ratio of 1 doctor per 1,000 people. To maintain the current nurse-to-doctor ratio of 2.2, an additional 1.6 million nurses will be needed by 2025. To achieve the recommendation of 2 beds per 1,000 people by 2025, India needs to make up for a shortage of approximately 1.75 million beds. The projected need for doctors, nurses and beds demonstrates the size of the demand-supply gap in the healthcare industry in India.

Healthcare Infrastructure Performance Indicators

Indicators	2006	2010
Total Healthcare Infrastructures		
Public Hospitals including CHC	7,663	12,760
Private Hospitals including Nursing Homes	12,739	22,000
Public Clinics	168,986	173,795
Total Hospital Beds*		
Public	492,698	576,793
Private	493,118	591,641
Total Healthcare Workforce**		
Total Doctors	1,349,521	1,564,040
Nurses/Midwives	1,402,297	1,698,384
Allied workers (Health Assistants & Workers)	239,521	282,609

Source: Central Bureau or Health Intelligence (CBHI), The WHO, Ministry of Health and Family Welfare (MOHFW)
Notes:
* *The total beds have been derived based on 0.9 beds per 1,000 populations as per the WHO. Public bed numbers are as per CBHI.*
** *Information on the split of total healthcare workforce into public and private segment is not publicly available.*

4.4.5 Demand Dynamics

Faster Economic Growth and Greater Urbanization

The high economic growth of around 8.4% in 2011 is expected to increase the middle-class population in India. With higher disposable incomes, the Indian population is likely to increase their spending on HCS. This is likely to favour private HCS providers, who are well positioned in secondary and tertiary care, given the inadequacy of public healthcare infrastructure.

Growing Medical Travel Industry

The Indian government promotes the growth of the medical travel industry in India by offering tax breaks and export incentives to participating hospitals as well as expedited clearance of medical visas. Some of the major countries to contribute to the medical travel revenues in India are the United States, Western Europe, Middle East, Africa, Southeast Asia and Australia. Some of the major specialities, where India has seen significant in-flow of patients, are cardiovascular,

[17] *India Brand Equity Foundation (IBEF) is an Indian organisation that collects collates and disseminates accurate, comprehensive and current information on India. IBEF is a public-private partnership between the Ministry of Commerce, government of India and the Confederation of Indian Industry (CII) with the primary objective of building positive economic perceptions of India globally.*

orthopaedic, cosmetic surgery, dental treatments and ophthalmic treatments. The growing medical travel market is likely to primarily benefit the private healthcare segment as they provide majority of secondary and tertiary HCS due to greater demand by medical travelers for advanced medical treatments.

Increased Coverage of Health Insurance

The private health insurance segment in India is one of the fastest-growing sources of healthcare expenditure in India and is making healthcare more affordable to the population. Patients with health insurance are more likely to visit private hospitals rather than public hospitals. Hence, the greater penetration and growth of the health insurance sector in India is expected to drive the private HCS industry segment. Insurance products have also increased in variety. Health insurance players have introduced new products covering dental diseases and expenses, diabetes, Human Immunodeficiency Virus (HIV), cancer, pre-existing diseases, outpatient charges and prescribed drugs.

India Healthcare Expenditure by source, 2006 and 2010

Year	Total Healthcare Expenditure (INR million)	OOP Expenditure (INR million)	OGS Expenditure (INR million)	Private Health Insurance (INR million)
2006	1,734,068	1,159,000	327,492	32,087
2010	3,037,569	1,857,851	650,466	98,884
CAGR (2006–2010)	**15.0%**	**12.5%**	**18.7%**	**32.5%**

Source: The WHO Healthcare Expenditure Database
Note: The breakdown of total expenditure is not exhaustive

4.4.6 Competitive Landscape

Major Private HCS Providers in India, 2010 and 2011[a]

Names of hospital groups	Profile	Hospital network	JCI Accreditation	Estd number of licensed beds	Estd Revenue FY 2010 (U.S.$ million)
Fortis Healthcare	Specialties: Cardiology, Brain and Spine, Neurology, Minimal Access Surgeries, Orthopaedic, Nephrology and Urology	68	4	10,800 (*4,100 operational beds*)	251.0
Apollo Hospitals	Specialties: Cardiology, Oncology, Orthopaedics, Nephrology, Urology, Neurosciences and Spine	51	5	8,276 (*7,762 operational beds*)	340.0
Narayana Hrudayalaya[b]	Specialties: Cardiology, Neurology, Paediatrics, General Medicine, Gastroenterology, General surgery, Bone Marrow Transplant, Nephrology and Urology	13	1	>5,500	80.0

Names of hospital groups	Profile	Hospital network	JCI Accreditation	Estd number of licensed beds	Estd Revenue FY 2010 (U.S.$ million)
Manipal Health Systems	Specialties: Cardiology, Nephrology, Urology, Neurology, Oncology, Liver and Digestive, Sports and Exercise Medicine, Andrology and Reproductive Services	15	None	>4,300	170.0
Global Hospital	Specialties: Liver Transplant, Bariatric Surgery, Cosmetic Surgery, Bone Marrow Transplant, Spine surgery, Heart Transplant, Hip/Knee Replacement and Kidney Transplant	9	None	>2,000	58.0
Care Hospital	Specialties: Cardiology, Oncology, Urology, Nephrology, Orthopaedics, Critical and Gastroenterology	11	None	1,760	79.0
Max Healthcare	Specialties: Joint Replacement Surgery, Neurosurgery, Cardiology, Spine, Laparoscopic Surgeries, Gastroenterology, Oncology, Ophthalmology and IVF	10	None	>1,300	78.0
Medanta Medicity	Specialties: Cardio Thoracic Surgery, Neuro Sciences, Orthopaedics, Transplants	1	None	1,250	N/A
Healthcare Global[c]	Specialties: Oncology	25	None	>1,150	33.8
Columbia Asia	Specialties: Liver Transplant & Surgical Gastroenterology, Intestine Transplant, Paediatric Surgery, Intervention Cardiology, Cardiothoracic and Vascular Surgery	7	None	760	21.5

Source: Hospital Annual Reports, Websites, Primary interviews by Frost & Sullivan
Notes: N/A denotes data is not available
(a) List is sorted by the estimated total beds in descending order.
(b) Narayana Hrudayalaya operates as a trust run hospital group.
(c) All Healthcare Global facilities are cancer centres.

Hospital groups such as Apollo Hospitals, Fortis Healthcare and Manipal Health Systems occupy a large share in the India private healthcare industry by revenue. Groups such as Max Healthcare, Healthcare Global and Columbia Asia, although small in market share by revenue, are growing at a rapid pace.

Many state governments such as the ones in the states of Maharashtra, Andhra Pradesh and Karnataka are also collaborating with the private sector through Public Private Partnerships (PPP) models to improve operational efficiencies. For example, partnership initiatives range from super-specialty care hospitals (Seven Hills Hospital in Mumbai and Apollo Hospital in Raichur) to primary care hospitals (Karuna Trust in Karnataka).

4.4.7 Industry Outlook/Prospects

Moving forward, at an industry level, there is an emergence of medical cities such as Medanta Health Systems in New Delhi and Seven Hills Hospital in Mumbai, to name a few. In our opinion, such medical cities fit market needs of the growing middle income population in India. There is also an emergence of premium healthcare hospitals that serve the high income population largely concentrated in the urban areas, especially the large metros. These hospitals are mainly tertiary in nature, fully single suite with premium services and located in key residential and commercial districts such as Juhu in Mumbai, Saket in New Delhi and Jayanagar in Bangalore.

Private hospitals are likely to upgrade their services for medical treatment and diagnostic services in order to provide one stop HCS to domestic and international patients. In order to improve the quality of HCS, private hospitals are likely to outsource support service departments like laboratory, pharmacy and radiology.

Moreover, there is a rising demand for quaternary and tertiary care hospitals which focuses on lifestyle diseases and speciality treatment like neurology, cardiology, orthopaedics and oncology. There is a large market gap and opportunities exist for private HCS players in tier-2 cities, where the demand and supply gap is significant, largely driven by the rising purchasing power. Furthermore, an increasing trend of horizontal integration is expected wherein existing players will expand by either acquiring competitor players or adding more hospital beds. This corresponds to a rapid growth in the Indian HCS industry over the next 5 to 10 years from 2012. Hence, focusing on building new private healthcare facilities at strategic locations in India would be beneficial in the long term for private HCS players.

Private Equity (PE) investments in India healthcare sector have also witnessed significant growth in recent years and the trend is expected to continue. In 2010, the total PE and venture capital investment in Indian healthcare was nearly U.S.$ 600.0 million as compared with nearly U.S.$ 300.0 million in 2009. The most recent healthcare related PE investment in India is the investment made by the government of Singapore Investment Corporation Pte Ltd. (GIC) in India's eye and dental care provider Vasan Health Care Pvt. Ltd at U.S.$ 100.0 million for a minority stake in March 2012.

4.5 THE PRC

4.5.1 Introduction and Background

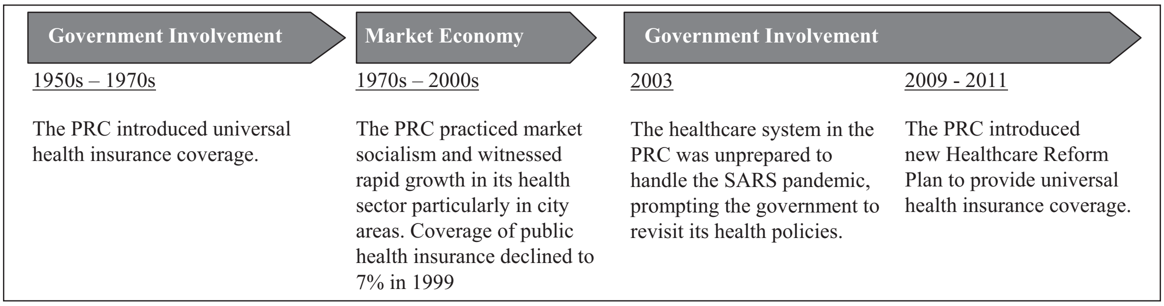
The PRC's GDP expanded from CNY 21.6 trillion (U.S.$ 2.7 trillion) in 2006 to CNY 39.8 trillion (U.S.$ 5.9 trillion) in 2010, making it the second largest economy in the world in 2010. The country's GDP growth is mainly driven by its agriculture, services and manufacturing industries. Its GDP per capita increased from CNY 16,456 (U.S.$ 2,066) in 2006 to CNY 29,706 (U.S.$ 4,393) in 2010 at a CAGR of 15.9%. The PRC's population was approximately 1.3 billion in 2010, making it the most populous country in the world. Approximately 119.2 million people (8.9% of total population) are above 65 years of age.

According to the IMF's World Economic Outlook Report, the PRC is a newly industrialised country. The country's urbanisation rate has been on an upward trend, increasing from 42.5% in 2005 to 47.0% in 2010. Going forward, UN forecasts the PRC's urbanisation rate to reach approximately 51.1% in 2015. The number of employed workers in the PRC grew from 758.0 million people in 2005 to 780.0 million people in 2010.

The healthcare industry in the PRC has experienced strong growth in the last decade from 2001 to 2011. Since the PRC's accession to the World Trade Organisation (WTO) in 2001, the country has been an attractive destination for foreign investment. The increase in domestic demand and the continuous rise in exports have contributed to growth in the healthcare industry. Going forward, the government's initiatives to reform the healthcare system will continue to drive growth.

The following chart shows the evolution of the PRC's healthcare system:

Evolution of the PRC's Healthcare System



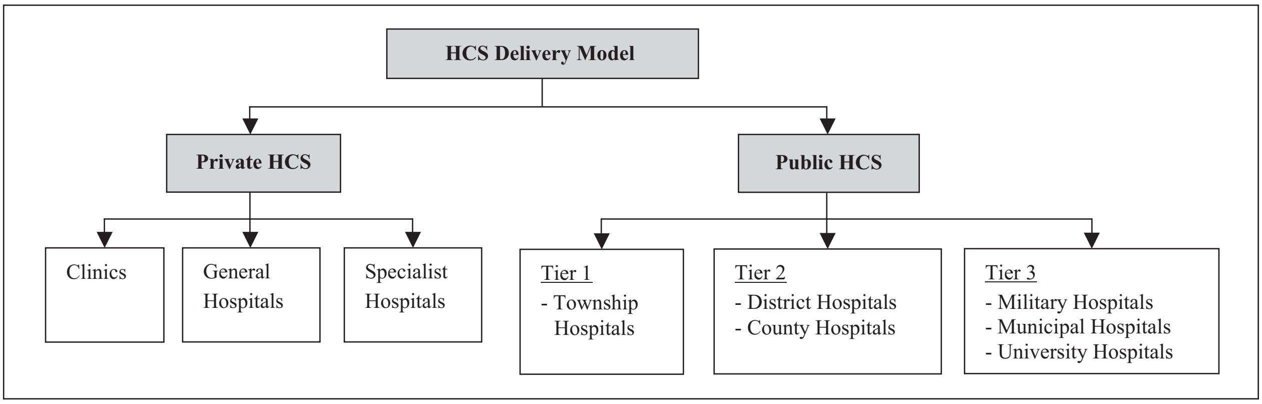
Source: Compiled by Frost & Sullivan

The PRC's National Ministry of Health (MOH PRC) and the Shanghai Municipal Government built the Shanghai International Medical Zone (SIMZ) in 2005, to support Shanghai's aim of building a first class medical centre by 2013. SIMZ provides HCS to meet the needs of both domestic patients and overseas medical travellers. In 2009, the government also unveiled a comprehensive healthcare reform plan as a key initiative to improve the country's HCS and infrastructure. Such measures have strongly underpinned the growth of the healthcare sector in the PRC.

4.5.2 Overview of HCS model and funding

MOH PRC oversees the healthcare system in the PRC. The majority of the healthcare infrastructure in the country is owned by the government. There are also locally invested private hospitals as well as private hospitals that are jointly invested with foreign investors. Public hospitals and locally invested private hospitals tend to attract lower income patients who are covered by social health insurance while foreign invested private hospitals cater to foreign expatriates and the population with higher income. Foreign invested hospitals typically charge premium prices in exchange for higher quality services. Generally, patients who visit foreign invested hospitals pay for their medical fees via OOP and private insurance.

HCS Delivery Model in the PRC, 2011



Source: Compiled by Frost & Sullivan

In the PRC, the MOH PRC ranks public hospitals based on the following tier system:

Tier	Standard
Tier-3	Hospitals are well staffed and equipped with modern technology. They are generally located in urban areas.
Tier-2	Hospitals are adequately equipped, but lack the level of service, staff and equipment that are offered in tier-3 hospitals. Tier-2 hospitals are typically located in lower tier cities.
Tier-1	Hospitals are typically small, poorly equipped, underfunded and understaffed. Tier-1 hospitals generally provide basic primary HCS only.

4.5.3 Healthcare Funding Structure

Social Insurance

There are two main public social health insurance systems in the PRC: the Urban Basic Medical Insurance System (BIS) for urban residents and the New Rural Cooperative Medical Insurance System (NRCMS) for rural residents. Both of these insurance programmes provide basic HCS to their members. As a result of the expanding coverage of social health insurance schemes, the proportion of OOP healthcare expenditure has dropped from approximately 47.5% in 2006 to approximately 37.5% in 2010. In 2011, a total of 1.3 billion Chinese, or approximately 95.0% of the population had basic insurance coverage. The government aims to achieve equal access to public healthcare for all its citizens by 2020.

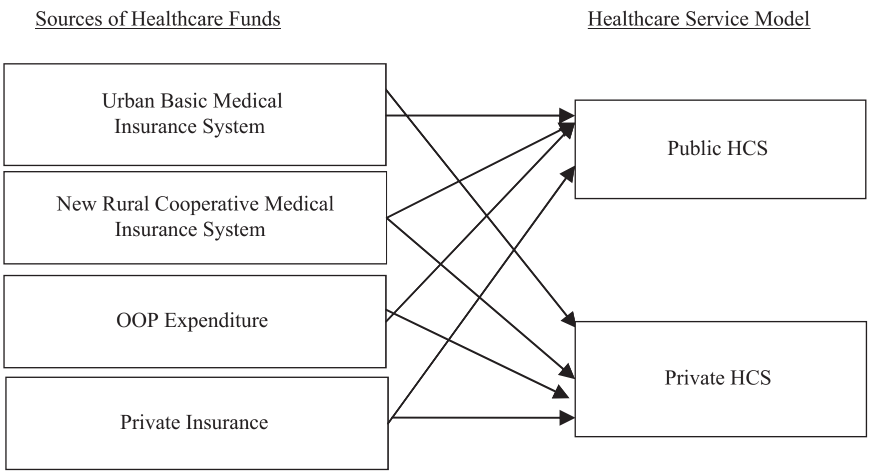
Private Insurance

Private health insurance companies provide complementary coverage for patients to "top up" their health coverage as state insurance schemes only provide coverage for basic medical services. Since 2005, the government has been encouraging the growth of private healthcare insurance schemes. The private insurance industry is expected to reach U.S.$ 90.0 billion by 2020 due to the growing population, increasing income per capita and relatively basic public health insurance coverage.

OOP Expenditure

Until early 2000, patients in the PRC generally paid their medical fees via OOP. This has been a norm since 1970s due to the lack of universal health coverage. However, the portion paid via OOP is expected to reduce to 28.1% in 2016 from 47.5% in 2006, due to the expanding social insurance.

Healthcare Financing System in the PRC



Source: Compiled by Frost & Sullivan

4.5.4 Supply Dynamics

Healthcare Infrastructure and the Availability of Healthcare Workforce

The PRC's national healthcare expenditure grew from approximately CNY 1.0 trillion (U.S.$ 125.6 billion) in 2006 to approximately CNY 1.9 trillion (U.S.$ 281.0 billion) in 2010, registering a CAGR of 17.4% during this period.

Healthcare Infrastructure Performance Indicators

Indicators	2006	2010
Hospitals	19,278	20,918
Public	15,192	13,850
Private	4,086	7,068
Hospital Beds[a]	2,560,041	3,387,437
Public	2,372,812	3,013,768
Private	187,229	373,669
Workforce	4,738,618	5,876,158
Doctors[b]	2,082,530	2,413,259
Registered Nurses	1,454,206	2,048,071
Allied workers	1,201,883	1,414,828

Source: MOH PRC
Notes:
(a) Exclude clinic beds and specialised institution
(b) Include registered doctors and assistant doctors

4.5.5 Demand Dynamics

Demand for Quality Healthcare

The annual income per capita in urban households increased from CNY 12,719 (U.S.$ 1,597) in 2006 to reach CNY 18,858 (U.S.$ 2,368) in 2009 (14.0% CAGR). Rising income and higher standards of living will exert pressure on healthcare providers as the demand for better HCS increases. Most public and local private hospitals are unable to provide high quality patient centric HCS. Hence, there is a high demand for high end foreign medical service providers to expand in urban areas in the PRC, especially in tier-1 cities such as Beijing, Shanghai, Shenzhen and Guangzhou. The table below highlights the income distribution in the PRC by region.

Historical Trend of Annual Income Per Capita of Urban Households in the PRC (CNY)

Region	2006	2007	2008	2009	CAGR
National	12,719	14,909	17,068	18,858	14.0%
East	16,380	18,545	20,965	23,153	12.2%
Central	10,573	12,392	14,062	15,539	13.7%
West	10,443	12,131	13,917	15,523	14.1%
North East	10,490	12,306	14,162	15,843	14.7%

Source: PRC Statistical Yearbook and analysis by Frost & Sullivan

Rising Affluence in the PRC

Estimated Number of Millionaires in the PRC (2011)

Province	Basin	No. of Millionaires[1] in 2011
Beijing	Bohai	170,000
Guangdong	Pearl	157,000
Shanghai	Yangtze	132,000
Zhejiang	Yangtze	126,000
Jiangsu	Yangtze	68,000
Fujian	Pearl	36,000
Shandong	Bohai	33,000
Liaoning	Bohai	29,000
Sichuan	Sichuan	24,000
Henan	Yangtze	16,500
Total of top 10 provinces		**791,500**

Source: Hurun Wealth Report 2011
Note: (1) Millionaire is an individual with personal wealth of CNY10 million (U.S.$1.5 million) or more.

According to the Hurun Wealth Report 2011, there are approximately 791,500 millionaires in the top 10 provinces with most number of millionaires. These 10 provinces are mostly located around Bohai Economic Rim (Bohai), Yangtze River Delta (Yangtze), Pearl River Delta (Pearl) and Sichuan Basin (Sichuan). The concentration of wealth in these 4 basins of the PRC demonstrates the relatively higher purchasing power of the population in these regions as compared to other parts of the PRC. Therefore, it is likely that these populations demand better HCS, as compare to other parts of the PRC, which may include choice of renowned doctors for diagnosis, better medicine and even better hospitalisation services such as single bed services. Such demand is likely to drive the growth of the private HCS market in these regions.

Development of Private Health Insurance

Premiums for private healthcare insurance increased from CNY 36.8 billion (U.S.$ 4.2 billion) in 2006 to CNY 53.1 billion (U.S.$ 7.8 billion) in 2009 (13.0% CAGR). The private insurance market is expected to continue to grow significantly due to high medical costs.

Rise in Diseases and Ageing Population

The increase in diseases prevalence amongst the urban population, caused by a sedentary lifestyle, will continue to boost demand for HCS in the PRC. The following table shows the main causes of death in urban areas:

Causes of death in Urban Areas (% of total deaths)	2006	2007	2008	2009
Cerebrovascular diseases	17.7	18	19.6	20.4
Respiratory diseases	13.1	13.1	11.9	10.5
Heart disease	17.1	16.3	19.7	20.8
Cancer	27.3	28.5	27.1	27
Incidence of Selected Diseases (rate per 100,000)				
Viral hepatitis	102.1	108.4	106.5	107.3
Pulmonary TB	86.2	88.6	88.5	81.1

Source: PRC Statistical Yearbook

Meanwhile, the Chinese population is also rapidly ageing due to its falling mortality rate and the one child policy. The aged population in the PRC is expected to account for 25.0% of the total population by 2030. This is expected to further create a growing market for HCS in the PRC.

Increasing Urbanisation

The economic reform in the PRC has transformed the country into a newly industrialised country. The country's urbanisation rate has increased from 42.5% in 2005 to 47.0% in 2010 and is expected to reach approximately 51.1% in 2015. The growing population size in urban area particularly in tier-1 cities will further drive the demand for HCS in the PRC, providing opportunities for private sector.

Rural Population

In 2010, 53.0% of the PRC's population (approximately 710.1 million people) lived in the rural areas. The distribution of hospitals in the PRC is mainly concentrated in the eastern region and dense central region. As a result, people living in rural areas generally have poor access to private hospitals due to their geographical locations and low income.

Shortage of Medical Professionals

Private hospitals are facing difficulties in retaining qualified medical workforce. The increasing demand on these medical professionals has resulted in physicians and nurses commanding high salaries. In view of this situation, the government has allowed licensed physicians to practise across several hospitals and clinics at the same time.

New Healthcare Reform 2009–2011

In January 2009, the PRC introduced a new healthcare reform plan with the aim of improving the affordability, quality and accessibility of HCS in the PRC. Approximately CNY 1.13 trillion (U.S.$ 165.7 billion) was allocated to this initiative and the five major goals of the healthcare reform plan were:

- ***Expanding basic medical insurance coverage:*** The new healthcare reform aims to provide universal health coverage to the entire population by 2020. Additionally, the government is setting a higher reimbursement rate to encourage patients to get treatment from primary healthcare centres.
- ***Establishing a national essential drug list system:*** Under the Essential Drug System (EDS), the government will catalogue a list of necessary drugs to be produced and distributed by the MOH PRC. EDS aims to lower the price of medicines by streamlining the distribution channel in the medicine supply chain and setting a ceiling price for these drugs.
- ***Improving grassroots medical infrastructure:*** In the PRC, most patients prefer to visit renowned hospitals, expecting to receive better and more reliable treatment. This has resulted in overcrowding and long waiting times at these hospitals. The government plans to invest in the construction and renovation of primary healthcare infrastructure, especially hospitals at county levels, township clinics, clinics in remote villages and community health centres in less-developed cities to enhance the quality of primary healthcare.
- ***Providing a more equitable access to basic HCS:*** The new healthcare reform aims to expand the network of local hospitals and clinics as well as improving the access and quality of public health services. This will allow healthcare facilities to be repositioned, such that primary care will be shifted from current tertiary care providers to community health centres and primary care clinics. These tertiary care providers such as university hospitals may then provide specialised HCS. Additionally, the government is also allocating subsidies to hospitals providing special HCS such as inoculation and health education in order to increase the emphasis on disease prevention.
- ***Pilot programmes to improve public hospitals:*** Pilot programmes have been launched to reform public hospitals to improve their services in terms of administration, operation, and supervision. New referral systems will encourage patients to seek outpatient services in local community hospitals or rural clinics before being referred to larger hospitals by the community hospital. This referral system will ease the problem of overcrowding hospitals.

In order to encourage greater utilisation of smaller clinics and sanitation stations, public hospitals are expected to limit the provision of high-end operations services and complex medical procedures. Instead, the demand for such specialised high-end operations/procedures will be increasingly provided by private hospitals.

4.5.6 Healthcare Expenditure

In 2011, the PRC's total healthcare spending amounted to approximately CNY 2.1 trillion (U.S.$ 325.8 billion) having grown from CNY 1.0 trillion (U.S.$ 127.0 billion) in 2006 at a CAGR of 15.7%. The PRC's total healthcare expenditure comprises government healthcare expenditure, social healthcare expenditure and OOP expenditure accounts. In 2011, the government, social healthcare and OOP expenditure contributed approximately CNY 594.1 billion (U.S.$ 92.0 billion), CNY 759.2 billion (U.S.$ 117.6 billion) and CNY 750.0 billion (U.S.$ 116.2 billion) respectively. The CAGR for government, social healthcare and OOP expenditure during the period 2006 to 2011 was 23.5%, 18.6% and 9.3% respectively. OOP expenditure, as a percentage of the total healthcare expenditure, has been on a downward trend, due to increased healthcare spending by social health insurance and the government.

4.5.7 Competitive Landscape

There were approximately 7,068 private hospitals in the PRC in 2010. The government had approved approximately 200 healthcare institutions with foreign ownerships until 2010, of which, approximately 65 private hospitals were in operation by then, which accounted for approximately 1.0% of the total private hospitals in the PRC. The table below summarises major foreign private HCS players in the PRC in alphabetical order.

List of Major Foreign Private HCS Players in the PRC

Healthcare Groups	Location(s)	Estimated number of institutions	Estimated number of hospital beds	Estimated number of Medical Centres	Estimated number of Hospitals
Global Doctor	Beijing Chongqing Nanjing Chengdu Dongguan Shenyang Changsha Guangzhou	9	N/A	9	N/A
Global Healthcare	Shanghai	2	N/A	N/A	2
Healthway Medical Center	Shanghai Hangzhou	10	N/A	9	1
Parkway Pantai Group	Shanghai Chengdu	8	20	8	N/A
Raffles Medical Clinic	Shanghai	1	N/A	1	N/A
Shanghai East International Medical Center	Shanghai	1	26	N/A	1
Shanghai Landseed Hospital	Shanghai	1	N/A	1	N/A
Shanghai Sun-Tec Medical Center	Shanghai	1	20	N/A	1
United Family Hospitals	Beijing Shanghai Guangzhou Tianjin Wuxi	12	196	9	3

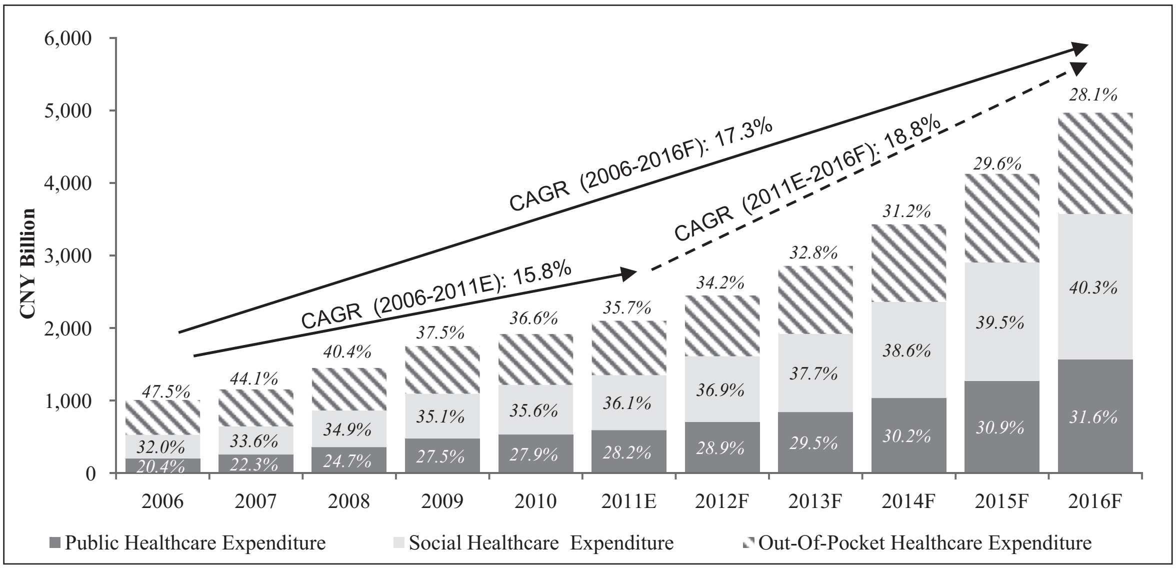
Source: Compiled by Frost & Sullivan from various sources through primary and secondary research

Note: This list is non-exhaustive. Institutions include medical centres as well as hospitals. Medical centres include dental clinics. Hospitals include general hospitals and specialised hospitals.

In addition to the list above, foreign private companies like Asia Pacific Medical Group (APMG), which operates a network of six hospitals and a clinic, are working in close partnership with public hospitals in the PRC.

4.5.8 Industry Outlook/Prospects

The HCS market in the PRC will continue to grow due to the growing and ageing population, increasing income and purchasing power and increasing prevalence of lifestyle diseases. The total healthcare expenditure is forecast to reach CNY 5.0 trillion (U.S.$ 789.8 billion) in 2016, growing at a CAGR of 18.8% from 2011 to 2016. The government has recently indicated that it is opening up the HCS sector for investment from the private sector by encouraging foreign private healthcare groups to collaborate with local hospitals. OOP expenditure is expected to contribute to CNY 1.4 trillion (U.S.$ 221.9 billion) in 2016, recording an estimated CAGR of 13.2% during the period from 2011 to 2016. This is expected to create significant growth opportunities for private hospitals in the PRC especially those that are foreign owned. Collectively, both local and foreign entities will leverage each other's strengths to provide management expertise, financial investment and brand awareness in the private healthcare sector. The foreign owned private hospital sector in the PRC is still in its nascent stage. However, opportunities fuelled by demand from the expanding upper middle classes in the tier-1 cities like Shanghai and increasing demand and lack of supply of better quality HCS, especially in the tertiary acute care segment, present market opportunities for foreign private healthcare groups.



Source: The PRC Statistical Yearbook. Forecast by Frost & Sullivan

4.6 HONG KONG

4.6.1 Introduction and Background

Hong Kong's GDP expanded from HKD 1.5 trillion (U.S.$ 193.1 billion) in 2006 to HKD 1.7 trillion (U.S.$ 218.8 billion) in 2010. The country's GDP is mainly driven by its international trade, tourism and finance service industries. Its GDP per capita increased from HKD 213,826 (U.S.$ 27,527) in 2006 to HKD 244,577 (U.S.$ 31,484) in 2010 (3.4% CAGR). Hong Kong's population was approximately 7.1 million in 2010. It has a growing ageing population with 12.7% of its population above 65 years of age in 2010.

Hong Kong is a developed country with an urbanisation rate of 100.0% based on the United Nation's World's Urbanisation Prospects report. The number of employed workers in Hong Kong grew from 3.5 million people in 2005 to 3.7 million people in 2010 and approximately 28.6% of its working population having a monthly household income within the top 50th percentile of the household income scale (approximately HKD 30,000 (U.S.$ 3,862) and above).

4.6.2 Overview of HCS model and funding

HCS Delivery Model in Hong Kong

The Hong Kong healthcare system is broadly categorised into public healthcare and private healthcare. The private sector is the main provider of primary care whilst the public sector concentrates on prevention, secondary and tertiary care services.

The public HCS in Hong Kong is subsidised by the government and is financed by taxation. As a result, the system is often crowded and patients are subjected to long waiting lists. Nevertheless, some public hospitals allow private inpatient care but for a fee which eventually may cost more than treatment at a private hospital.

Hong Kong's health matters are regulated by the Food and Health Bureau which is the policy-making body. The bureau oversees two departments: the Department of Health which is responsible for the management of public health matters, and the Hospital Authority which is responsible for the management of Public Hospitals.

- **The Department of Health of Hong Kong (DOH)** is focused on the provision of primary care services, health promotion and disease prevention services. As the advisor to the government, the DOH is responsible for executing healthcare policies and statutory functions. The department operates a number of specialised clinics, treatment centres, child assessment centres, travel-health centres and other clinical services.
- **Hospital Authority** provides medical treatment and rehabilitation services to Hong Kong residents, which include citizens and permanent residents. The Hospital Authority also manages 74 primary care clinics.

The DOH is tasked with monitoring private hospitals' compliance with regulations. The Hong Kong Private Hospital Association is an independent body that further encourages the monitoring of the private hospitals in Hong Kong. All medical practitioners that practise western medicine must register with the Medical Council of Hong Kong, which oversees the conduct of all medical professionals.

Healthcare Funding

Government Subsidies: Hong Kong's public healthcare system is heavily subsidised and financed mainly by taxes. All medical and surgical costs including surgeons' fees and operating rooms are paid for by the government, whereas patients need only pay for hospital lodging. The waiting list for surgery in public hospitals is much longer as compared with the private hospitals, as patients are treated according to the urgency of their need for surgery. Hong Kong residents that are under 11 years of age receive public sector services at a subsidised price.

Insurance: Expatriates working in Hong Kong do not qualify for public healthcare. Their employers typically subscribe to group medical insurance schemes to cover their medical expenses as part of their expatriate packages. However, these insurance packages differ from company to company and some coverage may not be as comprehensive as other companies, thus employees may have to top up or pay OOP for some of the procedures.

35.0% of Hong Kong's population is covered by private insurance[18]. The insurance is an enabler for the general public to seek medical treatment in private hospitals with reduced waiting time. The government has recognised the need to reform the health sector to reduce pressure on the demand for public healthcare and the burden on tax payer's money, thus they are formulating plans and currently consulting working groups, organisations and government bodies for feedback. In the interim, the government is encouraging the general public to subscribe to private insurance to reduce the burden in the public sector.

OOP expense: OOP expenses accounted for 69.0% of the total private health expenditure in Hong Kong in 2007/2008[19]. Hong Kong private hospitals also receive many medical travellers from the PRC who pay OOP.

4.6.3 Regulatory Overview

Act/Regulation	Key Provisions
Hospitals, Nursing Homes and Maternity Homes Registration Ordinance	The law dictates that any person who intends to operate a healthcare institution in the form of a private hospital, maternity home or nursing home must obtain prior approval from the Director of Health, subject to having obtained approved land for building in advance.
Medical Registration Ordinance 1884	The Hong Kong Medical Council was established as the regulating body for the medical sector, whose functions include assessment and registration of medical practitioners, formulation of industry guidelines and standards, investigation of misconducts and supervision of medical education and training.
Insurance Companies Ordinance	The Commissioner of Insurance was established to regulate the insurance industry in Hong Kong. Its function includes supervision and formulation of industry guidelines for the protection of policy holders, however its jurisdiction exclude pricing of policies.

4.6.4 Supply Dynamics

Workforce Development

In 2009, there were 12,424 doctors registered in Hong Kong, out of which 5,700 were specialists. Approximately 60.0% of the doctors in Hong Kong were private doctors. In 2010, the doctor per 1,000 population ratio was approximately 1.78 which is less than the OECD average (2009—2.9).The government is increasing training opportunities for local healthcare professionals and is seeking to attract additional international medical talent to promote the exchange of expertise, research and professional training. Hong Kong is also suffering from a shortage of nurses and the industry is importing nurses mainly from the Philippines[20]. The Health Authority is considering opening extra nursing schools to address the problem in the long term.

---

18 *Source: U.S. Commercial Service to Hong Kong, export.com*

19 *Source: Food & Health Bureau*

20 *GMA News in Philippines on 26th July 2011*

Public-Private Partnership (PPP)

One of the biggest initiatives by the government is to enhance Public-Private Partnerships (PPPs) within the healthcare sector. Encouraging PPP is likely to increase cost effectiveness as both public and private hospitals could buy bulk supplies and share expertise/human resources (such as having private hospital doctors participate in services or operations in public hospitals on a part-time basis to relieve the overburdened public sector). Some initiatives to promote PPPs include the development of a city wide electronic healthcare record system, instituting a series of pilot projects for treatment of chronic diseases with the private sector and co-payment funding/relief of up to HKD 5,000 (U.S.$ 644.4) for cataract surgeries in private healthcare centres.

Four New Private Hospital Sites Allocated

The government has identified 4 parcels of land located at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau Island, for developing private hospitals. As of 13th April 2012, tenders for two of the four land sites (Tai Po and Wong Chuk Hang) have been called for, with a closing date of 27th July 2012. The call-for dates of the other two tenders are yet to be announced. All four identified land sites are drawing many interested parties to bid for the limited offering and will result in Hong Kong potentially having an additional four private hospitals within the next 1–5 years.

Capacity Building in the Public and Private Healthcare Sectors

In 2010, Hong Kong's hospital bed to 1,000 population ratio was 4.4 which is higher than the OECD average (2009—3.1). Nevertheless, the ratio has declined from 4.5 in 2006. The government has planned to establish a public paediatric medical centre with more than 400 beds at the Kai Tak Development Area[21]. The Tsuen Wan Adventist Hospital is currently adding a new wing and this would add over 300 hospital beds to the private healthcare system.

Medical Equipment and Supplies

Hong Kong is heavily dependent on imports of medical equipment. In 2009, medical equipment imports amounted to U.S.$ 1.46 billion, and the United States was the leading supplier of high end equipment with 28.0% of total import market in that year. In addition, an estimation of 55.0% (U.S.$ 0.8 billion) of Hong Kong's total medical equipment re-export is geared towards the PRC as Hong Kong is a sourcing agent for medical products for the PRC. Medical supplies in Hong Kong are mainly procured from international vendors such as Johnson and Johnson and Baxter International, among others.

4.6.5 Demand Dynamics

Availability of Insurance and Government Incentives

Due to the high government subsidy on public healthcare, the waiting list for public hospitals is constantly on the rise. Furthermore, public healthcare treatment is administered to patients on a priority basis. Hence patients with slow progressing illness may not be able to get immediate treatment to curb the illness in its early stages in public hospitals. The availability of insurance either through employers or private funding is allowing patients the option to choose more

[21] *U.S. Commercial Services to Hong Kong, http://export.gov/hongkong/*

expensive private healthcare as an alternative method of obtaining treatment. In the survey conducted by the Census and Statistics Department in 2008[22], 2.42 million people (around 34.0% of Hong Kong's population) were covered by private health insurance, out of which 45.0% were through private purchase, 35.0% covered by employers and 20.0% covered by both privately purchased and employers.

Government Policy Limiting Mainland China Mothers Utilising the Public Maternity Services

Hong Kong maternity wards receive a high traffic of Mainland China mothers who choose to give birth in Hong Kong hospitals for their new-born to automatically obtain the Hong Kong citizenship. The demand exists in both public and private hospitals. To manage the limited resources in the public hospitals, the Hong Kong government has capped the number of Mainland China ladies allowed to utilise the public maternity services. As a result of this policy, the Mainland China mothers turn to the private HCS, contributing to the increase in demand for private maternity services. In 2010, 47.0% of new-borns out of 88,000 delivered in Hong Kong in 2010 were by mothers from Mainland China. Furthermore, out of the new-borns that were born in Hong Kong from Mainland China mothers, approximately 25.0% were delivered in public hospitals in Hong Kong, and the remaining 75.0% in private hospitals[23]. In future, the Hong Kong government has indicated that it may ultimately disallow Mainland China mothers to utilise the maternity service in public hospitals completely, and this will be a boost for the private HCS.

Increasing Demand for Complex Medical Procedures from Mainland China

With increasing confidence of Chinese patients in the treatment of complex procedures such as heart conditions, complicated renal conditions, etc from specialists from Hong Kong, there is a growing demand for doctors and surgeons from Hong Kong. China nationals are increasingly choosing Hong Kong as a destination for their medical needs as they feel that they are likely to receive higher quality services. This is expected to drive the demand for private sector medical services in Hong Kong.

Changing Lifestyle and Environmental Conditions in Hong Kong

The changing lifestyle, eating habits and stressful environment conditions- mainly due to the high urbanisation trend, access to vaccination and healthcare, growing wealth, competitive working lifestyles leading to a higher rate of sleeping disorders, anxiety and depression, lack of exercise and increased consumption of processed food, have affected the disease profile of the Hong Kong population. In 2010, the most prevalent lifestyle disease in Hong Kong was cancer, heart-related diseases and cerebrovascular diseases. Furthermore, Hong Kong is highly affected by pollution caused by the industrialisation of Southern China, resulting in a higher prevalence of respiratory diseases.

The increase in these lifestyle diseases in Hong Kong is the major cause for an increase in healthcare demand in the country.

---

22 *Thematic Household Survey 2008*

23 *China Daily*

Prevalence of Selected Diseases	2007	2010
Malignant neoplasms	12,316	13,075
Diseases of heart	6,372	6,636
Pneumonia	4,978	5,814
Cerebrovascular diseases	3,513	3,423
Chronic lower respiratory diseases	2,096	2,093
Nephritis, Nephritic syndrome and Nephrosis	1,347	1,493
Septicaemia	737	826
Dementia	317	767
Diabetes mellitus	506	522

Source: *Centre for Health Protection, Hong Kong*

4.6.6 Healthcare Expenditure

In 2011, Hong Kong's healthcare expenditure amounted to HKD 102.6 billion (U.S.$ 13.2 billion), having grown from HKD 75.2 billion (U.S.$ 9.7 billion) in 2006 at a CAGR of 6.4%. In 2011, public and private healthcare expenditure contributed approximately HKD 46.2 billion (U.S.$ 5.9 billion) and HKD 56.4 billion (U.S.$ 7.2 billion) respectively, having grown from HKD 38.8 billion (U.S.$ 5.0 billion) and HKD 36.4 billion (U.S.$ 4.7 billion) in 2006 respectively. The CAGR for public healthcare expenditure during the period 2006 to 2011 was 3.6% whereas the CAGR for private healthcare expenditure for the same duration was 9.2%.

4.6.7 Competitive Landscape

HCS industry in Hong Kong is mature and expanding. In 2011, there were 38 public hospitals and 12 private hospitals in Hong Kong registered under the Department of Health, Hong Kong. Most of the private hospitals are independent entities except the Caritas Group and Adventist Health which have a network of 2 hospitals each in Hong Kong. Most of the private hospitals in Hong Kong are not-for-profit organisations. Hence any surplus has to be invested back into the hospital by way of training, upgrading the equipment etc. The table below shows the list of the private hospitals in Hong Kong.

List of Private Hospitals in Hong Kong, 2012

Private Hospital	Revenue Model	Total No. of Beds
Hong Kong Baptist Hospital	Not-for-Profit	736
St. Teresa's Hospital	Not-for-Profit	675
Hong Kong Sanatorium & Hospital	Not-for-Profit	437
St. Paul's Hospital	Not-for-Profit	358
Union Hospital	For-Profit	294
Caritas Group (i) Canossa Hospital (ii) Precious Blood Hospital	Not-for-Profit	276

Private Hospital	Revenue Model	Total No. of Beds
Adventist Health International (i) Hong Kong Adventist Hospital (ii) Tsuen Wan Adventist Hospital	Not-for-Profit	247 (134 undergoing expansion of new wing, target to reach 445 beds when renovation is estimated to complete by 2014)
Matilda International Hospital	Not-for-Profit	102
Hong Kong Central Hospital	Not-for-Profit	85
Evangel Hospital	Not-for-Profit	45

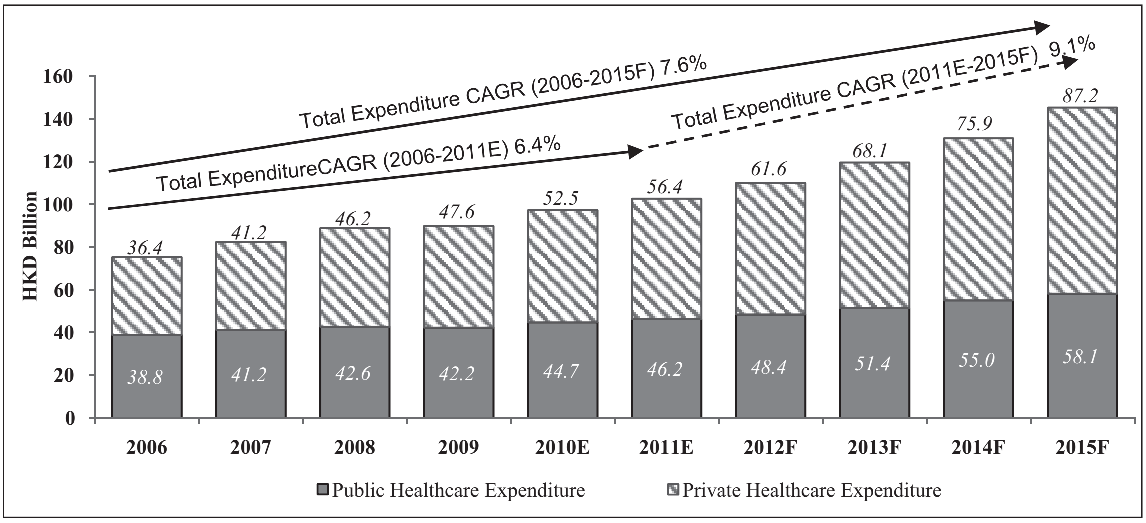
Source: Hong Kong Private Hospital Association

The two largest private hospitals by number of beds are Hong Kong Baptist Hospital, followed by St. Teresa's Hospital.

4.6.8 Industry Outlook/Prospects

The total healthcare expenditure in Hong Kong is forecast to grow to HKD 145.3 billion (U.S.$ 18.7 billion) in 2015, from HKD 102.6 billion (U.S.$ 13.2 billion) in 2011. The CAGR during the period 2006 to 2015 is estimated at 7.6%. Private healthcare expenditure is expected to contribute to HKD 87.2 billion (U.S.$ 11.2 billion) in 2015, whereas public healthcare expenditure is expected to contribute to HKD 58.1 billion (U.S.$ 7.5 billion). CAGR for private and public healthcare expenditure between 2006 and 2015 is estimated to be 10.2% and 4.6% respectively.

Healthcare Expenditure Growth and Forecast, 2006 to 2015F



Source: IMF, Forecast by Frost & Sullivan

HCS in Hong Kong are a legacy from the colonial days of Great Britain. It has an overburdened public healthcare system and private hospitals that mainly originate from Christian missionary groups. 11 of the 12 private hospitals in Hong Kong are non-profit organisations where their profits are reinvested back into the hospital by way of expansion, training, medical research and equipment upgrades. The charges of these private hospitals are unregulated, resulting in high charges to patients who are paying OOP. Growth in the industry will be determined by the issuance of four land parcels at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau Island, earmarked for private hospital development.

Hong Kong is an attractive destination for mothers from mainland China to deliver their babies, thereby availing quality care and Hong Kong citizenship, and avoiding penalties of one child policy in the mainland. Thus, there are opportunities for new entrants to Hong Kong's private healthcare sector as public sector hospitals are unable to meet the local demand and the influx of Chinese patients seeking medical treatment.

5 BRIEF OVERVIEW OF THE HCS MARKET IN SELECTED COUNTRIES

5.1 INDONESIA

5.1.1 Introduction and Background

The GDP in Indonesia was approximately 6,422.9 trillion Indonesian Rupiah (U.S.$ 700 billion) in 2010 and the population reached 237.9 million in the same year. HCS in Indonesia are provided by public and private sectors. Authorities that are responsible for public HCS include the Ministry of Health Indonesia, provincial government, district and municipal government, armed forces, police and other ministries. According to Indonesia Department of Health, as of 2010, there were 1,632 hospitals in Indonesia, out of which 794 were public hospitals and 838 were private hospitals. There were 143,428 registered general beds in Indonesia out of which 63.4% were public registered beds and the remaining 36.6% were private registered beds. In the same year, there were a total of 9,005 primary care health centres in Indonesia.

In 2010, the healthcare expenditure in Indonesia stood at approximately 179,301.5 billion Indonesian Rupiah (U.S.$ 19.8 billion) which accounted for 2.8% of total GDP. In 2009, private healthcare expenditure contributed approximately 48.3% of the total healthcare expenditure and approximately 73.2% of the private healthcare expenditure was OOP expenditure. The public HCS is heavily subsidised by the government. The general population pays a nominal fee to access public healthcare whereas the low income population in Indonesia is covered under a health insurance scheme that allows them to access HCS in both public and private sectors. This scheme is expected to benefit a population of approximately 76.4 million.

5.1.2 Industry Outlook/Growth Prospects

The government is currently implementing the Strategic Plan 2010–2014 with the objective of improving the national health status by controlling nutritional status, diseases and medicine usage in the country. In addition, the government also encourages development in the private healthcare sector, especially the development of secondary and tertiary HCS in order to mitigate capacity constraints in the public hospitals. The healthcare expenditure in Indonesia was recorded at approximately 203,999.8 billion Indonesian Rupiah (U.S.$ 23.4 billion) in 2011. Going forward, the healthcare expenditure in Indonesia is forecast to reach approximately 416,757.3 billion Indonesian Rupiah (U.S.$ 46.2 billion) in 2016, at a CAGR of 15.4% between 2011 and 2016.

Despite the healthcare development plans in Indonesia, it is a common practice for Indonesians to seek HCS in foreign countries such as Singapore and Malaysia for better quality HCS. Indonesia has therefore emerged as a medical travel source market for such neighbouring countries. According to the Indonesian Medical Association, Indonesians spend more than 8.8 trillion Indonesian Rupiah (U.S.$ 1.0 billion) per year on medical treatments overseas.

5.2 VIETNAM

5.2.1 Introduction and Background

The GDP in Vietnam was VND (Vietnamese Dong) 1,980,914 billion (U.S.$ 104 billion) in 2010 and the population reached 87.8 million in the same year. The healthcare expenditure was VND 135,505.7 billion (U.S.$ 7.2 billion) in 2010, out of which VND 84,228.6 billion (U.S.$ 4.5 billion) (around 62.2%) was private healthcare expenditure. The private healthcare expenditure comprised mainly of OOP expenditure.

HCS in Vietnam are dominated by the public sector based on the number of hospitals, although private healthcare expenditure is generally more than public healthcare expenditure. As of 2011, approximately 90% of all hospitals were public, with over 1,000 public hospitals and only 121 private hospitals. Public sector offers HCS through four service tiers—commune, district, provincial and central. The Ministry of Health of Vietnam (MOH Vietnam), which is part of the central tier, handles health policies and administration.

5.2.2 Industry Outlook/Growth Prospects

The government has drafted a 5 year health plan[24] which is targeted to improve several aspects of the healthcare sector including relieving the overburdened healthcare system through the building of new hospitals and clinics. The implementation of the plan is expected to cost approximately VND 436.8 billion (U.S.$ 23.1 billion). Furthermore, the government is also providing fiscal incentives to the private sector for building new hospitals. There is a high level of demand for quality HCS in Vietnam. With its large population, Vietnam is recognised as a potential market offering opportunities for foreign investors in medicine and healthcare. According to the MOH Vietnam, around 40,000 Vietnamese citizens spend about VND 20.7 trillion (U.S.$ 1.1 billion) on medical treatment services overseas each year. Vietnam can therefore be considered as a medical travel source market.

5.3 BRUNEI

5.3.1 Introduction and Background[25]

Brunei's population in 2010 was 398,920 and 3.5% of its population is greater than 65 years (ageing population). The leading causes of mortality were cancer, heart diseases, diabetes mellitus and cerebrovascular diseases. The total healthcare expenditure was estimated at BD 479.7 million (U.S.$ 354.1 million) or 2.8% of GDP. Of this, the private sector constituted around BD 72.4 million (U.S.$ 53.8 million) which mainly comprised OOP expenditure. Private expenditure on health registered a CAGR of 2.0% from BD 66.0 million (U.S.$ 49.0 million) in 2005 to BD 72.4 million (U.S.$ 53.8 million) in 2010.

In Brunei, HCS are provided by public and private sectors. In 2010, there were 4 public hospitals and 2 private hospitals. The private hospitals were Jerudong Park Medical Centre and Gleneagles JPMC Cardiac Centre. In the same year, there were 16 health centres, out of which 15 were public and 1 was private. Brunei had a large number of foreign doctors contributing 68.9% out of 563 doctors in 2010.

5.3.2 Industry Outlook/Growth Prospects

As of 2010, there were 1.35 doctors per 1,000 population and there were 0.1 pharmacists per 1,000 population. This low ratio of healthcare professionals to total population is expected to serve as a significant opportunity for healthcare professionals looking to enter the Brunei healthcare market. The government of Brunei has signed an agreement to develop the Brunei Healthcare Information System (Bru-HIMS), which is a nationwide project to digitise patient care documents and provide electronic medical records. This is expected to result in a single electronic health record that is accessible from any government hospital, clinic or healthcare centre. A key driver for the private healthcare industry in Southeast Asia, including Brunei, is the impending liberalisation of the services sector in 2015 under the ASEAN Economic Community (AEC). Under this agreement, investors will be able to hold over 70% stake in healthcare (one of the four services sectors).

5.4 MACEDONIA

5.4.1 Introduction and Background

Macedonia had a total population of 2,061,000 in 2010. Approximately 17.0% of the population were under 15 years of age and an approximate 11.0% of the population were over 65 years of age. Life expectancy at birth is around 72.8 years for men and 78.1 years for women. The country's disease prevalence pattern is similar to European countries with non-communicable diseases representing the major cause of morbidity and mortality.

The country has seen a steady improvement in the total healthcare expenditure as a percentage of GDP from 6.9% in 2007 to 7.1% in 2010. Private healthcare expenditure has registered a growth of 3.7%, from 9.1 billion Denar (U.S.$ 179 million) in 2005 to 10.9 billion Denar (U.S.$ 236 million) in 2010, accounting for approximately 36.2% of the total healthcare expenditure. Compulsory health insurance is the primary source of healthcare revenues. It is undertaken through the publicly owned health insurance fund. With the introduction of the recent health reforms, a large number of public primary health care (PHC) organisations have been privatised to improve the quality of care by encouraging competition. There has also been a marked shift from a fixed salary system to a per capita payment system for physicians in the public primary healthcare system. The higher salaries in the private healthcare industry are driving the outflow of qualified healthcare professionals, including clinicians, from the public sector to the private sector.

5.4.2 Industry Outlook/Growth Prospects

Enhancement of healthcare, increased satisfaction of patients, raising the quality of HCS, modernisation of equipment, education of doctors and overhaul of infrastructure are expected to be the main priorities of the Macedonian government in 2012. A majority of funds are expected to be allocated to preventive and curative programmes, such as securing insulin for diabetes patients, rare diseases programmes, etc. One of the main goals of the Ministry of Health of Macedonia is to attract more medical travellers into Macedonia. Macedonian and medical travellers currently pay the same price for health services in private hospitals, whereas medical travellers pay 100.0% more than Macedonians in state hospitals.

5.5 SAUDI ARABIA

5.5.1 Introduction and Background

The HCS in Saudi Arabia is categorised into 2 tiers. The first tier HCS mainly provides primary care and providers include public, private and not-for-profit healthcare institutions. Public institutions include healthcare centres and clinics monitored by the Ministry of Health of Saudi Arabia (MOH Saudi Arabia). On the other hand, private HCS providers include private clinics and private polyclinics. Not-for-profit foundations such as the Saudi Red Crescent Authority (SRCA) set up first aid centres and first aid ambulances. Second tier HCS provide specialist treatment and surgery and are mainly located in urban areas. Types of such HCS institutions include general hospitals, advanced hospitals and specialist hospitals, which may be operated by the government (MOH Saudi Arabia) and other government departments or are privately operated. The number of hospitals in Saudi Arabia reached 415 in 2010, of which 288 were public hospitals and 127 were private hospitals. The number of healthcare professionals has also seen an upward trend from 2006 to 2010.

Currently, all citizens of Saudi Arabia receive free healthcare treatment in public healthcare institutions. The healthcare expenditure in Saudi Arabia comprises both public and private expenditure. In 2009, total healthcare expenditure reached 67.0 billion Saudi Arabian Riyals (U.S.$ 17.9 billion), of which 33.0% was accounted by private healthcare expenditure. The government also sponsors medical treatment for citizens in specialised foreign hospitals if their conditions require such treatments. This annual sponsorship amounts to approximately 1.0 billion Saudi Arabian Riyals (U.S.$ 266.7 million).

HCS in Saudi Arabia is mainly driven by the increasing expatriate population that constituted approximately 31.0% or 8.4 million out of total population of 27.1 million in 2010. In January 2006, the government had made it compulsory for all expatriates to have medical insurance coverage provided by the private sector.

5.5.2 Industry Outlook/Growth Prospects

The healthcare expenditure in Saudi Arabia was estimated to be approximately 101.5 billion Saudi Arabian Riyals (U.S.$ 27.1 billion) in 2011 and is forecasted to reach approximately 138.5 billion Saudi Arabian Riyals (U.S.$ 36.9 billion) in 2015, at a CAGR of 8.1%. Private healthcare expenditure is expected to increase as a result of the growth in expatriate population. The Saudi Arabian government is currently planning to further reform the HCS industry. The objectives to be achieved through the reformation include:

- an increase in the number of local healthcare professionals;
- reorganisation and restructuring of the MOH Saudi Arabia;
- an increase in the autonomy of hospitals through decentralisation;
- an introduction of private insurance scheme for all citizens and pilgrims;
- privatisation of public hospitals;
- improvement of the accessibility to health services; and
- implementation of e-health and national health information system.

5.6 UNITED ARAB EMIRATES

5.6.1 Introduction and Background

The United Arab Emirates (UAE) is a federation of 7 emirates namely Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Quwain, Ras al-Khaimah and Fujairah. The country has a decentralised system in providing HCS. The table below illustrates the government bodies that oversee the UAE's HCS system:

Ministry of Health UAE (MOH UAE)	The MOH UAE is the federal authority in charge of regulating healthcare in the Northern Emirates of Sharjah, Ajman, Umm al-Quwain, Ras al-Khaimah and Fujairah.
Federal Health Authority (FHA UAE)	The FHA UAE was established in December 2009 to take over the responsibilities of the Ministry of Health.
Dubai Health Authority (DHA UAE)	The DHA UAE is the regulatory body that oversees the healthcare sector in Dubai.
Health Authority of Abu Dhabi (HAAD UAE)	The HAAD UAE is the regulatory body that oversees the healthcare sector in Abu Dhabi.

Source: Ministry of Health UAE, FHA UAE, DHA UAE and HAAD UAE

The rapid population growth in the UAE, driven mainly by the influx of expatriate workers, has exerted significant pressure on its healthcare infrastructure. From 2006 to 2010, the UAE's population grew from 4.7 million to 7.5 million, registering a growth of 63% for that period. Only approximately 13% of the total population are the UAE nationals. Meanwhile, the rise in chronic lifestyle diseases such as diabetes, respiratory, cardiovascular disease and cancer continue to boost demand for HCS in the UAE.

As a result, the private healthcare sector has become an important sector in providing HCS to UAE's population. As at the end of 2010, the UAE's total healthcare expenditure was recorded at 30.6 billion UAE Dirham (U.S.$ 8.3 billion), out of which 33.3% is made up of private healthcare expenditure. Therefore, it can be seen that the significant increase in the UAE's population is expected to remain the key driver of demand for HCS.

Everyone in the UAE has access to healthcare via mandatory insurance. The UAE nationals enjoy free healthcare under the Thiqa national insurance scheme while expatriates must obtain health insurance in order to work in the UAE. These insurance schemes provide the UAE nationals and other residents access to both public and private healthcare providers. In addition, they can also utilise these insurance schemes to seek for treatment overseas.

5.6.2 Industry Outlook/Growth Prospects

The healthcare expenditure was estimated to be approximately 38.6 billion UAE Dirham (U.S.$ 10.5 billion) in 2011. Going forward, healthcare expenditure is projected to reach approximately 78.1 billion UAE Dirham (U.S.$ 21.3 billion) in 2016, at a CAGR of 15.2% between 2011 and 2016. The government continues to attract top healthcare institutions and medical personnel to the UAE by actively promoting health clusters like the Dubai Healthcare City and DuBiotech in order to provide better healthcare for its nationals and other residents.

5.7 EGYPT

5.7.1 Introduction and Background

According to the Egypt Central Agency for Public Mobilisation and Statistics, Egypt has a population of approximately 81 million and, has according to the CIA World Fact Book, over 31% of its population below the age of 15 years. The country has a high life expectancy at 70 years as compared with other countries in the region (for example, Nigeria has an average life expectancy of only 52 years). The healthcare system in Egypt is state funded through an extensive network of health facilities enabling ease of access to the majority of its population. Despite strong presence of government health insurance, there is a growing market for private spending. In 2010, the general government expenditure accounted for approximately 37.4% of the total healthcare expenditure. Private healthcare expenditure has registered a growth of 15.9% from EP (Egyptian Pound) 16.7 billion in 2005 (U.S.$ 2.9 billion) to EP 35.1 billion (U.S.$ 6.3 billion) in 2010. Healthcare spending contributed approximately 4.7% to Egypt's GDP in 2010. The figure may appear low when compared with a similar measurement in U.S. and major European countries; but is relatively higher as compared with other emerging markets.

In 2007, the government of Egypt announced an intention to devise a new healthcare plan to provide complete insurance coverage to all its citizens by end of 2011. A funding of U.S.$ 900 million was allocated to the development and modernisation of 4,500 local healthcare centres. Public sector accounts for the bulk of hospital care in Egypt. However, the share is steadily declining due to declining quality standards and funding. There has been a significant increase in private healthcare facilities. Between 2006 and 2010, the number of beds in private hospitals increased from 12,277 to 26,307 at a CAGR of 21%. An estimated 60%of primary healthcare visits took place at private clinics and hospitals, indicating a shift in interest to quality care and an increase in healthcare spending in the private healthcare sector.

5.7.2 Industry Outlook/Growth Prospects

The government has developed a comprehensive plan to deliver healthcare with a shift from curative to preventive care. There is an increase in the number of doctors at 2.1 doctors per 1,000 population in 2008 as compared with 0.8 doctors per 1,000 population in 1990. The implementation of this system is expected to increase the demand for private healthcare in Egypt. In November 2011, the public-private partnership unit of the Ministry of Finance of Egypt announced construction of a 200 bed gynaecology and obstetrics specialist hospital in the Smouha area and a new hospital in the Mowassat area specialising in neurosurgery and kidney ailments.

According to the WHO, the incidence of non-communicable diseases such as neuro-psychiatric and digestive diseases are rising in Egypt. An estimated 9.8% of the population were infected by Hepatitis C chronically and the study estimates 500,000 new infections a year. Deaths due to high instances of Hepatitis B also reveal poor hygiene standards in the medical field and open avenues for high quality private healthcare in Egypt.

5.8 UKRAINE

5.8.1 Introduction and Background

Owing to a steep decline in health and living standards, Ukraine reflects low healthcare indicators. The average life expectancy was estimated at 62 years in 2010, down by three years when compared with 1990. The regional average for European countries is 75 years. Adult mortality rates in Ukraine are the highest in the European region at 199 deaths per 10,000 adults with the regional average at 145 deaths per 10,000 adults. About a half of adult mortality is attributable to infection. The total expenditure on health as a percentage of GDP was 7.7% in 2010. Private expenditure on health has increased from 11.4 billion Hryvnia in 2005 (U.S.$ 2.26 billion) to 36.6 billion Hryvnia in 2010 (U.S.$ 4.7 billion) at a CAGR of 26.1%. During the same period OOP expenditure as% of private healthcare expenditure was 93.4%.

The eastern European region is an attractive HCS investment hub. Ukraine has a steadily growing market for medical consumption products with an ageing population, slow improvement in general health and rising disposable incomes. Hence, there is a significant need to improve standards of healthcare to boost investor confidence.

5.8.2 Industry Outlook/Growth Prospects

The HCS industry in Ukraine is transitioning from a capacity based system from the Soviet era to a modernised system. The current public healthcare system provides HCS to all citizens free of charge. However in practice, only basic services are covered. With rising income levels, ageing population and a growing demand for quality healthcare, private expenditure on healthcare is expected to increase. The private healthcare market is at an initial stage of development.

Steps were taken to legislate voluntary medical insurance with an announcement for introduction of a social medical scheme by 2015–2016, following the healthcare reform. A number of legal barriers need to be removed for the set-up of such a system including constitutional amendments guaranteeing healthcare. This system, if implemented, presents opportunities for private healthcare players as the expectation of quality healthcare would be higher than that was provided by the government system.

5.9 ROMANIA

5.9.1 Introduction and Background

Romania spends less on healthcare as a percentage of the budget than any other country in the European Union. In 2012, Romania is likely to spend about 29.14 billion Romanian New Lei (U.S.$ 8.8 billion) which is only around 5.6% of its GDP on healthcare, almost half the EU average. In 2010 it ranked last in this aspect among 33 countries, according to the European Healthcare Consumer Index. In 2010, private healthcare constituted 21.9% of the total healthcare expenditure. Private expenditure on health has registered an annual growth of 15.9% from 3 billion Romania New Lei (U.S.$ 1.02 billion) in 2005 to 6.3 billion Romanian New Lei (U.S.$ 1.98 billion) in 2010. The country has a low prevalence of communicable diseases but an increasing rate of cardiovascular diseases, cancer and other external causes. There is also an increased incidence of preventable lifestyle diseases.

5.9.2 Industry Outlook/Growth Prospects

With a promising future for the private hospitals, private investors invested over 438.0 million Romanian New Lei (U.S.$ 144.1 million) in 2011 in new private clinics and hospitals in the country to improve the same.

The proposed Healthcare bill, presently in its draft stages, could potentially mean major changes for the healthcare industry in the country. The draft law, which has been put out to the public for debate, is expected to allow the privatisation of all hospitals and public clinics, leaving a minimum package of services with the government. Additionally, the public sickness fund, is likely to be replaced by private insurance and contributions to a private healthcare contractor are likely to become mandatory. Industry sources opine that public hospitals could be transformed into joint stock companies or charitable institutions which will result in better management of these hospitals. This is expected to drive the private healthcare sector in Romania.

6 OVERVIEW OF THE HEALTHCARE TERTIARY EDUCATION (HTE) MARKET IN SINGAPORE AND MALAYSIA

6.1 DEFINITION AND SEGMENTATION

HTE refers to education beyond the secondary school level up to postgraduate level, in medicine, dentistry, nursing and midwifery, and health sciences. The main objective of obtaining HTE is to ultimately be a healthcare worker and serve the general public. HTE is provided by colleges, polytechnics, medical schools, universities and other registered educational institutions. The course structure typically combines academic studies and practical trainings in teaching clinics and hospitals. Graduates of HTE may be awarded with the professional certificate, diploma, advanced diploma, Bachelor's degree, Master's degree or PhD degree (Doctorate), depending on the course attended. HTE is typically regulated by governments through their appointed bodies whose main function is to ensure that the education institutions comply with the regulations, standards and guidelines in order to maintain the quality of graduates produced.

6.2 EDUCATION REQUIREMENT FOR A CAREER IN HCS

The following table illustrates HTE education qualifications by discipline and the career options available within HCS and other related sectors. Generally, the track to pursuing a career in healthcare varies between disciplines as well as by the individual country's standards. All professional careers in HCS generally require the personnel to be registered with the relevant institutions or authorities prior to entering the workforce.

Discipline	HTE Qualifications	Career Options
Medicine	Bachelor's Degree (i.e. MBBS, B.Med)	General Practitioner, Healthcare Services Administrator, Occupational Health Officer, Medical Journalism
	Postgraduate (i.e. MRCP, MRCS, MD)	Specialist, Health Consultant, Medical Researcher, Health Educator, Lecturer
Nursing	Certificate/Diploma	Registered Nurse, Assistant Nurse, Nursing Aide
	Bachelor's Degree (i.e. BSc, BMid)	Registered Nurse, Nurse Anaesthetist, Nurse Midwife
Dentistry	Bachelor's Degree (BDS)	Dental Practitioner
	Postgraduate (i.e. MDPH, MRes, MSc. (Clin), PhD, MPhil)	Lecturer, Specialist

Discipline	HTE Qualifications	Career Options
Health Sciences	Certification/Diploma	Clinical Laboratory Technician, Biomedical Equipment Technician, Radiographer, Radiation Therapist, Operating Room Technician, Optician, Oral Hygienist
	Bachelor's Degree (i.e. BSc)	Clinical Laboratory Technologist, Occupational Therapist, Physical Therapist Assistant, Optometrist (O.D), Pharmacist (Pharm.D), Physiotherapist
	Postgraduate (i.e. MSc, PGDip, PGCert	Lecturer, Clinical Laboratory Specialist, Specialist in Blood Banking, Specialist in Haematology, Research Scientist

Source: Compiled by Frost & Sullivan
Note: The examples above are typical of the British healthcare tertiary education.

6.3 HEALTH EDUCATORS AND CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

In addition to supplying new healthcare workers, HTE is also a close collaboration between the educational institutions and the HCS industry to foster a culture of continuous learning. Practicing healthcare professionals may contribute their hours as health educators and share real-life experiences with students and at the same time, be kept informed of new research and breakthroughs in healthcare. Furthermore, HTE institutions are also the centre for CPD certifications. In most countries including Singapore and Malaysia, there is a mandatory requirement for practicing doctors, dentists and nurses to attend CPD training in order to maintain their license as a registered practitioner.

6.4 HTE IN SINGAPORE/MALAYSIA

HTE services market in Singapore and Malaysia are provided by public and private institutions. Programmes offered comprise pre-university, undergraduate and postgraduate programmes that include diploma, advanced diploma, Bachelor's degree, Master's degree and PhD degree (Doctorate) programmes. Students in public educational institutions complete their programmes domestically while students in private educational institutions have the option to complete their studies fully locally or partially abroad. Funding such as scholarships, education loans and financial aids are available to HTE students. The relevant authorities or councils/board governing the HTE market in Malaysia include the Ministry of Health (MOH Malaysia), Ministry of Higher Education (MOHE), Malaysian Qualifications Agency (MQA), MMC, Malaysian Dental Council and Nursing Board Malaysia. In Singapore, the authorities and other responsible governing parties are Ministry of Health (MOH Singapore), Ministry of Education (MOE Singapore), Singapore Medical Council, Singapore Dental Council, Singapore Nursing Board and Allied Health Professional Council.

For the purpose of this report, only the medical education programme in Malaysia and nursing education programme in Singapore are analysed in the following sections.

Generally, the academic duration for a medical programme in Malaysia is 5 years. Doctors will need another 4 to 7 years of postgraduate training to qualify as a general specialist or sub-specialist and to be registered with the National Specialist Register. In terms of overseas career opportunities, medical graduates from HTE institutions in Malaysia may be required to complete a local language test and qualifying exams as well as undergo training or housemanship in order to become fully registered doctors.

In Singapore, nursing degree courses and nursing diploma courses/pre-registration courses take up to 3 years to complete. Registered and enrolled nurses in Singapore are able to work in the United Kingdom, United States and Malaysia without any additional tests or exam requirements. However, enrolled or registered nurses would have to be evaluated individually by authorities overseas prior to their recruitment.

6.4.1 Market Size and Growth

The following table shows total HTE medical programme and nursing programme enrolments and graduates in both Malaysia and Singapore.

		2006	2011E	CAGR (2006–2011E)
Malaysia	Total HTE Enrolment*	26,565	109,811	32.8%
	Total HTE Graduate*	4,642	17,592	30.5%
	Total Medical Programme Enrolment**	14,528	18,972	5.5%
	Total Medical Programme Graduate**	2,712	2,485	–1.7%
	Total Nursing, Health and Social Science Programmes Enrolment***	2,716	77,544	95.5%
	Total Nursing, Health and Social Science Programmes Graduate***	247	13,172	121.5%
		2006E	**2011E**	**CAGR (2006E–2011E)**
Singapore	Total HTE Enrolment	3,169	3,924	4.4%
	Total HTE Graduate	1,665	2,076	4.5%
	Total Medical Programme Enrolment	1,188	1,560	5.6%
	Total Medical Programme Graduate	229	251	1.9%
	Total Nursing Programme Enrolment	1,600	1,881	3.3%
	Total Nursing Programme Graduate	1,253	1,605	5.1%

Source: Department of Higher Education, MOHE, Malaysia; MOH Singapore; Analysis by Frost & Sullivan

Notes:

* *Refers to total domestic HTE enrolment and graduate of medical, dental, nursing and health and social sciences programmes at Doctorate, Master's degree, Bachelor's degree, advanced diploma, diploma and certificate levels.*

** *Refers to domestic enrolment and graduate of medical programmes at Doctorate, Master's degree, Bachelor's degree, diploma and certificate levels.*

*** *Refers to domestic enrolment and graduate of nursing and health and social sciences (presented as one category from the source) programmes at Doctorate, Master's degree, Bachelor's degree, advanced diploma, diploma and certificate levels.*

In Malaysia, the total HTE enrolment was estimated to increase more than four-fold from 2006 to 2011, mainly due to the growth in the number of HTE institutions from 21 to 36[26] during this period. The market share for private HTE enrolment was 73.3% in 2011, underlying the importance of private HTE in Malaysia. The enrolment of medical programmes constituted 17.3% of total HTE enrolments in 2011, and increased at a slower rate of 4.5% from 2010 due to the MOH Malaysia's announcement in 2011 to limit new medical programmes. Meanwhile, enrolments for domestic private undergraduate medical programmes were increased by 0.6% from 6,245 in 2009 to 6,280 in 2010. Similarly, the total HTE graduates were estimated to increase by almost four times from 2006 to 2011. The number of medical graduates was estimated to be reduced by 8.4% from 2006 to 2011, and was mainly attributed to the drop of the medical programme enrolment in the public educational institutions in 2005. Meanwhile, the number of domestic private undergraduates for medical programme had increased by 0.8% from 650 in 2009 to 655 in 2010.

The total HTE enrolment in Singapore was estimated to increase by approximately 20.0% from 2006 to 2011, mainly driven by the estimated increase in medical and dental programme enrolments. The enrolment of nursing programme was estimated to constitute 47.9% of total HTE enrolment in 2011, at a growth rate of 17.6% from the total nursing enrolment in 2006. Total HTE graduates in 2011 were estimated to grow by approximately 25.0% from 2006 whereas the growth rate of nursing graduates over the same period was 28.2%.

6.4.2 Demand/Supply

In 2011, there were a total of 36 HTE institutions in Malaysia. 11 of these institutions were public in nature while the remaining 25 were private institutions. From 2006 to 2011, 11 new medical educational institutions were established in Malaysia, bringing the total number of medical educational institutions in the country to 29 (refer to HTE institutions highlighted in bold in the footnote). 18 out of these 29 institutions were privately-run. The Malaysian HTE market is driven by factors such as the growing demand for healthcare professionals in the country and global market, the government's effort in driving the market, availability of education funding to students and partnerships with established foreign educational institutions. Constraints that exist in the HTE market include lack of training hospitals, shortage of nursing job vacancies, the ability of existing institutions to establish partnership with foreign educational institutions, rigorous educational path and course financing.

The number of HTE institutions in Singapore had grown from 13 in 2006 to 16 in 2011. In 2006, there were 11 HTE institutions offering nursing education in Singapore and the number had grown to 13 in 2011. The HTE market in Singapore is driven by factors such as the government's efforts to ease the shortage of healthcare professionals, availability of funding to students and the established profile of the domestic and foreign partnered educational institutions at the global level. Market restraints include the limited places in HTE institutions and the rigorous educational path.

---

[26] *These 36 HTE institutions are institutions that offer undergraduate and postgraduate medical, dental and pharmaceutical programmes as well as institutions that offer nursing degree programme: Universiti Malaya, Universiti Kebangsaan Malaysia, Universiti Sains Malaysia, Universiti Putra Malaysia, International Islamic University Malaysia, University Malaysia Sarawak, University Malaysia Sabah, Universiti Sains Islam Malaysia, Universiti Teknologi Malaysia, University DarulIman Malaysia, Universiti Pertahanan Nasional Malaysia, IMU, Monash University Sunway Campus, Management & Science University—International Medical School, Bangalore, Melaka Manipal Medical College, Penang Medical College, AIMST University, University Kuala Lumpur, UCSI University, Allianze University College of Medical Science, Cyberjaya University College of Medical Sciences, MAHSA University College, Taylor's University, Newcastle University Medicine, University Tunku Abdul Rahman, MASTERSKILL University College of Health Science, SEGi University College, Insaniah University College, Perdana University, Open University Malaysia, Lincoln University College, KDU University College Malaysia, International University College of Arts & Science, HELP University, The University of Nottingham, Malaysia Campus and Penang International Dental College.*

The common barriers to entry for both Malaysian and Singaporean HTE markets include the high capital expenditure required to establish HTE institutions, the difficulty to obtain operating licenses to run private HTE institutions and competition with established HTE institutions.

6.4.3 Competition and Positioning

As of 2011, there were 29 HTE institutions providing medical programmes in Malaysia, out of which only 20 (including IMU) were recognised under the Medical Act 1971. According to the MMC, in 2010, only 7 private medical educational institutions out of these 20 recognised institutions produced doctors who had provisional registration with the MMC, as shown below. In addition, the ratings of these institutions under the 2009 'Rating System for Malaysian Higher Education Institutions (SETARA)' carried out by the MQA are also shown. The objective of SETARA is to measure the quality of teaching and learning at the undergraduate level of universities and university colleges in the country through six tiers (being Tier 6 as the highest tier).

Private Educational Institutions with Undergraduate Medical Programmes	No. of Provisionally Registered Doctors in 2010	Market Share (%)	SETARA Ranking 2009 (latest ranking)
Melaka Manipal Medical College	266	35.6	N/A
IMU	139*	18.6	Tier 5
AIMST University	136	18.2	Tier 4
Penang Medical College	115	15.4	N/A
University Kuala Lumpur Royal College of Medicine Perak	43	5.7	N/A
UCSI University	34	4.5	Tier 4
Monash University, Jeffrey Cheah School of Medicine and Health Sciences	15	2.0	Tier 5 (Sunway Campus)
Total	748	100.0	—

Source: MMC and MQA, Analysis by Frost & Sullivan
Note:
* *Excluded medical students transferred to IMU's network of partnered medical educational institutions.*

The number of provisionally registered doctors who graduated from these 7 private medical educational institutions in Malaysia stood at 748 in 2010, out of which 139 were from the IMU and hence, indicated a market share of 18.6% for IMU. In terms of SETARA, IMU was ranked Tier 5 in 2009 and this was the highest achievable rating in the exercise.

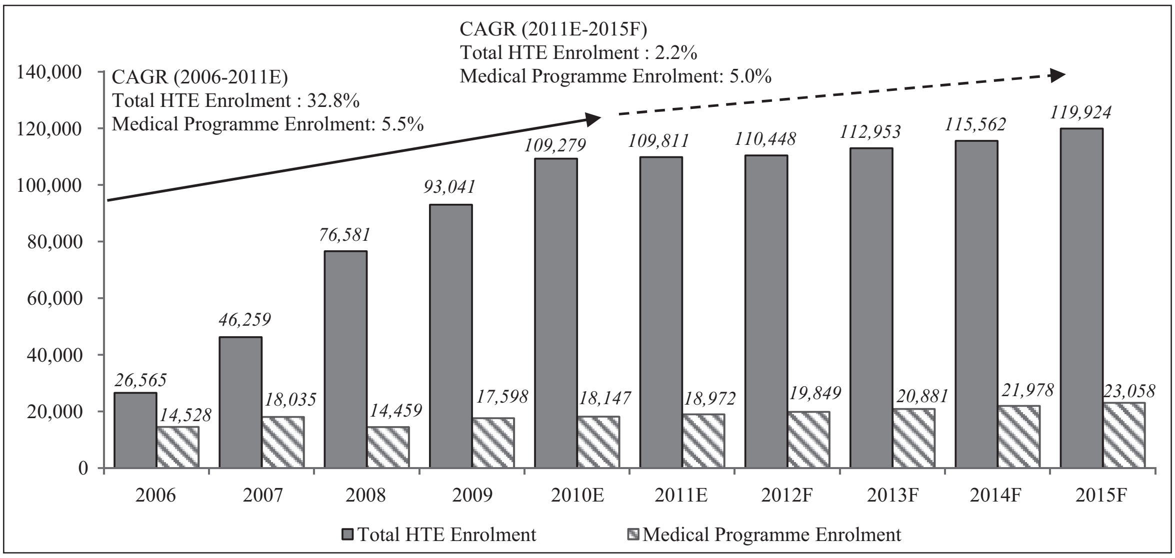
In terms of the total enrolment of undergraduates in the medical programme in private educational institutions, the number stood at 6,280 in 2010. IMU recorded 1,432 enrolments in the same year which translates to a market share of 22.8%.

Given the fairly significant market shares based on these two approaches and the high SETARA rating achieved by the IMU, IMU is considered as one of the leading HTE institutions in Malaysia. In addition, IMU is the first private HTE institution offering local and foreign programme in Malaysia.

The nursing education in Singapore is provided by 4 public HTE institutions and 9 private HTE institutions. In 2011, the estimated number of enrolment for nursing programmes was 1,881. Parkway College's nursing enrolments was recorded at 541 in the same year, indicating a market share of 28.8%.

6.4.4 Future Trends/Outlook

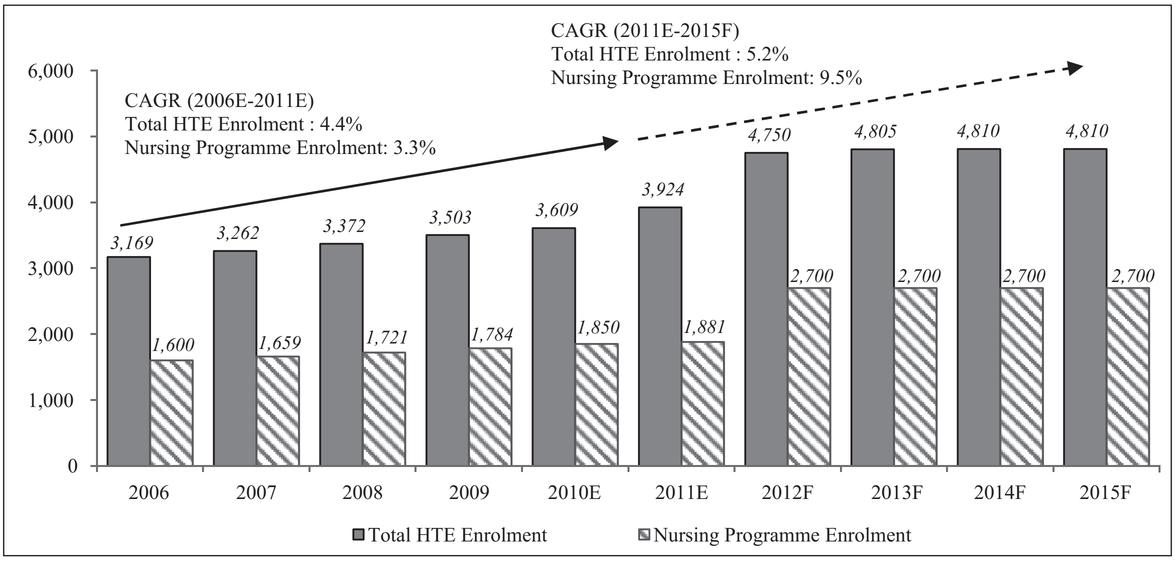
The following chart shows the growing trends for total HTE and medical programme forecast enrolments in Malaysia from 2006 to 2015.



Source: Department of Higher Education, MOHE Malaysia; Analysis by Frost & Sullivan
Notes: Total HTE enrolment refers to total domestic enrolment of medical, dental, nursing and health and social sciences programmes at Doctorate, Master's degree, Bachelor's degree, advanced diploma, diploma and certificate levels. Medical programme enrolment refers to domestic enrolment at Doctorate, Master's degree, Bachelor's degree, diploma and certificate levels.

The HTE and medical programme enrolment trends are expected to be on an upward trend from 2011 to 2015, achieving forecasted CAGRs of 2.2% and 5.0% respectively. CAGRs for total HTE and medical programme enrolments between 2006 and 2015 are forecasted to be 18.2% and 5.3% respectively. Meanwhile, the HTE graduates trend is forecasted to increase from approximately 17,592 in 2011 to approximately 19,704 in 2015, at a CAGR of 2.9%. Graduates from the medical programmes are expected to increase from approximately 2,485 in 2011 to approximately 2,934 in 2015, at a CAGR of 4.2%, indicating a higher supply of doctors to the healthcare workforce in Malaysia to meet the targeted doctor per population ratio of 1:600 by 2016. Private HTE institutions are expected to maintain a dominant market share in the HTE market in Malaysia, with enrolment market share forecasted to be 71.4% in 2015. The government will continue to develop the private education sector under the ETP. One of the entry point projects (EPPs), "Building A Health Sciences Education Discipline Cluster" is specifically set to drive the private healthcare education sector and a total fund of RM 1.4 billion (U.S.$ 458.9 million) has been allocated to drive this EPP.

Similar trends are also expected in Singapore as depicted in the following chart:



Source: MOH Singapore, Analysis by Frost & Sullivan

Overall, enrolment trends are expected to be on an upward trend from 2011 to 2015 as the Singaporean government is putting efforts to ease the shortage of doctors and nurses in the country by increasing programme intakes. The annual nursing programme intake is expected to increase to 2,700 since 2012 as announced by the government. The forecasted CAGRs for total HTE and nursing programme enrolments between 2011 and 2015 are 5.2% and 9.5% respectively. CAGRs for total HTE and nursing programme enrolments between 2006 and 2015 are estimated to be 4.7% and 6.0% respectively. The HTE graduate trend is expected to increase from approximately 2,076 in 2011 to approximately 3,099 in 2015 at a CAGR of 10.5%. Nursing graduates are forecast to increase from approximately 1,606 in 2011 to approximately 2,430 in 2015, at a CAGR of 10.9%. The increasing nursing enrolment and graduate trends are expected to be the main driver to the projected increasing trend of nurses/midwives in Singapore.

7 APPENDIX

7.1 CURRENCY CONVERSION TABLE

All data against U.S.$		*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Singapore Dollar	***SGD***	*1.5886*	1.5067	1.4142	1.4545	1.3636	1.2558	1.2647
Malaysian Ringgit	***MYR***	*3.6527*	3.4266	3.3242	3.5151	3.2115	3.0511	3.0567
Turkish Lira	***TRY***	*1.4305*	1.3018	1.3024	1.5519	1.5048	1.6744	1.7963
Indian Rupee	***INR***	*45.1772*	41.3463	43.6470	48.4363	45.7127	46.7352	50.4999
Chinese Renminbi	***CNY***	*7.9643*	7.5980	6.9356	6.8214	6.7620	6.4554	6.2949
Hong Kong Dollar	***HKD***	*7.7678*	7.8013	7.7861	7.7511	7.7682	7.7841	7.7587
Thai Baht	***THB***	*37.8533*	32.0599	32.7474	34.0942	31.5150	30.2803	30.8485
Indonesian Rupiah	***IDR***	*9,155.5600*	9,124.2800	9,653.8100	10,389.8000	9,055.6300	8,717.9400	9,020.7200
Vietnamese Dong	***VND***	*15,541.4000*	15,738.3000	16,180.3000	17,483.3000	18,919.9000	20,452.0000	20,755.8000
Brunei Dollar	***BND***	*1.5640*	1.4866	1.3975	1.4371	1.3462	1.2390	1.2464
Saudi Riyal	***SAR***	*3.7497*	3.7448	3.7462	3.7466	3.7444	3.7489	3.7495
UAE Dirham	***AED***	*3.6720*	3.6713	3.6717	3.6718	3.6721	3.6724	3.6723
Egyptian Pound	***EGP***	*5.6596*	5.5675	5.3865	5.5083	5.5866	5.9156	6.0074
Ukraine Hryvnia	***UAH***	*4.8534*	4.8873	5.1576	7.9525	7.8509	7.8866	7.9217
Romanian New Lei	***RON***	*2.7994*	2.4271	2.5061	3.0405	3.1703	3.0394	3.3226
Macedonian Denar	***MKD***	*47.7615*	44.0582	41.6180	43.9831	46.1181	43.8309	46.7164
Russian Rouble	***RUB***	*27.1770*	25.5727	24.8484	31.6268	30.3087	29.3303	30.2245
Japanese Yen	***JPY***	*116.2900*	117.7700	103.4200	93.5800	87.7800	79.7000	78.8300
British Pound	***GBP***	*0.5433*	0.4997	0.5447	0.6409	0.6473	0.6235	0.6376
South-Korean Won	***KRW***	*940.1610*	922.8140	1,096.7400	1,272.6800	1,153.2600	1,105.7300	1,129.2100
Euro	***EURO***	*0.7967*	0.7306	0.6832	0.7190	0.7546	0.7188	0.7642

Notes:

All currency exchange rates are sourced from http://www.oanda.com/currency/historical-rates/. The respective year's annual average exchange rate is applied to the local currencies throughout this report, to compute the U.S.$ equivalent. Exchange rates for 2005 to 2011 are actual annual average exchange for the respective years. Exchange rates for 2012 is the average of the period January 1, 2012 to March 21, 2012 and is applied to all forward looking numbers in this report.

CORPORATE STRUCTURE AND HISTORY

History and Development

Our Company was incorporated in Malaysia on 21 May 2010 as a holding company for Khazanah's healthcare investments in Parkway, Pantai, IMU Health and Apollo. Our Company was converted to a public company on 2 April 2012. On 20 April 2012, our Company changed its name to IHH Healthcare Berhad.

Our Company undertook a voluntary general offer for Parkway through its subsidiary, IHHL, which was successfully completed in August 2010, resulting in Parkway subsequently being delisted from the Main Board of the SGX-ST on 24 November 2010.

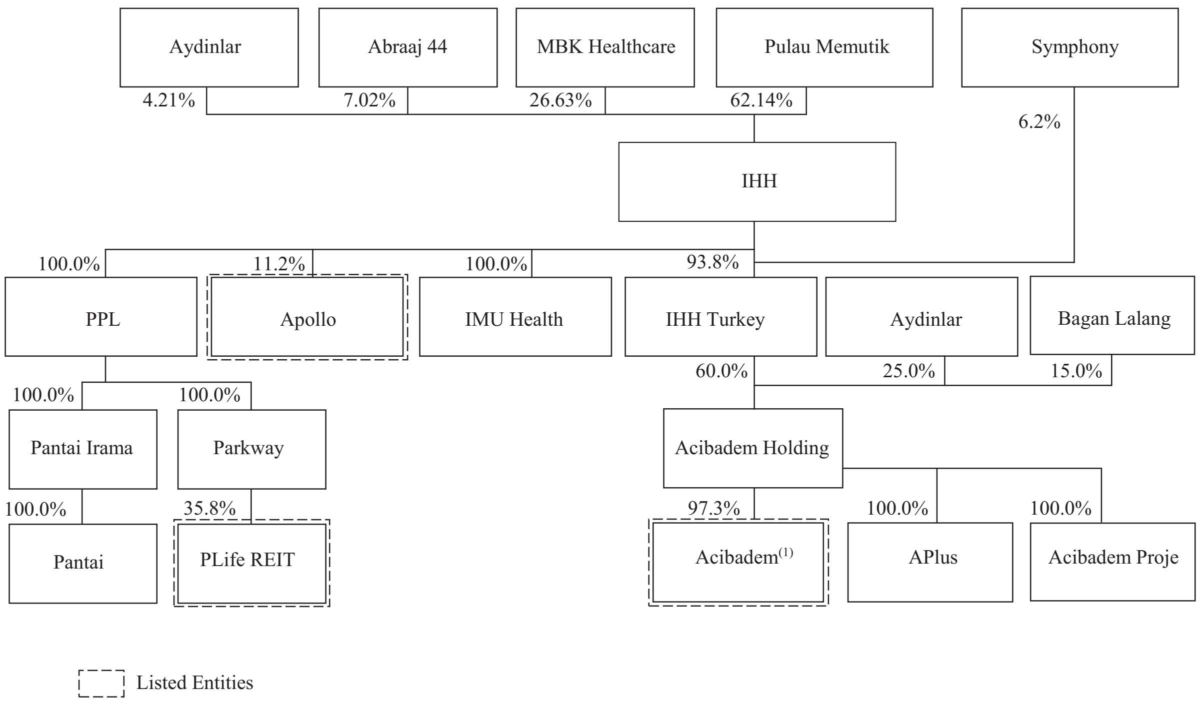
During 2011, our Company also underwent an internal restructuring that resulted in, among other things, the creation of PPL, an indirectly wholly-owned subsidiary of our Company, and in the transfer of Parkway and Pantai Irama (which holds a 100.0% equity interest in Pantai) to PPL. Following this restructuring, PPL holds 100.0% of each of Parkway and Pantai (through Pantai Irama), which we believe enabled us to streamline operations and achieve greater synergies and cost savings. On 16 May 2011, Mitsui, a company which is primarily listed on the Tokyo Stock Exchange, became Khazanah's strategic partner in our Company by acquiring a 30.0% equity interest in our Company through its wholly-owned subsidiary, MBK Healthcare.

On 24 January 2012, our Company completed the acquisition of an indirect 60.0% equity interest in Acibadem Holding in exchange for cash and Shares for a total purchase consideration of approximately USD825.72 million, satisfied by cash payment of approximately USD275.24 million and issuance of our Shares valued at approximately USD550.48 million, which is subject to adjustments as described in "Statutory and Other General Information—Material Contracts". On completion of this acquisition, Acibadem Holding held, through its wholly-owned subsidiary, Almond (Turkey), a 92.0% equity interest in Acibadem as well as a 100.0% equity interest in Acibadem Proje and a 100.0% equity interest in APlus. Following the acquisition, the shareholders of Acibadem Holding, Mehmet Ali Aydinlar, Hatice Seher Aydinlar and Almond (Netherlands) held equity interests of 3.91%, 0.30% and 7.02%, respectively, in our Company and the shareholding of each of MBK Healthcare and Pulau Memutik was diluted to 26.63% and 62.14%, respectively. Mehmet Ali Aydinlar and Hatice Seher Aydinlar have collectively transferred a portion of their shareholdings in our Company to SZA Gayrimenkul which is a company wholly-owned by Aydinlar. As at 1 June 2012, SZA Gayrimenkul, Mehmet Ali Aydinlar and Hatice Seher Aydinlar held equity interests of 2.30%, 1.61% and 0.29% respectively, in our Company. On 5 April 2012, the shareholders of Almond (Netherlands) passed a resolution to dissolve Almond (Netherlands) and to approve the transfer of its 7.02% equity interest in our Company to Abraaj 44 in two tranches. The transfer was completed on 5 June 2012. The acquisition of Acibadem Holding is part of our strategy of expansion into the Middle East. Acibadem is a well-known brand in the private healthcare sector in Turkey. We believe that a strong presence in Turkey through Acibadem Holding allows our Company to scale-up our presence in the region and provides a stronger platform for further expansion there. In addition, we believe that, as a company, Acibadem Holding is also a strong fit with our Company in terms of targeting the mid- to high-end segment of the private healthcare services market with high-quality, cutting edge medical services and with its integrated business model incorporating hospitals, outpatient clinics as well as ancillary healthcare businesses.

Acibadem is a listed company on the ISE and is registered with the CMB. Under the rules of the CMB, our indirect acquisition of a majority stake in Acibadem through the acquisition of 60.0% equity interest in Acibadem Holding (which then owned 92.0% equity interest in Acibadem through its wholly-owned subsidiary, Almond (Turkey)), resulted in a mandatory tender offer requirement for the remaining 8.0% equity interest in Acibadem being triggered. The mandatory tender offer was launched by Almond (Turkey) on 27 March 2012 and was open for 10 business days, concluding on 9 April 2012. Upon completion of the mandatory tender offer, Almond (Turkey) held a 97.3% equity interest in Acibadem. The Board of Directors of Acibadem has resolved to delist Acibadem from the ISE, and has applied to the CMB and the ISE for voluntary delisting, which is conditional upon the approval of the general assembly of shareholders of Acibadem as well as the approval of the relevant regulators. In addition, other restructuring alternatives may be considered, such as a merger of Acibadem Holding, Almond (Turkey) and Acibadem under a single legal entity in order to streamline the Acibadem Group structure and management. No firm decision regarding the merger of the above companies has been taken as of the date of this Prospectus.

On 8 February 2012, Symphony acquired a 6.3% equity interest in IHH Turkey, a subsidiary of our Company, through a combination of new shares issued by IHH Turkey and the purchase of existing shares from IHT Yatirimlari, which was subsequently diluted to 6.2% due to the capitalisation of its shareholder's loan by IHT Yatirimlari. Upon completion of this Listing, Symphony's existing shareholding in IHH Turkey will have been exchanged for new Shares in our Company. See "Statutory and Other General Information—Share Capital" for our Company's current shareholding in IHH Turkey.

The resulting summarised shareholding and group structure of our Company as at 1 June 2012 is set forth below:



Note:

(1) In April 2012, the Board of Directors of Acibadem resolved to initiate a delisting procedure from the ISE.

See "Description of Our Shares—Share Capital" for further details.

As at 1 June 2012, our Company held directly and indirectly 100.0% equity interest of PPL, 60.0% of Acibadem Holding, 100.0% of IMU Health, 35.8% of PLife REIT and 11.2% of Apollo.

Significant events

Listed below are the significant events in the development of PPL, Acibadem and IMU.

PPL

- 1974 – Pantai built its first hospital, Pantai Hospital Kuala Lumpur in Malaysia.
- 1987 – Parkway entered the healthcare business when it acquired Gleneagles Hospital in Singapore.
- 1989 – Parkway entered the healthcare business in Malaysia when it acquired a 70.0% equity interest in Pulau Pinang Clinic, which was later renamed Gleneagles Medical Centre, Penang.
- 1990 – Pantai was listed on Bursa Securities in Malaysia.
- 1995 – Parkway acquired Mount Elizabeth Hospital and East Shore Hospital (now known as Parkway East Hospital) and the Shenton Medical Group (now known as the Parkway Shenton) primary care clinic chain in Singapore.
- 2002 – Parkway entered into a joint venture agreement with the Brunei Investment Agency to own and operate the Gleneagles JPMC Cardiac Centre in Brunei Darussalam.
- 2002 – Parkway delisted Medi-Rad and Parkway Lab, which were originally listed in Singapore in 2000, from the Stock Exchange of Singapore Dealing and Automated Quotation System.
- 2003 – Parkway's Apollo Gleneagles Hospital in Kolkata, India became operational.
- 2005 – Parkway acquired a 31.0% equity interest in Pantai, which was then a group of seven hospitals in Malaysia.
- 2005 – Parkway entered the healthcare business in the PRC through a cooperative joint venture to develop medical and surgical centres, clinics and hospitals.
- 2006 – Parkway swapped its direct 31.0% equity interest in Pantai and formed a 40:60 joint venture company with Khazanah called Pantai Irama, which controlled Pantai.
- 2007 – Following the completion of a mandatory offer by Pantai Irama, Pantai was delisted from Bursa Securities.
- 2007 – Parkway entered into a HMA to manage Pantai's seven hospitals in Malaysia.
- 2007 – Parkway's wholly-owned subsidiary, Parkway Healthcare, entered into an agreement with Koncentric Investments Ltd. to develop and operate a hospital in Mumbai, India, which is expected to become operational at the end of 2012.
- 2007 – Parkway acquired a 60.0% effective equity interest in the World Link Group, a Shanghai-based chain of medical centres and clinics, which has an expatriate-focused outpatient network of clinics in the PRC, and opened Gleneagles Medical and Surgical Centre in Shanghai, the PRC. Parkway acquired an additional 10.0% equity interest in the World Link Group in 2009.
- 2007 – Parkway entered into lease and leaseback arrangements for each of its three Singapore hospital properties with a real estate investment trust, PLife REIT, which has been listed on the

Main Board of the SGX-ST since August 2007, and subsequently held a 35.8% equity interest in PLife REIT. Our Company owns 100.0% of Parkway Trust Management, the manager of PLife REIT.

- 2008 – Parkway successfully bid for land in Singapore to build its greenfield project, Mount Elizabeth Novena Hospital. The hospital is scheduled to open its first phase by July 2012.

- 2010 – Parkway entered into a consultancy agreement and HMA with Hoa Lam-Shangri-La Healthcare LLC to manage City International Hospital in Ho Chi Minh City, Vietnam.

- 2010 – Khazanah transferred its 60.0% equity interest in Pantai Irama and its 23.8% equity interest in Parkway to our Company. (Our Company effectively holds 69.5% in Pantai Irama).

- 2010 – Our Company made a successful voluntary general offer for Parkway's shares and subsequently delisted Parkway from the Main Board of the SGX-ST. After the delisting, we held a 100.0% equity interest in Parkway and Pantai Irama.

- 2011 – Parkway entered into a consultancy agreement and HMA to manage SIMC in the Pudong district of Shanghai, the PRC, and opened its first medical centre in Hong Kong.

- 2012 – PPL acquired a 70.0% equity interest in Twin Towers Healthcare, the holding company of Twin Towers Medical Clinic in Kuala Lumpur, Malaysia. This marks PPL's first entry into the primary care business in Malaysia.

Acibadem

- 1991 – Acibadem commenced its operations with Acibadem Kadikoy Hospital in Istanbul.

- 2000 – Acibadem was listed on the ISE, becoming the first and only healthcare service provider to be listed in Turkey.

- 2003 – Acibadem entered into an affiliation agreement with Harvard Medical International for the education, training and professional development of Acibadem's staff, as well as know-how and experience sharing. The agreement was terminated in 2008.

- 2004 – The Aydinlar family contributed to Acibadem's development into an integrated healthcare business through the formation of Acibadem Proje (which is involved in hospital design, construction and supervision). Acibadem continued this development by acquiring a 50.0% equity interest in Acibadem Labmed (which is involved in laboratory services).

- 2005 – Acibadem acquired a 50.0% equity interest in International Hospital in Istanbul, which was Turkey's first private tertiary hospital.

- 2006 – APlus (which is involved in catering, laundering and cleaning services for hospitals) commenced operations.

- 2007 – Abraaj announced the acquisition of a 50.0% equity interest in Acibadem, which was completed in 2008.

- 2009 – Acibadem's flagship hospital, Acibadem Maslak Hospital, commenced operations along with Acibadem Adana Hospital and Acibadem Kayseri Hospital, all three within a two-month period.

- 2009 – Acibadem acquired an additional 40.0% equity interest in International Hospital.

- 2011 – Acibadem completed the acquisition of a 50.3% equity interest in Acibadem Sistina and a 50.0% equity interest in Acibadem Sistina Medikal, which is a provider of medical equipment, in Macedonia, approximately one year after first signing an affiliation agreement with Acibadem Sistina Skopje Clinical Hospital, the hospital operation that is owned and operated by Acibadem Sistina, in which Acibadem agreed to share its experience, know-how and brand recognition. This was Acibadem's first foreign investment outside Turkey.

- 2012 – Our Company acquired an indirect 60.0% equity interest in Acibadem Holding, which was restructured to include Acibadem Proje and APlus.

- 2012 – Acibadem signed a share purchase agreement in January 2012 to acquire a 65.0% equity interest in Jinemed Saglik, which operates Jinemed Hospital and Jinemed Medical Centre in Istanbul, Turkey. The share transfer is expected to be completed within 2012.

- 2012 – Following the completion of the mandatory tender offer in April 2012, the Board of Directors of Acibadem resolved to delist Acibadem shares from the ISE. Such delisting is subject to the approvals of the general assembly of shareholders and the relevant regulators such as the CMB and the ISE.

IMU

- 1992 – International Medical College was founded in Malaysia.

- 1992 – International Medical College partnered with five foreign medical universities in relation to its medical programme.

- 1996 – International Medical College partnered with University of Strathclyde to start an MSc in Pharmacy programme and initiated the two intake per year model for Phase One of its medical programme.

- 1999 – International Medical College was granted university status in February, becoming the International Medical University.

- 1999 – IMU launched its own MBBS programme.

- 2004 to 2005 – IMU launched its own pharmacy, nursing and postgraduate programmes.

- 2008 – IMU launched six new academic programmes, comprising dental, psychology, nutrition and dietetics, pharmaceutical chemistry, medical biotechnology and biomedical science programmes.

- 2010 – IMU Health became a 100.0% subsidiary of our Company.

- 2010 to 2011 – IMU launched chiropractic, Chinese medicine and MSc in Public Health programmes, bringing its total number of academic programmes to 17.

- 2011 – IMU increased the number of partner universities across several of its programmes.

OUR BUSINESS

OVERVIEW

We will be one of the largest listed private healthcare providers in the world based on market capitalisation upon Listing. We focus on markets in Asia and in the CEEMENA region, which we believe are highly attractive growth markets. We operate an integrated healthcare business and related services which have leading market positions in our home markets of Singapore, Malaysia and Turkey, and we also have healthcare operations and investments in the PRC, India, Hong Kong, Vietnam, Brunei and Macedonia. Our global healthcare network operates over 4,900 licensed beds in 30 hospitals with one additional hospital in Turkey, the acquisition of which is pending completion, as well as medical centres, clinics and ancillary healthcare businesses across eight countries. In addition, we have over 3,300 new beds in the pipeline to be delivered through new hospital developments and expansion of our existing facilities over the next five years which includes two potential hospital development projects in Turkey, which are under discussion as at 1 June 2012 (see "Our Business—Acibadem" for further details). These new beds in the pipeline also include approximately 760 new beds in those facilities which we will expect to manage through HMAs, over the next five years. As at 31 March 2012, we employed more than 24,000 people worldwide. Our core businesses are operated through our key subsidiaries, namely PPL, Acibadem Holding and IMU Health. We believe our businesses provide us with the ability to successfully position and grow our assets in attractive markets, execute our operating plan and strengthen our operations and financial performance. For the year ended 31 December 2011 and the three months ended 31 March 2012, we had total historical combined revenues of RM3,328.8 million (USD1,043.5 million) and RM1,276.2 million (USD400.1 million), respectively, and total pro forma revenues of RM5,190.8 million (USD1,627.2 million) and RM1,476.4 million (USD462.8 million), respectively.

PPL is the holding company for our integrated Parkway and Pantai healthcare businesses in Singapore and Malaysia, respectively, and also has investments and operations in the PRC, India, Hong Kong, Vietnam and Brunei. It is one of Asia's largest private healthcare providers with a network of 16 hospitals, six of which are JCI accredited, with more than 3,000 licensed beds, over 60 medical centres and clinics, and ancillary healthcare businesses. For the year ended 31 December 2011 and the three months ended 31 March 2012, PPL contributed 95.1%, and 66.3%, to our Company in terms of total historical combined revenue, respectively, and 59.4%, and 57.3%, to our Company in terms of total pro forma revenue, respectively.

Acibadem Holding owns Acibadem, an integrated private healthcare and diagnostics provider with an extensive network across Turkey and a leading player in the Turkish private healthcare sector. As at 1 June 2012, Acibadem operates 14 hospitals and has one other hospital in Istanbul, Jinemed Hospital, the acquisition of which is pending completion. Of its 14 hospitals, eight hospitals are in Istanbul (one of which, Aile Hospital Goztepe, was operational until April 2012 and is currently undertaking structural reinforcement of the hospital building which is leased), and five hospitals are in other large population centres across Turkey. Acibadem also operates a hospital in Macedonia through a subsidiary. Acibadem had eight JCI accredited hospitals but as at 1 June 2012 we had voluntarily withdrawn the JCI accreditation of two hospitals. Consequently, as at 1 June 2012, six hospitals are JCI accredited. In addition, one hospital in Turkey is pending JCI accreditation, and the hospital in Macedonia is in the process of preparing its application for JCI accreditation. Acibadem also operates nine outpatient clinics and has one other outpatient clinic in Istanbul, Jinemed Medical Centre, the acquisition of which is pending completion. In addition, Acibadem Holding owns stand-alone ancillary healthcare businesses, including Acibadem Mobil, APlus and Acibadem Proje, as well as laboratory services, such as Acibadem Labmed, which further support the integrated nature of its operations. For the year ended 31 December 2011 and the three months ended 31 March 2012, Acibadem Holding contributed 37.5%, and 39.8%, to our Company in terms of total pro forma revenue, respectively.

IMU Health operates IMU, a private university based in Malaysia offering medical, dental, pharmacy, nursing, health science and complementary medicine programmes. It was Malaysia's first private healthcare university to offer local and foreign programmes. For the year ended 31 December 2011 and the three months ended 31 March 2012, IMU contributed 4.8%, and 3.3%, to our Company in terms of total historical combined revenue, respectively, and 3.1%, and 2.9%, to our Company in terms of total pro forma revenue, respectively.

In addition to its core businesses, our Company owns equity interests in PLife REIT and Apollo. PLife REIT, which is listed on the Main Board of the SGX-ST in Singapore, is one of Asia's largest healthcare real estate investment trusts with 36 properties with a carrying amount of SGD1,397.9 million (RM3,452.8 million and USD1,092.1 million) as at 31 March 2012, and a market capitalisation of SGD1,119.2 million (RM2,764.4 million and USD874.4 million) as at 1 June 2012. As at 1 June 2012, our Company indirectly owned a 35.8% equity interest in PLife REIT as well as a 100.0% equity interest in Parkway Trust Management, the manager of PLife REIT. Our Company is entitled to a share of PLife REIT's distributions and to 100.0% of the management fees.

As at 1 June 2012, our Company owned an 11.2% equity interest in Apollo, one of India's largest private healthcare providers, operating a wide network of hospitals predominantly based in India. Apollo's principal line of business is the provision of healthcare services, through hospitals, pharmacies, projects and consultancy services and primary care clinics. Apollo is listed on the Bombay Stock Exchange and the National Stock Exchange of India. It was voluntarily delisted from the Madras Stock Exchange with effect from 29 November 2006. Apollo had a market capitalisation of Rs.86,213.3 million (RM4,827.2 million and USD1,512.0 million) as at 1 June 2012.

OUR COMPETITIVE STRENGTHS

We will be one of the largest listed private healthcare providers in the world based on market capitalisation upon Listing. Our integrated healthcare network provides the full spectrum of healthcare services, from primary healthcare clinics, to secondary and tertiary hospitals, to quaternary care and post-operative rehabilitation centres, complemented by a wide range of ancillary services including diagnostic laboratories, imaging centres, ambulatory care, medical education facilities, hospital project management and other related services. We have successfully developed our businesses through organic growth and acquisitions.

We believe our key competitive strengths include:

Leading market positions in highly attractive growth markets

We focus on markets in Asia and the CEEMENA region, which we believe are highly attractive growth markets. Our global healthcare network operates over 4,900 licensed beds across 30 hospitals with one additional hospital in Turkey, the acquisition of which is pending completion, as well as medical centres, clinics and ancillary healthcare businesses across eight countries. In addition, we have over 3,300 new beds in the pipeline to be delivered through new hospital developments and expansion of our existing facilities over the next five years, which includes two potential hospital development projects in Turkey, which are under discussion as at 1 June 2012 (see "Our Business—Acibadem" for further details). These new beds in the pipeline also include approximately 760 new beds in those facilities which we will expect to manage through HMAs, over the next five years.

The markets in which we operate benefit from a range of attractive dynamics including increasingly affluent and rapidly ageing populations, as well as an increasing demand for quality private healthcare services, underpinned by supportive government policies.

We have leading market positions in our home markets:

- in Singapore, we are the largest private healthcare provider in terms of number of licensed beds with a market share of approximately 43.9% as at 31 December 2011, according to Frost & Sullivan. Our new high-end, state-of-the-art Mount Elizabeth Novena Hospital, which is scheduled to open by July 2012, will provide an additional 333 beds when it is fully operational and is expected to further consolidate our leadership in this market;

- in Malaysia, our hospital network, operating under the "Pantai" and "Gleneagles" brands, is the second largest private healthcare provider in the country in terms of number of licensed beds with a market share of approximately 15.1% as at 31 December 2010, according to Frost & Sullivan; and

- in Turkey, our Acibadem hospital network is the largest private healthcare provider in the country in terms of number of non-SGK and partial-SGK beds as at 31 December 2011, and had a market share of approximately 5.2% in terms of total private hospital beds (including full-SGK, partial-SGK and non-SGK beds) as at 31 December 2010 according to Frost & Sullivan. We are primarily focused on the affluent Istanbul region but are also building our presence across Turkey and into neighbouring countries.

Our home markets of Singapore, Malaysia and Turkey also act as important hubs for medical travel within their respective regions, which further expands our patient catchment area and provides growth potential for our business.

In addition, with respect to our healthcare operations in other key markets:

- in the PRC, we are a major foreign-owned private healthcare operator, operating eight medical centres and clinics in Shanghai and Chengdu, and intend to leverage our existing presence to become one of the leading private healthcare providers in the country. We also operate a medical centre in Hong Kong; and

- in India, we have a strong and growing presence and have a business relationship with Apollo, one of the largest private healthcare providers in the country with more than 8,200 beds across 51 hospitals in India and internationally as at 31 December 2011. Apollo Gleneagles Hospital in Kolkata is operated through our 50/50 joint venture with Apollo.

Highly recognised brands with a reputation for clinical excellence

Our key hospitals are recognised for regularly performing complex high-intensity clinical procedures requiring highly experienced surgeons and advanced facilities, adopting global best practices and achieving outstanding patient outcomes. The standard of healthcare services we provide has been acknowledged by renowned international and regional quality accreditation agencies such as the JCI, the ISO, the MSQH and the EFQM, which enhances our reputation for clinical excellence and helps us attract additional patients and doctors to our facilities.

All of our three existing hospitals in Singapore are accredited by the JCI. Our "Mount Elizabeth" and "Gleneagles" brands are the most admired and reputable private hospital brands in Singapore and Indonesia according to a study by Millward Brown undertaken in 2011 for PPL. Our Mount Elizabeth

Hospital and Gleneagles Hospital have significant experience in performing advanced procedures and are referral destinations for complex high-intensity clinical cases. We believe Mount Elizabeth Hospital was the first private hospital in Singapore to offer cardiac catheterisation, cardiac surgery and neurosurgery and, together with Gleneagles Hospital, have successfully carried out more than 750 living donor kidney and liver transplant cases in over 10 years, as well as numerous haematopoietic stem cell transplants and bone marrow transplants. We believe our new high-end, state-of-the-art Mount Elizabeth Novena Hospital will complement our existing hospital network by further enhancing the scale and scope of our healthcare services and reinforcing our position as the leading provider of private healthcare services in Singapore.

In Malaysia, our "Pantai" brand has the strongest reputation among private hospitals, according to the same Millward Brown study. In addition, our "Pantai" and "Gleneagles" hospitals are among the preferred healthcare providers for many large domestic and multinational corporations.

Similarly, we believe our award-winning "Acibadem" brand is synonymous with quality healthcare services in Turkey. Our hospitals are able to perform and have had a high success rate in performing advanced clinical procedures, including living donor organ transplants. With a focus on clinical quality, patient safety and care, we believe Acibadem has a history of delivering clinical outperformance compared to industry benchmarks. Six of our Acibadem hospitals are accredited by the JCI, which is the most out of any private hospital group in Turkey.

We believe that our brands are also becoming increasingly recognised internationally, attracting additional patients from neighbouring regions through medical travel and assisting our expansion into new markets.

As a responsible corporate citizen, we are also committed to corporate and social responsibility and hold in high regard ethical, humanitarian and environmental aspects in the conduct of our business. For example, we regularly coordinate teams of doctors and other personnel to help with various global relief efforts, including in connection with the Haiti earthquake in 2010 and the Aceh tsunami in 2004.

Integrated healthcare service continuum in our home markets

Our hospitals and other healthcare facilities in our home markets offer the full spectrum of services across the healthcare value chain from primary healthcare clinics, to secondary and tertiary hospitals and to quaternary care and post-operative rehabilitation centres. They are positioned to complement each other and provide the most effective value propositions toward our target patient segments. This comprehensive and integrated service offering provides a convenient one-stop continuum of care together with quality clinical outcomes, which attracts new patients, promotes long-term patient retention and also enables us to realise synergies across our Group through, amongst others, cross-referrals and leveraging best practices.

In Singapore, our Mount Elizabeth Hospital is positioned to serve the needs of medical travellers from across Southeast Asia, whereas our Gleneagles Hospital is positioned to address the mid- to high-income domestic market, including local expatriates. Our Parkway East Hospital focuses on community patients and third party payers and has also recently agreed with the MOH Singapore to lease beds to the public sector. These hospitals are complemented by our various diagnostic laboratories, imaging centres and healthcare education facilities as well as our Parkway Shenton business, which is one of the leading private primary care groups in Singapore, with a total registered patient pool of more than 450,000, serving over 2,000 corporate clients and also acts as a feeder system for our hospitals.

Our new Mount Elizabeth Novena Hospital will be positioned to service demand from premium medical travellers and high-income domestic patients requiring complex, high-intensity clinical treatments. As compared to our other Singapore hospitals which have a combination of single-bed rooms and suites and double- and four-bed rooms, Mount Elizabeth Novena Hospital will have the capacity to operate up to 333 rooms and suites, all of which will have single-beds. We view Mount Elizabeth Novena Hospital as a differentiated broadening of our healthcare service offering. Hence, we expect limited demand cannibalisation between it and our other hospitals in Singapore, especially considering the current shortage of premium hospital beds in Singapore.

We have adopted a dual-pronged brand positioning strategy in Malaysia. Our "Pantai" hospitals predominantly target the mid- to high-income domestic segment whilst our "Gleneagles" hospitals serve the premium domestic, local expatriate and medical travel markets. Our hospitals are also segmented geographically and complement each other through our hub-and-spoke model, whereby spoke hospitals, generally operating in smaller cities and large towns, act as a source of referrals for more complex cases to hub hospitals, which generally operate in large urban centres and offer a greater number of clinical specialties. Our ongoing and planned new hospital developments will aim to address underpenetrated regional markets and provide greater pan-Malaysian coverage, including in East Malaysia.

Our business in Turkey is segmented both geographically and demographically, serving Istanbul and other large population centres across the country. Our premium "Acibadem" hospitals and outpatient clinics target affluent patients, who pay for their own medical expenses or have private insurance, and our other "Aile Hastanesi" hospitals target mid-income patients. In addition, our hospital network in Turkey is supported by a range of ancillary services, including Acibadem Mobil, APlus and Acibadem Proje, as well as laboratory services, such as Acibadem Labmed, to ensure quality control and efficiency of services provided.

Ability to attract high quality doctors and medical support staff

Our reputation for clinical excellence, premium healthcare facilities and advanced medical technology, together with our efficient management and information systems, enables us to attract not only patients, but also quality doctors and medical support staff. We believe our doctors are among the most experienced within their respective markets, with a number having previously served as departmental heads and recognised as leaders in their fields. This allows our hospitals to provide more complex and higher intensity clinical cases, which we believe acts as a strong barrier to entry to our competitors. In addition, we believe that the concentration of highly skilled professionals within our Group creates a high-performance culture and environment which attracts and further encourages other quality personnel to join us.

Our hospitals in Singapore have over 1,200 credentialed specialist doctors, representing approximately 36.0% of the total number of specialist doctors and over 90% of the total number of private specialist doctors in Singapore. Our flagship Singapore hospitals, Mount Elizabeth Hospital and Gleneagles Hospital, are strategically located within dense medical clusters, with 70.0% to 85.0% of private specialist doctors practising within close proximity. We believe these dynamics also attract additional doctors and patients to our facilities. In Malaysia, our hospitals have over 760 credentialed specialist doctors, one of the highest concentrations in the country. In Turkey, our Acibadem hospital and outpatient clinics network employs over 1,800 doctors, of whom approximately 1,300 are specialist doctors, and more than 350 are also professors or associate professors, which is one of the highest concentration of professors and associate professors amongst healthcare providers in the country.

We believe that the physician engagement business models we employ are attractive to doctors by offering them significant autonomy as well as opportunities to create and develop their personal brand name. At our PPL hospitals, doctors are typically self-employed practicing in medical suites, and at our Acibadem hospitals, the majority of doctors are contracted with a revenue sharing structure. We believe such business models also align interests and incentives between doctors and our hospitals and reflect the different business environments of the countries in which we operate. Going forward, we expect to continue to employ these respective physician engagement business models at our PPL and Acibadem hospitals. Our ability to attract leading doctors has recently been reflected by the strong demand for, and pricing achieved, in the sale of medical suites at our new Mount Elizabeth Novena Hospital, despite being launched during the financial crisis of 2008 to 2009. We believe the majority of doctors who will practise from Mount Elizabeth Novena Hospital's medical suites will be highly qualified and experienced specialist doctors.

In IMU, Parkway College and Pantai College, we also own a successful and dynamic healthcare education business, which offers ongoing training programmes for our personnel and addresses the development needs of the next generation of healthcare professionals. Nurses who are sponsored by us and trained at Parkway College and Pantai College are typically committed to practise at our hospitals for at least five to six years, including training time, which provides a steady supply of nurses to our hospitals. We also have an arrangement with Acibadem University whereby Acibadem University can use some of our hospitals' and medical centres' facilities for the practical training of its medical students. Acibadem University is an educational institution owned by a non-profit foundation outside of our Group, which has provided medical education and medical training programmes in Turkey since 2009 and provides academic teaching opportunities for our doctors. IMU and Acibadem University offer healthcare professionals in our Group opportunities for collaborative research and we believe that such opportunities may attract quality consultants, faculty, other educational staff and students to work in our Group.

Strong track record of operational and financial performance

We have a strong track record of sustained revenue and EBITDA growth across our businesses. On a pro forma basis, revenues at our PPL and Acibadem businesses have grown at a 10.1% CAGR and a 23.2% CAGR, respectively, between 31 December 2009 and 31 December 2011 while their EBITDA has grown at a 7.4% CAGR and a 41.8% CAGR, respectively, over the same period. Our businesses have been resistant to adverse economic conditions, achieving revenue growth and remaining profitable even during the financial crisis of 2008 to 2009.

We adopt stringent methodologies and hurdle rates in the evaluation of new projects and investments. This coupled with our extensive experience and expertise in identifying, implementing and developing new hospital projects has allowed us to achieve strong organic growth and enjoy attractive returns on our investments. In the case of our brownfield development, Pantai Hospital Klang, we were able to turn around the operations of the hospital from an operating loss position prior to 2007 to achieving an operating profit margin of approximately 15.2%, 19.1% and 21.0% for the years ended 31 December 2008, 2009 and 2010, respectively. Similarly, under Acibadem's management, our Acibadem Maslak Hospital commenced operations in March 2009 and achieved a positive gross EBITDA within its first year of operation. Our strong track record provides us with the confidence in our ability to achieve similar successes with our upcoming new developments globally. We expect to complete our new Mount Elizabeth Novena Hospital, which raises the bar in standards of hospital layout and design, by July 2012, on schedule and within the allocated budget.

We intend to continue to expand and strengthen our business through selective mergers and acquisitions. We believe our acquisitions of Parkway, Pantai, Parkway Shenton and the World Link Group demonstrate our ability to successfully identify, execute and integrate value-enhancing transactions.

Experienced management team backed by reputable shareholders

We believe the experience, depth and diversity of our management team to be a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Many of our senior management team and hospital managers are also qualified doctors, which gives us first-hand and in-depth knowledge of the intricacies of hospital operations, as well as experience in working with other doctors.

The members of our senior management team have extensive industry experience and have been instrumental to and possess a strong track record of building our businesses in Asia and the CEEMENA region. Further, they have been and are empowered to drive the growth of the businesses in their respective geographic markets.

Dr. Lim Cheok Peng, Managing Director of our Company and Vice Chairman of PPL, is a cardiologist by profession and has over 25 years of experience in the international healthcare sector. Dr. Lim has been steering Parkway's healthcare efforts since 1987.

Dr. Tan See Leng, Executive Director of our Company, Managing Director and Group Chief Executive Officer of PPL has over 20 years of experience in the healthcare industry. Dr. Tan first joined Parkway in September 2004 as Chief Operating Officer of Mount Elizabeth Hospital.

Mehmet Ali Aydinlar, Director of our Company, Executive Director, Chairman and CEO of Acibadem, has been involved in the healthcare sector since 1993. He is currently Chairman of the Turkish Accredited Hospitals Association and has won numerous awards in Turkey including "2006 Male Entrepreneur of the Year", "2006 Businessman of the Year" and the "2008 Healthcare Management Prize" which were awarded by Ekonomist Magazine, Istanbul University Faculty of Management and Dunya Newspaper and Hastane (Hospital) Magazine, respectively.

Additionally, with the support of our major shareholders including Khazanah, the investment holding arm of the Government of Malaysia entrusted to hold and manage the Government of Malaysia's commercial assets and to undertake strategic investments, and Mitsui, one of the largest trading houses in the world, we see significant upside potential for our business from leveraging on their strong relationship networks and accessing future financing at attractive rates.

OUR STRATEGIES AND FUTURE PLANS

We aim to strengthen and expand our leading market positions, continuously improve the quality of our healthcare services and deliver long-term value for our shareholders via the following strategies:

Grow and strengthen our leading presence in our home markets

To serve the growing demand for premium private healthcare services in our home markets of Singapore, Malaysia and Turkey, we are implementing plans to significantly increase the number of beds across our hospital networks through new hospital developments, expansion of existing facilities and selective acquisitions.

We expect our new high-end, state-of-the-art Mount Elizabeth Novena Hospital in Singapore, which will have the capacity to operate up to 333 beds, to benefit from significant demand for premium healthcare services, extend our leadership in the growing Asian medical travel market and alleviate single-bed capacity constraints from our other hospitals in Singapore. In addition we seek to expand our facilities and upgrade infrastructure at our Mount Elizabeth, Gleneagles and Parkway East hospitals, extend our primary care clinic network, open additional CoEs and set up new advanced clinical programmes to increase the promotion of day surgery and outpatient services. In the ordinary course of our business, we also participate in tenders in the public and private sectors.

We plan to continue to grow our business via our established hub-and-spoke model in Malaysia and are in the process of increasing bed capacity at existing facilities as well as building new hospitals. Our planned Gleneagles Medini and Gleneagles Kota Kinabalu greenfield projects, both of which are intended to be hub hospitals and scheduled to open by 2015, are expected to add to an initial combined 400 beds, which will subsequently be expanded to 550 beds and expand our presence to East Malaysia and southern Peninsular Malaysia. Pantai Hospital Manjung, which is being developed and scheduled to open by early 2014, is intended to be a new spoke hospital development, with the capacity to operate up to 100 beds and aimed at providing services to the community in the upcoming Manjung township. Additional initiatives in Malaysia include a targeted doctor recruitment programme, increasing the number of ambulatory care centres and setting up new specialised CoEs and advanced clinical programmes to achieve greater clinical differentiation from our competitors.

We are constantly seeking to implement initiatives to increase operational efficiency. For example in Singapore, we have been converting multi-bed wards at Mount Elizabeth Hospital and Gleneagles Hospital to single-bed wards and implementing greater clinical pricing segmentation to improve ward utilisation rates and achieve ward rate uplifts. In addition, we have arrangements with the MOH Singapore to lease a number of beds at Parkway East Hospital to Changi General Hospital, a public hospital in Singapore. Patients using these leased beds will be cared for by doctors from Changi General Hospital. This initiative will allow us to reach out to a wider segment of the local population and to optimise our bed occupancy rate while actively engaging in the MOH Singapore's Public Private Partnership initiative.

In Turkey, we intend to continue to enhance and expand our operations in both the premium and the mid-market hospital segments through selective acquisitions of hospitals and outpatient clinics, facility upgrades, capacity expansions and new greenfield developments in Istanbul and other large population centres across the country as well as potentially in other countries in the CEEMENA region. We are also planning to further develop our ancillary businesses, especially to third party customers. We currently have two greenfield hospital projects under development in Turkey, which are expected to add an initial combined 188 beds by 2013. In addition, as at 1 June 2012, we have signed a letter of intent to develop a potential greenfield hospital project located in the Taksim neighbourhood of Istanbul, Turkey and are also in discussions to develop a potential hospital via a brownfield project that is also located in Istanbul, Turkey (see "Our Business—Acibadem" for further details).

Further expand into attractive geographies in Asia and across the CEEMENA region

We believe there are attractive opportunities for us to continue to expand internationally. We intend to develop our presence across the markets where we have identified strong growth potential and where we can leverage our existing capabilities, expertise and reputation. We are currently primarily focused on expanding our businesses in the PRC, India, Hong Kong and selected countries in the CEEMENA region through greenfield and brownfield projects, HMAs, strategic partnerships and joint ventures together with selective acquisitions:

- in the PRC, we aim to be a leader in private healthcare with a strong base in Shanghai focusing on the premium healthcare segment by leveraging on our existing primary and secondary care network. We have been appointed as the start-up consultant and operator for SIMC, a 450-bed private hospital in the Shanghai International Medical Zone in the Pudong District of Shanghai. We have also signed a non-binding letter of intent to invest through a joint venture with a party in the PRC to develop a 450-bed private tertiary hospital in the New Hong Qiao Medical Hub in the Minhang District of Shanghai. As at 1 June 2012, we intend to invest in the abovementioned project together with another Hong Kong-based party. Additionally, we plan to expand our presence across the PRC through our established hub-and-spoke model;

- in India, we aim to be a leader in the premium tertiary care segment. Our new joint venture Gleneagles Khubchandani hospital, scheduled to open at the end of 2012, is located in Juhu, Mumbai and will target the high-income patient segment. We plan to expand our presence across major cities through brownfield and greenfield joint ventures and acquisitions with a focus on the northern and western regions of the country;

- in Hong Kong, we, potentially with a minority joint venture partner, intend to bid for landmark greenfield sites with the aim of developing premium tertiary hospitals. The tender process for two sites was publicly announced by the Hong Kong Government on 13 April 2012 and bidding is scheduled to close on 27 July 2012. We have also established our flagship clinic in Central and aim to expand our clinic network and ancillary businesses in the Hong Kong Special Administrative Region; and

- in the CEEMENA region, we plan to further expand our regional presence and are continually evaluating attractive new greenfield development and selective acquisition opportunities, such as our recent purchase of a controlling interest in Acibadem Sistina. We have also entered into a memorandum of understanding in November 2010 to explore developing a new greenfield hospital project in Egypt. In addition, our other potential expansion markets include Albania, Azerbaijan, Greece, Kazakhstan, Iraq, Libya, Romania, Russia, Saudi Arabia and Serbia.

In our secondary expansion markets, including a number of Southeast Asian countries, such as Vietnam and Indonesia, and Middle Eastern countries, such as the United Arab Emirates and Saudi Arabia, we intend to continue to adopt HMAs as the preferred entry model and to potentially position such facilities as referral centres for our hospitals in our home markets. We also plan to use medical centres and clinics, specialist units, as well as ancillary services as other market entry methods for such markets.

We are confident that our strong track record in developing and integrating healthcare services across multiple geographies will enable us to become a leader in these rapidly developing markets and achieve sustainable growth for our business.

Continue to capture growth in medical travel globally

We expect medical travel to continue to be a key growth driver for our business. The medical travellers we target typically favour a recognised brand name as well as a reputation for clinical excellence. We believe we are well positioned to enhance our leadership position in the medical travel market through the continued provision of quality healthcare services and a growing presence in strategic locations across Asia and the CEEMENA region.

Singapore is a key hub for medical travel in Asia, with an estimated 461,000 medical travellers in 2011, according to Frost & Sullivan. It also acts as an important evacuation centre for emergency treatments in the Southeast Asia region. With medical travellers representing more than 25.0% of total patients at our Singapore hospitals in 2011, we expect our leadership in this market to be further solidified following the opening of our Mount Elizabeth Novena Hospital, scheduled to open by July 2012, given its focus towards premium medical travellers and complex clinical procedures.

We anticipate strong growth in Malaysia's medical travel market, driven by the price competitiveness of its healthcare services together with increased regional connectivity and the upgrading of its domestic healthcare infrastructure. We aim to further strengthen our position in this market with our Malaysian hub hospitals through the continued enhancement of our facilities and service offering, as well as our new premium hospital developments such as Gleneagles Medini, which will serve as the flagship hospital in southern Peninsular Malaysia.

Strategically located between Europe, Asia and the Middle East, Turkey has emerged as one of the most popular destinations for medical travel in the CEEMENA region, with an estimated 125,000 medical travellers in 2011, according to Frost & Sullivan. Our Acibadem hospital network is a major provider to the medical travel market, catering to over 19,000 foreign patients in 2011. With a team of over 40 multi-lingual patient specialists and through initiatives including partnerships and special agreements with foreign governments and institutions in the region, we believe we are well-positioned to capture additional growth and extend our leadership in this attractive market segment.

Leverage our scale, market positions and business integration to enhance profitability

Following our recent acquisition of Acibadem Holding, we have significantly expanded our scale and geographic reach and are in the process of increasing collaboration and integration across our businesses globally to enhance profitability across our Group.

We believe our increasing scale and leading market positions provide us with attractive opportunities to realise quality, revenue and cost synergies through various initiatives including:

- more efficient sourcing and procurement of medical equipment and consumables;
- minimising duplication and utilising outsourcing efforts in financial reporting, information technology and other line functions;
- sharing of project development expertise and management best practices;
- coordination of marketing strategy across the markets we focus on; and
- cross-referrals within the Group, especially from our primary care facilities, as well as between our hub and spoke healthcare facilities.

We have a successful track record in integrating new businesses and realising synergies within our Group. After its acquisition in 1995, Mount Elizabeth Hospital was further developed by our management into a leading private hospital in the Southeast Asia region through the introduction of new clinical specialties and other quality enhancement initiatives, which has significantly improved revenues and profitability at the hospital. In addition, following our acquisition of Pantai and its integration with Parkway, we have been able to significantly improve business efficiency and extract synergies. For example, for the eight months commencing from the implementation of our internal synergies programme, up to 31 December 2011, we were able to achieve cost savings of approximately SGD19.0 million (as compared to our expected budgeted costs for the same period) within our Singapore and Malaysia operations through sharing of management expertise, centralising procurement of key capital expenditure and operating expense items and leveraging joint marketing efforts, as well as other operational best practices to improve hospital performance. Moreover, at Mount Elizabeth Novena Hospital, we were able to achieve capital expenditure savings of approximately SGD29.0 million for the year ended 31 December 2011 (as compared to our expected budgeted expenditures for the same period) in relation to key medical and non-medical equipment.

Continue to attract, retain and develop quality medical personnel

Our ability to attract, retain and develop quality medical personnel to support our expansion plans is crucial to our growth strategy and we continue to implement initiatives to recruit leading doctors and medical support staff. We believe we offer an attractive working environment with quality brand names, a high concentration of quality healthcare specialists, sustained patient flow, world-class facilities and systems, ongoing training initiatives, high levels of doctor autonomy, as well as opportunities for personal career development.

We believe we are a pioneer in introducing the concept of providing medical suites that can be purchased or leased by doctors and which are strategically placed within close proximity to our hospitals. For example, such medical suites at our Mount Elizabeth Novena Hospital have proven extremely attractive for leading specialist doctors. We believe that being able to provide professional consultation services at their own suites on-site promotes the alignment of interests between doctors and our hospitals whilst maximising our ability to attract and retain such medical personnel and their patients at our facilities.

We expect our education businesses, IMU, Parkway College and Pantai College, to continue to provide quality healthcare professionals for Singapore and Malaysia as well as for our hospitals. We believe this will complement our Group's talent acquisition strategy, which also includes recruitment of quality foreign healthcare professionals.

OUR BUSINESS OPERATIONS

Our core businesses currently own, manage or operate general and acute care hospitals, primary care clinics, freestanding surgery centres, outpatient centres, patient assistance centres, health screening facilities, radiology facilities, laboratories, rehabilitation and physical therapy centres, clinical research organisations and various other facilities. Through such facilities, we provide patients with primary care, secondary care, tertiary care and quaternary care. For a further discussion of these types of services, see "Industry Overview". We also own, manage and operate a medical university and two nursing colleges which provide a range of medical and healthcare programmes. In addition, we also provide a variety of management, consultancy and ancillary services to other healthcare companies, including hospital management services, project development and construction services.

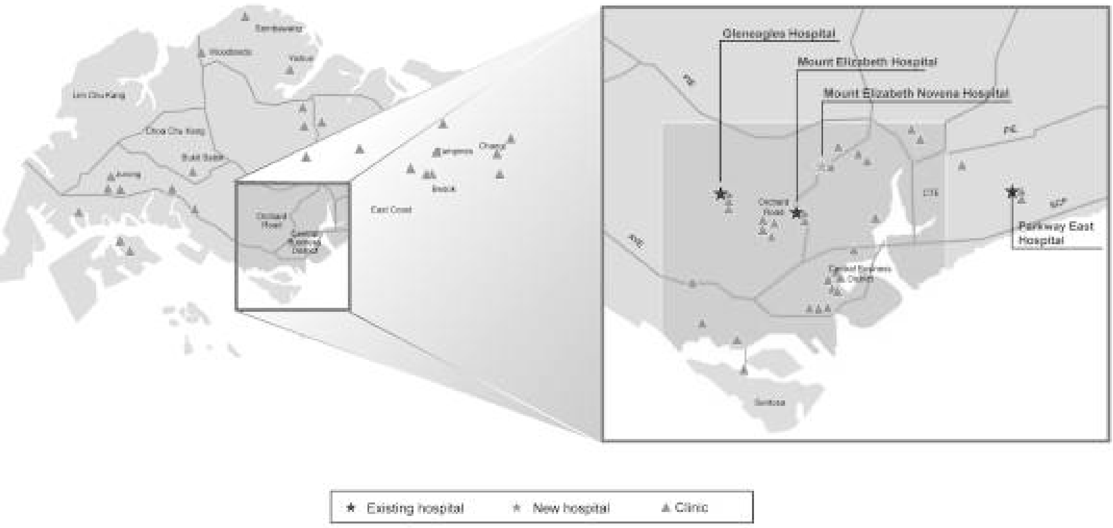
PARKWAY PANTAI

PPL is one of Asia's largest private healthcare providers and operates in six countries across Singapore, Malaysia, the PRC and Hong Kong, India, Vietnam and Brunei. PPL has integrated operations across the healthcare value chain; it has a network of 16 hospitals with more than 3,000 licensed beds in aggregate, as well as medical centres and clinics and ancillary healthcare businesses. PPL divides its business operations into three geographic categories, namely Singapore, Malaysia and International.

SINGAPORE OPERATIONS

PPL is the largest private healthcare provider in Singapore and operates the Mount Elizabeth, Gleneagles and Parkway East hospitals, all of which are JCI accredited. As at 1 June 2012, over 1,200 specialist doctors were credentialed by PPL to admit patients to its three hospitals in Singapore. PPL's Singapore hospitals also house CoEs and advanced clinical programmes. In addition, PPL has medical centres and clinics, health screening facilities, radiology facilities, laboratories, education facilities, a clinical research organisation, rehabilitation services, a corporate insurance business and a third party administration business in Singapore which complement its hospital network. This broad range of services offered by PPL's businesses provides it with an integrated presence across the primary, secondary, tertiary and quaternary healthcare sectors in Singapore. PPL's Singapore operations contributed 62.1% in terms of PPL's total pro forma revenue for the year ended 31 December 2011 and 62.1% for the three months ended 31 March 2012.

The map below sets out the locations of PPL's hospitals and clinics in Singapore as at 1 June 2012.



Singapore hospitals

PPL is the largest private hospital provider in Singapore with a market share of approximately 43.9% as at 31 December 2011 in terms of the number of licensed beds, according to Frost & Sullivan. PPL operates Mount Elizabeth Hospital, located in the centre of the Orchard shopping and tourism district, which is the largest private hospital in Singapore in terms of the number of operational beds, Gleneagles Hospital, located in one of Singapore's most exclusive residential neighbourhoods, and Parkway East Hospital, which is the only private hospital on the eastern side of the island. These hospitals are multi-specialty hospitals and their facilities have been regularly upgraded and renovated to maintain their high standards. In addition, PPL is building Mount Elizabeth Novena, a high-end, state-of-the-art tertiary hospital with the capacity to operate up to 333 beds, which is expected to commence operations by July 2012.

For its Singapore hospitals, PPL grants qualified doctors, who must be specialist doctors accredited by the Singapore Medical Council, privileges to admit patients into PPL's hospitals. These doctors are considered to be credentialed doctors. A doctor may be credentialed at more than one of PPL's hospitals.

In Singapore, most of the credentialed specialist doctors are independent medical practitioners. They operate from clinics, which are either in medical office buildings co-located with PPL's hospitals or in PPL's hospitals itself or located in the vicinity of PPL's hospitals. These credentialed specialist doctors may refer patients to one of PPL's hospitals for further care and use of inpatient facilities. The credentialed specialist doctors continue to consult and treat the patient while PPL provides the inpatient facilities, equipment and services of PPL's medical staff for a fee. These specialist doctors may also refer patients to PPL's medical centres, clinics and ancillary healthcare businesses and receive patients who are referred to them by PPL's medical centres, clinics and ancillary healthcare businesses. PPL employs nurses, resident physicians and ancillary medical and support staff directly at its hospitals and other healthcare operations in Singapore.

PPL has established itself as a market leader in medical travel in the region, with 43.2% of its Singapore hospital revenue in 2011 being contributed by patients with a foreign country of residence, as set forth in the table below for the year ended 31 December 2011.

Country of residence	**Percentage of revenue**	
Singapore		56.8%
Indonesia	20.7%	
Malaysia	4.2%	
Bangladesh	2.6%	
Vietnam	1.4%	
Middle East/Africa	2.4%	
Eastern Europe	0.8%	
United States	0.4%	
Others(1)	10.7%	
Non-Singapore		43.2%
Total		**100.0%**

Note:

(1) Includes the rest of Southeast Asia, China, India, Japan, Western Europe and Australia.

While the rates charged by PPL's Singapore hospitals are the same whether the patient is a Singapore resident or a visitor, medical travellers tend to require more complex treatments and procedures, thus resulting in the average revenue per medical traveller being higher than the average revenue per local patient.

In order to consolidate its position in the medical travel market, PPL has established over 30 CPACs across Asia, the Middle East, and Eastern Europe, which are service centres that handle medical travellers' patient files, refer them to the appropriate credentialed doctor in PPL's network and arrange their visa, travel and hospitality arrangements. CPACs also serve as PPL's sales and marketing presence in the medical travel market, liaising with individual patients, insurance providers, corporate clients and governments. PPL has established its own Parkway Air Ambulance Service and also works with third party evacuation companies.

The following table sets forth certain operating statistics for the hospitals in Singapore which PPL operates as at and for the periods indicated. Hospital operations are subject to certain seasonal fluctuations, including decreases in inpatient business primarily during school holidays and festive periods.

	Year ended 31 December			Three months ended 31 March
	2009	**2010**	**2011**	**2012**
Number of hospitals at end of period	3	3	3	3
Number of beds (licensed) at end of period(1)	1,008	743	730	730
Number of beds (operational) at end of period(1) . .	724	714	716	719
Inpatient admissions(2)	46,961	49,182	51,036	13,261
Average length of stay (days)(3)	3.4	3.3	3.3	3.3
Occupancy rate(4)	60%	62%	64%	67%
Average revenue per inpatient admission (in SGD/RM)(5)	6,625/15,900	6,874/16,498	7,463/17,911	8,024/19,258
Average revenue per patient day (in SGD/RM)(5) . .	1,962/4,709	2,091/5,018	2,275/5,460	2,437/5,849

Notes:

* PPL and Acibadem do not compile certain of their operational data, including the number of operational beds, the average length of stay and the occupancy rate, on the same basis and therefore, these amounts may not be comparable.

(1) Licensed beds are approved number of beds by MOH Malaysia which a facility regularly maintains and staffs. Operational beds is an internal measure for which we include those of our licensed beds which we utilise for patients.

(2) Represents the total number of inpatients admitted to our hospitals.

(3) Represents the average number of days an inpatient stays in our hospitals.

(4) Represents the percentage of hospital operational beds occupied by inpatients.

(5) The Singapore Dollar amounts have been translated for convenience into Ringgit Malaysia at the rate of SGD1.00: RM2.40.

As part of our measurement of operational performance, we use "occupancy rates" as a performance indicator of the utilisation of our available operational beds. We use occupancy rates to alert us if our hospitals have a potential operational bed capacity issue which may affect doctors' ability to admit their patients. Occupancy rates are a measure of the number of inpatients against the number of available operational beds, not a measure of revenue or profitability. This is because revenue or profit derived from an inpatient also includes, over and above room charges, other healthcare and medical services and fees, pharmaceutical drugs and consumables and (in relation to Acibadem) doctors' fees, which can vary significantly from inpatient to inpatient.

The decrease in licensed beds between 2009 and 2010 was due to a re-classification by MOH Singapore under which the number of licensed beds became a closer reflection of the number of operational beds. The decrease in licensed beds between 2010 and 2011 was due to the conversion of double-bedded rooms to single-bed rooms, as well as to a reconfiguration of some of the wards in PPL's Singapore hospitals to increase operational efficiency. For the year ended 31 December 2011, single-bed rooms and suites, including those in the ICU and HDU wards, accounted for approximately half of the operational beds at each of Mount Elizabeth Hospital and Gleneagles Hospital.

Our hospital operations in Singapore began over 20 years ago. Each of our hospitals in Singapore is JCI accredited and provides a wide variety of medical and surgical services, which are described below as at 1 June 2012.

Hospital	Key specialist services provided	Number of licensed beds	Number of operating theatres[(1)]
Mount Elizabeth Hospital	Cardiothoracic vascular surgery, neurosurgery, general surgery, orthopaedics, cardiology, oncology, living donor transplants, liver transplants, stem cell and bone marrow transplants and over 35 other specialty areas	345	13
Gleneagles Hospital	Cardiology, gastroenterology, liver transplants, obstetrics and gynaecology, paediatrics, fertility, oncology and orthopaedics and over 30 other specialty areas	272	12
Parkway East Hospital	Surgery, paediatrics, obstetrics and gynaecology, cardiology and fertility services (including IVF) and over 25 other specialty areas	92	5

Note:

(1) Does not include delivery suites and endoscopy rooms.

A description of PPL's three hospitals in Singapore is as follows:

Mount Elizabeth Hospital is a 345-licensed bed private tertiary acute care hospital which provides a wide range of medical and surgical services. We believe that it was the first private hospital in Southeast Asia to deploy the TomoTherapy Hi Art system, an advanced integrated cancer treatment system, and the first hospital in Asia, outside Japan, to install the Aquillion ONE 320-slice CT scanner, an advanced scanning machine that is able to image an entire organ in a single rotation. Mount Elizabeth Hospital is a regional referral centre across multiple disciplines that typically attracts patients who require complex medical procedures, a large proportion of whom are medical travellers and emergency air-evacuation cases from Southeast Asia as well as from the high-income local and expatriate population in Singapore, resulting in higher revenue intensity.

Gleneagles Hospital is a 272-licensed bed private tertiary acute care hospital providing a wide range of medical and surgical services, including cardiology, gastroenterology, liver transplant, obstetrics and gynaecology, oncology and orthopaedics. Gleneagles Hospital largely attracts the mid- to high-income domestic market, including local expatriates, and medical travellers for certain specialties such as liver transplants, obstetrics and gynaecology.

Parkway East Hospital is a 92-licensed bed private tertiary acute care hospital with an outreach specialist centre in eastern Singapore that provides a comprehensive range of clinical disciplines and sub-specialties. It has recently added fertility services, including IVF. Parkway East Hospital generally caters to residents and third party payers in the eastern part of Singapore. In March 2012, Parkway East Hospital agreed with the MOH Singapore to lease a number of beds to Changi General Hospital. Patients using these leased beds will continue to be cared for by doctors from Changi General Hospital.

All three hospital properties in Singapore are leased from PLife REIT for a lease term of 15 years ending in 2022 through a lease and leaseback arrangement. See "Appendix C—Details of our material properties" for details of our material properties.

Projects under development

Mount Elizabeth Novena Hospital will have the capacity to operate up to 333 beds (all of which will be in single-bed patient suites) and 13 operating theatres. The hospital is scheduled to open in two phases, the first phase with 180 beds is expected to be operational by July 2012, and the remainder during the second phase, which is projected to be operational in the second half of 2013. Construction of the hospital commenced in November 2008. The overall land cost, cost of developing, equipping (medical and non-medical equipment), and financing of the hospital is estimated at approximately SGD2.0 billion, of which approximately SGD1.8 billion had been incurred as at 31 December 2011. The cost of developing and equipping the hospital (excluding land costs) that had been incurred as at 31 March 2012 is approximately SGD443.0 million. The cost of development has been and is expected to continue to be funded through borrowings and internally generated funds. The hospital received the Green Mark Platinum Award on 29 February 2012 from BCA Green Mark, a rating system that evaluates a building for its efficient and environment-friendly features and practices. PPL has received temporary occupation permits for Mount Elizabeth Novena Hospital and the medical suites located therein on 23 April 2012. MOH Singapore has also approved the issue of a 180-bed hospital licence on 29 May 2012.

Many of the doctors who are expected to establish practices in Mount Elizabeth Novena Hospital are highly-qualified specialists who come from various sources, including Singapore's private hospitals, private practice and doctors entering private practice. The hospital will be a state-of-the-art tertiary care hospital with a focus on the key speciality areas of heart and vascular, neurosciences, oncology, orthopaedics and general surgery.

Mount Elizabeth Novena Hospital intends to be the first private hospital in Singapore to offer various state-of-the-art medical technologies, such as the use of the cardiac hybrid operating theatre, which will facilitate a comprehensive spectrum of new cardiovascular therapies, including new minimally-invasive therapies, and the PET-MRI system, a hybrid imaging technology, as well as other new surgical and diagnostics imaging technology. We believe the application of such new technologies, coupled with the clinical skill sets from Mount Elizabeth Novena Hospital's expected pool of specialist doctors, will allow for new clinical approaches and will provide PPL with greater access to high-income domestic Singapore patients and medical travellers.

In addition, located within the Mount Elizabeth Novena Hospital will be Mount Elizabeth Novena Specialist Centre, which will house 254 dedicated medical office suites with a gross floor area of 16,159 square metres. 216 of the units have been sold to specialist doctors, with PPL retaining the balance. The average price paid for these medical office suites was SGD3,819 per square foot, while the last transacted price as at 31 March 2012 was SGD5,088 per square foot.

CoEs and clinical programmes

In selected specialties, PPL offers advanced medical services through the use of specialised equipment and integrated clinical services delivered through multi-disciplinary teams. PPL has developed various clinical delivery models within its hospitals in Singapore to provide complex treatments through CoEs, advanced clinical programmes and specialised wards.

In Singapore, through CoEs, advanced clinical programmes and specialised wards, PPL generates revenue from the treatment of patients who need specialised, state-of-the-art treatment or surgery. The sources of such revenue include consultation, surgical and hospitalisation services and the utilisation of its facilities, equipment, consumables and services by its patients.

The table below sets forth certain details of PPL's CoEs, clinical programmes and specialised wards in Singapore as at 1 June 2012.

Medical specialty	CoEs and clinical programmes	Location	Description
Fertility	Parkway Fertility Centre	Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Provides a range of assisted reproductive techniques. Treats patients from various countries for a wide range of male and female infertility problems.
General Surgery . .	General Surgery programme	Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Covers eye, ear, nose, head and neck, gastrointestinal surgery and urology with a multi-disciplinary team of surgical specialists who are trained in specific sub-specialisations.
Heart and Vascular	Heart and Vascular programme	Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Provides comprehensive services for preventive care, screening, advanced diagnostic tests, invasive and non-invasive procedures, as well as post-operative management, cardiac rehabilitation and a comprehensive range of surgical programmes.
Neuroscience. . . .	Gamma Knife Centre	ParkwayHealth Day Surgery and Medical Centre	Treats patients with clinical conditions, including brain metastases, acoustic neuromas, meningioma and trigeminal neuralgia, amongst others, and is the only centre of its kind in Singapore.
	Neuroscience (Brain and Spine) programme	Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Provides treatment for stroke, brain trauma, epilepsy, sleep disorders, and neck and spine conditions by specialist doctors in neurology, stroke neurology, neurosurgery, radiology and trauma, amongst others. Provides a range of neuro-rehabilitation therapy services.
Oncology	Parkway Cancer Centre	Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Provides a holistic care environment for cancer patients with a multi-disciplinary team comprising leading oncologists, nurses, counsellors and other paramedical professionals.
Ophthalmology . .	Parkway Eye Centre	Mount Elizabeth Hospital and Gleneagles Hospital	Performs LASIK eye surgery and treats cataracts, retinal problems, presbyopia, glaucoma, and childhood myopia, among other eye disorders, with specialist doctors.
Transplant	Haematology and Stem Cell Transplant Centre	Mount Elizabeth Hospital	Provides comprehensive transplantation care for all ages with both malignant, benign, genetic and/or blood disorders. The transplant procedures may be performed in combination with other treatments, including leukaemia, solid tumours, thalassemia, sickle cell anaemia, immune deficiencies and autoimmune diseases.

Medical specialty	CoEs and clinical programmes	Location	Description
	Transplant programme	Mount Elizabeth Hospital and Gleneagles Hospital	Carries out living donor kidney and liver transplants. Gleneagles was the first private hospital in Southeast Asia to conduct a successful adult living donor liver transplant in 2002. Has had over 750 successful living kidney and liver donor transplants as at 1 June 2012. Gleneagles has the only private hospital programme in Singapore with a dedicated liver ward, Parkway Asian Liver Ward, and is the first fully integrated centre for liver transplant and treatment in Southeast Asia.
Women and Children	Parkway Gynaecology Screening & Treatment Centre	Gleneagles Hospital	Provides comprehensive services for gynaecology and pregnancy-related needs with a team of obstetrician-gynaecologists.
	Women and Children clinical programme	Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Provides antenatal to postnatal care and tailored services for premature or ill babies, including preventive care, diagnostic services and treatment.

Singapore Healthcare

Parkway Shenton

Parkway Shenton is the primary care network arm of PPL in Singapore, and is one of the leading private providers of primary healthcare in Singapore with a market share of 4.3% as at 31 December 2011 in terms of number of clinics, according to Frost & Sullivan. It has a total registered patient pool of more than 450,000, serves over 2,000 corporate clients and received over 1,800 patients per day on an annual average basis in 2011. Parkway Shenton operates primary care clinics, health screening clinics, accident and emergency clinics, ambulance services and other ancillary services. Parkway Shenton contributed 6.5% to PPL in terms of total pro forma revenue for the year ended 31 December 2011 and 6.2% for the three months ended 31 March 2012.

The table below sets forth certain information about Parkway Shenton's clinics and services as at 1 June 2012.

Clinics/services	Number of locations/clinics	Description
Shenton Medical Group and Shenton Family Medical Clinics	30 retail clinics 18 clinics located in corporate clients' premises[(1)]	Provides high quality general healthcare services for corporate clients, including consultations, vaccinations, pre-employment examinations and statutory medical examinations. Integrative healthcare with complementary acupuncture services are also offered at selected clinics. Shenton Medical Group is located in key business districts and largely focuses on corporate clients. Shenton Family Medical Clinics are located in and serve the residential community areas of Singapore.

Clinics/services	Number of locations/clinics	Description
Executive Health Screeners Clinics	Six clinics	Provides premier health screening and wellness consultations to top-level executives. Located in business districts.
Nippon Medical Care	One clinic at Gleneagles Hospital	Provides quality healthcare and health screening services to the large Japanese expatriate community in Singapore and neighbouring countries with a team of experienced doctors and nurses from Japan.
Luxe Wellness Centre for Women	One clinic	Located in the heart of Orchard Road, it is an upscale women's health specialty clinic.
Accident and Emergency and 24-Hour Walk-In Clinics	Three clinics at each of Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Provides 24-hour, seven days a week, emergency medical services to urgent and walk-in cases.
Land Ambulance Services unit	Three locations at each of Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Involved in the transport of local patients.
Air Ambulance Services unit	Coordinates with each of Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital	Involved in the transport of patients and helps to coordinate evacuation services for regional and global clients. The air ambulance service is able to provide evacuation services into Singapore for critically ill patients from many locations in Southeast Asia.
Aviation and Psychiatry unit	One location	Serves personnel in the aviation industry and specialises in medical examinations for pilots and air traffic controllers. Carries out flight status review for air and cabin crew, including treatment programmes for passengers suffering from a fear of flying.

Note:

(1) Out of these 18 clinics, five of the clinics are operated through arrangements with these clients. Parkway Shenton does not hold the clinic licences for these clinics.

Shenton Insurance and iXchange

Parkway Shenton works with Shenton Insurance, which underwrites short-term employee healthcare and insurance policies, and iXchange, which provides third party healthcare administration and claims administration services as an outsourced service for corporate clients and insurers, all of which are wholly-owned subsidiaries of PPL.

Shenton Insurance is a direct general insurer specialising in health insurance and employee benefit solutions, with group employee benefit programmes forming the core business. Its programmes include outpatient coverage, traditional hospitalisation and surgical plans, managed care programmes and flexi-benefits schemes. Shenton Insurance is operated at arm's length from PPL and works with a panel of 200 clinics, with Parkway Shenton's clinics among the network clinic panel. Shenton

Insurance contributed 2.8% to PPL in terms of total pro forma revenue for the year ended 31 December 2011 and 3.0% for the three months ended 31 March 2012.

iXchange is Parkway Shenton's third party administration business and offers a web-based platform for insurance and corporate clients to track medical insurance expenditure. iXchange offers an extensive suite of services, including internet solutions, transactions administration centre, channel management and communication, and provides information management services to Parkway Shenton's strategic partners. iXchange contributed 0.2% to PPL in terms of total pro forma revenue for the year ended 31 December 2011 and 0.2% for the three months ended 31 March 2012.

Parkway Radiology

Parkway Radiology provides a comprehensive range of diagnostic and therapeutic radiology services to patients in the three PPL hospitals in Singapore and to third party patients. Parkway Radiology is present in all three of PPL's Singapore hospitals, as well as in the outpatient settings under the banner of "Medi-Rad Associates Ltd," which operates a total of eight outpatient imaging centres at Mount Elizabeth Medical Centre, Gleneagles Hospital, Paragon Medical Centre, Novena Medical Centre, Mandarin Gallery, Jurong East, Arcade and Health Promotion Board. For the year ended 31 December 2011, Parkway Radiology contributed 3.3% to PPL in terms of total pro forma revenue and 3.5% for the three months ended 31 March 2012.

Parkway Radiology provides basic radiology services, including ultrasound, mammography and general radiography and MRI. In addition, Parkway Radiology provides full interventional services comprising biopsies, angiography, radio-frequency ablation, drainages and nuclear medicine as well as cardiac applications.

As at 1 June 2012, the Parkway Radiology team comprised 26 professionally-trained and experienced specialist radiologists and 222 healthcare professionals. Parkway Radiology provides the latest viable technology to patients and doctors in Singapore; for example, it introduced MRI in 1987 and a PET-CT scanner in 2003. The provision of the latest technology is complemented by a professional team of sub-specialised radiologists, radiographers and radiology nurses.

Parkway Laboratory Services

Parkway Lab provides efficient and high-quality services in clinical laboratory, histopathology and cytogenetics. Its experienced laboratory team and well-equipped laboratories serve the needs of inpatients and outpatients of the three PPL hospitals in Singapore and third party patients, as well as other medical practitioners who operate within and outside the hospitals' medical centres, the Parkway Shenton clinics and general practitioners. Parkway Lab operates in the three PPL Singapore hospitals, a satellite outpatient laboratory in Novena Medical Centre and a state-of-the-art central reference laboratory headquartered at Ayer Rajah Crescent. For the year ended 31 December 2011, Parkway Lab contributed 1.6% to PPL in terms of total pro forma revenue and 1.5% for the three months ended 31 March 2012.

Parkway Lab's clinical laboratory services include haematology, immunohaematology, biochemistry, immunology, serology, special chemistry, urine and stool analysis, microbiology and clinical molecular and specialised testing. Histopathology services and cytogenetics services are also offered.

Gleneagles Clinical Research Centre

Gleneagles CRC, a joint venture company which is 51.0% owned by us and 49.0% owned by Mitsui, is a full-service clinical research organisation with operations in Singapore, the PRC, Thailand, the Philippines, Australia and Indonesia. Gleneagles CRC also has strategic global collaboration arrangements with other clinical research organisations and academic institutions in Europe and the United States.

Others

Parkway College

Parkway College is a wholly-owned subsidiary of Parkway. Parkway College aspires to be a premier global private educational institution in the fields of nursing, allied health and healthcare management. Parkway College is one of the sources of nurses, management and allied health professionals for PPL's operations in Singapore.

Parkway College was one of the first six institutions to have been awarded the EduTrust certification from the Council for Private Education in Singapore. To achieve the EduTrust mark, schools must demonstrate high standards in six key areas including corporate governance, fee protection for all their students and academic processes, such as teacher selection and programme tracking and development.

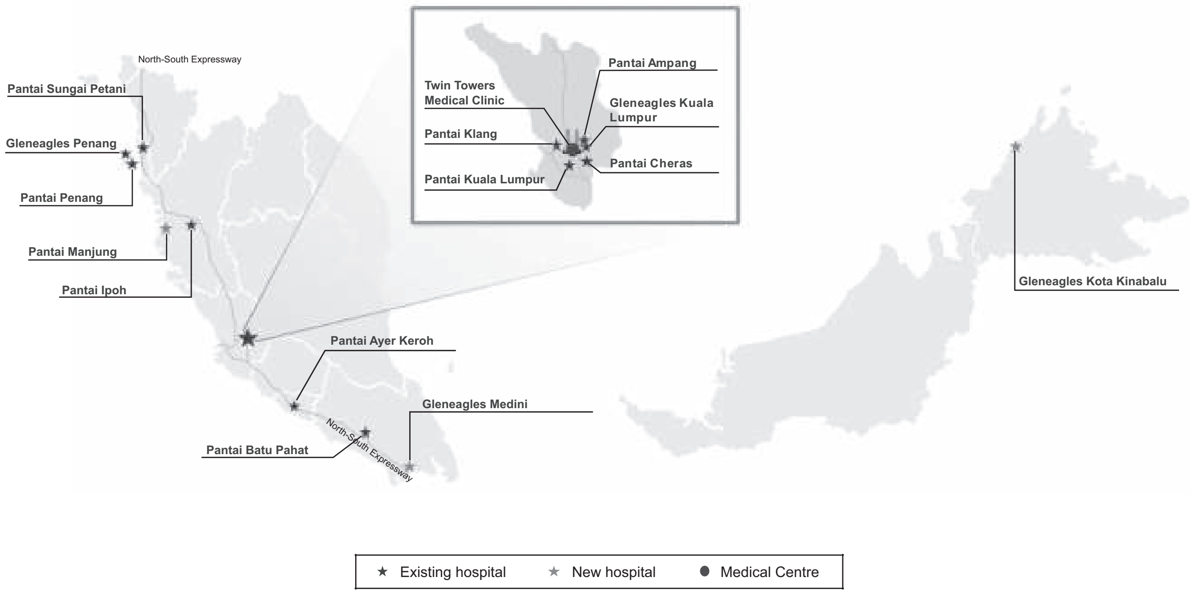
Parkway College was established in February 2008 at its Bukit Merah campus, to cater to the growing needs for quality education in health sciences. It comprises three schools: a School of Allied Health, a School of Healthcare Management and a School of Nursing. Nurses who graduate from Parkway College and whose tuition has been sponsored by PPL are contractually obligated to work for PPL for a period of up to five to six years, including training time, in exchange. As at 31 December 2011, there were 514 full-time students enrolled in Parkway College, a majority of whom had their tuition fees sponsored by PPL.

MALAYSIA OPERATIONS

PPL is the second largest private healthcare provider in Malaysia with a market share of approximately 15.1% as at 31 December 2010 in terms of the number of licensed beds, according to Frost & Sullivan. It owns and operates nine "Pantai" Hospitals and two "Gleneagles" Hospitals across Peninsular Malaysia. Over 760 specialist doctors are credentialed by PPL to admit patients to its hospitals in Malaysia. Two of the hospitals are JCI accredited and seven are accredited by the MSQH (including three hospitals which accreditations have expired and are pending re-accreditation survey results as at 1 June 2012). PPL houses CoEs and advanced clinical programmes within its Malaysia hospitals that provide specialised equipment and services to the doctors who practise there. PPL also operates Pantai Premier Pathology, Pantai Integrated Rehab and one ambulatory care centre in Malaysia. PPL is currently developing three more hospitals in Malaysia which are expected to commence operations by 2015 and undertaking expansion projects in four of its existing hospitals. PPL's Malaysia operations contributed 31.1% to PPL's total pro forma revenue for the year ended 31 December 2011 and 30.8% for the three months ended 31 March 2012. For the year ended 31 December 2011, approximately 4% of the revenue from PPL's Malaysia operations was derived from medical travellers, approximately 90.0% of whom were from Indonesia.

Malaysia Healthcare Operations Network

The map below sets out the locations of PPL's hospitals in Malaysia as at 1 June 2012.



Malaysia Hospitals

PPL's hospital network in Malaysia operates on a "hub and spoke" model. Hub hospitals have a higher number of specialist doctors, offering a wider array of medical specialty services and advanced medical equipment compared to spoke hospitals and typically operate in large urban centres. Spoke hospitals offer the more common specialties and typically operate in smaller urban centres or large towns. Generally, hub hospitals have 180 to 350 licensed beds and more than 30 specialist doctors, while spoke hospitals have 80 to 150 licensed beds and between 15 and 30 resident specialist doctors. Most of PPL's hospitals in Malaysia are located on the country's west coast along a major north-south highway. Spoke hospitals may, in some cases, refer patients to hub hospitals which offer most clinical specialties and provide more complex care. Each of PPL's Malaysian hospitals' credentialed doctors must be specialist doctors registered with the Malaysian Medical Council, possess a current Annual Practicing Certificate issued by the Council and be accredited by the National Specialist Register. Such specialist doctors are then required to apply to be credentialed to admit patients into PPL's hospitals. The process of credentialing is conducted by each hospital's credentialing committee and doctors who have gone through this process are considered to be credentialed doctors. A doctor may be credentialed at more than one of PPL's hospitals in Malaysia.

In Malaysia, most of our credentialed specialist doctors are independent medical practitioners. They operate from clinics, which are either in medical office buildings co-located with PPL's hospitals or in PPL's hospitals itself or located in the vicinity of PPL's hospitals. These credentialed specialist doctors typically refer patients to one of PPL's hospitals for further care and use of inpatient facilities. The credentialed specialist doctors continue to consult and treat the patient while PPL provides inpatient facilities, equipment and services of PPL's medical staff for a fee. These specialist doctors may also refer patients to PPL's medical centres, clinics and ancillary healthcare businesses and receive patients who are referred to them by PPL's medical centres, clinics and ancillary healthcare businesses. PPL employs nurses, resident physicians and ancillary medical and support staff directly for its hospitals and other healthcare operations in Malaysia.

The table below sets forth certain operating statistics for the hospitals PPL owns and operates in Malaysia as at and for the periods indicated. Hospital operations are subject to certain seasonal fluctuations such as decreases in inpatient business during school holidays and festive periods.

	Year ended 31 December			Three months ended 31 March
	2009	2010	2011	2012
Number of hospitals at end of period	11	11	11	11
Number of beds (licensed) at end of period(1)	1,993	1,993	2,010	2,025
Number of beds (operational) at end of period(1)	1,781	1,835	1,878	1,911
Inpatient admissions(2)	146,200	152,286	154,823	40,443
Average length of stay (days)(3)	2.8	2.8	2.8	2.7
Occupancy rate(4)	64.2%	65.1%	63.0%	63.5%
Average revenue per inpatient admission (in RM/SGD)(5)	3,271/1,363	3,638/1,516	3,907/1,628	4,001/1,667
Average revenue per patient day (in RM/SGD)(5)	1,156/482	1,301/542	1,399/583	1,461/609

Notes:

* PPL and Acibadem do not compile certain of their operational data, including the number of operational beds, the average length of stay and the occupancy rate, on the same basis and therefore, these amounts may not be comparable.

(1) Licensed beds are approved number of beds by MOH Malaysia which a facility regularly maintains and staffs. Operational beds is an internal measure for which we include those of our licensed beds which we utilise for patients.

(2) Represents the total number of inpatients admitted to our hospitals.

(3) Represents the average number of days an inpatient stays in our hospitals.

(4) Represents the percentage of hospital operational beds occupied by inpatients.

(5) The Ringgit Malaysia amounts have been translated for convenience into Singapore Dollar at the rate of RM2.40: SGD1.00.

As part of our measurement of operational performance, we use "occupancy rates" as a performance indicator of the utilisation of our available operational beds. We use occupancy rates to alert us if our hospitals have a potential operational bed capacity issue which may affect doctors' ability to admit their patients. Occupancy rates are a measure of the number of inpatients against the number of available operational beds, not a measure of revenue or profitability. This is because revenue or profit derived from an inpatient also includes, over and above room charges, other healthcare and medical services and fees, pharmaceutical drugs and consumables and (in relation to Acibadem) doctors' fees, which can vary significantly from inpatient to inpatient.

Our hospital operations in Malaysia began over 30 years ago. The table below sets forth certain information about PPL's hospitals in Malaysia as at 1 June 2012.

Hospital	Key specialist services provided	Number of licensed beds	Number of operating theatres(1)
Pantai Hospital Kuala Lumpur	Cardiology and cardiothoracic surgery, orthopaedic, oncology, minimally invasive surgery, obstetrics and gynaecology, paediatric, trauma surgery and 22 other specialties	332	8

Hospital	Key specialist services provided	Number of licensed beds	Number of operating theatres[1]
Gleneagles Kuala Lumpur	Cardiology and cardiothoracic surgery, neurosurgery, obstetrics and gynaecology, plastic surgery, reconstructive and maxillofacial, orthopaedic and trauma surgery and 17 other specialties	316	8
Gleneagles Medical Centre Penang	Cardiology and cardiothoracic surgery, oncology, hand and microsurgery, haematology, neurosurgery, nephrology, orthopaedic, urology and 18 other specialties	227	5
Pantai Hospital Ayer Keroh	Cardiology and cardiothoracic surgery, nephrology, oncology, obstetrics and gynaecology, paediatrics, ophthalmology and 16 other specialties	224	7
Pantai Hospital Ipoh	Cardiology and cardiothoracic surgery, orthopaedic and ophthalmology, haematology, obstetrics and gynaecology, paediatrics and 14 other specialties	180	4
Pantai Hospital Penang	ENT, neurology, neurosurgery, orthopaedic, cardiology and 15 other specialties	195	5
Pantai Hospital Cheras	ENT, general medicine, general surgery, obstetrics and gynaecology, orthopaedic and 12 other specialties	143	4
Pantai Hospital Ampang	ENT, general medicine, general surgery, obstetrics and gynaecology, orthopaedic and ten other specialties	114	4
Pantai Hospital Klang	General medicine, general surgery, obstetrics and gynaecology, orthopaedic, paediatric and 11 other specialties	108	3
Pantai Hospital Batu Pahat	General medicine, general surgery, obstetrics and gynaecology, orthopaedic, paediatric and five other specialties	106	3
Pantai Hospital Sungai Petani	General medicine, cardiology, general surgery, obstetrics and gynaecology, orthopaedic and eight other specialties	80	2

Note:

(1) Does not include delivery suites and endoscopy rooms.

Hub hospitals

The table below sets forth certain operating statistics for the hub hospitals PPL owns and operates in Malaysia as at and for the periods indicated.

	Year ended 31 December			Three months ended 31 March
	2009	2010	2011	2012
Number of hospitals at end of period	6	6	6	6
Number of beds (licensed) at end of period[1]	1,459	1,459	1,459	1,474
Number of beds (operational) at end of period[1]	1,312	1,346	1,359	1,392
Inpatient admissions[2]	108,425	109,743	111,175	28,458
Average length of stay (days)[3]	3.0	3.0	3.0	2.9
Occupancy rate[4]	66.4%	68.0%	66.7%	65.6%
Average revenue per inpatient admission (in RM/SGD)[5]	3,498/1,458	3,980/1,658	4,290/1,788	4,450/1,854
Average revenue per patient day (in RM/SGD)[5]	1,181/492	1,348/562	1,439/600	1,520/633

Notes:

* PPL and Acibadem do not compile certain of their operational data, including the number of operational beds, the average length of stay and the occupancy rate, on the same basis and therefore, these amounts may not be comparable.

(1) Licensed beds are approved number of beds by MOH Malaysia which a facility regularly maintains and staffs. Operational beds is an internal measure for which we include those of our licensed beds which we utilise for patients.

(2) Represents the total number of inpatients admitted to our hospitals.

(3) Represents the average number of days an inpatient stays in our hospitals.

(4) Represents the percentage of hospital operational beds occupied by inpatients.

(5) The Ringgit Malaysia amounts have been translated for convenience into Singapore Dollar at the rate of RM2.40: SGD1.00.

Further details of PPL's hub hospitals in Malaysia as at 1 June 2012 are set forth below.

Pantai Hospital Kuala Lumpur is PPL's flagship hospital in Malaysia. It is a 332-licensed bed hospital with more than 170 credentialed specialist doctors. It is located close to the city centre and within the residential neighbourhood of Bangsar. Pantai Hospital Kuala Lumpur is JCI accredited. MSQH accreditation for the hospital has expired and the re-accreditation is pending survey results as at 1 June 2012, which is expected to be known by the end of 2012. Pantai Hospital Kuala Lumpur also has an ISO 9001:2008 certification. It is one of eight private hospitals in Malaysia to have been certified as a "baby friendly hospital" by the MOH Malaysia. The hospital is wholly-owned by PPL.

Gleneagles Kuala Lumpur is one of PPL's largest hospitals in Malaysia. It is a 316-licensed bed tertiary care hospital with more than 145 credentialed specialist doctors. It has a separate medical office building accommodating consultants of various specialties and sub-specialties for outpatient services with more than 110 specialist medical office suites for independent medical practitioners. Gleneagles Kuala Lumpur is JCI and MSQH accredited and has an ISO 9001:9002 certification. The hospital is wholly-owned by PPL.

Gleneagles Medical Centre Penang is a 227-licensed bed hospital located on Penang Island with more than 80 credentialed specialist doctors. It was the first for-profit private hospital in Malaysia and the first private hospital in the northern region of Peninsular Malaysia accredited by MSQH, which was in 2002. MSQH accreditation for the hospital has expired and the re-accreditation is pending survey results as at 1 June 2012, which is expected to be known by the end of 2012. The hospital is 70.0% owned by PPL.

Pantai Hospital Ayer Keroh is a 224-licensed bed hospital that provides healthcare services to the city of Melaka and has more than 65 credentialed specialist doctors. The hospital is MSQH accredited. In the second half of 2012, Pantai Hospital Ayer Keroh's oncology centre will be upgraded with state-of-the-art equipment, which we expect to make it one of the most technologically-advanced oncology centres in southern Peninsular Malaysia. The hospital is wholly owned by PPL.

Pantai Hospital Ipoh is a 180-licensed bed hospital with more than 70 credentialed specialist doctors located a short drive from Ipoh city centre. Pantai Hospital Ipoh has an ISO 9001:2000 certification. It is the only private hospital in Perak with a resident haematologist. The hospital is 77.8% owned by PPL.

Pantai Hospital Penang is a 195-licensed bed hospital with more than 40 credentialed specialist doctors. It is located in the township of Bayan Baru and in the vicinity of the free-trade zone in Bayan Lepas, located at the southeastern part of Penang. Pantai Hospital is MSQH accredited. The hospital is 80.7% owned by PPL.

Spoke hospitals

The table below sets forth certain operating statistics for the spoke hospitals PPL owns and operates in Malaysia as at and for the periods indicated.

	Year ended 31 December			Three months ended 31 March
	2009	**2010**	**2011**	**2012**
Number of hospitals at end of period	5	5	5	5
Number of beds (licensed) at end of period[(1)]	534	534	551	551
Number of beds (operational) at end of period[(1)]	469	489	519	519
Inpatient admissions[(2)]	37,775	42,543	43,648	11,985
Average length of stay (days)[(3)]	2.4	2.4	2.3	2.3
Occupancy rate[(4)]	58.0%	57.3%	53.4%	58.0%
Average revenue per inpatient admission (in RM/SGD)[(5)]	2,616/1,090	2,755/1,148	2,930/1,221	2,933/1,222
Average revenue per patient day (in RM/SGD)[(5)]	1,071/446	1,149/479	1,267/528	1,283/535

Notes:

* PPL and Acibadem do not compile certain of their operational data, including the number of operational beds, the average length of stay and the occupancy rate, on the same basis and therefore, these amounts may not be comparable.

(1) Licensed beds are approved number of beds by MOH Malaysia which a facility regularly maintains and staffs. Operational beds is an internal measure for which we include those of our licensed beds which we utilise for patients.

(2) Represents the total number of inpatients admitted to our hospitals.

(3) Represents the average number of days an inpatient stays in our hospitals.

(4) Represents the percentage of hospital operational beds occupied by inpatients.

(5) The Ringgit Malaysia amounts have been translated for convenience into Singapore Dollar at the rate of RM2.40: SGD1.00.

Further details of PPL's spoke hospitals in Malaysia as at 1 June 2012 are set forth below.

Pantai Hospital Cheras is a 143-licensed bed hospital with more than 75 credentialed specialist doctors located in Taman Cheras Makmur, Cheras. MSQH accreditation for the hospital has expired and the re-accreditation is pending survey results as at 1 June 2012, which is expected to be known by the end of 2012. The hospital is wholly-owned by PPL.

Pantai Hospital Ampang is a 114-licensed bed hospital with more than 45 credentialed specialist doctors located in the centre of Pandan Indah township just short distance from Kuala Lumpur. The hospital is wholly-owned by PPL.

Pantai Hospital Batu Pahat is a 106-licensed bed hospital with more than 15 credentialed specialist doctors located in Johor. The hospital is wholly-owned by PPL.

Pantai Hospital Klang is a 108-licensed bed hospital with more than 35 credentialed specialist doctors located in Klang. Pantai Hospital Klang is accredited with MSQH. The hospital is wholly-owned by PPL.

Pantai Hospital Sungai Petani is an 80-licensed bed hospital with more than 20 credentialed specialist doctors located in Sungai Petani in the northern part of Malaysia. The hospital is wholly-owned by PPL.

Expansion projects

PPL is currently undertaking expansion projects in four hospitals, Gleneagles Medical Centre Penang, Pantai Hospital Kuala Lumpur, Pantai Hospital Klang and Gleneagles Kuala Lumpur.

- Gleneagles Medical Centre Penang is constructing a new building which is expected to be completed by the end of 2012 and which will add 188 beds to its existing capacity, which we expect will make it one of the largest private hospitals in Penang. Construction of the new building commenced in April 2010.

- Pantai Hospital Kuala Lumpur is developing a new 12-storey building with 200 consultant suites and eight CoEs and clinical programmes, which is expected to be completed in mid-2014 and which we expect will make it one of the most technologically-advanced medical facilities in Malaysia. Another 120 beds will be added to Pantai Hospital Kuala Lumpur by the end of 2014. Construction of the new building commenced in February 2011.

- Pantai Hospital Klang will be adding another building which is expected to increase capacity by 80 beds and adding additional medical office suites for specialist doctors. The project is currently at the planning stage. Construction of the new block is expected to commence in the first quarter of 2013 and is expected to be completed by mid-2014.

- Gleneagles Kuala Lumpur is also adding an additional 100 beds by leasing an adjacent block which is currently at the planning stage. Construction of the new block is expected to commence in the third quarter of 2012 and is expected to be completed in mid-2015. The expansion will be built by a third party and our main capital expenditure related to this project will be equipping the expansion. Gleneagles Kuala Lumpur has an option to purchase this adjacent block.

The overall expansion cost is estimated to be approximately RM454.4 million (USD142.4 million), of which RM93.8 million (USD29.4 million) had been incurred as at 31 March 2012. The cost of expansion has been and is expected to continue to be funded through borrowings and internally generated funds.

Projects under development

PPL is also developing three greenfield projects, Gleneagles Kota Kinabalu, Pantai Hospital Manjung and Gleneagles Medini.

- Gleneagles Kota Kinabalu, which is scheduled to open in early 2015, will mark PPL's entry into East Malaysia. Construction work commenced in October 2011. The hospital will have 250 beds, providing tertiary hospital services to the community in Kota Kinabalu, Sabah.

- Pantai Hospital Manjung, situated an hour's drive from Ipoh city, will provide healthcare services to the community in the upcoming Manjung township by early 2014. Construction work commenced in March 2012. The hospital is expected to have 100 beds.

- Gleneagles Medini will be situated in Medini, Iskandar Malaysia, and will target the Malaysian market as well as medical travellers from Singapore who will be able to use Medisave, which is a national medical savings account system for Singapore citizens and permanent residents, at the hospital. The project is in the planning phase and the first phase of this state-of-the-art hospital with 150 beds is expected to be operational in early 2015 and it is expected that it will subsequently be expanded to its intended size of 300 beds. Construction work is expected to commence in the last quarter of 2012.

Gleneagles Kota Kinabalu and Pantai Hospital Manjung are being built by third parties and the proprietors have agreed to lease each hospital to PPL. PPL will then manage and operate each hospital business. Our main capital expenditure related to these projects will be equipping the hospital, which is estimated to be approximately RM50 million (USD15.7 million), which is expected to be funded through borrowings and internally generated funds.

For Gleneagles Medini, the hospital will be built, owned, developed, managed and operated by PPL. The overall cost of development of this greenfield project is estimated to be approximately RM400 million (USD125.4 million), of which none had been incurred as at 31 March 2012. The cost of development is expected to be funded through borrowings and internally generated funds.

CoEs and Clinical Programmes

In selected specialties, PPL offers advanced medical services through the use of specialised equipment and integrated clinical services delivered through multi-disciplinary teams. PPL has developed various clinical delivery models within its hospitals in Malaysia to provide complex treatments through CoEs, and advanced clinical programmes.

In Malaysia, through CoEs and advanced clinical programmes, PPL captures revenue from the treatment of patients who need specialised, state-of-the-art treatment or surgery. The sources of such revenue include consultation, surgical and hospitalisation services and the utilisation of its facilities, equipment, consumables and services by its patients

The table below sets forth certain details of PPL's CoEs and clinical programmes in Malaysia as at 1 June 2012.

Medical specialty	Clinical programmes	Location	Description
General Surgery . .	Minimally Invasive Surgery (MIS) Centre	Gleneagles Medical Centre Penang	Provides minimally invasive surgery with a multi-disciplinary team of surgical specialists who are trained in specific sub-specialisations.
Heart and Vascular	Cardiac Centre	Gleneagles Kuala Lumpur	Focuses on all aspects of cardiology and cardiothoracic surgery going from prevention and diagnosis to treatment and rehabilitation of cardiac patients. Provides treatment to both adult and paediatric patients. Facilities include a high-tech cardiac catheterisation laboratory, one standby laboratory, two MRI units, cardiac CT scan, full non-invasive cardiac diagnostic centres, stress test, two cardiac operating theatres and a dedicated cardiology ward with 20 ICU beds and eight NICU beds.
	Gleneagles Heart Centre	Gleneagles Medical Centre Penang	Focuses on all aspects of cardiology and cardiothoracic surgery going from prevention and diagnosis to treatment and rehabilitation of adult and paediatric cardiac patients. Facilities include a high-tech cardiac catheterisation laboratory, one standby laboratory, an MRI unit, CT scan, stress test, one cardiac operating theatre and a health screening centre.

Medical specialty	Clinical programmes	Location	Description
	Pantai Heart Centre	Pantai Hospital Kuala Lumpur	Provides comprehensive cardiac services with treatments that include complex cardiac interventional and surgical operations, as well as simpler cardiac surgeries with a specialised team of medical experts comprising dedicated adult interventional and paediatric cardiologists, cardiothoracic surgeons and critical care specialist doctors and nurses. Carries out non-invasive diagnostic tests, as well as invasive diagnostic and therapeutic interventional procedures.
Musculoskeletal . .	Hand and Microsurgery Centre	Pantai Hospital Kuala Lumpur	Provides consultation and both surgical and rehabilitative treatment, specialising in providing rehabilitation and physiotherapy modules for the upper limbs.
	Orthopaedic Centre	Gleneagles Kuala Lumpur	Treats patients with bone and joint problems and provides medical services in orthopaedics, rheumatology and rehabilitation. Treatments include sports medicine and hand microsurgery for adult and paediatric patients.
	Spine and Joint Centre	Pantai Hospital Kuala Lumpur	Provides invasive and non-invasive treatments of spine and joint conditions with a team of experienced orthopaedic surgeons, most of whom specialise in spine, joint and sports medicine. Facilities include a comprehensive physical therapy unit that focuses on rehabilitation and patient education to prevent re-injury.
	Orthopaedic and Trauma Surgery Centre	Gleneagles Medical Centre Penang	Provides medical services in orthopaedics, advanced trauma surgery, reconstructive surgery, spinal surgery and sports surgery.
Neuroscience. . . .	Neuroscience Centre	Gleneagles Kuala Lumpur	Provides a comprehensive team of neurologists, neurosurgeons and radiologists with a full complement of intra-operative surgical equipment to patients with nervous system diseases.
Oncology	Oncology Centre	Gleneagles Kuala Lumpur	Comprises a multi-disciplinary team of specialists, including radiation and medical oncologists, surgeons, radiologists, pathologists, specialised nursing staff, dieticians and physical therapists.
	Pantai Cancer Institute	Pantai Hospital Kuala Lumpur	Provides multi-faceted cancer treatment and therapies through an experienced team of oncologists, nurses and radiographers. Facilities include a chemotherapy day-care centre and a radiotherapy unit equipped with an “Elekta Synergy System” providing intensity modulated radiation therapy and image guided radiation therapy and stereotactic radiosurgery modalities.

Medical specialty	Clinical programmes	Location	Description
Women and Children	Breast Care Centre	Pantai Hospital Kuala Lumpur	Facilities are equipped with two mammography machines.
	Women and Children's Centre	Gleneagles Kuala Lumpur	Provides specialist care and sub-specialty services in the areas of obstetrics-gynaecology and paediatrics. Specialist care is provided from the antenatal to the postnatal phase and for premature and ill babies, including diagnostic testing and treatment for emotional and psychological needs.

Malaysia healthcare

Malaysia healthcare services contributed 0.9% to PPL in terms of total pro forma revenue for the year ended 31 December 2011 and 1.4% for the three months ended 31 March 2012.

Twin Towers Medical Clinic

Twin Towers Medical Clinic is located in Kuala Lumpur and provides general practice and specialty consultations, including ENT, cardiology, dentistry, ophthalmology, orthopaedic and occupational health services. It was acquired in February 2012 and is PPL's first entry into primary care business in Malaysia. It is managed by a resident cardiologist and includes laboratory, pharmacy and radiology services. It generally provides services to corporate clients and the residential community in the Kuala Lumpur city centre area.

Pantai Premier Pathology

Pantai Premier Pathology provides a diverse range of high-quality diagnostic and analytical laboratory testing services to referring medical practitioners. Referrals are received from a broad serving base of general practitioners and specialist doctors, from medical clinics, medical centres to large tertiary hospitals in Malaysia. Pantai Premier Pathology's clinical laboratory services include haematology, immunohaematology, biochemistry, immunology, serology, special chemistry, urine and stool analysis, microbiology and clinical molecular and specialised testing. Histopathology services and cytogenetics services are also offered.

Pantai Integrated Rehab

Pantai Integrated Rehab provides comprehensive physiotherapy and rehabilitation services. The centres are well equipped and provide a wide range of professional services, including physiotherapy, occupational therapy, specialised exercise instruction and integrated rehabilitation. Pantai Integrated Rehab operates the rehabilitation centres in PPL's hospitals in Malaysia with a team of over 65 physiotherapists and occupational therapists.

INTERNATIONAL OPERATIONS

PPL also has a presence in the PRC, India, Hong Kong, Vietnam and Brunei, with operations across the major healthcare sectors, namely hospitals, medical centres, clinics and ancillary healthcare businesses. PPL's international growth strategy is to identify latent demand in attractive markets and address that demand with a strategy tailored to each market's demographics and industry and regulatory landscape.

In the hospital segment internationally, PPL owns and operates hospitals via joint venture agreements, or enters into consultancy agreements or HMAs as appropriate to each market. Consultancy agreements relate to hospital design planning, development, construction and commissioning, while HMAs are agreements to manage hospitals which are operational. Typically, where PPL has entered into consultancy agreements in relation to a hospital under development, it has also subsequently entered into an HMA to manage these hospitals once completed.

We believe HMAs reinforce and complement PPL's core business and allow PPL to grow its presence, network and brand without major capital expenditure. This allows PPL to better understand new markets and develop entry strategies for these markets. PPL also has two consultancy agreements with hospitals that are under development in Taiwan and India. PPL's fees for HMAs and consultancy agreements are structured in a number of ways and generally consist of a base fee plus a percentage of the hospital's revenue or EBITDA. PPL's HMAs are generally entered into for a term of 10 years.

In the primary care segment, through joint ventures, PPL owns, manages and operates nine medical centres and clinics in the PRC and Hong Kong and one diagnostics centre in India.

PPL's international operations contributed 6.8% to PPL's total pro forma revenue for the year ended 31 December 2011 and 7.1% for the three months ended 31 March 2012. This does not include the revenues from joint ventures and our investments. See "Discussion and Analysis of Pro Forma Financial Information" for the review of our past pro forma performance.

The PRC and Hong Kong

Healthcare

Through eight medical centres and clinics in the PRC and one medical centre in Hong Kong, PPL provides primary and specialist care to the premium self-pay or corporate-insured segment, notably the affluent, urban and expatriate communities. As at 1 June 2012, PPL's clinics in the PRC employed more than 75 doctors and have relationships with 23 private insurance companies.

PPL's medical centres and clinics in the PRC are operated through contractual and trust arrangements with certain PRC operating entities. See "Risk Factors—Risks related to our countries of operation—(i) If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties; (ii) We rely on contractual arrangements with the PRC Operating Entities in the PRC and their shareholders for our business operations, which may not be as effective in providing operational control or enabling us to derive economic benefits compared to ownership of controlling equity interests; and (iii) We may face risks arising from certain trust arrangements."

PPL's medical centres and clinics in the PRC and Hong Kong are set forth in the table below as at 1 June 2012.

Medical centres and clinics	Location	Description
Chengdu Medical Centre	Chengdu, the PRC	Provides a comprehensive range of general practice and specialised medical services.
Gleneagles Medical and Surgical Centre	Shanghai, the PRC	Located in the same building as a 5-star hotel and provides a comprehensive range of services with an on-site operating theatre and luxury inpatient suites.

Medical centres and clinics	Location	Description
Luwan Specialty and Inpatient Centre	Shanghai, the PRC	A women's health and birthing centre, paediatric centre and after hours consultation centre located in Ruijing Hospital with 12 beds.
Jin Qiao Medical and Dental Centre	Shanghai, the PRC	A community-based primary care facility that also provides urgent care and non-medical ancillary services.
Mandarine City Medical Centre . .	Shanghai, the PRC	Provides a broad range of women's health services.
Shanghai Centre Medical and Dental Centres	Shanghai, the PRC	Located centrally in downtown Shanghai near many major office buildings and foreign consulates. The centres provide general medical services and also has a health screening centre on-site for work and visa-related health checks.
Shanghai Jin Mao Tower Medical Centre	Shanghai, the PRC	Provides services in family medicine, paediatrics, psychiatry, physiotherapy, acupuncture and psychology. The centre has seven medical consultation rooms, an on-site laboratory, x-ray and pharmacy.
Hong Qiao Medical Centre	Shanghai, the PRC	Provides services in family medicine, internal medicine, paediatrics, obstetrics and gynaecology with a team of international doctors and provides. It provides on-site laboratory, pharmacy and radiological services.
ParkwayHealth Central Hong Kong Medical Centre	Hong Kong	Located in Central district, the clinic covers 175 square meters and has space for general practitioners as well as space for a dentistry practice. The medical centre provides health screening, imaging services and pharmaceutical dispensing.

Projects under development

PPL entered into an HMA on 14 February 2011 for SIMC, which is expected to become operational in 2014. This is PPL's first entry into the hospital sector in the PRC. The SIMC HMA reinforces PPL's PRC strategy by helping to build PPL's experience while simultaneously growing its presence, network and brand recognition for future expansion in the PRC.

SIMC is located within the Shanghai International Medical Zone, which is an area in Shanghai designed to be a medical hub providing international standard healthcare services to the PRC's affluent population residing in the Yangtze River Delta and Bohai regions. The Shanghai International Medical Zone is expected to serve as a platform for companies engaged in the full supply chain of healthcare activities, fuelling opportunities for collaborations between medical institutions, medical device manufacturers and biomedical players. SIMC is a tertiary hospital and is expected to operate up to 450 beds. It is currently under construction and is supported by Shanghai's municipal government, Shanghai's healthcare bureau and the government of Pudong district. PPL has entered into a consultancy agreement and HMA to manage SIMC once operational in 2014.

Leveraging advanced medical technologies, SIMC intends to maintain PPL's high standards of healthcare services and clinical outcomes in serving affluent patients in Shanghai and the rest of the PRC. SIMC intends to partner Shanghai Jiao Tong Medical University and its 12 affiliated hospitals to set up clinical CoEs staffed by top physicians from the hospitals. SIMC is expected to enhance PPL's presence in the PRC market, where we believe there are significant opportunities for growth due to the PRC's large and aging population, rapid economic growth and increasing affluence.

India

Hospitals

PPL operates hospitals in India with joint venture partners in line with our Group's strategy to complement its investment in Apollo. See "—Apollo Hospitals Enterprise Limited." In India, the patient base is varied and consists of those who self-pay, are covered by private insurance and are sponsored by government programmes.

Apollo Gleneagles Hospital, located in Kolkata, is a 425-licensed bed multi-specialty tertiary hospital, which is currently in the process of increasing its licensed beds to 510, with a focus on cardiology, general surgery, orthopaedics and transplants. It is the only hospital in eastern India to be JCI accredited. It is also the only hospital in India to have received a NABL certification in five separate categories: clinical biochemistry, clinical pathology, haematology and immunohaematology, microbiology and serology, histopathology and cytopathology. The hospital project is a 50/50 joint venture between Apollo and PPL's subsidiary, Gleneagles Development.

Healthcare

PPL also operates a PET-CT centre through a 50/50 joint venture in India which is located inside Apollo Health City Hospital and provides diagnostic services to the patients there, as set forth in the table below.

Centre	Location	Description
Apollo Gleneagles PET-CT Centre	Hyderabad, India	Located inside Apollo Health City, the centre receives patients from within the hospital and surrounding areas who require diagnostic services.

Projects under development

Gleneagles Khubchandani Hospital, located in Mumbai, is currently under development and will have 450 beds and provide specialties in heart and vascular and general surgery, orthopaedics, neurosurgery and transplant surgery. This hospital project is a 50/50 joint venture between Koncentric Investments Ltd and PPL's subsidiary, Parkway Healthcare. Construction work commenced in May 2010 and the hospital is expected to be operational end-2012. The majority of beds at the hospital will be single suite and it is intended to target the increasingly affluent segment of the Indian population. The overall land cost, cost of development and equipment cost of the hospital is estimated to be approximately Rs.4.5 billion (USD78.9 million), of which Rs.1.2 billion (USD21.0 million) had been spent as at 31 March 2012. The cost of expansion has been and is expected to continue to be funded through borrowings and equity investment. See "Risk Factors—Risks related to our countries of operation" on the risk factor relating to the non-receipt of certain approvals from the relevant authorities by Gleneagles Khubchandani Hospital required for its development activities.

GM Modi Hospital, located in New Delhi, India, is planned to be developed into a 300-bed hospital facility. PPL has entered into a consultancy agreement with GM Modi Hospitals Corporation Pte. Ltd. to design and plan this new facility.

Vietnam

City International Hospital, located in Ho Chi Minh City, Vietnam, will be managed by PPL through a consultancy agreement and HMA once operational, which is expected to be in 2013. The tertiary multi-specialty hospital is under construction. It is expected to have 313 beds and to include the latest medical technology and extensive facilities, including 10 operating theatres and 20 intensive care beds, as well as eight labour and delivery rooms. The hospital expects to offer comprehensive key clinical programmes in obstetrics and gynaecology, paediatrics, general surgery, cardiology, ears, nose and throat, eye, orthopaedic, gastroenterology and haematology, and internal medicine.

Brunei

Gleneagles JPMC Cardiac Centre, located in Jerudong Park, Brunei, is owned and operated by PPL through a joint venture with the Brunei Investment Agency, with PPL holding a 75.0% equity interest as at 1 June 2012. The hospital has 21 licensed beds, two major operating theatres, two cardiac catheterisation laboratories and is located in Jerudong Park. We believe the centre performed the first open heart surgery in Brunei. The centre provides a range of clinical services such as cardiac inpatient and outpatient specialist services, health and cardiac screening, coronary angiogram and interventional cardiology, open heart surgeries and cardiac rehabilitation. The centre is leased for a term of 15 years ending in 2017.

ACIBADEM

Acibadem is the largest private healthcare provider in Turkey in terms of number of non-SGK and partial-SGK beds, according to Frost & Sullivan. It has been one of the leading private healthcare providers of high-quality diagnostic and treatment services for Turkish and international patients since 1991. Acibadem's integrated healthcare network in Turkey and Macedonia as at 1 June 2012 spanned 14 hospitals (with one other hospital in Istanbul, Jinemed Hospital, the acquisition of which is pending completion) with more than 1,800 licensed and operational beds (which exclude the 23 licensed and/or operational beds in Jinemed Hospital), a majority of which were in private, single-bed patient suites. Of Acibadem's 14 hospitals, eight hospitals are in Istanbul (one of which, Aile Hospital Goztepe, was operational until April 2012 and is currently undertaking structural reinforcement of the hospital building, which is leased) and five hospitals are in other large population centres across Turkey. Acibadem employed over 1,800 doctors across 40 specialty areas, of whom approximately 1,300 are specialist doctors, and more than 350 were professors or associate professors as at 1 June 2012. Most of these professors teach at Acibadem University, an institution owned and operated by Acibadem Health and Education Foundation, which is outside the Group. Acibadem hospitals are equipped with state-of-the-art medical technology, such as robotic surgery, intraoperative radiotherapy and digital tomosynthesis mammography.

Acibadem has substantially benefited from recent growth in medical travel across the CEEMENA region. Its International Patient Centre, located in Istanbul, Turkey, provides a wide range of intermediary services for foreign patients visiting Acibadem's facilities. Acibadem has over 40 multi-lingual patient specialists and has partnerships and special agreements with foreign governments and institutions in the surrounding and neighbouring region.

In Turkey, most of the doctors and physicians who practise in Acibadem's hospital network are either contracted under a revenue-sharing system or employed by Acibadem under a full or part-time employment contract. The majority of these doctors have annual rolling contracts with Acibadem while others have two-year to three-year contracts. The majority of the doctors practise under a revenue-sharing model, under which Acibadem bills patients for all medical services rendered and then pays the doctors a portion of the fees received, whereas the remaining receive either a fixed salary or a combination of revenue-sharing and a salary.

In addition, as at 1 June 2012, Acibadem operated nine outpatient clinics (with one other outpatient clinic in Istanbul, Jinemed Medical Centre, the acquisition of which is pending completion) which provide an array of primary care services such as emergency care and other specialty services to their local communities. Acibadem believes that the outpatient clinics serve as active feeders of patients into its healthcare network.

Acibadem Holding's integrated business network includes stand-alone ancillary healthcare businesses, such as Acibadem Mobil, APlus and Acibadem Proje as well as laboratory services, such as Acibadem Labmed. Acibadem Labmed, with its ISO 15189 clinical laboratory accreditation, which we believe is the most state-of-the-art laboratory in the CEEMENA region, offers a large spectrum of services. Acibadem Mobil provides emergency assistance and transportation and home health services for patients before and after their hospital visits. APlus provides laundry, catering and housekeeping services at the hospitals to Acibadem patients and staff and plans to expand such services to third parties. Acibadem Proje plans, designs and refurbishes hospital projects in Turkey. Acibadem Proje has been responsible for developing and completing all of Acibadem's greenfield hospitals since its commencement of operations. Acibadem Labmed, Acibadem Mobil, APlus and Acibadem Proje provide their services to Acibadem, as well as third parties.

The map below sets out the locations of Acibadem's hospitals and outpatient clinics in Turkey and Macedonia as at 1 June 2012. The map also shows the location of Jinemed Hospital and Jinemed Medical Centre, which Acibadem is in the process of acquiring.

The table below sets forth certain operating statistics for the hospitals and outpatient clinics which Acibadem operates as at and for the periods indicated. Hospital operations are subject to certain seasonal fluctuations such as decreases in inpatient business during school holidays and festive periods as well as during summer periods. Whilst in the winter months, the inpatient business usually peaks.

	Year ended 31 December			Three months ended 31 March
	2009	2010	2011	2012
Number of hospitals at end of period	9	11	14	14
Number of outpatient clinics at end of period	6	7	9	9
Number of beds (licensed and operational) at end of period(1)	1,232	1,473	1,751	1,801
Inpatient admissions(3)	52,869	66,428	88,525(2)	27,872(8)
Average length of stay (days)(4)	3.2	3.5	3.5(2)	3.3(8)
Occupancy rate(5)	54.9%(6)	66.5%	79.5%(2)	78.1%(8)
Average revenue per inpatient admission (in TL/SGD/RM)(7)	4,907/3,518/ 8,440	5,553/3,982/ 9,551	5,600/4,015/ 9,632(2)	5,799/4,158/9,974(8)
Average revenue per patient day (in TL/SGD/RM)(7)	1,513/1,085/ 2,602	1,584/1,136/ 2,724	1,580/1,133/ 2,718(2)	1,754/1,258/3,017(8)

Notes:

* PPL and Acibadem do not compile certain of their operational data, including the number of operational beds, the average length of stay and the occupancy rate, on the same basis and therefore, these amounts may not be comparable.

(1) Under Turkish law, "licensed beds" refer to the approved number of beds used for observation and treatment of at least 24 hours, including intensive care, premature and infant unit beds and beds in the burn care units and indicated in the hospital operation licenses. In addition to licensed beds, "operational beds" include beds used for treatments of less than 24 hours such as chemotherapy, radiotherapy and sedation or other beds such as incubators, labour beds, beds for examination, small treatments and relaxation, from which Acibadem derives revenue and does not require licensing.

(2) Comprises data for only 11 hospitals, which excludes Acibadem Sistina Skopje Clinical Hospital, Aile Hospital Bahcelievler and Aile Hospital Goztepe as the three hospitals were only acquired in the second half of 2011, where the operational data were recorded and classified differently with the rest of the other existing hospitals.

(3) Represents the total number of overnight patients admitted to our hospitals.

(4) Represents the average number of days an overnight patient stays in our hospitals.

(5) Represents the percentage of hospital licensed beds occupied by overnight patients.

(6) Reflects three hospitals opened in 2009 that were ramping up and not operational for the full year.

(7) The Turkish Lira amounts have been translated for convenience into Singapore Dollar at the rate of TL1.00: SGD0.717 and into Ringgit Malaysia at the rate of TL1.00: RM1.72.

(8) Comprises data for only 13 hospitals, which excludes Acibadem Sistina Skopie Clinical Hospital as the hospital was only acquired in the second half of 2011, where the operational data were recorded and classified differently with the rest of the other existing hospitals.

As part of our measurement of operational performance, we use "occupancy rates" as a performance indicator of the utilisation of our available operational beds. We use occupancy rates to alert us if our hospitals have a potential operational bed capacity issue which may affect doctors' ability to admit their patients. Occupancy rates are a measure of the number of inpatients against the number of available operational beds, not a measure of revenue or profitability. This is because revenue or profit derived from an inpatient also includes, over and above room charges, other healthcare and medical services and fees, pharmaceutical drugs and consumables and (in relation to Acibadem) doctors' fees, which can vary significantly from inpatient to inpatient.

Acibadem hospitals

As at 1 June 2012, Acibadem operates 14 hospitals across Turkey and Macedonia as at 1 June 2012, of which six are JCI accredited, one is pending JCI accreditation and one is in the process of preparing its application for JCI accreditation. The acquisition by Acibadem of one other hospital in Turkey (Jinemed Hospital) is pending completion.

Our hospital operations in Turkey began in 1991. The table below sets forth certain information about Acibadem's hospitals as at 1 June 2012.

Hospital	Key specialist services provided	Total number of beds (licensed and/or operational beds)[1]	Number of operating theatres[2]
Acibadem Maslak Hospital	Multi-specialty hospital with approximately 30 therapeutic areas and key specialist services, including radiation oncology, cardiac care and urology	183	8
Acibadem Bursa Hospital	Multi-specialty hospital with approximately 25 therapeutic areas and key specialist services including radiation oncology, cardiovascular surgery, general surgery, obstetrics and gynaecology	195	6
Acibadem Sistina Skopje Clinical Hospital (Macedonia)	Multi-specialty hospital, cardiology, cardiovascular surgery, urology, obstetrics and gynaecology	179	8
Acibadem Kayseri Hospital	Multi-specialty hospital with approximately 20 therapeutic areas and key specialist services including radiation oncology	119	6
Acibadem Bakirkoy Hospital	Multi-specialty hospital with approximately 25 therapeutic areas and key specialist services including paediatric cardiovascular surgery, orthopaedic and general surgery	136	7
Acibadem Kadikoy Hospital	Multi-specialty hospital with approximately 25 therapeutic areas and key specialist services including IVF, cardiology, paediatrics and internal medicine	127	6
Acibadem Adana Hospital.	Multi-specialty hospital with approximately 25 therapeutic areas and key specialist services including radiation oncology	125	5
International Hospital	Multi-specialty hospital with approximately 20 therapeutic areas and key specialist services including organ transplantation and paediatric cardiovascular surgery	134	6
Acibadem Eskisehir Hospital	Multi-specialty hospital with approximately 20 therapeutic areas and key specialist services	135	5
Aile Hospital Bahcelievler	Multi-specialty hospital with approximately 20 therapeutic areas and key specialist services including general surgery, orthopaedic, obstetrics and gynaecology	109	5

Hospital	Key specialist services provided	Total number of beds (licensed and/or operational beds)[(1)]	Number of operating theatres[(2)]
Acibadem Fulya Hospital	Multi-specialty hospital with approximately 10 therapeutic areas and key specialist services including sports medicine	108	6
Aile Hospital Goztepe[(3)]	Multi-specialty hospital with approximately 20 therapeutic areas and key specialist services including general surgery, cardiology and cardiovascular surgery	89	4
Acibadem Kozyatagi Hospital . . .	Multi-specialty hospital with approximately 25 therapeutic areas and key specialist services including adult and paediatric neurosurgery, medical oncology, nuclear medicine	87	4
Acibadem Kocaeli Hospital	Multi-specialty hospital with approximately 25 therapeutic areas and key specialist services including paediatrics, internal medicine, ENT and cardiovascular surgery	75	3
Jinemed Hospital[(4)]	Multi-specialty hospital with approximately 15 therapeutic areas and key specialist services including obstetrics-gynaecology, IVF, general surgery, internal medicine, paediatrics and orthopaedics	23	3

Notes:

(1) Under Turkish law, "licensed beds" refer to the approved number of beds used for observation and treatment of at least 24 hours, including intensive care, premature and infant unit beds and beds in the burn care units and indicated in the hospital operation licenses. In addition to licensed beds, "operational beds" include beds used for treatments of less than 24 hours such as chemotherapy, radiotherapy and sedation or other beds such as incubators, labour beds, beds for examination, small treatments and relaxation, from which Acibadem derives revenue and does not require licensing.

(2) Does not include delivery suites, IVF, minor procedures and endoscopy rooms.

(3) Aile Hospital Goztepe was operational until April 2012 and is currently undertaking structural reinforcements of the hospital building, which is leased.

(4) As at 1 June 2012, Jinemed Saglik, which is the licence owner of Jinemed Hospital, was not a subsidiary of Acibadem. On 1 February 2012, Acibadem and the shareholders of Jinemed Saglik executed a share purchase agreement pursuant to which 65.0% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction; however, the share transfer has not yet been completed. Jinemed Hospital is included in the pro forma financial information of the Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed within 2012.

Eight of Acibadem's private hospitals have partial agreements with the SGK and four of Acibadem's hospitals have full agreements with the SGK to treat patients whose healthcare spending is publicly funded. The SGK imposes fee caps on services provided to SGK patients by hospitals that have partial or full agreements with it. The agreements are automatically renewed on an annual basis, unless the hospital notifies the SGK that it intends to terminate the agreement. Prior to renewal, the hospital may also notify the SGK to change its agreement type from full to partial, or vice versa. Those hospitals with partial agreements with the SGK provide publicly-funded healthcare in four main therapeutic areas, namely, cardiac care, including cardiology and cardiovascular surgery, oncology, including medical oncology, radiation oncology, gamma knife and cyber knife, organ transplants and emergency room treatment. If patients with SGK coverage choose to have medical treatment outside these four therapeutic areas, their treatment will not be covered by the SGK, the SGK fee cap will not apply and they will have to pay through other means.

Those hospitals with full agreements with the SGK provide publicly-funded healthcare in all specialty areas that they provide treatment services and the SGK will pay in full for all services at such hospitals, except for any additional medical treatment and hotel expenses requested by an SGK patient. In the year ended 31 December 2011, approximately 52.0% of Acibadem's patients paid for the healthcare services provided by Acibadem with private insurance, 21.0% self-paid, 17.0% paid through the SGK and 10.0% paid with corporate-sponsored insurance or other means.

Some of the patients who pay for their healthcare services through private insurance subscribe to the healthcare insurance offered by Acibadem Sigorta, which is jointly controlled by Aydinlar and an entity within the Abraaj group. For the past 3 years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the three months ended 31 March 2012, revenue generated from Acibadem Sigorta by Acibadem for the provision of healthcare services to Acibadem Sigorta insured members amounted to TL39.2 million (USD21.5 million), TL52.2 million (USD28.7 million), TL66.0 million (USD36.3 million) and TL23.7 million (USD13.0 million) respectively. The fee charges, including volume-based discounts, applicable to such patients are on an arm's length basis and on terms which are consistently applied to all other insurance operators. These arrangements are expected to continue on the basis of the same terms.

Six of Acibadem's hospitals are JCI accredited, with one hospital pending accreditation and one hospital preparing its application for accreditation. We seek to achieve JCI accreditation as we develop new hospitals. However, when our hospitals mature and maintain the levels of quality that JCI accreditation requires, we may seek to voluntarily withdraw from such accreditation in order to eliminate the unnecessary cost of maintaining the accreditation while maintaining the same levels of quality. For example, Acibadem Bursa Hospital and Acibadem Kocaeli Hospital were previously JCI accredited and as at 1 June 2012, Acibadem has voluntarily withdrawn its JCI accreditation at these two hospitals.

Acibadem owns 100.0% of all of its hospitals in Turkey, except for International Hospital in which Acibadem indirectly holds a 90.0% equity interest, and is in the process of acquiring a 65.0% equity interest in Jinemed Hospital, which is pending completion. In Macedonia, Acibadem holds 50.3% of Acibadem Sistina Skopje Clinical Hospital. Further details of Acibadem's hospitals as at 1 June 2012 are set forth below.

Acibadem Maslak Hospital is a 183-licensed and operational bed hospital with 312 doctors located in the Maslak neighbourhood of Istanbul, Turkey. The hospital provides infertility treatment and IVF and has an intensive care unit for neonatology. In addition, the hospital has high level diagnosis and treatment laboratories with electrophysiology and interventional radiology, such as Rapidarc technology oncology treatments, the da Vinci robotic surgical system and Cyberknife technology. The hospital has five intensive care units used for cardiology, internal diseases, general surgery, cardiac surgery and neonatology. The hospital also focuses on medical travellers, in addition to local patients. Acibadem Maslak Hospital has "intelligent building" technology, which operates different premises systems by integrating them from a single centre. In addition, we believe that Acibadem Maslak Hospital is the only "paperless" hospital in the CEEMENA region, where all patient paperwork and records are kept electronically and there are touchscreen computers in each patient's room. The hospital is expected to commence an expansion project within 2012 to manage the hospital's activities more efficiently and to increase its service capacity. The hospital is JCI accredited.

Acibadem Bursa Hospital is a 195-licensed and operational bed hospital with 102 doctors located in Bursa, Turkey. The hospital has five intensive care units which are used for cardiology, internal diseases, general surgery, cardiac surgery and neonatology. The hospital also focuses on medical travellers, in addition to local patients. The hospital receives referrals from doctors located outside Istanbul within the Marmara region, particularly because of its radiation oncology capability and growing cardiovascular surgery capacity. The hospital was previously JCI accredited and Acibadem voluntarily withdrew the accreditation in 2011.

Acibadem Sistina Skopje Clinical Hospital is a 179-licensed and operational bed hospital with 109 doctors located in Skopje, Macedonia. It is the first private hospital in Macedonia. The hospital has two CT laboratories and five intensive care units which are used for cardiology, general surgery, cardiac surgery and neonatology. The hospital is in the process of preparing its application for JCI accreditation.

Acibadem Kayseri Hospital is a 119-licensed and operational bed hospital with 74 doctors located in Kayseri, Turkey. The hospital has five intensive care units used for cardiology, internal diseases, general surgery, cardiac surgery and neonatology. The hospital has one of the leading radiation oncology facilities in Turkey and the surrounding region.

Acibadem Bakirkoy Hospital is a 136-licensed and operational bed hospital with 253 doctors located in the Bakirkoy neighbourhood of Istanbul, Turkey. The hospital has five intensive care units used with 27 licensed and operational beds which are used for neonatology, general surgery, internal diseases, cardiology and cardiac surgery and a 25-licensed and operational bed emergency-care room. The hospital also focuses on medical travellers, in addition to local patients. The hospital building has "intelligent building" technology and is fully computerised. The hospital is JCI accredited.

Acibadem Kadikoy Hospital is a 127-licensed and operational bed hospital with 174 doctors located in the Kadikoy neighbourhood of Istanbul, Turkey. It was Acibadem's first hospital and commenced its operations in 1991. The hospital has five intensive care units which are used for cardiology, internal diseases, general surgery, cardiac surgery and neonatology. The hospital is JCI accredited.

Acibadem Adana Hospital is a 125-licensed and operational bed hospital with 77 doctors located in Adana, Turkey. The hospital has five intensive care units used for cardiology, internal diseases, general surgery, cardiac surgery and neonatology. In addition, the hospital has two sleep laboratories. The hospital also focuses on medical travellers, in addition to local patients. Acibadem Adana Hospital has an agreement with the Iraq Ministry of Health and the Incirlik U.S. Air Force Base to provide healthcare services to Iraqi and American patients. Due to its location, the hospital also provides healthcare services to Syrian and Libyan patients. The hospital is JCI accredited.

International Hospital is a 134-licensed and operational bed hospital with 128 doctors located in the Yesilkoy neighbourhood of Istanbul, Turkey. The hospital underwent a redevelopment project which began in 2006 and was completed in 2008, which upgraded its polyclinic areas, physician examination rooms and inpatient floors. The hospital operates an organ transplantation centre. The hospital also focuses on medical travellers, in addition to local patients. Given International Hospital's history as the first private hospital in Turkey and strong brand recognition in the market, Acibadem has continued to operate the hospital under its original name following its acquisition in 2005. However, International Hospital uses the "Acibadem" trademark so that it is recognisable as part of the Acibadem group. The hospital is JCI accredited.

Acibadem Eskisehir Hospital is a 135-licensed and operational bed hospital with 56 doctors located in Eskisehir, Turkey. The hospital has one neonatology unit, one baby-care room, a decontamination room, emergency follow-up rooms and isolated, single-bed intensive care units. The hospital has five intensive care units which are used in general surgery, internal diseases, cardiology, cardiac surgery and neonatalogy.

Aile Hospital Bahcelievler (previously known as John F. Kennedy Hospital) is a 109-licensed and operational bed hospital with 86 doctors located in the Bahcelievler neighbourhood of Istanbul, Turkey. The hospital has four intensive care units used for cardiac surgery, cardiology, general surgery and neonatology. In 2012, the hospital has been rebranded as "Aile Hospital".

Acibadem Fulya Hospital is a 108-licensed and operational bed hospital with 137 doctors located in Besiktas neighbourhood of Istanbul, Turkey. The hospital is the first one in Turkey to specialise in sports injuries and professional athletes' healthcare. The hospital is one of a few in Turkey that does not have any agreement with SGK and only serves patients who are able to pay by themselves, through private insurance or through corporate-sponsored insurance or other means. The hospital is pending JCI accreditation and expects to receive the accreditation within 2012.

Aile Hospital Goztepe (previously known as Goztepe safak Hospital) is an 89-licensed and operational bed hospital with 60 doctors located in the Goztepe neighbourhood of Istanbul, Turkey. The hospital is intended to have four intensive care units used for cardiac surgery, cardiology, general surgery and neonatology. In 2012, the hospital has been rebranded as "Aile Hospital." Acibadem decided in April 2012 to suspend the operations of the hospital to facilitate the undertaking of structural reinforcement of the hospital building, which is leased. The completion of the reinforcement will be determined, pending further assessment of the building structure. See "Risk Factors—Risks related to our countries of operation" relating to the prolonged suspension of hospital operations.

Acibadem Kozyatagi Hospital is an 87-licensed and operational bed hospital with 128 doctors located in the Kozyatagi neighbourhood of Istanbul, Turkey. The hospital is known for its neurology and cancer treatment centre, as well as its sleep disorder laboratory and motion analysis laboratory. Designed to provide specialty-institute level treatment for the whole spectrum of neurological diseases, Acibadem Kozyatagi Hospital performs adult and paediatric neurosurgeries, supported by intra-operative MRI, Gamma Knife, brain lab, gait and motion analysis centre, neuro-pathologists and paediatric rehabilitation teams. The hospital has an intensive care unit and nine emergency follow-up beds. The hospital is JCI accredited.

Acibadem Kocaeli Hospital is a 75-licensed and operational bed hospital with 62 doctors located in Kocaeli, Turkey. The hospital has five intensive care units with 18 licensed and operational beds which are used for cardiology, internal diseases, general surgery, cardiac surgery and neonatology. The hospital was previously JCI accredited and Acibadem voluntarily withdrew the accreditation in 2011.

Jinemed Hospital is a 23-licensed and operational bed hospital with 43 doctors located in the Besiktas neighbourhood of Istanbul, Turkey. The hospital has two intensive care units used for general surgery and neonatology. The acquisition and share transfer of Jinemed Saglik, which is the license owner of Jinemed Hospital, is expected to be completed within 2012.

Expansion projects

Acibadem is currently undertaking expansion projects in two hospitals, Acibadem Sistina Skopje Clinical Hospital and Acibadem Maslak Hospital.

- Acibadem is currently in the midst of expanding the facilities of Acibadem Sistina Skopje Clinical Hospital which will add 81 beds to its existing capacity and is expected to open its oncology department in 2012. A new oncology facility is currently under construction and will provide, among others, an extension of the cardiac surgery and general surgery departments, an expanded department of nuclear medicine equipped with PET-scan and an emergency department with a trauma centre. Construction work was ongoing when Acibadem acquired Acibadem Sistina and is expected to be completed by the end of 2012. The cost of expansion is funded by the other shareholder of Acibadem Sistina. Acibadem plans to transfer medical equipment from its existing hospitals to Acibadem Sistina Skopje Clinical Hospital upon completion of the expansion.

- Acibadem Maslak Hospital will be constructing an additional hospital building with a built-up area of 50,000 square metres which will add 120 beds to its existing capacity. Construction work is expected to commence within 2012 and expected to be completed within the next two to three years. The cost of expansion will be funded through borrowings and internally generated funds. Acibadem Proje will be responsible for the completion of the design and construction management of this project.

The overall expansion cost is estimated to be approximately TL99.9 million, of which none had been incurred as at 31 March 2012.

Projects under development

Acibadem is also developing two greenfield projects, Acibadem Ankara Hospital and Acibadem Bodrum Hospital.

- **Acibadem Ankara Hospital** is currently under development in Ankara, Turkey. Construction work commenced at the beginning of the first quarter of 2011 and the hospital is expected to become operational in the third quarter of 2012. It is expected to have an indoor area of approximately 9,000 square metres with approximately 78 beds and four operating theatres. This multi-specialty hospital is expected to offer high quality medical services and to be equipped with advanced technology.

- **Acibadem Bodrum Hospital** was, as at 1 June 2012, under development in Bodrum, Turkey, a popular holiday destination. Construction work commenced in the end of the first quarter 2010 and phase one of Acibadem Bodrum Hospital has commenced operations following 1 June 2012, on 11 June 2012. Phase one of Acibadem Bodrum Hospital has an indoor area of approximately 12,000 square metres with 76 beds. Following the completion of phase two, which is currently expected in 2013, Acibadem Bodrum Hospital is expected to have an indoor area of approximately 21,800 square metres with approximately 110 beds in total, and four operating theatres. This multi-specialty hospital is expected to offer high quality medical services to local residents and to medical travellers.

The overall cost of development of these two greenfield projects is estimated to be approximately TL99.5 million, of which TL36.7 million had been incurred as at 31 March 2012. The cost of development has been and is expected to continue to be funded by borrowings and internally generated funds.

In addition to the above, as at 1 June 2012, Acibadem has signed a letter of intent to develop a potential greenfield hospital project located in the Taksim neighbourhood of Istanbul, Turkey and is also in discussions to develop a potential hospital via a brownfield project, also located in Istanbul, Turkey. These two hospitals are expected to add a total of approximately 330 beds to our Group upon completion, which we anticipate to be within the next five years. The details of these two hospital development projects are not yet finalised and, as at 1 June 2012, no binding agreements have been entered into with regard to them.

CoEs

In selected specialties, Acibadem offers advanced medical services and treatments and advanced biomedical technology and equipment. The CoEs also employ specialist doctors. Acibadem's CoEs include the following:

Medical Specialty	CoE	Location	Description
Cardiovascular Surgery.	Cardiac Care, Adult Cardiology, Cardiovascular surgery	Acibadem Kadikoy Hospital, Acibadem Bakirkoy Hospital, Acibadem Maslak Hospital, International Hospital, Acibadem Bursa Hospital, Acibadem Kocaeli Hospital, Acibadem Eskisehir Hospital, Acibadem Adana Hospital, Acibadem Kayseri Hospital, Acibadem Sistina Skopje Clinical Hospital, Aile Hospital Goztepe and Aile Bahcelievler Hospital	• Focuses on all aspects of adult cardiology and cardiovascular surgery going from prevention and diagnosis to treatment and rehabilitation of cardiac patients.
Paediatric Cardio-vascular Surgery . .	Paediatric Cardiac care and cardiovascular surgery	Acibadem Bakirkoy Hospital and International Hospital	• Focuses on all aspects of paediatric cardiology and cardiovascular surgery. Dedicated teams at these two hospitals treat almost 500 congenital paediatric cases each year.
Adult and Paediatric Neuro-surgery. . . .	Neurosciences	Acibadem Kozyatagi Hospital and Acibadem Bakirkoy Hospital	• Designed to provide specialty-institute level treatment for a broad spectrum of neurological diseases. Acibadem Kozyatagi Hospital performs adult and paediatric neurosurgeries, supported by intra-operative MRI, Gamma Knife, brain lab, gait and motion analysis center, neuro-pathologists and paediatric rehabilitation teams.
Organ Transplantation . . .	Organ Transplantation	International Hospital, Acibadem Bursa Hospital and Acibadem Kozyatagi Hospital	• Dedicated to provide specialty services in organ transplantation in kidney (at International Hospital and Acibadem Bursa Hospital), liver (at Acibadem Bursa Hospital) and bone marrow (at Acibadem Kozyatagi Hospital). Transplant operations performed using sophisticated laparoscopic techniques.

Medical Specialty	CoE	Location	Description
Cancer Centre	Medical Oncology and Radiation Oncology	Acibadem Kozyatagi Hospital, Acibadem Maslak Hospital, Acibadem Bursa Hospital, Acibadem Kayseri Hospital and Acibadem Adana Hospital	• Comprised of a highly trained and qualified clinical support staff, including radiation and medical oncologists, surgeons, radiologists, pathologists, specialized nursing staff, dieticians, physical therapist and psychologists. The experienced medical teams treat their patients with advanced medical techniques and focus on their continuous well being during the treatment process. The radio-therapy planning and treatment information is completely integrated across these centers, enabling continuity of care.
Sports Medicine	Sportsman Health Centre, Advanced treatments for sports injuries, Physical Treatment and Rehabilitation centre	Acibadem Fulya Hospital	• Planned, designed and developed in connection with Acibadem's involvement in sports. Acibadem Fulya Hospital's Orthopedics and Sports Medicine Center has applied for designation as a FIFA Clinic of Medical Excellence.
IVF – Obstetrics and Gynaecology	In Vitro Fertilisation, Obstetrics and Gynaecology, High-Risk Pregnancy Programmes	Acibadem Kadikoy Hospital, Acibadem Maslak Hospital, International Hospital, Acibadem Bursa Hospital, Acibadem Kayser Hospital, Acibadem Sistina Skopje Clinical Hospital and Jinemed Hospital	• Provides advanced medical treatments with modern techniques in obstetrics and gynaecology services and focuses on IVF treatments. Acibadem Kadikoy Hospital is a MOH Turkey designated IVF training and certification center.
Robotic Surgery	Robotic Surgery	Acibadem Maslak Hospital, Acibadem Kadikoy Hospital and Acibadem Bakirkoy Hospital	• Utilises robotic surgery (da Vinci robotic surgery system) in certain branches i.e. urology, general surgery, gynaecology and obstetrics. This technique requires highly qualified and trained medical professionals who are trained in robotic surgeries.
Breast Clinic	Breast Cancer and Specialized Treatments for Women	Acibadem Maslak Hospital and Acibadem Bakirkoy Hospital	• Provides screening, consultation and treatment to women with breast cancer with a highly qualified and reputable team of surgeons, trained breast care nurses and medical support staff.

Acibadem Healthcare

Outpatient Clinics

In addition to its network of hospitals, as at 1 June 2012, Acibadem also operates nine outpatient clinics across Turkey. The acquisition by Acibadem of one other outpatient clinic in Istanbul (Jinemed Medical Centre) is pending completion. These outpatient clinics offer primary healthcare and perform outpatient operations and day surgeries. The outpatient clinics also refer patients to Acibadem hospitals. Acibadem owns 100.0% of all of its outpatient clinics, except for Konur Surgical Medical

Centre and Gemtip Medical Centre, which are held 92.5% and 53.6%, respectively, by Acibadem. Acibadem is in the process of acquiring a 65.0% interest in Jinemed Medical Centre which is pending completion. See "Risk Factors—Risks related to our countries of operation" for further details relating to the shareholding of the outpatient clinics held by Acibadem.

The table below sets forth certain information about Acibadem's outpatient clinics as at 1 June 2012.

Outpatient Clinic	Location	Services provided
Acibadem Beylikduzu Surgical Medical Centre	Istanbul, Turkey	Walk-in emergency services seven days a week; panoramic X-ray, USG, mammography, bone density, direct X-ray, CT and echocardiography technology; fully-equipped physiotherapy and rehabilitation unit which offers a full suite of pre- and post-operation physiotherapy services
Acibadem Bagdat Caddesi Medical Centre	Istanbul, Turkey	Walk-in emergency service six days a week; diabetes centre; dermatological services such as laser hair removal, laser skin treatments and Botox; two surgical intervention rooms and six observation rooms
Acibadem Etiler Medical Centre	Istanbul, Turkey	Walk-in emergency services six days of week; endoscopy unit provides gastroscopy, colonoscopy, rectoscopy and cauterisation operations; uses advanced technology for the diagnosis and treatment of gastrointestinal disorders; digital mammography; panoramic digital X-ray capability used n the diagnosis of dental problems
Acibadem Gokturk Medical Centre	Istanbul, Turkey	Primarily a family practice clinic; medical laboratory and radiology services; 24-hour emergency unit and ambulance service; utilises the "Integrated Patient Admissions System" which tracks a patient's medical history and includes diagnosis, treatment, results and physician notes from any Acibadem hospital or medical centre
Acibadem Atasehir Surgical Medical Centre	Istanbul, Turkey	Radiology department with advanced technology such as MRI, CT, mammography, X-ray, ultrasound and panoramic X-ray equipment; specialised treatment for sports-related injuries; dermatological services such as laser hair removal; fractional laser and ultrasonic local weight loss methods
Acibadem Uludag Outpatient Clinic. . . .	Bursa, Turkey	The Acibadem Skiing Patrol, first aid and search and rescue responders, patrols Uludag daily during the winter ski season with specially-equipped snow motorcycles or tracked snow mobiles; treatment at the scene for emergency cases such as head-neck injuries and limb indispositions; advanced medical treatment is performed in Acibadem Uludag Outpatient Clinic, which only serves in the winter season

Outpatient Clinic	Location	Services provided
Konur Surgical Medical Centre	Bursa, Turkey	Internal diseases, general surgery, neurology, neuropsychiatry, neurosurgery, paediatrics, paediatric surgery, gynaecology, plastic surgery, microsurgery and hand surgery, cardiovascular surgery, urology, ENT, ophthalmic, orthopaedics and traumatology, dermatology, physiotherapy and rehabilitation, microbiology and infection diseases, pathology, nuclear medicine, radiology, biochemistry, algology, acupuncture and anesthesia reanimation
Gemtip Medical Centre	Bursa, Turkey	Walk-in emergency services seven days a week; dental health, paediatrics, obstetrics and gynaecology, general surgery, internal medicine, ophthalmology, ENT, orthopaedics and traumatology and urology; radiology department equipped with X-ray, ultrasound and mammography
Levent Medical Centre(1)	Istanbul, Turkey	Walk-in emergency services six days a week; CT scan, X-ray, panoramic X-ray, medical laboratory, internal medicine, ENT, neurology, obstetrics and gynaecology, orthopaedics, general surgery, urology, dentistry, dermatology (including laser epilation, ultrashape, botox and other skin treatments) and family medicine
Jinemed Medical Centre(2)	Istanbul, Turkey	Multi specialty medical centre focusing on obstetrics and gynaecology and IVF, provides services in approximately 10 clinics, including general surgery, paediatrics and urology

Notes:

(1) As at 1 June 2012, Tolga Saglik, which is the licence owner of Levent Medical Centre, is not a subsidiary of Acibadem. Acibadem Poliklinik executed a future share sale agreement and future asset transfer agreement with Tolga Saglik. The potential share purchase and asset transfer is expected to be realised in 2012.

(2) As at 1 June 2012, Jinemed Saglik, which is the licence owner of Jinemed Medical Centre, is not a subsidiary of Acibadem. Please see note (4) of the table setting forth certain information about Acibadem's hospitals as at 1 June 2012, for further details of the share purchase agreement dated 1 February 2012 between Acibadem and the shareholders of Jinemed Saglik for the purchase of 65.0% equity interest of Jinemed Saglik.

Laboratories

To support its network of hospitals and outpatient clinics, Acibadem also operates five laboratories. The table below sets forth certain information about Acibadem's laboratories as at 1 June 2012.

Laboratory	Location	Description
Acibadem Labmed Clinical Laboratory	Istanbul, Turkey	In 2010, it became the first laboratory in Turkey to be accredited by the Turkish Accreditation Institution. Operated through a joint venture with Labmed Dortmund GmbH, a Germany laboratory operator.

Laboratory	Location	Description
Acibadem Central Pathology Laboratories	Istanbul, Turkey	Two locations: stand-alone laboratory in Altunizade, Istanbul and within Acibadem Maslak Hospital. Connected to every Acibadem hospital through terminals. Cooperate with Acibadem Labmed Clinical Laboratory and with the Acibadem Genetic Diagnosis Centre, enabling personalised treatment methods to be provided to cancer patients. Oldest cord blood bank and has the largest storage capacity in Turkey with a storage and production facility where all scientifically-approved tissues can be kept and all treatment-purpose cell procedures are conducted with good manufacturing practice standards.
Acibadem Stem Cell Laboratory and Cord Blood Bank	Istanbul, Turkey	As of January 2011, it has approval from MOH Turkey to produce stem cells, such as chondrocyte, fibroblast and mesenchymal stem cells, in a cell culture environment for autologous purposes.
Acibadem Genetic Diagnosis Centre . . .	Istanbul, Turkey	A well-equipped and high-standard genetic diagnosis laboratory which offers services for the purpose of diagnosis and prevention of genetic diseases. Genetic testing and diagnostic services are offered for over 200 illnesses.
Acibadem Labvital Food Control Laboratory	Istanbul, Turkey	Analyses food from production to consumption stages and all food-related equipment in accordance with international standards and with approval from the Turkish Ministry of Agriculture and Rural Affairs. Performs hygiene and sanitation auditing and observation for food production facilities and provides training for the staff working in such facilities.

Ancillary services

Acibadem Holding also owns complementary stand-alone ancillary healthcare businesses such as Acibadem Proje, Acibadem Mobil and APlus, which further support the integrated nature of Acibadem's hospitals. These three businesses provide support services to Acibadem's network of hospitals, as well as third parties.

Acibadem Mobil was established in July 2008 and provides emergency assistance and transportation and home health services for patients before and after their hospital visits, such as intensive care ambulance transportation, air ambulance, and in home and work place nursing services such as examination/physiotherapy, injection, medical dressing, laboratory, disease tracking and dietician services. As at 31 March 2012, Acibadem Mobil had approximately 300 employees, of whom 100 are physicians, and has advanced technology equipment and mobile medicine technology. Patients can access its services by calling the mobile health-care line 24 hours a day. Acibadem Mobil has received ISO 9001 accreditation for both its ambulance and home health services.

APlus commenced operations in 2006 and offers health sector-oriented food-catering, cleaning, laundry, facility management and human resources services. APlus is a pioneer in the industrial catering production sector, owns one of the largest hygienic laundry rooms in Turkey and utilises the "Healthguard" system which is used in the health sector in the European Union and offers high standard cleaning and disinfection services that minimise cross-contamination risk. APlus has achieved the following certifications: ISO 9001 (Quality Management System) and ISO 22000 (Food Safety Quality Management System).

Acibadem Proje commenced operations in 2004 and provides planning, implementation, control and "turn-key" consultancy services for major investments such as hospitals. Acibadem Proje began its operations by conducting all the planning, implementation, medical allocation and project financing operations for Acibadem's hospital investments following its commencement of operations. It is responsible for the completion of the design and construction management of all of Acibadem's new greenfield projects, such as Acibadem Bakirkoy Hospital and Acibadem Maslak Hospital. On average, Acibadem Proje is able to plan a hospital design in five to eight months and complete the construction in 18 to 22 months. Acibadem Proje also refurbishes and redesigns Acibadem's acquired hospitals. It has now grown to provide services to other domestic and international healthcare investors for the design and project management of certain domestic social responsibility projects, which are mainly for affiliated foundations. Acibadem Proje's primary capabilities are in hospital design and planning, supervision and management of the construction of healthcare facilities and medical equipment and technical infrastructure procurement and installation, and it improves its planning and designs based on feedback obtained from the operational hospitals it has designed.

INTERNATIONAL MEDICAL UNIVERSITY

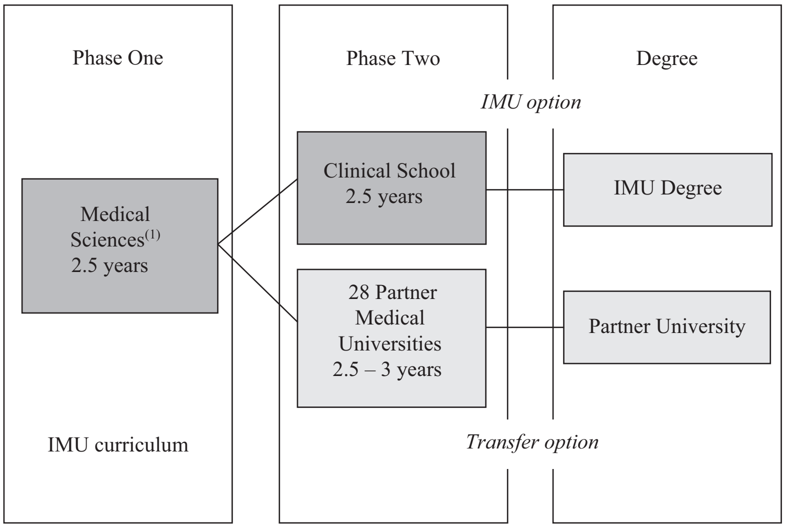
Through IMU Health, we own and operate IMU, a private university that offers a total of 18 academic programmes as at 1 June 2012, including medical, dental, pharmacy, nursing, health sciences and complementary medicine programmes. It is Malaysia's first private healthcare university offering both local and foreign academic programmes. IMU has a unique educational model. It partners with foreign universities which accept credits earned by students at IMU following a curriculum developed by IMU (instead of adopting the curricula of its partner universities). As at 1 June 2012, IMU had 37 international renowned or established partner universities, which, we believe, is the largest network of partner universities in Asia. IMU has trained about 7,000 students since it was founded in 1992 and had an enrolment of 2,963 students as at 31 December 2011. As at 31 March 2012, 3,179 students were enrolled at IMU.

IMU Health will focus on our education business in Malaysia for our Group. On 3 April 2012, IMU Health and Pantai Resources entered into a conditional share sale agreement for the acquisition of the entire equity interest in Pantai Education, which trains nurses for PPL's hospitals in Malaysia, from PPL as part of an internal restructuring process.

IMU educational model

The educational model at IMU is unique as it enables a student to pursue Phase One of their studies at IMU using an IMU curriculum and subsequently transfer to one of a number of partner universities to complete their studies at the partner university. Students who choose this transfer option will receive the degree from the partner university, which is identitical to the degree obtained by students who complete their full course of studies at the partner university. Students who choose the IMU option complete their studies at IMU and receive an IMU degree. This educational model applies to almost all of the undergraduate programmes offered by IMU, including the medical, dental, pharmacy, psychology, nutrition and dietetic, pharmaceutical chemistry, medical biotechnology, biomedical science, chiropractic and Chinese medicine programmes, thus differentiating it from other public and private education institutions.

The chart below illustrates the educational model for IMU's medical programme.



Note:

(1) Students transferring to a graduate partner medical school are required to complete an additional year of research for a BMedSc (IMU) degree.

Students must decide on their option of study prior to their enrollment. In the medical programme approximately 40% of students choose the IMU option, while the remaining 60% of incoming students choose the transfer option. Between 2007 and 2011, IMU's partner medical schools offered an average of over 250 places each year to IMU transfer students.

IMU's educational model gives students access to renowned partner universities at a lower cost as they are able to undertake Phase One in Malaysia where the total cost of tuition and living expenses are lower than at overseas universities. IMU's students are able to choose from a large selection of partner medical schools through a matching system in their fifth semester. In 2011, 28 partner medical schools participated in the medical programme.

For students who choose the transfer option, all fees in Phase One are paid to IMU while fees in Phase Two are paid to the respective partner universities. For students who choose the IMU option, all fees for the entire programme are paid to IMU. IMU's programmes operate on a semester model in which each semester is half a year. Certain undergraduate programmes have more than one intake a year. There are multiple intakes a year for the postgraduate programmes.

The table below sets forth the total tuition fees for each programme for the 2012 academic year.

IMU programmes	**Range of tuition fees[(1)]**
	(RM)
Undergraduate programmes	
Medical, dental	390,000 to 475,000
Pharmacy, nutrition and dietetics and complementary medicine[(2)]	120,000 to 193,600
Nursing and health sciences[(3)]	70,800 to 93,000
Postgraduate programmes	9,600 to 44,100

Notes:

(1) Tuition fees (rounded figures) are for the duration of programmes completed entirely at the IMU and after bursary.

(2) Complementary medicine includes the chiropractic and Chinese medicine programmes.

(3) Health sciences include the pharmaceutical chemistry, medical biotechnology, biomedical science and psychology programmes.

IMU academic programmes

As at 1 June 2012, IMU offers 18 healthcare undergraduate programmes and related postgraduate programmes, all of which are taught in English. The programmes offered are: medical, dental, pharmacy, nursing, psychology, nutrition and dietetics, pharmaceutical chemistry, medical biotechnology, biomedical science, chiropractic, Chinese medicine, public health and postgraduate programmes for masters and doctoral degrees. IMU's programmes are accredited by the MQA and the appropriate professional registration boards, such as the Malaysian Medical Council and the Malaysian Pharmacy Board. New programmes are given provisional accreditation until the first cohort graduates. Full accreditation is awarded to all established programmes and reaccreditation exercises are conducted when necessary.

The following table shows the details of IMU's programmes and the degrees offered by IMU under each programme for the academic year 2011.

Undergraduate and Postgraduate programmes	Year established	Options	Duration of IMU option degree	Partner universities	Faculty (full-time)	Students enrolled(5)(6)
Medical(1)	1993	Transfer option and IMU option	MBBS – 5 years, BMedSc – 3.5 years	28	117	1,450(2)
Dental	2008	Transfer option and IMU option	BDS – 5 years	4	21	137
Pharmacy(3)	1996	Transfer option and IMU option	B. Pharm – 4 years,	3	49	657
Nursing	2005	IMU option	B. Nursing Science (Hons) – 4 years, B. Nursing Science – 2 years	N/A	15	109
Psychology	2008	Transfer option and IMU option	BSc (Hons) – 3 years	2	6	39
Nutrition and dietetics	2008	Transfer option and IMU option	BSc (Hons) – 4 years	2	15	223
Pharmaceutical chemistry	2008	Transfer option and IMU option	BSc (Hons) – 3 years	1	5	56
Medical biotechnology	2008	Transfer option and IMU option	BSc (Hons) – 3 years	1	8	34
Biomedical science	2008	Transfer option and IMU option	BSc (Hons) – 3 years	4	11	119
Chiropractic	2010	Transfer option and IMU option	BSc (Hons) – 4 years	2	7	67
Chinese medicine	2010	Transfer option and IMU option	BSc (Hons) – 4 years	4	5	12
Postgraduate	2005	IMU option	MSc(4) – 1 to 4 years (full-time)/2 to 6 years (part-time) PhD – 2 to 6 years	N/A	N/A(3)	60

Notes:

(1) Includes students in Phase One, mainly basic medical science, and Phase Two, which is the clinical training.

(2) Comprises 1,069 students in Phase One and 381 students in Phase Two.

(3) Does not include Master of Pharmacy (Honours) as the degree on completion is conferred by a partner university. As at 1 June 2012, the programme is pending re-accreditation by MQA.

(4) Refers to MSc in Medical and Health Science (by research) and MSc in Public Health. In January 2012, IMU received approval from MOHEM for its MSc in Analytical and Pharmaceutical Chemistry programme.

(5) There is no dedicated faculty for the postgraduate programmes, as they are distributed throughout all of IMU's programmes.

(6) Total student numbers in both transfer and IMU options.

IMU partner universities

IMU has partnerships with 37 universities around the world, as set forth in the table below.

Countries	Programmes
Australia and New Zealand	
University of Adelaide, Australia	Medical, Dental
Australian National University, Australia	Medical
University of New South Wales, Australia	Medical
University of Newcastle, Australia	Medical, Nutrition and Dietetics, Biomedical Science, Medical Biotechnology, Psychology
RMIT University, Australia	Chiropractic, Chinese Medicine
University of Queensland, Australia	Medical, Dental, Pharmacy
University of Sydney, Australia	Medical, Pharmaceutical Chemistry
University of Tasmania, Australia	Medical
University of Western Australia, Australia	Medical, Dental
University of Western Sydney, Australia	Medical
University of Auckland, New Zealand	Medical
University of Otago, New Zealand	Dental, Pharmacy, Biomedical Sciences, Nutrition, Dietetics
Canada and United States	
Dalhousie University, Canada	Medical
Jefferson Medical College, United States	Medical
United Kingdom and Ireland	
Anglo-European College of Chiropractic, England	Chiropractic
Brighton-Sussex Medical School, England	Medical
University of Keele, England	Medical
University of Leeds, England	Medical
University of Leicester, England	Medical
University of Liverpool, England	Medical
University of Manchester, England	Medical
University of Nottingham, England	Medical
University of Southampton, England	Medical
St. George's University of London, England	Medical, Biomedical Science
University of Warwick, England	Medical
University of Aberdeen, Scotland	Medical
University of Dundee, Scotland	Medical
University of Edinburgh, Scotland	Medical
University of Glasgow, Scotland	Medical
University of Strathclyde, Scotland	Pharmacy, Psychology, Biomedical Science, Medical Biotechnology
National University of Ireland, Galway, Ireland	Medical
Queen's University of Belfast, Northern Ireland	Medical
University of Glamorgan, South Wales	Chiropractic

Countries	Programmes
The PRC	
Beijing University of Chinese Medicine, the PRC[(1)]	Chinese Medicine
Guangzhou University of TCM, the PRC	Chinese Medicine
Shandong University of TCM, the PRC	Chinese Medicine
Shanghai University of TCM, the PRC	Chinese Medicine

Note:

(1) Students have the option for an internship at Beijing University of Chinese Medicine after successful completion of the BSc (Hon) Chinese Medicine at IMU.

Each year, the Academic Council, a council of the medical and dental deans or their representatives from IMU's partner universities and IMU's senior staff, meet in Kuala Lumpur, Malaysia, to discuss admissions, curriculum, assessment, research, faculty appointments and other academic issues, including future developments central to IMU's medical and dental programmes. In 2010, IMU undertook a major curriculum review of its medical programme to better integrate the various disciplines in medicine, their application in disease processes, principles of diagnosis and treatment and their implications in hospital and community practice. The new curriculum was implemented in August 2011.

In addition, the members of the Academic Council serve as liaisons between IMU and its partner universities. The Academic Council has been held annually since 1992 and the most recent meeting was held on 6 and 7 March 2012.

IMU has also established a Professional Education Advisory Committee comprising leading educationists from North America, United Kingdom, Australasia and Malaysia. This committee meets twice a year to audit and provide advice on the quality of all of IMU's programmes.

IMU faculty

IMU's faculty is recruited both locally in Malaysia and from other countries. As at 1 June 2012, 42.3% of IMU's faculty were expatriates. All faculty is employed on a contract basis, both full-time and part-time. In addition, IMU provides its faculty with career development training, including performance coaching, problem solving, decision making, mentorship and presentation skills.

IMU's faculty take part in the academic management of IMU through participation in the Faculty Board and Senate. They are responsible for their respective programmes, which are managed through curriculum and examination committees.

IMU campuses and facilities

IMU's main campus is at Bukit Jalil in Kuala Lumpur, Malaysia, and its main clinical school is at Seremban, Negeri Sembilan, Malaysia. The clinical school is supported by smaller clinical schools, which are located in Kuala Pilah, Negeri Sembilan and in Batu Pahat, Johor. IMU also has access to a network of MOH Malaysia hospitals in Wilayah Persekutuan (Kuala Lumpur and Putrajaya), Selangor, Negeri Sembilan, Pulau Pinang, Perak, Melaka, Johor, Terengganu, Sabah and Sarawak where it provides training for students in its medical, dental, pharmacy, nursing, nutrition and dietetics and biomedical sciences programmes. This network of healthcare facilities exposes IMU's students to a continuum of different levels of healthcare. They gain practical experience in a wide spectrum of healthcare facilities ranging from community clinics providing primary healthcare to large hospitals providing tertiary care.

In addition, IMU has established four centres in Bukit Jalil which provide healthcare services and train students, the Oral Health Centre, the IMU Chiropractic Centre, the IMU Chinese Medicine Centre and the IMU Medical Clinic. These centres also serve as clinical facilities for IMU's students and a place of practice for its faculty.

IMU campus capacity

IMU has capacity at its main campus and clinical schools to accommodate approximately 750 full-time and part-time faculty and staff and approximately 4,500 full-time and part-time students. IMU is starting to add extended teaching hours to its programmes and will progressively expand these.

As at 31 December 2009, 2010 and 2011, respectively, 2,631, 2,928 and 2,963 students were enrolled at IMU. As at 31 March 2012, 3,179 students were enrolled at IMU:

The table below sets forth certain details of IMU's student breakdown, number of courses offered as well as the average revenue per student for the periods indicated.

	Year ended 31 December			Three months ended 31 March
	2009	**2010**	**2011**	**2012**
Malaysian students	95.4%	95.5%	94.9%	94.5%
International students	4.6%	4.5%	5.1%	5.5%
Part-time students	0.2%	0.4%	0.4%	0.2%
Full-time students	99.8%	99.6%	99.6%	99.8%
IMU option	65.7%	68.3%	72.9%	71.7%
Transfer option	34.3%	31.7%	27.1%	28.3%
Total programmes offered	14	15	17	18
Total student enrolment	2,631	2,928	2,963	3,179
Average revenue per student per year/period (rounded to the near thousand)	RM46,000	RM47,000	RM53,000	RM13,000

The majority of IMU's students are Malaysian and attend the university on a full-time basis. Other than in the medical and dental programmes, where up to approximately 60% of students choose the transfer option, IMU's students in the other academic programmes generally complete their studies entirely at IMU as these are undergraduate programmes.

The average years of study per student at IMU for undergraduate programmes (including the transfer option) is two to five years, for full-time Masters programmes it is one to four years, for part-time Masters programmes it is two to six years, for full-time PhD programmes it is two to six years and for part-time PhD programmes it is four to eight years.

IMU research

IMU began to fund medical science research in 2000 and focuses on six areas: environmental health, cancer biology and related stem cell research, active bio-molecules and cellular mechanisms, pharmaceutics and drug delivery systems and natural compounds and nutra-ceuticals. Basic science and medical education research is carried out at IMU in Bukit Jalil, while some clinical research is carried out in selected government hospitals in Malaysia.

IMU provides seed money funding for approximately 69% of the research conducted at IMU for the past three years, while the remainder is from external sources. IMU's faculty engaged in research also competes for and receive external funding, including from the Malaysian Ministry of Science, Technology and Innovation. The number of internal and external research projects funded increased from 24 and six in 2009, to 56 and 15 in 2010, and to 71 and 34 in 2011, respectively. IMU invested RM2.1 million and RM0.8 million in 2009, RM3.1 million and RM0.7 million in 2010 and RM1.5 million and RM1.5 million in 2011 into such internal and external research projects, respectively. Publications resulting from research at IMU totalled 113, 146 and 171 in 2009, 2010 and 2011, respectively.

IMU financial assistance

IMU offers scholarships and awards to its students through various programmes, including the John Beck Scholarship, the IMU Medical Scholarship, the IMU Bachelor of Pharmacy Scholarship, the IMU Bachelor of Nursing Scholarships, the High Achiever Awards and the Merit Awards. In addition, a majority of the Malaysian students who complete their degree at IMU receive loans from the National Higher Education Fund. As at 31 December 2011, approximately 39.0% of its students received study loans from the National Higher Education Fund and 13.0% received government sponsored financial assistance. In addition, as at the same date, approximately 6.0% of IMU's students received financial assistance from IMU in the form of the High Achiever and Merit Awards and full scholarships, which are fully funded by IMU.

IMU career placement

Throughout their time at IMU, students in IMU's health sciences programmes can take advantage of a wide range of opportunities offered through IMU's partnerships with potential employers and training hospitals as well as community service programmes in Malaysia. For example, as part of IMU's medical biotechnology programme, students undertake a two-month training programme with key players in the biotechnology industry. The programme has also incorporated e-learning as a method of delivering its curriculum. In June 2010, in relation to its biomedical science programme, IMU signed a memorandum of understanding with the MOH Malaysia to allow three hospitals, Hospital Serdang, Hospital Sungai Buloh and Hospital Batu Pahat, to be utilised for the training and teaching of students. In addition, as part of these students' training, they undertake an eight-week internship at private diagnostic laboratories such as BP Healthcare, Pantai Premier Pathology and Lablink. These internships allow IMU students to form relationships with potential employers and for the industry employers to provide feedback on the relevance of the curriculum.

IMU students are also introduced to leaders in their respective fields through various colloquia and conferences held at IMU, which students are encouraged to attend. For example, IMU conducts a monthly research colloquium, inviting individual staff and external researchers to present on their research activities.

We believe that most of the students who have graduated from IMU's programmes find employment in their respective fields soon after graduation.

Pantai College

Pantai College was established in 1993 by Pantai Education to train nurses for the PPL's hospitals in Malaysia. Pantai College has two locations in Malaysia, namely Subang Jaya, Selangor and Ayer Keroh, Melaka which train and develop nurses and allied health professionals.

With the support of the 11 PPL hospitals in Malaysia, Pantai College has a long history of providing nursing education. Pantai College's trained nurses are accepted for employment outside Malaysia in places including the Middle East, Australia, New Zealand, Britain and Canada. To date, more than 2,000 registered nurses and assistant nurses have graduated and, as at 1 June 2012, more than 500 trainees were undergoing training at various stages of the three year diploma programme and 18-month conversion course. The accreditation by MQA for this diploma programme has expired and the re-accreditation audit was conducted by MOHEM on 9 May 2012 and 10 May 2012 for the renewal of the diploma programme. The renewal is still pending the evaluation report pursuant to the audit as at 1 June 2012.

The vision and mission of Pantai College is to provide a conducive learning environment. Pantai College's faculty members are professional healthcare educators with substantial teaching, clinical experience and specialisation.

As at 1 June 2012, more than 50% of those who have graduated from the Pantai College have been employed by PPL's hospitals or medical centres and clinics and the rest are employed by other private hospitals or MOH Malaysia hospitals.

PLIFE REIT

PLife REIT was listed on the Main Board of the SGX-ST in August 2007. In 2007, we entered into a lease and leaseback arrangement with the trustee of PLife REIT pursuant to which three of PPL's hospital properties, Gleneagles Hospital, Mount Elizabeth Hospital and Parkway East Hospital, were leased to the trustee and subsequently leased back to us. See "Appendix C —Details of our material properties". For a further description of the terms of the lease and leaseback arrangement and of our rental income from PLife REIT, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results of Operations—Contribution from associates and others" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Principal Income Statement Components—Revenue", respectively. As at 1 June 2012, PLife REIT also owned 29 nursing homes and one pharmaceutical product distributing and manufacturing facility in Japan. It is one of Asia's largest healthcare real estate investment trusts with 36 properties with carrying amount of SGD1,397.9 million (RM3,452.8 million and USD1,092.1 million) as at 31 March 2012 and a market capitalisation of SGD1,119.2 million (RM2,764.4 million and USD874.4 million) as at 1 June 2012. Our Company owns 35.8% of PLife REIT as well as 100% of Parkway Trust Management, the manager of PLife REIT. As a result, our Company is entitled to a share of dividends distributed and management fees.

Parkway has granted PLife REIT a right of first refusal over future sales by Parkway or its wholly-owned subsidiaries, of assets in the Asia-Pacific region (including Singapore) which are primarily used for healthcare and/or healthcare-related purposes. This right of first refusal is subject to certain conditions and notification procedures as agreed between the parties and will operate for a period of five years commencing on 23 August 2007, which duration is extendable subject to the approval of the shareholders of Parkway in accordance with the terms of the said right of first refusal.

PLife REIT has granted a reciprocal right of first refusal to Parkway over future sales by PLife REIT of assets in the Asia-Pacific region (including Singapore) which are primarily used for healthcare and/or healthcare-related purposes that had originally been acquired by PLife REIT from Parkway or its subsidiaries. This right of first refusal is subject to certain conditions and notification procedures as agreed between the parties and will operate for so long as Parkway Hospitals or any of Parkway's wholly-owned subsidiaries remains the master lessee of the properties under the lease and leaseback arrangements.

In addition, PLife REIT has granted Parkway a right of first refusal to lease and operate future healthcare or healthcare-related assets acquired by PLife REIT that is without an operator at the time of acquisition of such assets. This right of first refusal is subject to certain conditions and notification procedures as agreed between the parties and will operate for a duration of five years commencing on 23 August 2007.

APOLLO HOSPITALS ENTERPRISE LIMITED

Apollo, headquartered in Chennai, is one of India's largest private healthcare service providers, operating a wide network of hospitals predominantly based in India. Apollo's primary line of business is the provision of healthcare services, through hospitals, pharmacies, projects and consultancy services and primary care clinics. In addition, it provides business process outsourcing ("BPO") services through an associate and health insurance services through a joint venture company. Apollo was listed on the Bombay Stock Exchange and the Madras Stock Exchange in 1983 and subsequently voluntarily delisted from the Madras Stock Exchange with effect from 29 November 2006 and was listed on the National Stock Exchange of India in 1996 with a market capitalisation of Rs.86,213.3 million (RM4,827.2 million and USD1,512.0) as at 1 June 2012. Our Company owns an 11.2% equity interest in Apollo. Currently, shares in Apollo are being traded on the Bombay Stock Exchange and the National Stock Exchange of India.

As at 31 December 2011, Apollo had more than 8,200 beds across 51 hospitals in India and internationally of which 7,762 are operational beds. Of these beds, over 5,800 are in 37 hospitals owned by Apollo and over 2,300 are in 14 hospitals under Apollo's management through operations and management contracts. Apollo also has a network of 100 primary care clinics, an extensive chain of Apollo pharmacies, BPO as well as health insurance services and clinical research divisions. Apollo has a presence outside India including in the Republic of Mauritius and Bangladesh and has signed a preliminary joint venture agreement with the Board of Trustees of the National Social Security Fund, Tanzania and the Tanzanian Ministry of Health & Social Welfare, in connection with the establishment of an advanced healthcare facility in Dar es Salaam.

Apollo has 32,490 employees (including employees of its subsidiaries, joint ventures and associated companies), including 4,540 doctors, 7,992 nurses, and 2,749 paramedical personnel, as at 31 December 2011. Apollo also has 2,625 fee for service doctors working in its hospitals who are paid by the number of tests and services performed. During the year ended 31 March 2011, hospitals owned by Apollo provided care to over 2.5 million patients.

Seven of Apollo's hospitals have received JCI accreditations for meeting international healthcare quality standards for patient care and organisation management, and three of its hospitals have received accreditations from the NABH in India. Apollo's healthcare facilities provide treatment for acute and chronic diseases across primary, secondary, and tertiary care sectors. Its tertiary care hospitals provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, radiology and imaging, gastroenterology, neurosciences, orthopaedics and emergency services. In addition, Apollo has a focus on core specialties such as cardiology, oncology, neurology, orthopaedics and transplants.

For the years ended 31 March 2010, 2011 and 2012, Apollo reported total revenues of Rs.20,265 million, Rs.26,054 million and Rs.31,475 million, respectively.

BUSINESS INTERRUPTION

There was no interruption to our businesses which had a significant effect on operations during the past 12 months.

MARKETING

PPL

PPL's brand portfolio includes the "Gleneagles", "Mount Elizabeth", "Pantai" and "Parkway" hospital brands, the "ParkwayHealth" and "Shenton" primary care and ancillary brands, and the "Luxe" women's health specialty primary care brand, which have their own distinctive strengths that help them connect with their target markets. Instead of standardising the brands across all of the markets in which it operates, PPL has adopted a brand strategy to appeal to unique customer preferences in each market. "Gleneagles", "Mount Elizabeth" and "Pantai" are particularly well-known hospital brand names across Southeast Asia and PPL leverages these brands to enhance the image of new hospitals and ancillary services while PPL as the parent company lends additional credibility. According to Frost & Sullivan, the "Mount Elizabeth" brand enjoys premium market positioning and the "Gleneagles" brand enjoys high market positioning in Singapore. Our "Mount Elizabeth" and "Gleneagles" brands are the most admired and reputable private hospital brands in Singapore and Indonesia, and our "Pantai" brand has the strongest reputation among private hospitals in Malaysia, according to a study by Millward Brown undertaken in 2011 for PPL.

Acibadem

Acibadem's brand portfolio includes the "Acibadem" and "Aile Hastanesi" brands, which are used for its hospitals as well as its outpatient clinics, laboratories and ancillary services. The "Acibadem" brand name is used for its premium private hospitals, which are known for their high quality services in Turkey and the CEEMENA region. The "Aile Hastanesi" brand name which is still in roll-out stage of implementation will be used for those hospitals which cater to patients who cannot otherwise afford our premium hospital services at "Acibadem" brand hospitals and prefer fully SGK-funded hospitals. While such hospitals also seek to provide quality services to patients, the brand name is intended to distinguish them from hospitals which primarily serve privately-funded patients. Acibadem promotes its brand names through affiliations with popular sports teams, especially football teams, through which it provides medical services on the field during matches. In addition, Acibadem conducts social responsibility campaigns, such as providing pamphlets that educate the public on various diseases and preventive measures.

CUSTOMERS

No individual customer or organisation accounted for 5.0% or more of our Group's total revenue for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012. Our customers are primarily individual patients, corporate clients and government clients.

SUPPLIERS AND SOURCING

PPL procurement

PPL groups and sources pharmaceutical drugs, medical devices and consumable products as a single entity wherever possible, unless it is not possible to supply across borders due to government regulations, in which case, purchase of supplies will be made locally through direct negotiation with the supplier. For example, cross-border shipment of patented pharmaceutical drugs are often strictly regulated by government policies, so purchase of such drugs are typically negotiated locally with the local suppliers within each country in which PPL operates. In addition, in Singapore and Malaysia, as a result of industry practice, pharmaceutical drugs are purchased through distributors appointed by the manufacturers.

PPL has also negotiated a slab pricing model with some of the major medical devices manufacturers so that individual hospitals are able to place orders directly, which allows PPL to leverage on its economy of scale. Once purchases have been negotiated with suppliers at the PPL level, each individual hospital or healthcare facility can then purchase orders directly from such suppliers in its country of operation. This direct liaison between the hospital or healthcare facility with suppliers helps to avoid any double handling of processes and makes procurement more efficient. In addition, PPL has set up stand-alone electronic systems in each of its Singapore and Malaysia operations to keep track of inventory and supply efficiency for the hospitals and healthcare facilities in those two countries. The management of procurement as a group helps PPL to manage and control the increase of its operating costs.

Acibadem procurement

Acibadem's broad geographical footprint in Turkey delivers significant economies of scale for our Group. Acibadem operates a procurement system with a single centralised warehouse in Istanbul from which it distributes supplies to all its hospitals. The warehouse keeps track of the stock keeping units of all of its inventory, so that it is able to tell at any time whether it is necessary to purchase more of any particular item. In addition, Acibadem holds a pharmaceutical import and distribution license, which allows it to purchase inventory wholesale directly from pharmaceutical companies rather than from distributors. This provides Acibadem with significant savings over retail prices.

Major suppliers

The following table sets out the supplier who accounted for 5.0% or more of our Group's total purchases for the last three years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012:

		Percentage of Group's purchases			Three months ended 31 March
Supplier	**Nature of supplies**	**FYE2009**	**FYE2010**	**FYE2011**	**2012**
Zuellig entities (Zuellig Pharma Pte Ltd and Zuellig Pharma Sdn Bhd)	Pharmaceutical supplies	12.3%	12.8%	12.4%	9.2%

Zuellig Pharma Pte Ltd is a pharmaceutical distributor in Singapore, and Zuellig Pharma Sdn Bhd is a pharmaceutical distributor in Malaysia, and each represents many major international pharmaceutical companies. Our business and profitability is not materially dependent on Zuellig entities or any single supplier.

ACCREDITATION AND CERTIFICATION

Internationally, hospitals are accredited by the JCI, a group that has been working with healthcare organisations, ministries of health and global organisations in over 80 countries since 1994 to survey the performance of healthcare service providers. Through JCI accreditation, healthcare service providers have access to an international quality measurement system for benchmarking, risk reduction strategies and best practices. In addition to the JCI, our hospitals are also accredited by local agencies, such as the MSQH in Malaysia. Our hospitals have also received ISO and NABL certifications.

As at 1 June 2012, PPL had six JCI accredited hospitals and seven hospitals with MSQH accreditation (including three hospitals which accreditations are pending re-accreditation survey results as at 1 June 2012). As at 1 June 2012, Acibadem had six JCI accredited hospitals, one hospital with accreditation pending and one hospital preparing its application for accreditation.

Hospital	International Accreditation	Local Accreditation
PPL		
Mount Elizabeth Hospital	JCI	
Gleneagles Hospital	JCI	
Parkway East Hospital	JCI	
Pantai Hospital Kuala Lumpur	JCI	MSQH[1]
Gleneagles Kuala Lumpur	JCI	MSQH
Pantai Hospital Ayer Keroh		MSQH
Gleneagles Medical Centre Penang		MSQH[1]
Pantai Hospital Ipoh		
Pantai Hospital Penang		MSQH
Pantai Hospital Cheras		MSQH[1]
Pantai Hospital Ampang		
Pantai Hospital Batu Pahat		
Pantai Hospital Klang		MSQH
Pantai Hospital Sungai Petani		
Apollo Gleneagles Hospital	JCI	
Gleneagles JPMC Cardiac Centre		
Acibadem		
Acibadem Kadikoy Hospital	JCI	
Acibadem Bakirkoy Hospital	JCI	
Acibadem Kozyatagi Hospital	JCI	
International Hospital	JCI	
Acibadem Bursa Hospital		
Acibadem Kocaeli Hospital		
Acibadem Kayseri Hospital		
Acibadem Adana Hospital	JCI	
Acibadem Maslak Hospital	JCI	
Acibadem Eskisehir Hospital		
Acibadem Fulya Hospital	JCI pending	
Acibadem Sistina Skopje Clinical Hospital	JCI application in progress	
Aile Hospital Goztepe		
Aile Hospital Bahcelievler		
Jinemed Hospital[2]		

Notes:

(1) MSQH accreditation for the hospital has expired and re-accreditation is pending re-accreditation survey results as at 1 June 2012.

(2) As at 1 June 2012, Jinemed Saglik, which is the licence owner of Jinemed Medical Centre, is not a subsidiary of Acibadem. Please see note (4) of the table setting forth certain information about Acibadem's hospitals as at 1 June 2012, for further details of the share purchase agreement dated 1 February 2012 between Acibadem and the shareholders of Jinemed Saglik for the purchase of 65.0% equity interest of Jinemed Saglik.

AWARDS

We have received numerous awards in recognition of our brands, including "Superbrands Singapore 2003-2005" by our Mount Elizabeth Hospital and our Gleneagles Hospital, "Superbrands Malaysia 2009" by our Pantai hospitals, the "Singapore Experience Award" by our ParkwayHealth brand in 2010, and "Reader's Digest Trusted Brands Gold Award" by both our Gleneagles Kuala Lumpur Hospital and our Pantai Hospital Kuala Lumpur in 2011.

Acibadem has been awarded numerous prizes, such as "Most Admired Turkish Companies" by Forbes Magazine in 2010, "Most Valuable Turkish Brands" by Capital Magazine in 2010, "Most Widely Known Healthcare Brand" by the Nielsen Top Brands Survey in 2004, 2005 and 2006, "Fastest Fish Award" for the most admired Turkish company by Referans Daily Newspaper in 2006, "Superbrand in Turkey" by Superbrands in 2010 and "Best Healthcare Group in Western Europe" by New Economy Magazine in 2011.

PERSONNEL

As at 31 March 2012, we have 24,967 employees. As at the date of this Prospectus, some of our employees in Singapore and Malaysia belong to labour unions whilst none of our employees in Turkey belong to labour unions. As at the date of this Prospectus, we have not experienced any strikes or other disruptions due to labour disputes. We provide performance incentive schemes and long-term incentive schemes, retirement benefits and contribution plans to our employees.

Through our subsidiaries, we have established training and development programmes for our employees and provide a wide range of such programmes for them. In addition to providing internal courses, our subsidiaries also engage outside professionals and consultants to organise seminars and training courses to equip employees with new knowledge in the healthcare industry. Our subsidiaries also sponsor employees to attend external training programmes organised by local and overseas institutions to acquire advanced knowledge and skills.

As at 31 March 2012, our Company had one employee. The following table shows the breakdown of our Group's employees by entity and function as at 31 December 2009, 2010 and 2011 and 31 March 2012:

	As at 31 December 2009	As at 31 December 2010	As at 31 December 2011	As at 31 March 2012
PPL[(1)]				
Nursing	3,836	4,015	4,538	4,747
Allied Health[(2)]	2,633	2,676	2,620	2,719
Others[(3)]	5,023	5,309	5,489	5,587
	11,492	12,000	12,647	13,053
Acibadem				
Doctors[(4)]	1,512	1,810	1,973	1,812
Support and Administrative Staff[(5)]	3,228	3,989	5,282	5,416
Nursing	1,644	1,855	1,879	2,110
Allied Health	393	413	197	270
Others[(6)]	883	1,281	1,764	1,766
	7,660	9,348	11,095	11,374

	As at 31 December 2009	As at 31 December 2010	As at 31 December 2011	As at 31 March 2012
IMU				
Academic(7)	203	237	259	270
Academic Support(8)	112	135	155	162
Administrative	81	96	104	107
	396	468	518	539
Total	19,548	21,816	24,261(9)	24,967(9)

Notes:

(1) Singapore operations staff were not separately classified until 2011; Malaysia operations staff were classified only as executive versus non-executive prior to 2011; International operations staff includes staff in Brunei, India, the PRC and others, but does not include Vietnam. In addition, PPL's staff do not include doctors who are independent medical practitioners as they are not employed by PPL.

(2) Includes resident physicians.

(3) Includes support and non-hospital staff.

(4) Includes full-time, part-time, and night-shift physicians.

(5) Includes part-time employees and the employees of Acibadem Mobil.

(6) Includes Acibadem Proje and APlus.

(7) Full-time academic staff.

(8) Includes nine healthcare support staff in 2010, 14 healthcare support staff in 2011 and 18 healthcare support staff in 2012.

(9) Includes the Company's one employee.

The following table shows the breakdown of our Group's employees by geography as at 31 December 2009, 2010 and 2011:

	As at 31 December 2009	As at 31 December 2010	As at 31 December 2011	As at 31 March 2012
Singapore	3,596	3,779	4,317	4,474
Malaysia	6,309	6,416	6,458	6,730
Turkey	7,660	9,348	10,455	10,733
Others(1)	1,983	2,273	3,031	3,030
Total	19,548	21,816	24,261	24,967

Note:

(1) Includes the PRC, India, Hong Kong, Vietnam, Macedonia and Brunei but does not include Vietnam.

COMPETITION

We compete with public hospitals, other private hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organisations and hospitals affiliated with medical colleges in the regions in which we operate.

PPL

In Singapore, PPL's three hospitals compete with private wards of public health cluster hospitals and the following private sector hospitals: Mount Alvernia Hospital, Raffles Hospital and Thomson Medical Centre. We anticipate that Farrer Park (Connexions) Hospital, which is currently under development, may also be a competing hospital. PPL's medical centres, clinics and ancillary healthcare businesses face competition from stand-alone practices and other corporate players.

In Malaysia, PPL's hospitals compete with some large public hospitals and nationwide corporate chains such as KPJ Healthcare and Columbia Asia, in addition to single private hospitals such as Sime Darby Medical Centre, Sunway Medical Centre and Island Hospital. We also face competition from regional groups in certain regions of Malaysia, especially Klang Valley and Penang.

In the PRC, PPL faces competition from other medical centres and clinics that target high-income local patients and expatriate population, such as United Family. In India, PPL faces competition from other tertiary hospitals that provide services to high-income patients.

ACIBADEM

In Turkey, given that Acibadem predominantly targets high-income patients and has a relatively large number of healthcare facilities, we believe that our competition in the private healthcare market is limited. We do not believe that we directly compete with public healthcare groups in Turkey.

IMU

In Malaysia, IMU competes with other local medical universities, as well as private institutions offering health-related programmes, such as Monash University Malaysia and Newcastle University Medicine Malaysia.

For a more detailed discussion of competition in the hospital and healthcare industry, See "Industry Overview".

INSURANCE

Each of our subsidiaries maintains policies in amounts we believe are sufficient, or as may be operationally appropriate to the businesses of the relevant subsidiary and risks that it faces, which may include risks related to fire, burglary, business interruption, legal liability to third parties and other losses. Our subsidiaries also maintain personal accident policies for certain permanent personnel and group medical insurance policies for our personnel and dependents of our employees. Each of these insurance policies is renewable annually. Each of our subsidiaries maintains policies with respect to professional indemnity for our doctors and other healthcare professionals. We also maintain liability policies for the directors and officers of our Company.

The cost and availability of insurance coverage has varied in recent years and may continue to vary in the future. While we believe that our insurance policies are adequate in amount and coverage for our operations, we may experience unanticipated issues or incur liabilities beyond our current coverage and we may be unable to obtain similar coverage in the future.

INTELLECTUAL PROPERTY AND TRADEMARKS

Among others, the brands and trademarks, "Gleneagles", "Mount Elizabeth", "Pantai", "Parkway", "ParkwayHealth", "Shenton", "Luxe" and the associated logos, are owned by PPL and its subsidiaries. Among others, the brands and trademarks, "Acibadem", "Aile Hospital (*Aile Hastanesi*)" and the associated logos, are owned by Acibadem. The brand and trademark, "IMU" and the associated logos, are owned by IMU Education. See "Appendix A—Details of our major trademarks and patents".

INFORMATION TECHNOLOGY AND TECHNOLOGY

As described in "—Our Business", we and each of our operating subsidiaries leverage the latest information technology to support sustainable and efficient daily operations as well as the latest state-of-the-art equipment to maintain our competitive edge in our operation.

ENVIRONMENTAL MATTERS

Our operations are subject to regulatory requirements and potential liabilities arising under applicable environmental, health or safety-related laws and regulations in each of the countries in which we operate.

We believe that we are in compliance in all material respects with applicable environmental regulations in Singapore, Malaysia, Turkey and the other countries in which we operate. To date, no material environmental, health or safety-related incident involving us or any of our subsidiaries has occurred.

RESEARCH AND DEVELOPMENT

We perform clinical research at Acibadem's laboratories (See "—Acibadem—Acibadem Healthcare—Acibadem Laboratories"). PPL also operates a clinical research organisation, Gleneagles CRC (See "—PPL—Singapore Operations—Singapore Healthcare—Gleneagles Clinical Research Centre") and IMU conducts basic science research (See "—International Medical University—IMU Research").

LICENSES AND PERMITS

Our Group has obtained all key regulatory approvals and licenses required to conduct our business activities. See "Appendix B—Details of Our Major Licences and Permits".

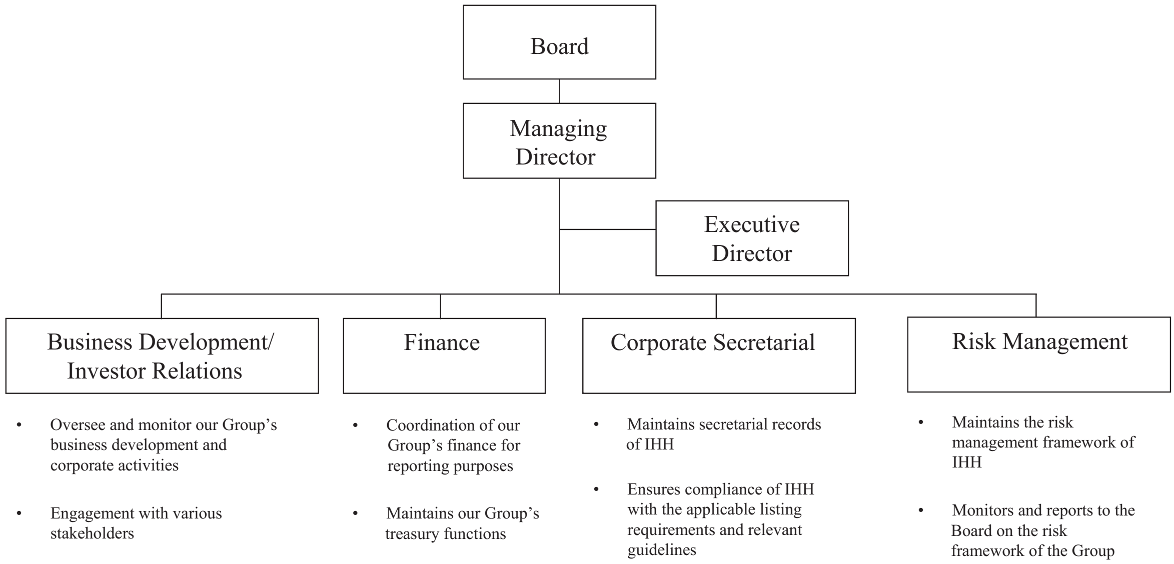
DEPENDENCE ON MATERIAL CONTRACTS/AGREEMENTS/OTHER MATTERS

As at at 1 June 2012, save as disclosed in "Appendix B — Details of our major licences and permits", there are no material contracts, agreements, arrangements or other matters which have been entered into by us which we are highly dependent on.

MANAGEMENT

Directors

Below is the management organisation structure of IHH which sets out the key four divisions in our Group. The heads of these divisions and the Executive Director will effectively report to the Managing Director of IHH:



Board

Within the limits set by our Articles of Association, our Board is responsible for the governance and management of our Group. Our Board has adopted the following corporate governance guidelines for effective discharge of its functions:

(i) reviewing and adopting a strategic plan for our Group;

(ii) overseeing the conduct of our Group's businesses to evaluate whether our businesses are being properly managed;

(iii) identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;

(iv) succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;

(v) developing and implementing an investor relations programme or shareholders' communications policy for our Group;

(vi) reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines;

(vii) reviewing and approving our financial statements;

(viii) reviewing and approving our Audit and Risk Management Committee Report at the end of each financial year;

(ix) reviewing and approving our Annual Report; and

(x) to prepare a corporate governance statement in compliance with the Malaysian Code of Corporate Governance and an internal control statement for the Annual Report.

The IHH Board acknowledges and takes cognisance of the Malaysian Code of Corporate Governance 2012 ("**MCCG 2012**"), which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business dealings and culture of such companies. The MCCG 2012 applies to all listed companies on Bursa Securities, and listed companies with financial year ending 31 December 2012 onwards will be required to report on the adoption of the principles and recommendations of MCCG 2012 in their annual reports. In connection with the above, as at the date of this Prospectus, IHH has yet to adopt the recommendation of MCCG 2012 to appoint an Independent Non-Executive Chairman, or to have a Board with a majority of Independent Directors where the Chairman is not an Independent Director. The Board believes that its current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern the Group effectively. It also represents the ownership structure of the Company fairly, with appropriate representations of minority interests through the Independent Directors. The Board is committed to achieving and sustaining high standards of corporate governance. The Board will provide a statement on the extent of compliance with the MCCG 2012 in its annual report for the year ending 31 December 2012.

There are nine members on the IHH Board. It is the intention of IHH to have 11 Board members eventually, where Pulau Memutik will appoint one more nominee director to the Board once IHH is able to secure the appointment of another Independent Director. Under our Articles of Association, at the first annual general meeting of our Company, all our Directors shall retire from office, and at the annual general meeting in every subsequent year, one third of our Directors must retire at each annual general meeting of shareholders but are eligible for re-election.

Our Board comprises the following Directors:

Name	**Address**	**Age**	**Date of appointment**	**Designation**
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	14 Jalan 5/21 46000 Petaling Jaya Selangor Darul Ehsan Malaysia	68	30 March 2011	Chairman, Non-Independent, Executive
Dato' Mohammed Azlan Bin Hashim	17 Lorong Setiabudi Bukit Damansara 50490 Kuala Lumpur Malaysia	55	30 March 2011	Deputy Chairman, Non-Independent, Non-Executive
Dr. Lim Cheok Peng	10 Cluny Road Singapore 259576	65	30 March 2011	Managing Director, Non-Independent Executive

Name	Address	Age	Date of appointment	Designation
Dr. Tan See Leng	16 Siglap Plain Singapore 456005	47	5 April 2012	Executive Director, Non-Independent, Executive
Mehmet Ali Aydinlar	Kandilli Idman Sokak No. 5, Demirevler Sitesi, Uskudar Istanbul, Turkey	55	24 January 2012	Non-Independent, Executive
Satoshi Tanaka	2-18-14-306 Tamagawadai Setagaya-Ku Tokyo Japan	54	16 May 2011	Non-Independent, Non-Executive
Michael Jude Fernandes (alternate to Dato' Mohammed Azlan Bin Hashim)	13th Floor, Suraj Millenium Apartment Breach Candy Road 400026 Mumbai India	42	19 April 2012	Non-Independent, Non-Executive
Ahmad Shahizam Bin Mohd Shariff (alternate to Dr. Tan See Leng)	2 Leonie Hill Road, #18-05 Leonie Condotel Singapore 239192	41	5 April 2012	Non-Independent, Executive
Kaichi Yokoyama (alternate to Satoshi Tanaka)	2-15-1-202 Shimouma Setagaya-Ku Tokyo Japan	39	16 April 2012	Non-Independent, Non-Executive
Rossana Annizah Binti Ahmad Rashid	26, Changkat Semantan 1 Semantan Villas Damansara Heights 50490 Kuala Lumpur Malaysia	46	17 April 2012	Independent, Non-Executive
Chang See Hiang	80 Kim Seng Road #30-07 Singapore 239426	58	5 April 2012	Independent, Non-Executive
Kuok Khoon Ean	House B Deep Water Bay Road Deep Water Bay Hong Kong	56	17 April 2012	Independent, Non-Executive

Dato' Mohammed Azlan Bin Hashim (Michael Jude Fernandes as alternate) is the nominee director of Pulau Memutik.

Satoshi Tanaka (Kaichi Yokoyama as alternate) is the nominee director of Mitsui.

The details of the date of appointment and the period that each of our Directors has served in that office as at 1 June 2012 are as follows:

Name	Date of appointment	Approximate no. of months/years in office
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	30 March 2011	1 year 2 months
Dato' Mohammed Azlan Bin Hashim	30 March 2011	1 year 2 months
Dr. Lim Cheok Peng	30 March 2011	1 year 2 months
Dr. Tan See Leng	5 April 2012	*
Mehmet Ali Aydinlar	24 January 2012	4 months
Satoshi Tanaka	16 May 2011	1 year
Michael Jude Fernandes(1) (alternate to Dato' Mohammed Azlan Bin Hashim)	19 April 2012	*
Ahmad Shahizam Bin Mohd Shariff(2) (alternate to Dr. Tan See Leng)	5 April 2012	*
Kaichi Yokoyama(3) (alternate to Satoshi Tanaka)	16 April 2012	*
Rossana Annizah Binti Ahmad Rashid	17 April 2012	*
Chang See Hiang	5 April 2012	*
Kuok Khoon Ean	17 April 2012	*

The Directors are subject to retirement by rotation once every 3 years, but shall be eligible for re-election.

Notes:

* Less than 2 months from 1 June 2012

(1) Michael Jude Fernandes served as director of IHH from 26 May 2010 until his resignation on 19 April 2012. He was subsequently re-appointed as alternate director to Dato' Mohammed Azlan Bin Hashim on 19 April 2012.

(2) Ahmad Shahizam Bin Mohd Shariff was appointed as the first director of IHH until his resignation on 3 October 2011. He was subsequently re-appointed as the alternate director to Dr. Tan See Leng on 5 April 2012.

(3) Kaichi Yokoyama was appointed as alternate director to Toshio Yamamura (a former director of IHH) on 25 July 2011. He ceased to be an alternate director on 13 April 2012 following the resignation of Toshio Yamamura on 13 April 2012. Kaichi Yokoyama was subsequently re-appointed as alternate director to Satoshi Tanaka on 16 April 2012.

Biographies of Directors

Tan Sri Dato' Dr. Abu Bakar Bin Suleiman is a Non-Independent, Executive Director and the Chairman of our Company. He is also the President of IMU Education and Chief Executive Officer of IMU Education. He was a Consultant Nephrologist and Head of the Department of Nephrology in Hospital Kuala Lumpur. He developed the Nephrology and Dialysis services at Hospital Kuala Lumpur and in other hospitals around Malaysia. In 1987, he joined MOH Malaysia as the Director of Medical Services. In 1989 he was the Deputy Director General of Health and in 1991 he was appointed as the Director General of Health. He was appointed the President of IMU in 2001. He is the founding president of the Malaysian Society of Nephrology and the Malaysian Society of Transplantation. He holds a Bachelor of Medicine, Bachelor of Surgery degree from Monash University and obtained a Master of Medicine (Internal Medicine) from the University of Singapore. He became a fellow of the Royal Australasian College of Physicians and did his training in Nephrology at Georgetown, University Hospital, Washington DC and Prince Henry's Hospital in Melbourne. He attended the Advanced Management Programme at Harvard Business School in 1991. He has honorary degrees in Doctor of Medicine from Monash University, Doctor of Medical Science from Universiti Kebangsaan Malaysia and Doctor of Science from Universiti Putra Malaysia.

Dato' Mohammed Azlan Bin Hashim is a Non-Independent, Non-Executive Director and the Deputy Chairman of our Company. He has more than 20 years of experience in the fields of accountancy, finance and corporate management. He began his career with Peat Marwick, Mitchell & Co., Melbourne as an Auditor in 1979 and later at Peat Marwick, Mitchell Kuala Lumpur from 1981 to 1983. He then joined Amanah-Chase Merchant Bank Berhad from 1983 to 1986 as Manager, Corporate Finance Department and subsequently promoted to Head of Corporate Finance Department. In 1986 he moved to Sapura Holdings Sdn Bhd as Group General Manager of Finance and Investment. In 1989, he was appointed Chief Executive Officer/Executive Director of Bumiputra Merchant Bankers Berhad. In 1991 he was appointed as Executive Director of Kumpulan Fima Berhad till 1994. He later joined Komplek Kewangan Malaysia Berhad as Group Managing Director from 1994 to 1998. He was then appointed as Executive Chairman of the Kuala Lumpur Stock Exchange Group from 1998 to 2004. He holds a Bachelor of Economics from Monash University. He is also a Fellow Member of the Institute of Chartered Accountants in Australia, a member of the Malaysian Institute of Accountants, a Fellow Member of the Malaysian Institute of Directors, a Fellow of the Institute of Chartered Secretaries and Administrators, an Honorary Fellow of the Institute of Company Secretaries Malaysia and an Honorary Member of the Institute of Internal Auditors Malaysia.

Dr. Lim Cheok Peng is a Non-Independent, Executive Director and the Managing Director of our Company. He is also the Vice Chairman of Parkway Pantai. He has extensive experience both as a medical practitioner and in managing hospital businesses. He is one of the founding doctors of the Kuantan Specialist Centre, a 100-bed private hospital in Kuantan, Pahang. In 1985 he practised internal medicine and cardiology in Mount Elizabeth Hospital and in 1987 became a consultant to Parkway and was instrumental in expanding Parkway's healthcare business. He spearheaded the redevelopment of Gleneagles Hospital in Kuala Lumpur, Gleneagles Hospital in Jakarta, Gleneagles Hospital in Medan and Gleneagles Hospital in Kolkata. He became Managing Director of Parkway in 2000 and was subsequently appointed as Executive Vice Chairman in 2010. In 2011, he joined the Company and was appointed Executive Director. He graduated from the University of Singapore with a Bachelor of Medicine, Bachelor of Surgery in 1972 and obtained a Masters of Medicine (Internal Medicine) from the same university in 1976. In 1977, he become a Fellow of the Royal College of Physicians of the United Kingdom and later became a Fellow of the Royal College of Physicians and Surgeons of Glasgow and Edinburgh.

Dr. Tan See Leng is a Non-Independent, Executive Director of our Company. He is also the Managing Director and Group Chief Executive Officer of Parkway Pantai. He first joined Parkway in September 2004 as Chief Operating Officer of Mount Elizabeth Hospital. He was subsequently appointed Senior Vice President, International Operations in November 2006 and was later seconded to Pantai as Chief Executive Officer of the Hospitals Division, a position he held until February 2008. In 2009, he held the position of Executive Vice President of Singapore and Malaysia Operations at Parkway till April 2010 when he was appointed as Managing Director and Group Chief Executive Officer of Parkway. Following the restructuring of the Group, Dr. Tan was concurrently appointed as Group Chief Executive Officer and Managing Director of Parkway Pantai in May 2011. Prior to joining Parkway and Pantai, he founded a private primary healthcare group in Singapore. He has over 20 years of experience in the healthcare industry and is an active member of various medical committees in Singapore. This includes serving as Vice President of College of Family Physicians for 2011 to 2013 as well as Council Member for a few terms. He holds a Bachelor of Medicine, Bachelor of Surgery as well as a Master of Medicine (Family Medicine) from the National University of Singapore. He also has a Master of Business Administration from the University of Chicago Booth School of Business.

Mehmet Ali Aydinlar is a Non-Independent, Executive Director of our Company and the Chairman and Chief Executive Officer of the Acibadem Group. He started his career in 1981 as a Certified Public Accountant. As an entrepreneur with extensive management experience, he has been involved in the healthcare sector with Acibadem Hospital since 1993. In 2006, he was chosen as the Male Entrepreneur of the Year in the Business Person of the Year survey conducted by Ekonomist Magazine. He was also chosen as the "Business Executive of the Year" by Dunya Newspaper and Istanbul University, School of Business Administration. In 2007, Mehmet Ali Aydinlar was chosen to be "The Person who volunteers the most in contributing towards healthcare" by Turkish Healthcare Volunteers Organisation. In 2010, he was awarded with "The Eminent Services Award of the Grand National Assembly of Turkey" by the Turkish Grand National Assembly. Currently, Mehmet Ali Aydinlar is the Chairman of Turkish Accredited Hospitals Association. He holds a business administration degree from Galatasaray Economy and Management Business College (Galatasaray Iktisat ve Isletmecilik Yuksek Okulu), and an honorary doctorate degree from Dumlupinar University, Institute of Social Sciences.

Satoshi Tanaka is a Non-Independent, Non-Executive Director of our Company. He began his career with Mitsui in 1981. In 2004 he was appointed as General Manager of Investor Relations Division and became General Manager of the Corporate Planning & Strategy Division in 2007 and Deputy Chief Operating Officer of the Consumer Service Business Unit in 2010. Currently he is the Managing Officer and Chief Operating Officer in the Consumer Service Business Unit of Mitsui. He obtained a Bachelor of Arts Degree in Literature from the University of Tokyo, Japan and a Master Degree in Business Administration from Harvard Graduate School of Business Administration.

Michael Jude Fernandes is Non-Independent, Non-Executive Director of our Company and an Alternate Director to Dato' Mohammed Azlan Bin Hashim. Michael is also Executive Director, Investments in Khazanah. Prior to joining Khazanah, Michael was an Executive Director and Member of the Board of Nicholas Piramal India Ltd ("NPIL"), the second largest pharmaceutical healthcare company in India, and was in charge of its custom manufacturing business group. Among his key achievements were the acquisition and integration of businesses in the U.K. and Canada with sales of USD200 million, developing the organisation with a well-working matrix structure, implementing a new Economic Value Added ("EVA") -driven incentive structure and establishing strategic business units. Prior to NPIL, Michael spent 13 years as a consultant and later a Partner at McKinsey & Company. He was part of the leadership group of the pharmaceutical and healthcare practice in Asia and globally and leader of select high profile public policy and retail work in India and Asia. He obtained a Bachelor of Science (Hons) in Economics from St Xavier's College, Calcutta University, India and a Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta, India.

Ahmad Shahizam Bin Mohd Shariff is a Non-Independent, Executive Director of our Company and an Alternate Director to Dr. Tan See Leng. He is also the Head of Business Development and Investor Relations of our Company and Executive Director of Corporate Services of Parkway Pantai. In 2008, he was appointed as an alternate director of Parkway and director of Pantai and IMU Health. He was appointed director of Parkway in August 2010 and was re-designated to Executive Director since November 2010. Following the restructuring of the Group, Ahmad Shahizam was concurrently appointed as Executive Director of Parkway Pantai in May 2011. He began his career with HSBC Bank, Kuala Lumpur in 1994 and in 1996 he joined ING Barings in Kuala Lumpur. Subsequently he joined Citigroup, Salomon Smith Barney as Vice President of Equity Research. In 2004 he joined Khazanah in the Managing Director's office, and eventually held the position of Director of

Investments responsible for all investments in the healthcare and power sectors, including company monitoring and engagement as well as leading value creation plans and related transactions. He holds a Bachelor of Laws (Hons) from the London School of Economics and Political Science, University of London and obtained a Master in Public Administration from Harvard University, U.S.

Kaichi Yokoyama is a Non-Independent, Non-Executive Director of our Company and an Alternate Director to Satoshi Tanaka. He began his career in Mitsui in 1995. In 2002 he was appointed as Manager of Mitsui Benelux, General Merchandise Department. In 2008 he was appointed as Manager of the Medical Healthcare Business Department, Consumer Service Business Unit. In 2009, he was appointed as Manager of the Strategic Planning Department, Consumer Service Business Unit. Since 2011 he has served as the General Manager of the Medical Service Business Department. He obtained a Bachelor of Arts Degree in Economics from Keio University, Japan.

Rossana Annizah Binti Ahmad Rashid is an Independent, Non-Executive Director of our Company. She began her career with Citibank NA as a Management Associate in 1988 and later became an Assistant Vice President in the institutional bank division in 1993. In 1994, she joined RHB Bank Berhad as a Senior Manager and was subsequently promoted to Senior General Manager in 1998. In 2003, she joined Maxis Communication Berhad/Maxis Berhad as Deputy Chief Financial Officer and was appointed Chief Financial Officer in 2004 until 2011. She obtained a Bachelor of Arts in Banking and Finance in 1987 from Canberra College of Advanced Education (now known as University of Canberra), Australia.

Chang See Hiang is an Independent, Non-Executive Director of our Company. He is an Advocate and Solicitor of the Supreme Court, Singapore, since 1979 and he is the Senior Partner of his law practice, Chang See Hiang & Partners. Currently, he serves as an independent director on the boards of Yeo Hiap Seng Limited and Jardine Cycle & Carriage Limited, both of which are listed on the Main Board of the SGX-ST. He had previously sat on the boards of four other companies listed on the SGX-ST and one on the Hong Kong Stock Exchange. He is a member of the Casino Regulatory Authority of Singapore Board since 2 April 2011. He is also a member of the Appeal Advisory Panel appointed by the Minister of Finance, Singapore since June 2003 under the Securities and Futures Act of Singapore, Financial Advisers Act of Singapore and Insurance Act of Singapore.

Kuok Khoon Ean is an Independent, Non-Executive Director of our Company. He is currently the Chairman and Chief Executive Officer of Shangri-La Asia Limited. He holds numerous directorships including Kuok (Singapore) Limited, Kuok Brothers Sdn Bhd, Wilmar International Limited and Kerry Holdings Limited. From 2002 to 2008 he was a council member of the Hong Kong University of Science and Technology, Hong Kong. He is also currently a trustee of the Singapore Management University. He obtained a Bachelor degree in Economics from Nottingham University, U.K.

Principal business activities outside of our Company and principal directorships of our Directors

The following table sets out the principal directorships of our Directors as at 1 June 2012 and that which were held within the past five years up to 1 June 2012, and the principal business activities performed outside our company by our Directors as at 1 June 2012.

Name	Directorships	Involvement in business activities other than as a director
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	*Present directorships*: CCM Duopharma Biotech Berhad IMU Healthcare United Malaysian Medical Industries Sdn Bhd (in the process of voluntary liquidation) UMMI Manufacturing Sdn Bhd (in the process of voluntary liquidation) Al-Hidayah Investment Bank Ltd Bioven Sdn Bhd Bioven Industries Sdn Bhd Novotech Clinical Research (Malaysia) Sdn Bhd Supreme Health Consultants Sdn Bhd Renal Medicine Services Sdn Bhd *Previous directorships*: Chemical Company of Malaysia Berhad KPJ Healthcare Berhad IMU Health IMU Education	Chairman and shareholder of CCM Duopharma Biotech Berhad Shareholder of Bioven Holdings Sdn Bhd
Dato' Mohammed Azlan Bin Hashim	*Present directorships*: Labuan Financial Services Authority Omega Semiconductor Sdn Bhd Khazanah Scomi Group Bhd D&O Green Technologies Berhad Porterhouse Capital Limited Asiasons Partners Sdn Bhd Asiasons Investment Managers Inc. Aseana Properties Limited Scenic Streams Sdn Bhd Asiasons Capital Limited Infra Bumitek Sdn Bhd Labuan IBFC Incorporated Sdn Bhd SILK Holdings Berhad	Chairman and shareholder of D&O Green Technologies Berhad Director and shareholder of Porterhouse Capital Limited Indirect shareholder of Asiasons WFG Financial Limited Director and shareholder of Asiasons Partners Sdn Bhd

Name	Directorships	Involvement in business activities other than as a director
	Sistem Lingkaran Lebuhraya Kajang Sdn Bhd Parkway Chaswood Resources Sdn Bhd Parkway Pantai Prima Ekuiti (UK) Limited Acibadem Holding Acibadem Chaswood Resources Holdings Ltd *Previous directorships*: IHHL Terengganu Incorporated Sdn Bhd Golden Pharos Berhad Group PECD Berhad (involuntarily wound up) Proton Holdings Berhad Group Employees Provident Fund Genesis Malaysia Maju Fund Limited (Liquidated) University Darul Iman Malaysia Pantai Asiasons WFG Financial Limited	Director and shareholder of Asiasons Investment Managers Inc Chairman and indirect shareholder of Asiasons Capital Limited Chairman and shareholder of Infra Bumitek Sdn Bhd Chairman and indirect shareholder of SILK Holdings Berhad Chairman and shareholder of Sistem Lingkaran Lebuhraya Kajang Sdn Bhd Chairman and indirect shareholder of Chaswood Resources Sdn Bhd Chairman and indirect shareholder of Chaswood Resources Holdings Limited
Dr. Lim Cheok Peng	*Present directorships*: Pulau Pinang Clinic Gleneagles KL Gleneagles Medical Centre KL Elya Impressions Sdn Bhd Gleneagles Malaysia Mount Elizabeth Healthcare Orifolio Options Medi Innovations Sdn Bhd Swiss Zone Pantai Cheras Medical Centre Pantai Ayer Keroh Pantai Indah Paloh Medical Centre Pantai Klang Pantai Medical Centre Syarikat Tunas Pantai Sdn Bhd Pantai Irama GEH Management	Director and shareholder of Clinic C.P. Lim Pte Ltd

Name	Directorships	Involvement in business activities other than as a director
	Pantai Sungai Petani Pantai Education IMU Health IMU Education IHH Turkey IH Capital Clinic C.P. Lim Pte Ltd Gleneagles Medical Holdings Gleneagles International Gleneagles Management Gleneagles Medical Centre Gleneagles Development Gleneagles Pharmacy East Shore Medical Mount Elizabeth Healthcare Mount Elizabeth Medical Parkway Healthcare Gleneagles Technologies Parkway Shenton International Medi-Rad Parkway Lab iXchange Radiology Consultants Shenton Family Nippon Medical Gleneagles CRC Parkway Healthtech Parkway Parkway Promotions M&P Investments Worldeyes International Pte Ltd Drayson Investments Goldlink Investments Parkway Shenton Gleneagles Clinical Research Parkway Hospitals Shenton Insurance Asia Renal Care (Katong) Asia Renal Care Parkway Trust Management Medical Resources Parkway Investments	

Name	Directorships	Involvement in business activities other than as a director
	Parkway Education Parkway College Parkway Novena Holdings Parkway Novena Parkway Irrawaddy Matsudo Investment Pte. Ltd. Parkway Life Japan2 Pte. Ltd. Parkway Life Japan3 Pte. Ltd. Parkway Life Japan4 Pte. Ltd. Parkway Life MTN Pte. Ltd. Parkway Pantai IHHL IHT Yatirimlari Gleneagles CRC (Australia) Gleneagles JPMC Gleneagles CRC (China) Parkway Shanghai Gleneagles Shanghai Shanghai Rui Xin Shanghai Xin Rui Shanghai Rui Hong Shanghai Rui Xiang Shanghai Shu Kang Shanghai Gleneagles Shanghai Hui Xing Shanghai Rui Pu Shanghai Hui Xing Jin Pu Parkway Healthcare HK Parkway HK Apollo Gleneagles Apollo PET Khubchandani Hospitals Parkway Healthcare Mauritius Gleneagles CRC (Thailand) Acibadem Proje Acibadem Acibadem Holding Almond (Turkey) APlus Gleneagles UK The Heart Hospital (Struck-off) Parkway Shenton Vietnam Kidney Dialysis Foundation Limited	

Name	Directorships	Involvement in business activities other than as a director
	Previous directorships: Pantai Hospitals Pantai Diagnostics PT NusaUtama Medicalindo Gleneagles Medical Global Care Pte Ltd (voluntarily wound-up) C-Med Pte Ltd (voluntarily wound-up) Parkway Informatics Pte. Ltd. (voluntarily wound-up) Weian Investments Pte Ltd (voluntarily wound-up) Gleneagles Dialysis Centre Pte Ltd Gleneagles Dialysis International Pte Ltd Republic Polytechnic Ko Djeng Gleneagles Pte Ltd Gleneagles Academy of Nursing (M) Sdn Bhd EHS Health Screeners Pte. Ltd. (voluntarily wound-up) GMMC Maritime Medical Centre Pte. Ltd. (voluntarily wound-up) Shenton Medical Centre Pte Ltd (voluntarily wound-up) Karington Holdings Pte Ltd (Struck-off) Gleneagles Radiology Consultants Pte Ltd (Struck-off) Wholebond Ltd (Struck-off) Merlion Health Care Ltd (Struck-off) Cavendish Clinic Ltd (Struck-off) Gleneagles International Hospitals (Lanka) Ltd (Struck-off) Fomema Sdn Bhd Pantai Support Services Sdn Bhd Pantai Fomema & Systems Sdn Bhd (now known as Unitab Medic Sdn Bhd) Pantai Medivest Sdn Bhd Bright Vision Hospital S.P.I. Pte Ltd (Struck-off) Shenton Medical Holdings Pte Ltd (Struck-off)	

Name	Directorships	Involvement in business activities other than as a director
	MENA Services Parkway Properties Pte. Ltd. (Struck-off) SMG Medical Group Pte. Ltd. (Struck-off) Nephrocare GDC Pte. Ltd. Nephrocare GDI Pte. Ltd. Ko Djeng Dental Centre Pte. Ltd. Westront Pte Ltd (Struck-off) Gleneagles Maritime Medical Centre (China) Ltd (Liquidated) VCM Technology S'pore (Pte) Ltd (Struck-off) Positron Tracers	
Dr. Tan See Leng	*Present directorships:* Apollo Gleneagles Apollo PET Cheras Medical Centre CFPS Holdings Pte. Ltd. College of Family Physicians Singapore Drayson Investments East Shore Medical Gleneagles Development Gleneagles Clinical Research Gleneagles CRC Gleneagles KL Gleneagles International Gleneagles JPMC Gleneagles Malaysia Gleneagles Management GEH Management Gleneagles Medical Centre Gleneagles Medical Centre KL Gleneagles Medical Holdings Gleneagles Pharmacy Gleneagles Technologies Goldlink Investments Pantai Ayer Keroh Pantai Indah iXchange M&P Investments Medical Resources Medi-Rad	Shareholder of Trenic Healthcare Pte. Ltd. Director, trustee and shareholder of CFPS Holdings Pte Ltd

Name	Directorships	Involvement in business activities other than as a director
	Mount Elizabeth Healthcare Mount Elizabeth Medical Mount Elizabeth Ophthalmic Mount Elizabeth Services Nippon Medical Orifolio Options Paloh Medical Centre Pantai Resources Pantai Pantai Johor Pantai Sungai Petani Pantai Hospitals Pantai Integrated Rehab Pantai Irama Pantai Klang Pantai Management Pantai Medical Centre Pantai Premier Pathology Parkway College Parkway Education Parkway Healthcare Parkway Healthcare HK Parkway Healthtech Parkway HK Parkway Parkway Hospitals Parkway Investments Parkway Irrawaddy Parkway Lab Parkway Novena Holdings Parkway Novena Parkway Pantai Parkway Promotions Parkway Shanghai Parkway Shenton International Parkway Shenton Parkway Trust Management Positron Tracers Pulau Pinang Clinic Radiology Consultants Shanghai Gleneagles Gleneagles Shanghai Shanghai Hui Xing Shanghai Hui Xing Jin Pu Shanghai Rui Hong	

Name	Directorships	Involvement in business activities other than as a director
	Shanghai Rui Pu Shanghai Rui Xin Shanghai Rui Xiang Shanghai Shu Kang Shanghai Xin Rui Shenton Insurance Shenton Family Swiss Zone Syarikat Tunas Twin Towers Healthcare Twin Towers Medical Centre *Previous directorships:* Angiography Cheras Medical Centre Fomema Sdn Bhd Gleneagles KL Glossmere Investments Limited (voluntarily wound-up) Healthpac Industries Sdn Bhd Pantai Ayer Keroh Pantai Indah KL Medical Centre Magnetom Imaging Maxgold Investments Group Limited (voluntarily wound-up) MENA Services Oncology Centre KL Paloh Medical Centre Pantai-ARC Dialysis Pantai Diagnostics Pantai Fomema & Systems Sdn Bhd (now known as Unitab Medic Sdn Bhd) Pantai Resources Pantai Pantai Hospitals Pantai Integrated Rehab Pantai Klang Pantai Management Pantai Medical Centre Pantai Medivest Sdn Bhd Pantai Premier Pathology Pantai Support Services Sdn Bhd Pengkalan Usaha (M) Sdn Bhd	

Name	Directorships	Involvement in business activities other than as a director
	Shenton Medical Holdings Pte Ltd (Struck-off) SMG Medical Group Pte. Ltd. (Struck-off) S.P.I. Pte Ltd (Struck-off) Syarikat Tunas Parkway Properties Pte. Ltd. (Struck-off) Westront Pte Ltd (Struck-off)	
Mehmet Ali Aydinlar	*Present directorships:* Acibadem Acibadem Sigorta SZA Gayrimenkul Yatirim Insaat ve Ticaret A.S. Acibadem Egitim ve Saglik Vakfi Telepati Tanitim Acibadem Universitesi Kerem Aydinlar Vakfi Acim Cimento Sanayii A.S. Therapy Yachting Ltd APlus Acibadem Proje Almond Turkey Acibadem Holding Acibadem Sistina Acibadem Sistina Medikal Acibadem Poliklinik Acibadem Labmed International Hospital Acibadem Mobil Yeni Saglik *Previous directorships:* Nil	Chairman and shareholder of Acibadem Sigorta Chairman of the Board of Trustees of Acibadem Egitim ve Saglik Vakfi Chairman and shareholder of SZA Gayrimenkul Yatirim Insaat ve Ticaret A.S. Chairman and shareholder of Telepati Tanitim Chairman of the Board of Trustees of Acibadem Universitesi Member of Board of Trustees of Kerem Aydinlar Vakfi Chairman and shareholder of Acim Cimento Sanayii A.S. Chairman and shareholder of Therapy Yachting Ltd
Satoshi Tanaka	*Present directorships:* Parkway Pantai *Previous directorships:* Mitsui Global Strategic Studies Institute Mitsui & Co Korea Ltd Bussan Real Estate Co Ltd Mitsui Bussan Inter Fashion Max Mara Japan Ltd	Managing Officer and Chief Operating Officer of Consumer Service Business Unit of Mitsui and shareholder of Mitsui

Name	Directorships	Involvement in business activities other than as a director
Michael Jude Fernandes	*Present directorships:* Infrastructure Development Finance Company Ltd Khazanah India Advisors Pvt Ltd Apollo IHHL Pantai Support Services Sdn Bhd IMU Health Parkway Pantai Uniquest Infra Ventures Pvt Ltd Jetpur Somnath Tollways Ltd Teluk Belanga Investments Ltd Bagan Lalang *Previous directorships:* Pantai Gleneagles KL Pantai Medical Centre Pantai Irama Ventures IHH Cayman Parkway Pulau Memutik Piramal Healthcare Ltd (formerly known as Nicholas Piramal India Ltd) Piramal Healthcare UK Ltd (formerly known as NPIL Pharmaceuticals (UK) Ltd) Piramal Healthcare Canada Ltd (formerly known as Torcan Chemicals Limited, Canada NPIL Overseas Limited, U.K.	Executive Director of Khazanah India Advisors Pvt Ltd
Ahmad Shahizam Bin Mohd Shariff	*Present directorships:* Gleneagles Malaysia GEH Management IMU Health Mount Elizabeth Services Orifolio Options Pantai Education Pantai Resources Pantai Pantai Hospitals Pantai Irama Pantai Management	Nil

Name	Directorships	Involvement in business activities other than as a director
	Paloh Medical Centre Pantai Medivest Syarikat Tunas Pantai Fomed Sdn Bhd The MCKK Foundation Layang-Layang Ventures Sdn Bhd Swiss Zone Bisikan Bayu Investment (Mauritius Limited) Parkway Parkway Pantai Parkway Trust Management *Previous directorships:* Fomema Sdn Bhd Malaysia Shoaiba Consortium Sdn Bhd Desaru Investments (Cayman Islands Limited) Gleneagles KL IHH Bharat IHH Cayman IHHL IHH Mauritius Pantai Fomema & Systems Sdn Bhd (now known as Unitab Medic Sdn Bhd) Pantai Johor Pantai Medical Centre Pantai Support Services Sdn Bhd	
Kaichi Yokoyama	*Present directorships:* IMU Health Parkway Pantai Acibadem Holding APlus Acibadem Proje *Previous directorships:* Nil	General Manager of Medical Service Department of Mitsui and shareholder of Mitsui

Name	Directorships	Involvement in business activities other than as a director
Rossana Annizah Binti Ahmad Rashid	*Present directorships:* Kampong Kravers (M) Sdn Bhd Gudang Damansara Sdn Bhd *Previous directorships:* Maxis International Sdn Bhd Maxis Mobile Services Sdn Bhd Maxis Broadband Sdn Bhd Maxis Mobile Sdn Bhd Maxis Collections Sdn Bhd Maxis Online Sdn Bhd Maxis Management Services Sdn Bhd Maxis Multimedia Sdn Bhd Maxis Mobile (L) Ltd Advanced Wireless Technologies Sdn Bhd UMTS (Malaysia) Sdn Bhd Castle Rock Equity Sdn Bhd Rawa Utara Sdn Bhd Hotlink Prepaid Sdn Bhd Hotlink Services Sdn Bhd Maxis Data Services Sdn Bhd Maxis Events Sdn Bhd Maxis Lifestyle Sdn Bhd Maxis One Club Sdn Bhd Maxis SMS Games Sdn Bhd Hotlink Telecommunications Sdn Bhd Hotlink Entertainment Sdn Bhd Hotlink Communications Berhad Hotlink Data Services Sdn Bhd Hotlink Events Sdn Bhd Hotlink Interactive Services Sdn Bhd Hotlink Lifestyle Sdn Bhd Hotlink One Club Sdn Bhd Hotlink SMS Games Sdn Bhd Hotlink Touch Sdn Bhd PT AXIS Telekom Indonesia (formerly known as PT Natrindo Telepon Seluler) PT Maxis Communications Maxis Sdn Bhd Maxis Malaysia Sdn Bhd Maxis Asia Access Pte Ltd Aircel Malaysia Sdn Bhd	Director and shareholder of Kampong Kravers (M) Sdn Bhd

Name	Directorships	Involvement in business activities other than as a director
Chang See Hiang	*Present directorships:* Yeo Hiap Seng Limited Jardine Cycle & Carriage Limited STT Communications Ltd Parkway Pantai Texas Five Pte Ltd Natuzi Trading Pte Ltd Singapore Technologies Telemedia Pte Ltd Singbridge Holdings Pte Ltd *Previous directorships:* Parkway MCL Land Limited Singapore Technologies Aerospace Ltd	Equity partner of Chang See Hiang & Partners
Kuok Khoon Ean	*Present directorships:* Able Time Group Limited Allerlon Limited Allerlon Limited Always Best International Limited Ample Key Limited Balkane Investment Pte Ltd Belgravia Assets Limited Besiktas Emlak Yatirim ve Truizm Anonim Sirketi Billion Choices Limited C Tech Fund Cabo Investments S.A. Celdes Limited China World Trade Centre Ltd Clearsky Investments Limited Cuscaden Properties Pte Ltd Dartburn Limited Dateline Assets Limited Dragon Era Holdings Limited Eagle Trading Limited Edensor Limited Epsilon Global Communications Pte Ltd Epsilon Telecommunications Holdings Limited	Director and shareholder of Allerlon Limited Director and shareholder of Great Cheer Limited Director and shareholder of Maplegain Investments Limited Director and shareholder of Top Beat Limited Chairman and Chief Executive Office of Shangri-La Asia Limited

Name	Directorships	Involvement in business activities other than as a director
	Eternal Treasure Investment Limited Fast Champ Investments Limited Fast Era Limited Formano Investments Pte Ltd Fort Bonifacio Shangri-La Hotel Inc Fujian Kerry World Trade Centre Co. Ltd Full Wing Holdings Limited Fuzhou Shangri-La Hotel Co. Ltd Gamma Telecom Holdings Limited Gold Pilot International Limited Haysland Company Limited Infobridge Limited Intense Power Limited Jetfly Development Limited Jinyao Real Estate (Yinghou) Co. Ltd Ji Xiang Real Estate (Nanjing) Co. Ltd Kaikoura Maritime Inc. Kellum Limited Kerong (China) Limited Kerry Cash Management Limited Kerry Funding Limited Kerry Group Limited Kerry Holdings (Beverages) Limited Kerry Holdings Limited Kerry Industrial Company Limited Kerry Shanghai (Jingan Nanli) Ltd Kerry Shanghai (Pudong) Ltd Kerry (Shenyang) Real Estate Development Co. Ltd Kerry Technology Limited Kerry Treasury Limited Key Asset Investments Limited KHN Pte Ltd Khoon Investments Pte Ltd Korneld Company Limited Kota Johore Realty Sdn Bhd	

Name	Directorships	Involvement in business activities other than as a director
	Kuok (Singapore) Limited Kuok Brothers Sdn Berhad Kuok Investments (Singapore) Pte Ltd Kuok Traders (C.I.) Limited Kuok Traders (Hong Kong) Limited Labrador Associates Limited Limpopo Company Inc. Makonde Investments Limited Mallarock International Limited Mazowie International Limited Million Color Investments Limited Narembim Limited Neen Developments Sdn Bhd Newington Pte Ltd Novel Magic Limited Orient Moon Group Limited Pacific China Holdings (Zhoushan) Pte Ltd Pacific China Holdings (Zhuhai) Pte Ltd Playgain Company Limited Portfolio Investments Inc. Presstime Limited Prime City Holdings Limited Pristine Holdings Limited Propartner Holdings Limited PT Narendra Interpacific Indonesia PT Saripuri Permai Hotel Ranhill Limited Redlore Pty Limited Reeson Limited Richsky Investments Limited Rosy Frontier Limited SA Lanka Development (Mauritius) Limited SA Lanka Holdings (Mauritius) Limited SA Lanka Investments (Mauritius) Limited Safetide Sdn Bhd Sanya Shangri-La Hotel Co. Ltd Sealovers Company Limited Seanoble Assets Limited	

Name	Directorships	Involvement in business activities other than as a director
	Sentosa Beach Resort Pte Ltd Shang Global City Properties Inc. Shanghai Ji Xiang Properties Co. Ltd Shanghai Pudong Kerry City Properties Co. Ltd Shanghai Pu Dong New Area Shangri-La Hotel Co. Ltd Shangri-La Asia Limited Shangri-La China Limited Shangri-La Hotel Limited Shangri-La Hotel (Ghana) Limited Shangri-La Hotel (Kowloon) Limited Shangri-La Hotel Public Company Limited Shangri-La Hotels Lanka (Private) Limited Shangri-La International Hotel Management Limited Shangri-La International Hotels (Pacific Place) Limited Shangri-La Investments Lanka (Private) Limited Shangri-La Mongolia Limited Shenzhen Xili Golf Development Co. Ltd Shine Up Holdings Limited Siam Suite Holding Limited Singapore Management University SLIM International Limited Smart Delight Investments Limited Soaring Dragon Holdings Limited Stand Fast Limited Starfame International Limited Sucres et Denrees S.A. Sunny Fame International Limited Tandridge Limited Tangkakji Limited The Bank of East Asia Limited The Post Publishing Public Company Limited	

Name	Directorships	Involvement in business activities other than as a director
	Tianjin Kerry Real Estate Development Co. Ltd Top Beat Limited Trendfield Inc. Ubagan Limited Willgo Limited Willpower Resources Limited Wilmar International Limited Wolverine International Limited Zhanfeng Real Estate (Yinghou) Co. Ltd Zhanye Real Estate (Yinghou) Co. Ltd Zooming Star Corporation Great Cheer Limited Maplegain Investments Limited *Previous directorships:* Accomplishments Limited Cahaya Utara Sdn Bhd Chomel Pte Ltd Didier Holdings Limited Dymocks Franchise Systems (China) Limited Fexos Limited Firecracker Inc. Fly High Assets Limited Formbright Investments Limited Hillier Limited Image Renovation Limited Jalamu Investments Limited KSM Commodities Limited Line Trace Assets Limited Milton Developments Limited Netmail Resources Limited New Found Limited New Trend International Limited Papenda International Limited Robenex Investments Limited SCMP Group Limited SCMP Newspapers Limited SCMP Nominees Limited South China Morning Post Publishers Limited Terrific Assets Limited Trekeddy Holdings Limited Wilmar Trading (China) Pte Ltd	

Involvement of our Directors in other businesses or corporations which carry on a similar trade as our Group or which are our key customers or key suppliers

Save as disclosed below, as at 1 June 2012, none of our Directors had any interest, direct or indirect, in other businesses and corporations which (i) are carrying on a similar trade as that of our Group; or (ii) are our Key Customers and/or Key Suppliers:

Name	Businesses/Corporations	Nature of interest
Dr. Lim Cheok Peng	Similar trade as that of our Group:	
	Clinic C.P. Lim Pte Ltd	Director and shareholder
Mehmet Ali Aydinlar	Similar trade as that of our Group:	
	Acibadem Sigorta	Chairman and shareholder
	Acibadem Egitim ve Saglik Vakfi	Chairman of the Board of Trustees of Acibadem Egitim ve Saglik Vakfi
	Acibadem University	Chairman of the Board of Trustees of Acibadem University
	Our key customer:	
	Acibadem Sigorta	Chairman and shareholder
Ahmad Shahizam Bin Mohd Shariff	Similar trade as that of our Group:	
	Pantai Medivest Sdn Bhd	Director

* As at the date of this Prospectus, Ahmad Shahizam Bin Mohd Shariff has resigned as a director of Pantai Medivest Sdn Bhd.

Our Directors are of the view that the interests held by them in other businesses and corporations which carry out similar trade as that of our Group or which are our customers and/or suppliers do not compete directly with our businesses on the basis of the following:

(i) Clinic C.P. Lim Pte Ltd, in its operations as a medical clinic, does not in the ordinary course receive referrals from our Group's hospitals and clinics. Rather, Clinic C.P. Lim Pte Ltd typically refers all laboratory radiology and patient admissions to our Group's hospitals unless otherwise preferred or requested for by the patient;

(ii) Acibadem Sigorta provides private healthcare insurance to corporations in Turkey for their employees, whereas our Group's business as corporate healthcare insurance provider is currently provided through Shenton Insurance, which underwrites short-term employee healthcare insurance policies, and iXchange, which provides third party healthcare administration and claims administration services as an outsourced service for corporate clients and insurers, in Singapore;

(iii) Acibadem Egitim ve Saglik Vakfi and Acibadem University provide medical education and medical training programmes in Turkey, whereas the healthcare education business of our Group is currently in Singapore (through Parkway College) and in Malaysia (through Pantai College and IMU); and

(iv) Pantai Medivest Sdn Bhd provides ancillary healthcare services such as managing non-clinic hospital support services and facilities management in Malaysia which does not compete directly with our core business.

Transactions between our Group and our Directors in their personal capacity or the abovementioned companies and businesses in which they have interests as directors or substantial shareholders, if any, are carried out on an arm's length basis and on usual business terms.

The interests held by our Directors in the businesses and corporations mentioned in this section may give rise to a conflict of interests situation with our businesses. Our Directors have fiduciary duties, under Malaysian law, to act in the best interests of our Company and are required to declare any conflicts of interests. On matters or transactions requiring the approval of our Board, Directors who are deemed interested or conflicted in such matters shall be required to abstain from deliberations and voting on the resolutions relating to these matters or transactions.

Audit and Risk Management Committee

The Audit and Risk Management Committee of our Company comprises three Non-Executive Directors, two of whom are Independent. The Audit and Risk Management Committee, constituted on 18 April 2012, was established by our Board with the function of assisting our Board in fulfilling its oversight responsibilities. Our Audit and Risk Management Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of our Audit and Risk Management Committee. Our Audit and Risk Management Committee has the following primary responsibilities:

(i) assisting the Board in fulfilling its responsibilities in financial reporting, management of financial, operational and reputational risks and monitoring of the internal control systems;

(ii) reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality and ensure compliance with the Group's policies, including those pertaining to medical and clinical issues;

(iii) assisting the Board in ensuring that the management maintains a sound system of internal controls and risk management processes to safeguard and enhance enterprise value;

(iv) ensuring that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

(v) overseeing the implementation of the Whistleblower Policy and Procedures for the Group, and ensuring effective administration thereof by the Group Internal Audit function; and

(vi) following up with any observations and/or recommendations which the Group's external auditors may provide to the Group's management after the conduct of their annual audits to ensure that the matters highlighted by the Group's external auditors are appropriately addressed and/or implemented, as the case may be.

Under its terms of reference, our Audit and Risk Management Committee must consist of at least three Non-Executive Directors, a majority of whom shall be Independent Non-Executive Directors. At least one Audit and Risk Management Committee member must either be a member of the MIA, or if he is not a member of the MIA, he must have at least three years' working experience and must have passed certain examinations under the Accountants Act 1967 or fulfils such other requirement as prescribed by Bursa Securities (which includes having seven years of experience as the Chief Financial Officer of a corporation) or by the SC. The Chairman of our Audit and Risk Management Committee must be an Independent Non-Executive Director and is selected by the members of our Audit and Risk Management Committee. Our Board will review the composition, term of office, performance and effectiveness of our Audit and Risk Management Committee annually.

The Board, with the concurrence of the Audit and Risk Management Committee, believes that the system of internal controls maintained by the Company's management is adequate to safeguard against financial, operational and compliance risks.

The current members of our Audit and Risk Management Committee are set forth below:

Name	Position	Date of appointment	Directorship
Rossana Annizah Binti Ahmad Rashid	Chairman	18 April 2012	Independent, Non-Executive
Chang See Hiang	Member	18 April 2012	Independent, Non-Executive
Satoshi Tanaka	Member	18 April 2012	Non-Independent, Non-Executive

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee, constituted on 18 April 2012, was established by our Board and comprises three members, the majority of whom are Independent Non-Executive Directors. Our Nomination and Remuneration Committee has the following primary responsibilities:

(i) proposing candidates to the Board and Board Committees of the Group;

(ii) assessing the effectiveness of the Board as a whole (including whether the Board possess the required mix of skills, size and composition, experience, core competencies and other qualities), the Board Committees and contribution of each individual Director (including Independent Directors) on an annual basis;

(iii) overseeing the succession planning for the Board;

(iv) proposing continuous training to ensure the Directors' competencies;

(v) proposing to the Board, appointment and remuneration of Executive Directors, Non-Executive Directors (including Independent Directors) and Senior Management of the Group (as prescribed in the Group's Limits of Authority); and

(vi) recommending to the Board, the Group's executive remuneration policy, remuneration framework and performance measures criteria, including the LTIP and EPP and any other incentive or retention schemes.

The current members of our Nomination and Remuneration Committee are set forth below:

Name	Position	Date of appointment	Directorship
Chang See Hiang	Chairman	18 April 2012	Independent, Non-Executive
Rossana Annizah Binti Ahmad Rashid	Member	18 April 2012	Independent, Non-Executive
Dato' Mohammed Azlan Bin Hashim	Member	18 April 2012	Deputy Chairman, Non-Independent, Non-Executive

Shareholding of Directors in our Company

The following table sets forth the direct and indirect shareholdings of each Director before the IPO (as of 1 June 2012) and after the IPO (assuming full subscription of the IPO Shares reserved for our Directors under the preferential share allocation scheme under the IPO):

	Before IPO				After Listing[1]				After conversion/exercise of outstanding LTIP units and EPP options post-Listing[2]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	**No. of Shares held**	**%**	**No. of Shares held**	**%**	**No. of Shares held**	**%**	**No. of Shares held**	**%**	**No. of Shares held**	**%**	**No. of Shares held**	**%**
	000		**000**		**000**		**000**		**000**		**000**	
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	—	—	—	—	1,000	0.01	—	—	5,099	0.06	—	—
Dato' Mohammed Azlan Bin Hashim	—	—	—	—	250	*	—	—	250	*	—	—
Dr. Lim Cheok Peng	—	—	—	—	1,000	0.01	—	—	43,479	0.53	—	—
Dr. Tan See Leng	—	—	—	—	1,000	0.01	—	—	42,955	0.52	—	—
Mehmet Ali Aydinlar	100,000	1.61	160,791[3]	2.60	101,000	1.25	160,791[3]	2.00	101,000	1.23	160,791[3]	1.95
Satoshi Tanaka	—	—	—	—	—	—	—	—	—	—	—	—
Michael Jude Fernandes	—	—	—	—	—	—	—	—	—	—	—	—
Ahmad Shahizam Bin Mohd Shariff	—	—	—	—	500	*	—	—	7,165	0.09	—	—
Kaichi Yokoyama	—	—	—	—	—	—	—	—	—	—	—	—
Rossana Annizah Binti Ahmad Rashid	—	—	—	—	250	*	—	—	250	*	—	—
Chang See Hiang	—	—	—	—	250	*	—	—	250	*	—	—
Kuok Khoon Ean	—	—	—	—	250	*	—	—	250	*	—	—

* Negligible

(1) Based on the enlarged share capital upon Listing as set out in "Description of Our Shares—Share Capital".

(2) Based on share capital after taking into account the conversion/exercise of outstanding LTIP units and EPP options post-Listing, as set out in "Description of Our Shares—Share Capital".

(3) Deemed interest by virtue of his wife, Hatice Seher Aydinlar's shareholding in IHH pursuant to Section 6A of the Act and SZA Gayrimenkul's shareholding in IHH, a company wholly-owned by Aydinlar, pursuant to section 6A of the Act.

As of 1 June 2012, the number of LTIP units and EPP options granted to our Directors is as follows:

Directors	LTIP units	EPP options
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	99,000	4,000,000
Dr. Lim Cheok Peng	4,979,000	37,500,000
Dr. Tan See Leng	4,455,000	37,500,000
Ahmad Shahizam Bin Mohd Shariff	1,165,000	5,500,000

Notwithstanding the preferential share allocation scheme under the IPO, our Directors may subscribe for the IPO Shares under the Malaysia Public Offering and Singapore Offering.

Remuneration and material benefits-in-kind of Directors, Chief Executive Officer and top five key management

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors, Chief Executive Officer and top five key management, including any deferred compensation accrued for the relevant financial year and payable at a later date, for services rendered in all capacities to our Group for FYE 31 December 2010, FYE 31 December 2011 and estimated for FYE 31 December 2012 are as follows:

Category	Actual FYE 31 December 2010	Actual FYE 31 December 2011	Estimate FYE 31 December 2012
Executive Directors			
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	II	KK	LL
Dr. Lim Cheok Peng	RR	UU	VV
Dr. Tan See Leng	QQ	TT	SS
Mehmet Ali Aydinlar	MM	NN	PP
Ahmad Shahizam Bin Mohd Shariff (alternate to Dr. Tan See Leng)	CC	OO	MM
Non-Executive Directors			
Dato' Mohammed Azlan Bin Hashim	FF	HH	JJ
Michael Jude Fernandes (alternate to Dato' Mohammed Azlan Bin Hashim)	BB	GG	FF
Satoshi Tanaka	—	CC	GG
Kaichi Yokoyama (alternate to Satoshi Tanaka)	—	—	—
Rossana Annizah Binti Rashid	—	—	DD
Chang See Hiang	II	DD	HH
Kuok Khoon Ean	—	—	CC
Top Five Key Management			
Dr. Lim Suet Wun	—	C	D
Tan See Haw	B	C	C
Lee Swee Hee	—	A	C
Jamaluddin Bin Bakri	—	A	B
Dr. Mei Ling Young	A	A	A

Notes:

(1) Remuneration Bands:

"AA" refers to remuneration between RM50,001 and RM100,000

"BB" refers to remuneration between RM100,001 and RM150,000

"CC" refers to remuneration between RM150,001 and RM200,000

"DD" refers to remuneration between RM250,001 and RM300,000

"EE" refers to remuneration between RM300,001 and RM350,000

"FF" refers to remuneration between RM350,001 and RM400,000

"GG" refers to remuneration between RM400,001 and RM450,000

"HH" refers to remuneration between RM500,001 and RM550,000

"II" refers to remuneration between RM650,001 and RM700,000

"JJ" refers to remuneration between RM700,001 and RM750,000

"KK" refers to remuneration between RM900,001 and RM950,000

"LL" refers to remuneration between RM1,300,001 and RM1,350,000

"MM" refers to remuneration between RM1,600,001 and RM1,650,000

"NN" refers to remuneration between RM1,650,001 and RM1,700,000

"OO" refers to remuneration between RM1,700,001 and RM1,750,000

"PP" refers to remuneration between RM1,850,001 and RM1,900,000

"QQ" refers to remuneration between RM3,250,001 and RM3,300,000

"RR" refers to remuneration between RM4,250,001 and RM4,300,000

"SS" refers to remuneration between RM4,550,001 and RM4,600,000

"TT" refers to remuneration between RM4,600,001 and RM4,650,000

"UU" refers to remuneration between RM4,650,001 and RM4,700,000

"VV" refers to remuneration between RM5,100,001 and RM5,150,000

"A" refers to remuneration between RM500,001 and RM1,000,000

"B" refers to remuneration between RM1,000,001 and RM1,500,000

"C" refers to remuneration between RM1,500,001 and RM2,000,000

"D" refers to remuneration between RM2,000,001 and RM2,500,000

(2) LTIP units and EPP options as well as the performance incentive scheme of 2010 of Parkway, which was in effect while Parkway was listed on the SGX-ST, were not included in the calculation of remuneration.

(3) The estimated amount of remuneration payable excludes any bonus or profit-sharing plan or any other profit linked agreement or arrangement payable for FYE 31 December 2012.

The remuneration of our Directors which includes salaries, bonuses, fees and allowances as well as other benefits, will be approved by the Board, following recommendations that will be made by our Remuneration Committee and subject to our Articles of Association. Any change in Directors' fees as set out in our Articles of Association must be approved by shareholders of our Company pursuant to an ordinary resolution passed at a general meeting where appropriate notice of any increase proposed should be given. See "Statutory and Other General Information—Extracts of our Articles of Association" for further details.

Save as disclosed in this section and "—Key Management—Shareholding of Directors in our Company" and "—Key Management—Shareholding of key management in our Company" on LTIP units and EPP options held by some of our Directors and top five key management, no option to subscribe for shares in, or debentures of, the Company or its subsidiaries has been granted to, or exercised by, any Director or top five key management within the two financial years preceding the date of this Prospectus.

As set out in "Description of our Shares—Particulars of the IPO", the eligible Directors and eligible employees of our Group are entitled to partake in the Malaysia Public Offering and the Singapore Offering by receiving preferential share allocation under the IPO. See "Description of Our Shares—Particulars of the IPO" for the allocation to the eligible Directors and eligible employees of our Group.

On the basis of the Group's consolidated financial statements for the three months ended 31 March 2012, the total amounts set aside or accrued by our Group for the purposes of providing pension, retirement or similar benefits for our employees is RM19.0 million.

Key management

Our key management as at 1 June 2012 are set out below:

Name/Address	Age	Designation/Function
Dr. Lim Cheok Peng 10 Cluny Road Singapore 259576	65	Managing Director of our Company and Vice Chairman of Parkway Pantai
Dr. Tan See Leng 16 Siglap Plain Singapore 456005	47	Executive Director of IHH and Managing Director and Group Chief Executive Officer of Parkway Pantai
Ahmad Shahizam Bin Mohd Shariff 2 Leonie Hill Road #18-05 Leonie Condotel Singapore 239192	41	Director of IHH (alternate to Dr. Tan See Leng), Head of Business Development/Investor Relations of IHH and Executive Director of Corporate Services of Parkway Pantai
Dr. Lim Suet Wun 11 Jalan Chengam Singapore 578295	52	Executive Vice President of Singapore Operations of Parkway Healthcare
Lee Swee Hee No. 18 Lorong Canning Canning Garden 31400 Ipoh Perak Malaysia	54	Chief Executive Officer of Malaysian Operations of Parkway Pantai
Tan See Haw 52 Greenmead Avenue Hillcrest Park Singapore 289444	55	Group Chief Financial Officer of Parkway Pantai
Jamaluddin Bin Bakri 12 Jalan Pidato U2/47 Taman TTDI Jaya 40150 Shah Alam Selangor Malaysia	51	Group Head of Human Resources of Parkway Pantai
Mehmet Ali Aydinlar Kandilli Idman Sokak No. 5, Demirevler Sitesi Uskudar Istanbul Turkey	55	Director of IHH and Chairman and Chief Executive Officer of Acibadem Holding
Murat Yalcin Nak Bagdat Caddesi Korupark Sok Selvili Sitesi E Blok Daire: 4 Suadiye Istanbul Turkey	47	Deputy General Manager of Acibadem (Regional Operations and Marketing)

Name/Address	Age	Designation/Function
Birol Sumer Erguvan Cad. Ata 2 Sitesi No. 43 Cengelkoy Uskudar Istanbul Turkey	49	Deputy General Manager of Acibadem (Central Operations)
Rengin Yigitbas Akillioglu Agaoglu My Country K1 C1 Cekmekoy Istanbul Turkey	47	Deputy General Manager, Chief Financial Officer and board secretary of Acibadem
Dr. Ahmet Sahin Biyikli Mehmet Pasa Sok. Yilmazlar 2 Apt. No. 24-1 Etiler Besiktas Istanbul Turkey	52	Medical Director of Acibadem
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman 14, Jalan 5/21 Petaling Jaya 46000 Selangor Malaysia	68	Chairman of IHH, President of IMU Education and Chief Executive Officer of IMU Education
Dr. Mei Ling Young 2A, Jalan Nusa Bukit Tunku 50480 Kuala Lumpur Malaysia	62	Provost of IMU and Executive Director of IMU Education
Chiu Lai Heng 46 Jalan SS22/17 Damansara Jaya 47400 Petaling Jaya Selangor Malaysia	48	Chief Financial Officer of IMU Education

We do not currently have a Group Chief Financial Officer ("CFO") and are currently in the process of identifying a suitable candidate as the person primarily responsible for the financial management of our Group. Such person will satisfy the Listing Requirements and will be appointed in time for him/her to be the signatory of our Group's annual audited financial statements for the financial year ending 31 December 2012. As we are still in the process of recruiting a suitable person as the group CFO, we are unable to provide a proposal on the timeframe for such recruitment. Nonetheless, it is our intention that the group CFO will be recruited with reasonably sufficient lead time to familiarise himself/herself with our finance and accounting systems to enable him/her to take responsibility for the issuance of our Group's annual audited financial statements for the financial year ending 31 December 2012. We will release the appropriate announcements as and when such a person is appointed.

In the interim, Tan See Haw, Rengin Yigitbas Akillioglu and Chiu Lai Heng (together, the "Supporting CFOs") who are the CFOs from Parkway Pantai, Acibadem Holding and IMU Health respectively, co-ordinated by Tan See Haw, will take collective responsibility for the financial results announcements that will be released by us following the Listing.

Each of the Supporting CFOs possesses relevant professional experience and has been the CFO of the relevant key subsidiary groups for least 18 months. It is intended that the Supporting CFOs will also continue in their current positions. Our Audit and Risk Management Committee has formed the view that the Supporting CFOs have demonstrated their knowledge and experience in accounting, financial reporting, the business of their relevant key subsidiary groups and the industry our Group operates in. Based on the foregoing, and after making all reasonable inquiries, and to the best of its knowledge and belief, nothing has come to the attention of the Audit and Risk Management Committee to cause them to believe that the Supporting CFOs do not have the competence, character and integrity expected to jointly undertake the finance management functions of our Group.

Biographies of key management

Dr. Lim Cheok Peng

Details of the profiles of Dr. Lim Cheok Peng, Dr. Tan See Leng, Ahmad Shahizam Bin Mohd Shariff, Mehmet Ali Aydinlar and Tan Sri Dato' Dr Abu Bakar Bin Suleiman are set out in "—Biographies of Directors."

Dr. Lim Suet Wun

Dr. Lim Suet Wun was appointed as Executive Vice President of Singapore Operations of Parkway Healthcare in March 2011. Dr. Lim has 25 years of experience in the public healthcare sector. In 1991 he was appointed as Chief Operating Officer of KK Women and Children's Hospital and in 1996 became the Chief Executive Officer of the National University Hospital. In 2001 he joined Tan Tock Seng Hospital as the Chief Executive Officer and in 2004 became the Cluster Chief Executive Officer of the National Healthcare Group Singapore. He obtained a Bachelor of Medicine, Bachelor of Surgery from the National University of Singapore in 1983. In 1990 he obtained his Master of Public Health and Master of Business Administration degrees from the University of California, Los Angeles. He has been appointed Chairman of the Board of Joint Commission Resources International, which is an international hospital accreditation organisation. He previously sat on several boards of companies under the National Healthcare Group as well as those of National University Health System Pte Ltd and the Ministry of Health Holdings Pte Ltd.

Lee Swee Hee

Lee Swee Hee was appointed the Chief Executive Officer of Malaysian Operations of Parkway Pantai since 1 August 2011. He began his career with Coopers & Lybrand (now known as PricewaterhouseCoopers) in 1977 and left as an audit supervisor in 1984. He joined a property firm, Syarikat Hup Aik Realty Sdn Bhd in 1985 and in 1987 worked as an accountant in a subsidiary of Hong Leong Group, Malaysia. He joined Ipoh Specialist Centre in 1988 as a Finance Manager. He was promoted as Chief Financial Officer of KPJ Healthcare Berhad in 1990. He was awarded Kesatria Mangku Negara (KMN) by the Yang di-Pertuan Agong in 2011. He is a Certified Public Accountant and a member of both the Malaysian Association of Certified Public Accountants and the Malaysian Institute of Accountants.

Tan See Haw

Tan See Haw was appointed as the Group Chief Financial Officer of Parkway since 5 January 2009. He was subsequently appointed as Group Chief Financial Officer of Parkway Pantai after Parkway Pantai's acquisition of Parkway in April 2011. Prior to his appointment with Parkway, he was the Vice President of IT and Supply Chain of Unisem (M) Bhd from 2007 to 2008. He was also the Group Chief Financial Officer of Advanced Interconnect Technologies ("AIT"), a position which he held since 1999 before its acquisition by Unisem (M) Bhd. Before joining AIT, Mr. Tan held key regional positions in major corporations such as Asia-Pacific Breweries Ltd (Director of Group Finance) from 1994 to 1999 and Pepsi-Cola International (Asia Division Financial Controller) from 1986 to 1994. He also held finance and audit positions at NL Petroleum (Far East) Pte Ltd and Price Waterhouse & Co. (now known as PricewaterhouseCoopers). Mr Tan holds a Bachelor of Accountancy from the University of Singapore (now known as the National University of Singapore). He is also a Fellow of Institute of the Certified Public Accountants of Singapore.

Jamaluddin Bin Bakri

Jamaluddin Bin Bakri was appointed as Group Head of Human Resources of Parkway Pantai in March 2011. He has 25 years of work experience, based both locally and internationally. Prior to PPL, Jamaluddin worked with Microsoft Corporation for 14 years, holding various Human Resource leadership positions with Regional HR Director — Asia Services as his final position. Previously he was with the Tioxide (Malaysia) Sdn Bhd (part of the ICI Group of Companies) for six years where he became the first Malaysian to replace an expatriate position as Training Manager. He started his career with Petroliam Nasional Berhad where he spent six years in various offshore and onshore facilities. He holds a Master of Business Administration in Human Resource Development from University of Hull, U.K. as well as a Certificate of Coaching (Results Coaching System) from the International Coach Federation.

Murat Yalcin Nak

Murat Yalcin Nak is the Deputy General Manager of Acibadem (Regional Operations and Marketing). Yalcin started his career as a Planning Engineer at Procter & Gamble Turkey's laundry products factory and worked there from 1988 to 1989. Upon obtaining his Master in Business Administration, he rejoined Procter & Gamble in Germany from 1991 to 1995 as Assistant Brand Manager and Planning Group Manager. He worked at McKinsey & Co. in its Turkish and Swiss offices from 1995 to 2001 as a Senior Engagement Manager. From 2002 to 2004, he worked as the Turkish Office Director of PricewaterhouseCoopers (Consulting Division). His final post before joining Acibadem was serving from 2005 to 2008 as the Chief Executive Officer and Board Member of Memorial Healthcare Group in Turkey. Since January 2008, he has been serving as the Deputy General Manager at Acibadem. Yalcin holds a Bachelor of Science Degree in Industrial Engineering from Bogazici (Bosphorus) University and a Master in Business Administration from Northwestern University's J. L. Kellogg School of Management, U.S.

Birol Sumer

Birol Sumer is the Deputy General Manager of Acibadem (Central Operations). He held various information technology and executive positions in banking and consulting between 1988 and 2004. He served as a board consultant to Acibadem from 2004 to 2008. He has been working as the Deputy General Manager at Acibadem since 2008 and is responsible for centralised functions such as procurement, logistics, information technologies, technical services and human resources, and is also responsible for APlus, laboratory services and Acibadem Mobil activities. He holds a B.S. in

Electronics Engineering from Bogazici (Bosphorus) University, Turkey and received his Masters Degree in International Economics and Development from Marmara University, Turkey.

Rengin Yigitbas Akillioglu

Rengin Yigitbas Akillioglu is the Deputy General Manager, Chief Financial Officer and board secretary of Acibadem. She began her career at NASAS Aluminium Inc. in Istanbul, Turkey in 1987 and worked with Turkish Airlines Inc. ("**THY**") from 1989 to 2010 in various positions in management and finance, the last being Chief Financial Officer of THY. She was also an auditing member of the Board of Directors at Sun Express Airlines, an Antalya based joint venture company with Lufthansa and THY between 1996 and 2006. Since 2010, she has been the Executive Committee Member of DEIK/SAIK (Healthcare Business Council/Foreign Economic Relations Board) and Turkish Accredited Hospitals Association, and a Member of TAIK (Turkish American Business Council) at TUSIAD (Turkish Industrialists' and Businessmen's Association), all based in Istanbul, Turkey. She has been working as Chief Financial Officer, Coordinator USA and the board secretary at Acibadem since 2010. Rengin holds a B.Sc. in Management Engineering from Istanbul Technical University and a Masters Degree in Economics from Bogazici (Bosphorus) University, Turkey.

Dr. Ahmet Sahin

Dr. Ahmet Sahin is the Medical Director of Acibadem. He began his academic career at the University of Hacettepe, Turkey as a specialist and later after consecutive academic achievements became an Associate Professor of Urology in 1995 and Professor of Urology in 2002. During his academic career he was also appointed as the Physician in Chief. In the beginning of 2008 he joined the Acibadem Group as the Medical Director. He obtained a Diploma in Medicine from the University of Hacettepe, Turkey and became a specialist in urology at the same university in 1991. He has many national and international publications in the fields of urology and endourology, and has also contributed to and organised many scientific meetings on health care administration, patient safety and healthcare quality.

Dr. Mei Ling Young

Dr. Mei Ling Young is the Provost of IMU and Executive Director of IMU Education. Dr. Mei Ling Young completed her undergraduate and postgraduate studies in Geography and Demography in the University of Auckland and the Australian National University respectively. Her field of study in demography is migration, structural change and the labour force. Dr. Mei Ling Young joined Universiti Sains Malaysia in 1979 as a lecturer in Development Studies and left in 1985 to set up Sesama Consulting Group Sdn. Bhd. She was also an Associate Research Fellow with the Malaysia Institute of Economic Research where she wrote on regional development, manpower planning and private education. In 1992, she established the International Medical College (which became IMU Education in 1999) with two partners. Dr. Mei Ling Young is the Deputy President of the Malaysian Association of Private Colleges & Universities (MAPCU).

Chiu Lai Heng

Chiu Lai Heng is the Chief Financial Officer of IMU Education. She started her career with KMG Hew & Tan for two years before leaving as an audit assistant. For the next six years, she worked with Beca Carter Hollings & Ferner Ltd, the largest consulting engineering firm in New Zealand, in various financial positions. She returned to Malaysia in 1992 and was employed by Jurutera Perunding Beca Carter Sdn Bhd as the Regional Accountant for South East Asia. She joined IMU Education (formerly known as Sesama Medical College Management Sdn Bhd) in 1993 and was responsible for setting up the Finance Department. In 1996, she became the Financial Controller of Batu Tiga Quarry Sdn Bhd, a subsidiary of a YTL company. She resumed the position of Financial Controller of IMU Education in 1999 and was re-designated as Chief Financial Officer in 2004. She holds a Bachelor of Economics from Monash University and is a Fellow of CPA Australia and a member of the Malaysian Institute of Accountants.

Shareholding of key management in our Company

The following table sets forth the direct and indirect shareholding of each member of the key management before the IPO (as of 1 June 2012) and after the IPO (assuming full subscription of the IPO Shares reserved for them under the preferential share allocation scheme under the IPO):

	Before IPO				After Listing[(1)]				After conversion/exercise of outstanding LTIP units and EPP options post-Listing[(2)]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
	000		000		000		000		000		000	
Dr. Lim Cheok Peng	—	—	—	—	1,000	0.01	—	—	43,479	0.53	—	—
Dr. Tan See Leng	—	—	—	—	1,000	0.01	—	—	42,955	0.52	—	—
Ahmad Shahizam Bin Mohd Shariff	—	—	—	—	500	*	—	—	7,165	0.09	—	—
Dr. Lim Suet Wun	—	—	—	—	500	*	—	—	12,451	0.15	—	—
Lee Swee Hee	—	—	—	—	500	*	—	—	5,854	0.07	—	—
Tan See Haw	—	—	—	—	750	0.01	—	—	6,369	0.08	—	—
Jamaluddin Bin Bakri	—	—	—	—	250	*	—	—	3,004	0.04	—	—
Mehmet Ali Aydinlar	100,000	1.61	160,791[(3)]	2.60	101,000	1.25	160,791[(3)]	2.00	101,000	1.23	160,791[(3)]	1.95
Murat Yalcin Nak	—	—	—	—	—	—	—	—	—	—	—	—
Birol Sumer	—	—	—	—	—	—	—	—	—	—	—	—
Rengin Yigitbas Akillioglu	—	—	—	—	—	—	—	—	—	—	—	—
Dr. Ahmet Sahin	—	—	—	—	—	—	—	—	—	—	—	—
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	—	—	—	—	1,000	0.01	—	—	5,099	0.06	—	—
Dr. Mei Ling Young	—	—	—	—	500	*	—	—	4,588	0.06	—	—
Chiu Lai Heng	—	—	—	—	500	*	—	—	1,571	0.02*	—	—

Notes:

* Negligible

(1) Based on the enlarged share capital upon Listing as set out in "Description of the IPO—Particulars of the IPO—Share Capital".

(2) Based on share capital after taking into account the conversion/exercise of outstanding LTIP units and EPP options post-Listing, as set out in "Statutory and Other General Information—Employee Share Schemes".

(3) Deemed interest by virtue of his wife. Hatice Seher Aydinlar's shareholding in our Company and SZA Gayrimenkul's shareholding in IHH, a company wholly-owned by Aydinlar, pursuant to section 6A of the Act.

Key Management	LTIP units	EPP options
Dr. Lim Suet Wun	1,451,000	10,500,000
Lee Swee Hee	353,795	5,000,000
Tan See Haw	619,000	5,000,000
Jamaluddin Bin Bakri	254,277	2,500,000
Dr. Mei Ling Young	88,000	4,000,000

Note:

(1) See "—Shareholding of Directors in our Company" on the number of LITP units and EPP options granted to Dr. Lim Cheok Peng, Dr. Tan See Leng, Ahmad Shahizam Bin Mohd Shariff and Tan Sri Dato' Dr. Abu Bakar Bin Suleiman.

Notwithstanding the preferential share allocation scheme under the IPO, our key management may subscribe for the IPO Shares under the Malaysia Public Offering and Singapore Offering.

Principal business activities outside of our Company and principal directorships of key management

The following table sets out the principal directorships of our key management as at 1 June 2012 and those which were held within the past five years up to 1 June 2012, and the principal business activities performed outside of our Group by our key management as at 1 June 2012:

Name	Directorships	Involvement in business activities other than as a director
Dr. Lim Suet Wun	*Present directorships*: Joint Commission Resources, Inc MENA Services Parkway *Previous directorships:* Energhy Pte Ltd NHG Gulf Pte Ltd Integrated Health Information Systems Pte Ltd John Hopkins Singapore International Medical Centre Pte Ltd MOH Holdings Pte Ltd National Healthcare Group Pte Ltd National Skin Centre Pte Ltd National University Health System Pte Ltd Tan Tock Seng Hospital Pte Ltd	Nil

Name	Directorships	Involvement in business activities other than as a director
Lee Swee Hee	*Present directorships*: GEH Management Gleneagles Malaysia Mount Elizabeth Services Orifolio Options Pantai-ARC Dialysis Pantai Pantai Johor Pantai Manjung Pantai Sungai Petani Pantai Irama Pantai Medical Centre Twin Towers Healthcare Twin Towers Medical Centre *Past directorships*: Malaysian Institute of Healthcare Management Sdn Bhd Sentosa Medical Centre Sdn Bhd Ipoh Specialist Hospital Sdn Bhd Ampang Puteri Specialist Hospital Sdn Bhd Bandar Baru Klang Specialist Hospital Sdn Bhd Kota Kinabalu Specialist Hospital Sdn Bhd Kajang Specialist Hospital Sdn Bhd Bayan Baru Specialist Hospital Sdn Bhd Damansara Specialist Hospital Sdn Bhd Diaper Technology Industries Sdn Bhd Freewell Sdn Bhd Pharmacare Surgical Technologies Sdn Bhd Kuching Specialist Hospital Sdn Bhd Point Zone (M) Sdn Bhd Amity Development Sdn Bhd SMC Healthcare Sdn Bhd Sibu Geriatric Health & Nursing Centre Sdn Bhd Sibu Medical Centre Corporation Sdn Bhd FP Marketing (Singapore) Pte Ltd	Nil

Name	Directorships	Involvement in business activities other than as a director
Tan See Haw	*Present directorships*: Apollo PET Apollo Gleneagles Ban Lee Juan Sdn Bhd Gleneagles JPMC Gleneagles Medical Centre KL Khubchandani Hospitals IHH Bharat IHH Cayman IHH Mauritius Medical Resources Mount Elizabeth Ophthalmic Paloh Medical Centre Parkway Shanghai Shanghai Gleneagles Gleneagles Shanghai Shanghai Hui Xing Shanghai Hui Xing Jin Pu Shanghai Rui Hong Shanghai Rui Pu Shanghai Rui Xin Shanghai Shu Kang Shanghai Xin Rui Parkway Healthcare HK Parkway Healthcare Mauritius Parkway HK Parkway Trust Management Pulau Pinang Clinic *Previous directorships*: AIT Holdings Limited Fomema Sdn Bhd Gleneagles Academy of Nursing (M) Sdn Bhd Gleneagles KL Shanghai Rui Xiang Unisem GMbH Unisem (S) Pte Ltd Unisem International (HK) Ltd	Director and shareholder of Ban Lee Juan Sdn Bhd Shareholder of Tan Chee Joon & Sons Sdn Bhd
Jamaluddin Bin Bakri	*Present directorships*: Pantai Education *Previous directorships*: Esprit Frozen Seafood Sdn Bhd	Nil

Name	Directorships	Involvement in business activities other than as a director
Murat Yalcin Nak	*Present directorships*: Acibadem Sistina Medikal Konur Saglik Acibadem Sistina Yeni Saglik Toga Saglik Hizmetleri ve Ticaret A.S. Acibadem Poliklinik *Previous directorships*: Memorial Healthcare Group	Nil
Birol Sumer	*Present directorships*: Yeni Saglik *Previous directorships*: Nil	Partner and shareholder of Ekofer Tekstil ve Parfumer San. Paz. Ltd Sti.
Rengin Yigitbas Akillioglu	*Present directorships*: Nil *Previous directorships*: Nil	Nil
Dr. Ahmet Sahin	*Present directorships*: Nil *Previous directorships*: Nil	Partner and shareholder of Sedanil Saglik Hizmetleri Limited Sirketi
Dr. Mei Ling Young	*Present directorships*: IMU Health IMU Healthcare IMU Education IMU Foundation Enzo Corporation (M) Sdn Bhd Duta View Sdn Bhd Nusa View Sdn Bhd *Previous directorships*: Nil	Director and shareholder of Enzo Corporation (M) Sdn Bhd Director and shareholder of Duta View Sdn Bhd Director and shareholder of Nusa View Sdn Bhd
Chiu Lai Heng	*Present directorships*: IMU Holdings Berhad IMU Ilmu Berhad *Previous directorships*: B&C Management Sdn Bhd (formerly known as Beca Management Sdn Bhd) Beca Management Sdn Bhd Ltd	Nil

Details on the principal directorships as at 1 June 2012 and that which were held within the past five years up to 1 June 2012 and the principal business activities performed outside the Group for Dr. Lim Cheok Peng, Dr. Tan See Leng, Ahmad Shahizam Bin Mohd Shariff, Mehmet Ali Aydinlar and Tan Sri Dato' Dr. Abu Bakar Bin Suleiman are set out in "—Biographies of Directors" above.

Involvement of our key management in other businesses or corporations which are our key customers or key suppliers

Save as disclosed in "Involvement of our Directors in other businesses or corporations which carry on a similar trade as our Group or which are our key customers or key suppliers", as at 1 June 2012, none of our key management had any interest, direct or indirect, in other businesses and corporations which are our key customers and/or key suppliers or any arrangement or understanding with any key customers or key suppliers to which such key management was appointed.

Involvement of Executive Directors and key management in other principal business activities

Save as disclosed in "—Principal business activities outside or our Company and principal directorships of our Directors" and "—Principal business activities outside or our Company and principal directorships of key management", none of our Executive Directors or our key management were involved in other principal business activities outside of our Company as at 1 June 2012.

The involvement of our Directors and key management in other businesses and/or corporations as highlighted above are not expected to affect their contribution to our Group as our Directors and key management are not actively involved in the management and day-to-day operations of these businesses and/or corporations as their involvement relates to an oversight role or to a certain extent, attending board meetings.

SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDER

SUBSTANTIAL SHAREHOLDERS

Pulau Memutik

See the description in "—Promoter" for details on Pulau Memutik.

MBK Healthcare Partners Limited

MBK Healthcare has been a substantial shareholder of our Company since 16 May 2011.

MBK Healthcare was incorporated as a private company limited by shares under the Companies Act 2006 of the United Kingdom on 5 April 2011. The principal activity of MBK Healthcare is investment in healthcare business. As at 1 June 2012, the authorised share capital of MBK Healthcare was SGD1,375,885,428.00 comprising 1,375,885,428 ordinary shares of SGD1.00 each of which SGD1,375,885,428.00 comprising 1,375,885,428 ordinary shares of SGD1.00 each have been issued and paid up. MBK Healthcare is a 100% owned subsidiary of Mitsui, which is listed on the Tokyo, Osaka, Nagoya, Sapporo and Fukuoka stock exchanges. Based on public records as at 1 June 2012, there was no person holding more than 15% of the shares in Mitsui.

In addition to the lock-up referred to in "Details of the IPO—Underwriting, lock-up and placement agreements", Mitsui has informed the Company that it views its shareholding in our Company through MBK Healthcare following the Global Offering as a strategic investment.

Abraaj 44

Abraaj 44 was incorporated on 9 May 2007 in the Cayman Islands as an exempted company with limited liability. It is an investment holding company. As at 1 June 2012, Abraaj 44 has an authorised capital of USD 50,000.00 comprising one ordinary share of USD1.00 each and 49,999 preference shares of USD1.00 each, of which one ordinary share and 30 preference shares have been issued and paid up. Abraaj 44 is the Selling Shareholder.

As at 1 June 2012, the directors of Abraaj 44 are Omar Khan Lodhi and Selcuk Yorgancioglu, all of whom have no direct or indirect voting interest in the shares of Abraaj 44.

Abraaj 44 is a wholly-owned subsidiary of Almond Holding Limited, which in turn is a subsidiary of Abraaj SPV 53 Limited, which in turn is a subsidiary of Almond Holding (Cayman) Limited, which in turn is a wholly-owned subsidiary of IGCF GP. For purposes of Section 6A of the Companies Act and Section 4 of the Securities and Futures Act, Almond Holding Limited, Abraaj SPV 53 Limited, Almond Holding (Cayman) Limited and IGCF GP are deemed substantial shareholders of our Company by virtue of having an interest in the shares of our Company held by Abraaj 44.

IGCF GP is the general partner of The Infrastructure & Growth Capital Fund L.P. ("IGCF LP" or "the Fund").

IGCF LP is a USD2 billion private equity fund registered on 27 July 2006 as a Cayman Islands domiciled limited partnership. The Fund has 98 limited partners. The Fund invests for its own account in various sectors such as healthcare, energy and education sectors, mainly in the Middle East, North Africa and South Asia region.

IGCF GP was incorporated on 15 July 2005 in the Cayman Islands as an exempt company with limited liability. IGCF GP is part of the Abraaj group. Abraaj Investment Management Limited, which is a wholly-owned subsidiary of Abraaj, has a shareholding interest of 75.5% in IGCF GP. The Abraaj group manages a number of private equity funds that invest in fast growing economies in the Middle East, North Africa, Turkey and Asia. The investor base comprises corporates, financial institutions, high net worth individuals, pension funds, family offices, sovereign wealth funds and other funds.

IGCF GP, as the general partner, acts for and on behalf of the Fund and has ultimate responsibility for the management and control of the activities and affairs of the Fund and has the power and authority to do all things necessary to carry out the purpose and objectives of the Fund. The limited partners do not actively take part in the management or control of the activities and affairs of the Fund, and have no right or authority to act for the Fund or to take any part in or in any way interfere in management of the Fund.

Shareholding of Substantial Shareholders

The following table sets forth the shareholding of the substantial shareholders, being a person who holds not less than 5% of the Shares, based on our Register of substantial shareholders before and after the Listing:

Name of substantial shareholder	Country of incorporation	Before IPO				After IPO[1]				After conversion/exercise of outstanding LTIP units and EPP options post-Listing[2]			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
		000		000		000		000		000		000	
Pulau Memutik	Malaysia	3,850,000	62.14	—	—	3,850,000	47.78	—	—	3,850,000	46.80	—	—
MBK Healthcare . . .	U.K.	1,650,000	26.63	—	—	1,650,000	20.48	—	—	1,650,000	20.06	—	—
Abraaj 44	Cayman Islands	434,651	7.02	—	—	—	—	—	—	—	—	—	—
Khazanah	Malaysia	—	—	3,850,000[3]	62.14	—	—	3,850,000[3]	47.78	—	—	3,850,0004[3]	46.80
Mitsui	Japan	—	—	1,650,000[4]	26.63	—	—	1,650,000[4]	20.48	—	—	1,650,000[4]	20.06
IGCF GP	Cayman Islands	—	—	434,651[5]	7.02	—	—	—	—	—	—	—	—

Notes:

(1) Based on the enlarged share capital upon Listing as set out in "Description of our Shares—Particulars of the IPO—Share Capital.

(2) Based on share capital after taking into account the conversion/exercise of outstanding LTIP units and EPP options post-Listing, as set out in "Description of our Shares—Particulars of the IPO—Share Capital.

(3) Deemed interest by virtue of its shareholding in Pulau Memutik pursuant to Section 6A of the Act.

(4) Deemed interest by virtue of its shareholding in MBK Healthcare pursuant to Section 6A of the Act.

(5) Deemed interest by virtue of its interest in Abraaj 44 through a number of intermediate entities, pursuant to Section 6A of the Act.

The above assumes that the Over-Allotment Option is not exercised.

The table below sets forth the direct and indirect interests of our substantial shareholders, the Promoter and the Selling Shareholder and our Directors in our Company since its incorporation on 21 May 2010 up to 1 June 2012.

	21 May 2010				31 March 2011				As at 1 June 2012			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	000		000		000		000		000		000	
Substantial shareholders and/or Promoter and/or Selling Shareholder												
Pulau Memutik	—	—	—	—	3,850,000	100.00	—	—	3,850,000	62.14	—	—
Khazanah	—[1]	100.00	—	—	—	—	3,850,000[2]	100.00	—	—	3,850,000[2]	62.14
MBK Healthcare	—	—	—	—	—	—	—	—	1,650,000	26.63	—	—
Mitsui	—	—	—	—	—	—	—	—	—	—	1,650,000[3]	26.63
Abraaj 44[6]	—	—	—	—	—	—	—	—	434,651	7.02	—	—
IGCF GP	—	—	—	—	—	—	—	—	—	—	434,651[4]	7.02
Directors												
Tan Sri Dato' Dr. Abu Bakar Bin Suleiman	—	—	—	—	—	—	—	—	—	—	—	—
Dato' Mohammed Azlan Bin Hashim	—	—	—	—	—	—	—	—	—	—	—	—
Dr. Lim Cheok Peng	—	—	—	—	—	—	—	—	—	—	—	—
Dr. Tan See Leng	—	—	—	—	—	—	—	—	—	—	—	—
Mehmet Ali Aydinlar	—	—	—	—	—	—	—	—	100,000	1.61	160,791[5]	2.60
Satoshi Tanaka	—	—	—	—	—	—	—	—	—	—	—	—
Ahmad Shahizam Bin Mohd Shariff	—	—	—	—	—	—	—	—	—	—	—	—
Michael Jude Fernandes	—	—	—	—	—	—	—	—	—	—	—	—
Kaichi Yokoyama	—	—	—	—	—	—	—	—	—	—	—	—
Rossana Annizah Binti Ahmad Rashid	—	—	—	—	—	—	—	—	—	—	—	—
Chang See Hiang	—	—	—	—	—	—	—	—	—	—	—	—
Kuok Khoon Ean	—	—	—	—	—	—	—	—	—	—	—	—

Notes:

(1) Comprising two subscription shares of RM1.00 each

(2) Deemed interest by virtue of its direct equity interests in Pulau Memutik pursuant to Section 6A of the Act.

(3) Deemed interest by virtue of its shareholding in MBK Healthcare pursuant to Section 6A of the Act.

(4) Deemed interest by virtue of its shareholding in Abraaj 44 pursuant to Section 6A of the Act.

(5) Deemed interest by virtue of his wife, Hatice Seher Aydinlar's shareholding in IHH and SZA Gayrimenkul's shareholding in IHH, a company wholly-owned by Aydinlar, pursuant to Section 6A of the Act.

(6) On 5 April 2012, the shareholders of Almond (Netherlands) passed a resolution to dissolve Almond (Netherlands) and to approve the transfer of its 7.02% equity interest in our Company to Abraaj 44 in two tranches. The transfer was completed on 5 June 2012.

Involvement in other businesses and corporations carrying on a similar trade as that of our Group of in other businesses and corporations which are our Key Customers and/or Key Suppliers

Save as disclosed below, as at 1 June 2012 none of our substantial shareholders had direct or indirect interests in other businesses and corporations carrying on a similar trade as that of our Group or in other businesses and corporations which are our Key Customers and/or Key Suppliers.

Khazanah's declaration of conflict of interest has been limited pursuant to a waiver granted by the SC.

Substantial shareholder	Businesses/ Corporations	Nature of interest	Direct Interest	Indirect Interest
			%	
Khazanah	*Similar trade as that of our Group:*			
	Pulau Indah Ventures Sdn Bhd (proposed development of a wellness centre in Medini, Johor, Malaysia)	Direct shareholding	50.0	—
	John Keells Holdings PLC (investments in a company which owns and manages a hospital in Sri Lanka and investments in an insurance company providing healthcare insurance solutions in Sri Lanka)	Deemed interest in shares	—	8.8
	New China Life Insurance Company Ltd. (provision of life insurance and proposing to enter into health care business in the PRC)	Deemed interest in shares	—	1.3
	Oriental University City Limited (management and operation of universities and colleges offering medical and health care related programmes in the PRC)	Deemed interest in shares	—	10.0
	AIA Group Limited (a life insurance based financial services provider operating in 15 jurisdictions throughout the Asia Pacific region. The Group's principal activity is the writing of life insurance business, providing life, pensions and accident and health insurance throughout Asia, and distributing related investment and other financial services products to its customers)[(1)]	Deemed interest in shares	—	0.77

Substantial shareholder	Businesses/ Corporations	Nature of interest	Direct Interest	Indirect Interest
			%	
Khazanah and Pulau Memutik	*Similar trade as that of our Group:*			
	Pantai Medivest Sdn Bhd[2] (managing non-clinic hospital support services and facilities management in Malaysia)	Deemed interest in shares	—	100.0
	Pantai Fomema & Systems Sdn Bhd (now known as Unitab Medic Sdn Bhd) (supervision, monitoring and quality control of laboratories in the medical examination of foreign workers in Malaysia through its 75% owned subsidiary, Fomema Sdn Bhd)	Deemed interest in shares	—	30.0
IGCF GP	*Similar trade as that of our Group:*			
	Al Borg Laboratories (private laboratory group in Egypt, Jordan and North Sudan)	Deemed interest in shares	—	90.0[3]
	Saudi Tadawi Company for Healthcare (pharmaceuticals supplier in the Kingdom of Saudi Arabia)	Deemed interest in shares	—	31.5
	Acibadem Sigorta (health insurance provider in Turkey)[4]	Deemed interest in shares	—	50.0
Abraaj 44	*Our key customer and similar trade as that of our Group:*			
	Acibadem Sigorta (health insurance provider in Turkey)	Deemed interest in shares	—	50.0
Mitsui	*Similar trade as that of our Group:*			
	Shokando (pharmaceutical business operator and pharmaceutical drugs supplier in Japan)	Direct shareholding	90.0	
	Sogo Medical (healthcare consulting firm and pharmarcy business in Japan)	Direct shareholding	21.0	
	Aim Services Co. Ltd (provision of catering services to general hospitals and corporations in Japan)	Direct shareholding	50.0	
	Aramark Uniform Services Japan Corporation (provision of uniform design, production and industrial laundry in Japan)	Direct shareholding	50.0	

Substantial shareholder	Businesses/ Corporations	Nature of interest	Direct Interest	Indirect Interest
			%	
	UE Managed Solutions Pte Ltd (provision of facility management services to medical institutions in Singapore, Malaysia, Taiwan and Hong Kong)	Direct shareholding	30.0	
	Mitsui & Co. Facilities (provision of facility management services to office buildings and housing in Japan)	Direct shareholding	100.0	
	Duskin Hong Kong Company Limited (provision and operation of facility management services in Hong Kong)	Direct shareholding	40.0	
	Mitsuibussan Insurance Co. Ltd (insurance providers in Japan)	Direct shareholding	100.0	

Notes:

(1) Also a Key Customer of our Group.

(2) Pantai Support Services Sdn Bhd (the holding company of Pantai Medivest Sdn Bhd) has entered into an agreement to dispose 70% of its equity interest in Pantai Medivest Sdn Bhd. This disposal was completed on 8 June 2012.

(3) This shareholding interest may change pursuant to an ongoing internal restructuring exercise.

(4) Also a Key Customer of our Group.

Having regard to the specific geographical jurisdictions in which the abovementioned businesses and corporations operate, and the nature of the operations and investments, as the case may be, our Directors and substantial shareholders are of the view that the interests held by our substantial shareholders in other businesses and corporations which carry out similar trade as that of our Group or which are our customers and/or suppliers do not compete directly with our businesses. Furthermore, with respect to those abovementioned businesses and corporations, the activities of such businesses and corporations relate to the provision of ancillary healthcare services and as such do not compete directly with the core business of our Group.

Furthermore, transactions between our substantial shareholders in their personal capacity or the abovementioned companies and businesses in which they have interests as directors or substantial shareholders, if any, are carried out on an arm's length basis and on usual business terms.

Although such interests may give rise to a conflict of interest situation where applicable, such substantial shareholders and persons connected to them shall abstain from deliberations and voting on the resolutions relating to any of these matters or transactions that may require the approval of our shareholders in respect of their direct or indirect interests. Such transactions, if any, are carried out on an arm's length basis and on usual business terms.

Promoter

Pulau Memutik

Pulau Memutik is the Promoter for the IPO, a substantial shareholder of our Company and an Over-Allotment Option Provider. It has been involved in the affairs and business of our Company since 29 March 2011. Pulau Memutik is currently the single largest shareholder of our Company and controls our Company.

Pulau Memutik was incorporated as private company limited by shares in Malaysia under the Malaysian Companies Act on 21 January 2010. The principal activity of Pulau Memutik is investment holding. Pulau Memutik is wholly-owned by Khazanah. Save for one share owned by the Federal Land Commissioner of Malaysia, all of the issued share capital of Khazanah is owned by the Minister of Finance Incorporated, a corporate body incorporated pursuant to the Minister of Finance (Incorporation) Act 1957, which in turn is owned by the Ministry of Finance. As at 1 June 2012, the authorised share capital of Pulau Memutik was RM8,000,000,000.00 comprising 8,000,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pulau Memutik as at 1 June 2012 was RM4,000,000,000.00 comprising 4,000,000,000 ordinary shares of RM1.00 each.

Ganendran (Ganen) Sarvananthan, T. Azmil Zahruddin bin Raja Abdul Aziz and Quek Pei Lynn are directors of Pulau Memutik. None of the directors of Pulau Memutik have any direct or indirect voting interest in the shares of Pulau Memutik.

In addition to the lock-up referred to in "Details of the IPO-Underwriting, lock-up and placement agreements", in accordance with the Equity Guidelines, Pulau Memutik, in its capacity as the Promoter, has given separate undertakings to the SC that it will not sell, transfer or assign it shareholdings in our Company as at the date of Listing, for six months from the date of Listing. Further, Khazanah, in its capacity as the shareholder of Pulau Memutik, has also given an undertaking to the SC that it will not sell, transfer or assign its shareholding in Pulau Memutik as at the date of Listing, for six months from the date of Listing.

The Board of Directors of Pulau Memutik has informed the Company that it views its shareholding in our Company following the Global Offering (including after any exercise of the Over-Allotment Option) as a strategic investment.

Other than Pulau Memutik, our Company will not be owned or controlled by any corporation immediately after the completion of the IPO, nor is our Company indirectly or directly owned or controlled, whether severally or jointly, by any government or other natural or legal person.

We are not currently aware of any arrangements, the operation of which may at a subsequent date result in a change of control of our Company.

Relationships and associations between our Directors, Promoter, Selling Shareholder, substantial shareholders and key management

Save as disclosed below and the relationships and associations between our Company's substantial shareholders as described in "—Substantial shareholders" and "—Promoter", there was no family relationship/association between any of our Directors, Promoter Selling Shareholder, substantial shareholders and key management as at 1 June 2012.

Declaration by our Directors, Promoter and key management

Each of our Directors, Promoter, and key management has confirmed to us that he is not and has not been involved in any of the following events (whether in or outside Malaysia):

(i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he is or was a partner or any corporation of which he was a director or key personnel;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) any judgment entered against each person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or

(v) the subject of any order, judgement or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

Please also refer to "Statutory and Other General Information—Material Background Information".

Service agreements

Save as disclosed below, as at 1 June 2012 there was no existing or proposed service agreement entered into or to be entered into by our Directors nor any member of our key management and our Group:

(i) Dr. Lim Cheok Peng was appointed as the Vice Chairman of Parkway Pantai and seconded to our Company as the Executive Director and Managing Director. On 31 March 2011, he entered into a service agreement with Parkway Pantai for his appointment as the Vice Chairman of Parkway Healthcare. The terms of his secondment to our Company are governed by a secondment agreement entered into between our Company and Dr. Lim Cheok Peng on 31 March 2011. His appointment under the service agreement is effective from 1 April 2011 until 31 March 2015. His employment may be terminated by six months' notice in writing or payment in lieu of such notice period. Further, if Parkway Healthcare terminates his employment without cause prior to the expiry of the term, he will be entitled to receive a severance payment equivalent to his annual salary for the unexpired term of his service agreement (minus the payment in lieu of six months' notice if such payment has been made).

(ii) Dr. Tan See Leng was appointed as the Managing Director and Group Chief Executive Officer of Parkway Pantai pursuant to a service agreement with Parkway Healthcare dated 31 March 2011. His appointment under the service agreement is effective from 1 January 2011 until the expiry of four years thereafter. As the Chief Executive Officer of Parkway Pantai and its subsidiaries, he is in charge of the management and operation of the Parkway Pantai group. His employment may be terminated by six months' notice in writing or payment in lieu of such notice period. Further, if Parkway Healthcare terminates his employment without cause prior to the expiry of the term, he will be entitled to receive a severance payment equivalent to his annual salary for the unexpired term of his service agreement (minus the payment in lieu of six months' notice if such payment has been made).

(iii) Ahmad Shahizam Bin Mohd Shariff was seconded to Parkway Pantai as the Executive Director, Corporate Services of Parkway Pantai pursuant to a secondment letter issued by Parkway Healthcare dated 1 October 2010 and the secondment agreement executed between Khazanah and Parkway Healthcare dated 14 December 2010. The secondment is effective from 1 November 2010 until 30 October 2013, subject to any extension as mutually agreed between Khazanah and Parkway Healthcare. Khazanah has retained its right to recall Ahmad Shahizam from this secondment at anytime by giving Parkway Healthcare three months' prior notice. This secondment may also be terminated by either Khazanah or Parkway Healthcare by giving three months' prior notice to the other. Upon termination, he is not entitled to any termination benefits.

(iv) Dr. Lim Suet Wun was appointed as the Executive Vice President, Singapore Operations of Parkway Healthcare pursuant to a letter of appointment issued by Parkway Healthcare on 8 December 2010. His employment may be terminated by six months' notice in writing or payment in lieu of such notice period. Upon termination, he is not entitled to any termination benefits.

(v) Lee Swee Hee was appointed by Pantai Management as the Chief Executive Officer, Head of Malaysian Operations of Parkway Pantai on 1 August 2011 for a fixed term of three years. His employment is subject to mutual termination provisions by giving six months' prior written notice or six months' salary in lieu of notice. Upon termination, he is not entitled to any termination benefits.

(vi) Tan See Haw was appointed as the Group Chief Financial Officer at Parkway Pantai pursuant to a letter of employment issued by Parkway Healthcare on 15 December 2011. His appointment is effective from 5 January 2012 until 4 January 2015, subject to extension by mutual agreement. His employment may be terminated by three months' notice in writing or payment in lieu of such notice period. He would also be entitled to continuation of his base salary for a year if his service is terminated without cause or for good reason.

(vii) Jamaluddin Bin Bakri was appointed as Group Head of Human Resources of Parkway Pantai on 21 March 2011 for a fixed term of three years. His employment is subject to mutual termination provisions by giving three months' prior written notice or three months' salary in lieu of notice. Upon termination, he is not entitled to any termination benefits.

(viii) Tan Sri Dato' Dr. Abu Bakar Bin Suleiman was appointed by IMU Education as Chief Executive Officer cum President of IMU pursuant to an employment contract dated 1 March 2006. This employment contract was subsequently terminated and on 8 February 2007, Tan Sri Dato' Dr. Abu Bakar Bin Suleiman entered into a new employment contract with IMU Education for a fixed period of five years which expired on 31 December 2011. The contract was subsequently renewed for a further term of 4 years, expiring on 31 December 2015, for his appointment as President and Chief Executive Officer of IMU Education and, once a replacement has been found for the position of President and Chief Executive Officer, to be Chairman of IMU Education. His employment is subject to mutual termination provisions by giving six months' prior notice in writing or six months' salary in lieu of notice. Upon termination, he is not entitled to any termination benefits.

(ix) Dr. Mei Ling Young was appointed by IMU Education as Executive Director cum Provost of IMU pursuant to an employment contract dated 5 June 2006. This employment contract was subsequently terminated and on 8 February 2007, Dr. Mei Ling Young entered into a new employment contract with IMU Education for a fixed period of five years which expired on 31 December 2011. This contract was subsequently renewed for a further term of four years, expiring on 31 December 2015. Her employment is subject to mutual termination provisions by giving six months' prior notice in writing or six months' salary in lieu of notice. Upon termination, she is not entitled to any termination benefits.

(x) Chiu Lai Heng was appointed by Sesama Medical College Management Sdn Bhd (now known as IMU Education) as Financial Controller on 5 July 1999 and was subsequently appointed as Chief Financial Officer effective 1 April 2004. Her employment is subject to mutual termination provisions by giving three months' prior written notice or three months' salary in lieu of notice. Upon termination, she is not entitled to any termination benefits.

(xi) Our key management, namely Murat Yalcin Nak, Birol Sumer, Rengin Yigitas Akillioglu and Dr. Ahmet Sahin, employed by Acibadem Holding in Turkey execute a standard employment agreement without a definite period, which prohibits the key management from working in other companies during their employment. Pursuant to the terms of a standard employment agreement, the key management are required to keep the information they obtain during their duties confidential, the breach of which would result in the termination of such and a six months' net salary will become payable as a penalty. The agreement also includes a non-compete period of two years following termination, upon a breach of which a penalty of the last three months' net salary will become due and payable. Under Turkish law, both Acibadem Holding and key management have the right to unilaterally terminate the agreement on the basis of a valid cause indicated in the relevant legislation. If Acibadem Holding or the key management terminates the agreement without a just cause, certain penalties will apply. Upon termination the key management are not entitled to any termination benefits.

Other matters

No amount has been paid or benefit given within the 2 years preceding 1 June 2012, nor is it intended to be so paid or given, to our Promoter, substantial shareholders and Directors except for the following:

(i) salaries and benefits-in-kind paid and payable to our Directors as set out in "Management—Remuneration and material benefits-in-kind of Directors, Chief Executive Officer and top five key management" and LTIP units and EPP options granted to our Directors as set out in "Management—Shareholding of Directors in our Company";

(ii) historical and future payments to our substantial shareholders in the ordinary course of business;

(iii) as part of a restructuring exercise of our Group in 2011, while we were a wholly-owned subsidiary of Pulau Memutik, 100% of Pantai Support Services Sdn Bhd ("PSSB") being a non-core asset, was transferred by Pantai Irama (our wholly-owned subsidiary) to Pulau Memutik for a consideration of RM2.00, being the cost of investment for such shares. Pantai Irama had advanced a sum of RM55,183,240.00 to PSSB as shareholders' advance in 2010. The total amount owing by PSS to Pantai Irama amounting to RM158,000,000.00 was irrevocably and unconditionally waived by Pantai Irama prior to the transfer of PSSB to Pulau Memutik;

(iv) in relation to our investment in Acibadem, some payments which have been made and are still to be made by IHH Turkey to Mehmet Ali Aydinlar and Almond (Netherlands) due to adjustments of the purchase consideration as described in "Statutory and Other General Information—Material Contracts", and payments which may be made by Acibadem to Mehmet Ali Aydinlar due to adjustments of the purchase consideration for Acibadem's acquisition of APlus and Acibadem Proje as described in "Statutory and Other General Information—Material Contracts"; and

(v) the amounts paid by our Group to Khazanah or its subsidiaries as set out in "Description of Our Shares—Our Company".

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTERESTS

Related party transactions

As a company listed on the Main Market of Bursa Securities, our Company will be required to comply with the Listing Requirements, including requirements applicable to related party transactions.

Under the Listing Requirements, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiaries, which involves the interests, direct or indirect, of a related party, unless exempted under the Listing Requirements. One of the exemptions under the Listing Requirements is in relation to the provision or receipt of goods and services (such as the provision or usage of public utility services such as electricity, telecommunications and medical services) that are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and all material terms including the prices or charges are applied consistently to all customers or classes of customers.

A "related party" of a listed issuer (not being a special purpose acquisition company) is:

(i) a director having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon a director of the listed issuer, its subsidiary or holding company; or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) a major shareholder, and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that share or the aggregate of the nominal amounts of those shares is:

   (a) 10.0% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or

   (b) 5.0% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) a person connected with such director or major shareholder.

We have on 10 April 2012 obtained approval from the SC for a waiver from disclosing related party transactions, which we or our subsidiaries have entered into with (i) persons connected with Khazanah; or (ii) MOF (and persons connected with it).

For the avoidance of doubt, as our Shares are quoted on the Main Board of the SGX-ST as a secondary listing, we are not subject to any of the "Interested Person Transactions" obligations under Chapter 9 of the Listing Manual of the SGX-ST.

Non-recurrent related party transactions

Save as disclosed below, there are no existing or proposed non-recurrent related party transactions for the past three years ended 31 December 2011 and three months ended 31 March 2012, and proposed for the year ending 31 December 2012 that we have entered into in respect of which rights and obligations are subsisting and/or proposed as at the date of this Prospectus:

(i) Our Company acquired the remaining 32.5% equity in IMU Health in 2010 which resulted in IMU Health becoming a wholly-owned subsidiary of our Company, as follows:

  (a) 20.0% equity in IMU Health from SEASAF Education Sdn Bhd (a person connected to Khazanah) for RM77,128,371.40;

  (b) 11.0% equity in IMU Health from Dr. Mei Ling Young (a director of IMU Health and was a major shareholder of IMU Health) for RM42,420,604.27; and

  (c) 1.5% equity in IMU Health from Tan Sri Dato' Dr. Abu Bakar Bin Suleiman (a director of IMU Health then) for RM5,784,627.85.

  The share sale agreements for the above are described in "Statutory and Other General Information—Material Contracts".

(ii) In relation to our investment in Acibadem Holding, details of which are described in "Statutory and Other General Information—Material Contracts", Mehmet Ali Aydinlar and Bagan Lalang have the right to convert shares of Acibadem into our Shares under the Aydinlar Option and the Bagan Lalang Option, respectively. The Aydinlar Option and the Bagan Lalang Option are described in "Statutory and Other General Information—Share Capital".

Our Directors are of the view that all the above non-recurrent related party transactions were conducted on an arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

Recurrent related party transactions

Related party transactions can be deemed as recurrent, if they are entered into at least once every three years, in the ordinary course of business and are of a revenue nature necessary for the day-to-day operations of the company listed on the Main Market of Bursa Securities.

After the Listing, our Company will be required to seek shareholders' approval each time it enters into a related party transaction as determined under the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions in accordance with the Listing Requirements, our Company may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate.

Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occur within a 12-month period, are entered into with the same party or with parties connected to one another or if the transactions involve the acquisition or disposal of securities or interests in one corporation/asset or of various parcels of land contiguous to each other.

Based on the above, there are no existing or proposed recurrent related party transactions for the past three years ended 31 December 2011 and three months ended 31 March 2012 and proposed for the year ending 31 December 2012 that we have entered into in respect of which rights and obligations are subsisting and/or proposed as at the date of this Prospectus.

Transactions entered into that are unusual in their nature or conditions

There were no transactions entered into that are unusual in their nature or conditions involving goods, services, tangible or intangible assets to which we or any of our parent or subsidiaries were a party in respect of the past three years ended 31 December 2011 and the three months ended 31 March 2012.

Loans made to or for the benefit of related parties

There were no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of any of our related parties, for the past three years ended 31 December 2011 and the three months ended 31 March 2012 and the period 1 April 2012 up to 1 June 2012.

Transactions with key management

See note 30 of our combined financial statements as set out in Appendix M of this Prospectus for a description of certain transactions between our Company and key management.

Conflicts of interest

Save as disclosed in "Management" and "Substantial Shareholders and Selling Shareholder", none of our Directors and substantial shareholders have any interest, direct or indirect, in other businesses or corporations which are (i) carrying on a similar trade as that of our Group; or (ii) our key customers and/or key suppliers.

Monitoring and oversight of related party transactions and conflicts of interest

Audit and Risk Management Committee review

The Audit and Risk Management Committee reviews any related party transactions and conflicts of interests that may arise within our Group. The Audit and Risk Management Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders. All reviews by the Audit and Risk Management Committee are reported to our Board for its further action.

Conflicts of interest

The related party transactions disclosed above, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of or have interest in the shares of the related parties of our Group, as disclosed herein and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group not to enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders.

Declarations by advisers on conflicts of interest

Declaration by CIMB Group

CIMB, its subsidiaries and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("CIMB Group") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for any member of the IHH Group and any of its respective affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of the IHH Group, its affiliates and/or any other persons, hold long or short positions in securities issued by IHH and/or its affiliates, make investment recommendation and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or for the account of its customers in debt or equity securities or senior loans of any member of the IHH Group or its affiliates. This is a result of the businesses of CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers currently have or in the future, may have interest or take actions that may conflict with the interests of the IHH Group.

CIMB Group has in the ordinary course of its banking business, granted credit facilities to the IHH Group. As at 1 June 2012, the CIMB Group has extended credit facilities of RM808.8 million in aggregate to the IHH Group, comprising term loans, trade facilities, foreign exchange and leasing facilities of which the total amount of outstanding borrowings owing by the IHH Group to the CIMB Group was RM402.6 million. It is expected that the IHH Group will channel part of the proceeds arising from the Global Offering to repay in full or substantially the amount owing to the CIMB Group.

Of the above outstanding amount, RM195.8 million relates to a term loan facility jointly provided by CIMB Bank and a number of other banks to the IHH Group to, amongst others, part finance the acquisition of Acibadem Holding, the acquisition of which was completed in January 2012 ("CIMB Portion of Acibadem Borrowings"). The details of the financing facility are set out in "Statutory and Other General Information—Material Contracts". Albeit the term loan has tenure of 3 years, it was agreed pursuant to the relevant facility agreement that in the event of a listing of any member of the IHH Group on any stock exchanges, the proceeds raised from the said listing shall be used to repay the said loan.

Khazanah, which is the holding company of IHH, holds approximately 29.9% equity interest in CIMB Group Holdings Berhad as at 1 June 2012.

CIMB Group is of the view that the above does not result in a conflict of interest situation which prevents it from acting in its capacity as the Principal Adviser, Managing Underwriter, Joint Underwriter, Sole Coordinator and Joint Bookrunner for the MITI Tranche, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager, Singapore Issue Manager and Singapore Underwriter for the Global Offering as:

(i) the granting of the financing facilities is part of the ordinary course of business of the CIMB Group;

(ii) the conduct of the CIMB Group in its banking business is strictly regulated by the Banking and Financial Institution Act, 1989 and CIMB Group's own internal controls and checks;

(iii) the total outstanding amount owed by the IHH Group is not material when compared to CIMB Group's audited consolidated total assets of RM300.2 billion as at 31 December 2011;

(iv) a large portion of the total outstanding amount due to CIMB Group by the IHH Group relates to the CIMB Portion of the Acibadem Borrowing of which pursuant to the relevant facility agreement, is contemplated to be repaid from the proceeds of the IPO; and

(v) Khazanah does not have operational control over the management of the CIMB Group, which is governed autonomously by its own Board of Directors who are fully authorised to manage its affairs. In addition Khazanah, a sovereign wealth fund, is the investment holding arm of the Government of Malaysia.

Declaration by Merrill Lynch (Singapore) Pte. Ltd.

Bank of America Corporation, the ultimate parent company of BofAML, and/or its subsidiaries, branches, affiliates and associates (collectively, the "BAC Group"), in its capacity as principal or agent, is and may be in the future, involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities insurance, trading (customer and proprietary) and brokerage) from which conflicting interests or duties may arise. Members of the BAC Group have engaged, and may perform in the future, services for IHH and/or its affiliates and shareholders, in addition to the role set out in this Prospectus. In addition, in the ordinary course of its global investment banking and commercial banking activities, BofAML and other members of the BAC Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with IHH, its affiliates and/or any other persons, or make investment recommendations and/or publish or express independent research views in respect of such securities, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers, in debt or equity securities (or related derivative securities) or financial instruments (including bank loans) of IHH or any of its affiliates.

As at 1 June 2012, a member of the BAC Group had extended a term loan facility of SGD135.0 million to the IHH Group and the total amounts owing by the IHH Group to the BAC Group under such term loan facility amounted to SGD37.4 million. It is expected that IHH will repay all outstanding amounts under the term loan facility with the proceeds from this offering and an affiliate of BofAML will receive their portion of such repayment.

BofAML is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager for the Global Institutional Tranche.

Declaration by Deutsche Bank AG

Deutsche Bank AG, Singapore Branch and Deutsche Bank AG, Hong Kong Branch, together with their respective holding companies, affiliates, branches and subsidiaries (together, the "Deutsche Bank Group"), is a full service securities firm engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of its trading and brokerage activities, members of the Deutsche Bank Group may hold position, for their own account or the accounts of customers, in equity, debt or other securities of members of the IHH Group and/or IHH's shareholders. In addition, members of the Deutsche Bank Group have provided, and may in the future provide investment banking services to the IHH Group and/or IHH's shareholders, for which members of the Deutsche Bank Group have received or may receive compensation.

As at 1 June 2012, members of the Deutsche Bank Group had extended credit facilities of SGD135.0 million to the IHH Group and the total amounts owing by the IHH Group to the Deutsche Bank Group under such or part of the term loan facility amounted to SGD37.4 million. It is expected that IHH will repay all outstanding amounts under the credit facilities with the proceeds from this offering and members of the Deutsche Bank Group will receive their portion of such repayment.

A member of the Deutsche Bank Group acted as the financial advisor to IHH Group on its recent acquisition of Acibadem. Following the completion of the acquisition on 24 January 2012, a member of the Deutsche Bank Group continues to advise the IHH Group and has undertaken the broker role for the mandatory tender offer on the minority shareholders in Acibadem.

DB is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager for the Global Institutional Tranche.

Declaration by Credit Suisse (Singapore) Limited

Credit Suisse AG, together with its affiliates, branches and subsidiaries (together, the "Credit Suisse Group"), is a full service securities firm engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of its trading and brokerage activities, members of the Credit Suisse Group may hold position, for their own account or the accounts of customers, in equity, debt or other securities of members of the IHH Group and/or IHH's shareholders. In addition, members of the Credit Suisse Group have provided, and may in the future provide investment banking services to the IHH Group and/or IHH's shareholders, for which members of the Credit Suisse Group have received or may receive compensation.

As at 1 June 2012, a member of the Credit Suisse Group had extended a term loan facility of SGD29.9 million to the IHH Group and the total amounts owing by the IHH Group to the Credit Suisse Group under such term loan facility amounted to SGD18.0 million. It is expected that IHH will repay all outstanding amounts under the term loan facility with the proceeds from this offering and a member of the Credit Suisse Group will receive their portion of such repayment.

Credit Suisse (Singapore) Limited is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Bookrunner and Joint Lead Manager for the Global Institutional Tranche and the Cornerstone Offering.

Declaration by DBS Bank Ltd.

DBS Bank Ltd., its subsidiaries, associates and affiliates, as well as its holding company, DBS Group Holdings Ltd, its subsidiaries, associates and affiliates (collectively, the "DBS Group") are, and may in the future be, involved in a wide range of commercial banking, investment banking and other activities (including but not limited to investment management, asset management, corporate finance and advisory, and securities issuing, brokerage, trading and research) out of which conflicting interests or duties may arise. The DBS Group has engaged in, and may perform in the future, transactions and services for IHH and/or its affiliates, in addition to its roles as set out in this Prospectus. In addition, in the ordinary course of its commercial and investment banking activities, members of the DBS Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with IHH, its affiliates and/or any other persons, including but not limited to, holding long or short positions in securities issued by IHH and/or its affiliates, making investment recommendations and/or publishing independent research views in respect of such securities and trading or otherwise effecting transactions, for its own account or the accounts of its customers, in debt or equity securities or senior loans of IHH or any of its affiliates.

As at 1 June 2012, DBS Bank Ltd. had extended loan facilities of an aggregate principal amount of SGD614.1 million to the IHH Group and the total amounts owing by the IHH Group to DBS Bank Ltd. under such loan facilities amount to SGD480.0 million. Such loan facilities were granted to the IHH Group in the ordinary course of business and are on an arm's length basis, based on normal commercial terms. It is expected that IHH will repay to DBS Bank Ltd., a portion of the outstanding amounts under the loan facilities with the proceeds from this IPO.

DBS Bank Ltd. is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as Joint Lead Manager and Joint Bookrunner for the Global Institutional Tranche and as Singapore Issue Manager and Singapore Underwriter. The total outstanding amount owed by the IHH Group is also not material when compared to the DBS Group's audited consolidated total assets of SGD341 billion as at 31 December 2011.

Declaration by Goldman Sachs (Singapore) Pte.

Goldman Sachs and members of the Goldman Sachs Group, Inc., ("Goldman Sachs Group") form a full service securities firm engaged, either directly or through its affiliates in various activities, including securities trading, investment banking and financial advisory, investment management, principal investment, hedging, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, members of the Goldman Sachs Group may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. In addition, members of the Goldman Sachs Group have provided, and may in future provide investment banking services to the IHH Group and/or IHH's shareholders, for which members of the Goldman Sachs Group have received or may receive compensation. A member of the Goldman Sachs Group acted as the financial advisor to the sellers in connection with the IHH Group's recent acquisition of Acibadem.

As at 1 June 2012, a member of the Goldman Sachs Group had extended a term loan facility of SGD7.6 million to the IHH Group and the total amounts owing by the IHH Group to the Goldman Sachs Group under such term loan facility amounted to SGD4.6 million. It is expected that IHH will repay all outstanding amounts under the term loan facility with the proceeds from this offering and an affiliate of Goldman Sachs (Singapore) Pte. will receive their portion of such repayment.

Goldman Sachs has concluded that, in its opinion, it does not have a conflict of interest that prevents it from acting as Joint Bookrunner and Joint Lead Manager in relation to the Global Institutional Tranche of the Institutional Placement outside Malaysia.

Declaration by Maybank Investment Bank Berhad

MIB, its subsidiaries and associated companies, as well as its holding company, Malayan Banking Berhad and the subsidiaries and associated companies of its holding company ("Maybank Group") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for IHH and/or its group of companies, in addition to the role undertaken in the Offering. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of IHH and/or its group of companies, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of IHH and/or its group of companies. This is a result of the business of the Maybank Group generally acting independent of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of IHH.

As at 1 June 2012, IHH and/or its group of companies had credit facilities with the Maybank Group. The said credit facilities have been extended by the Maybank Group in its ordinary course of business in view of the Maybank Group's extensive participation in the Malaysian capital market and banking industry. Part of the proceeds to be raised from the Offering will be used to repay some or the entire drawndown portion of such credit facilities, subject to the terms of the credit facilities. Notwithstanding this, Maybank Group is of the opinion that the aforesaid lending relationship does not result in a conflict of interest situation in respect of its capacities in relation to the IPO.

Maybank Group also confirms that as at 1 June 2012, it was not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest situation in its capacity as Joint Bookrunner for the MITI Tranche, Joint Underwriter for the Malaysia Public Offering and Singapore Underwriter for the Singapore Offering.

Declaration by Nomura Securities Singapore Pte Ltd

Nomura and its affiliates (collectively, the "Nomura Group") are engaged in a wide range of financial services and businesses (including, without limitation, advisory services, asset and investment management, securities and derivatives trading, financing, investment banking and research). Each member of the Nomura Group provides such services and pursues such businesses for its own account and for the account of its respective clients. As with other global financial institutions, in the ordinary course of their businesses, the members of the Nomura Group and their respective clients may now or in the future have interests or take actions that conflict with the interests of IHH, which may include, among other things, holding long or short positions in debt, equity or other securities of IHH or IHH's affiliates. In order to address such potential conflicts of interest, the Nomura Group has procedures to identify when a conflict arises that could adversely affect the services that the Nomura Group provides to its clients. Based on such procedures, Nomura has not identified any conflict of interest as of the date hereof that would, in its opinion, affect or impair Nomura's services to IHH in its capacity as a Co-Lead Manager in the Global Institutional Tranche.

Declaration by Oversea-Chinese Banking Corporation Limited

OCBC, its subsidiaries and associated companies (collectively the "OCBC Group") may, in the ordinary course of their businesses, extend credit facilities or engage in commercial banking, investment banking, private banking, securities trading, asset and funds management, research, and insurance with any member of the IHH Group, their respective affiliates and/or IHH's shareholders, in addition to the roles set out in this Prospectus.

In addition, in the ordinary course of its business, any member of the OCBC Group may at any time offer or provide services to or engage in any transactions (on its own account or otherwise) with any member of the IHH Group, their respective affiliates, IHH's shareholders, or any other entity or person. This includes but is not limited to, holding long or short positions in securities issued by any member of the IHH Group and their respective affiliates, and trading or otherwise effecting transactions, for its own account or the accounts of its customers, in debt or equity (or related derivative instruments) of any member of the IHH Group and their respective affiliates. This is a result of the businesses of OCBC Group generally acting independent of each other, and accordingly there may be situations where parts of the OCBC Group and/or its customers now have interests or may in the future, have interests or take actions that may conflict with the interests of the Company.

The OCBC Group has from time to time, extended credit facilities including term loans, bridging loans, trade and hedging facilities, to the IHH Group. OCBC is of the view that the above-mentioned extension of credit facilities does not result in a conflict of interest situation in respect of its capacity as set out in this Prospectus and the extension of credit facilities is in the ordinary course of the OCBC Group's business.

Declaration by RHB Investment Bank Berhad

RHB Investment Bank Berhad together with its affiliates, branches and subsidiaries (together, the "RHB Banking Group"), is a full service securities firm engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of its trading and brokerage activities, members of the RHB Banking Group may hold position, for their own account or the accounts of customers, in equity, debt or other securities of members of the IHH Group and/or IHH's shareholders. In addition, members of the RHB Banking Group have provided, and may in future provide investment banking services to the IHH Group and/or IHH's shareholders, for which members of the RHB Banking Group have received or may receive compensation.

RHB Investment Bank Berhad is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Co-Lead Manager for the Global Institutional Tranche.

Declaration by UBS AG, Singapore Branch

UBS AG and/or its subsidiaries, branches, affiliates and associates (the "UBS Group"), in its capacity as principal or agent, is and may be in the future, involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customer and proprietary) and brokerage) from which conflicting interests or duties may arise. The UBS Group has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for members of the IHH Group, in addition to the role set out in this Prospectus.

In addition, in the ordinary course of its global investment banking and commercial banking activities, UBS and other members of the UBS Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with members of the IHH Group and/or any other persons, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers, in debt or equity securities (or related derivative instruments) or senior loans of members of the IHH Group.

UBS is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Co-Lead Manager for the Global Institutional Tranche.

Declaration by AFFIN Investment Bank Berhad

AFFIN confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by Alliance Investment Bank Berhad

Alliance confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by AmInvestment Bank Berhad

AIBB confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by Bank Muamala Malaysia Berhad

BMMB confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by HwangDBS Investment Bank Berhad

HwangDBS confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by Kenanga Investment Bank Berhad

KIBB confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by MIDF Amanah Investment Bank Berhad

MIDF confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by OSK Investment Bank Berhad

OSK confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to the Malaysia Public Offering.

Declaration by Phillip Securities Pte Ltd

Phillip Securities confirms that there is no conflict of interest in its capacity as the Singapore Underwriter in relation to the Singapore Offering.

Declaration by United Overseas Bank Limited

UOB confirms that there is no conflict of interest in its capacity as the Singapore Underwriter in relation to the Singapore Offering.

Declaration by KPMG

KPMG and KPMG, Akis Bagimsiz Denetim ve SMMM A.S. have confirmed that there is no conflict of interest in its capacity as the Independent Auditors of IHH.

KPMG LLP has confirmed that there is no conflict of interest in its capacity as the Independent Auditors of Parkway Pantai Limited and Parkway Holdings Limited.

Declaration by Kadir, Andri & Partners

Kadir, Andri & Partners has confirmed that there is no conflict of interest in its capacity as the Legal Adviser to IHH as to Malaysian law in relation to the IPO.

Declaration by Linklaters Singapore Pte. Ltd. (formerly Linklaters Allen & Gledhill Pte Ltd)

Linklaters Singapore Pte. Ltd. (formerly Linklaters Allen & Gledhill Pte Ltd) has confirmed that there is no conflict of interest in its capacity as the Legal Adviser to IHH as to the United States and English laws in relation to the IPO.

Declaration by Allen & Gledhill LLP

Allen & Gledhill LLP has confirmed that there is no conflict of interest in its capacity as the Legal Adviser to IHH as to Singapore law in relation to the IPO.

Declaration by Akol Avukatlik Burosu

Akol Avukatlik Burosu has confirmed that there is no conflict of interest in its capacity as the Legal Adviser to IHH as to Turkish law in relation to the IPO.

Declaration by King & Wood Mallesons

King & Wood Mallesons has confirmed that there is no conflict of interest in its capacity as the Legal Adviser to IHH as to PRC law in relation to the IPO.

Declaration by Talwar Thakore & Associates

Talwar Thakore & Associates has confirmed that there is no conflict of interest in its capacity as the Legal Adviser to IHH as to Indian law in relation to the IPO.

Declaration by Frost & Sullivan (S) Pte Ltd

Frost & Sullivan (S) Pte Ltd has confirmed that there is no conflict of interest in its capacity as the Independent Market Researcher.

OUR COMPANY

Our Company was incorporated in Malaysia under the Malaysian Companies Act as a private limited company on 21 May 2010 under the name of Integrated Healthcare Holdings Sdn Bhd and commenced its business on 26 May 2010. We are principally a holding company. Our Company was converted to a public company on 2 April 2012 and assumed the name of Integrated Healthcare Holdings Berhad. On 20 April 2012, our Company changed its name to IHH Healthcare Berhad.

The initial formation of our Group was undertaken through a reorganisation exercise which included certain transactions involving Khazanah, or its wholly-owned subsidiaries, and our Group between the date of incorporation of our Company and 1 June 2012 as set out below:

(i) the transfer by Khazanah to our Company of the entire issued share capital of IHHL, 60.0% of the issued share capital of Pantai Irama and 67.5% of the issued share capital of IMU Health for a consideration of RM2,140,343,073, RM7,522,851 and RM97,875,000 respectively;

(ii) the transfer by Pantai Irama to Pulau Memutik of the entire issued share capital of Pantai Support Services Sdn Bhd for a consideration of RM2.00, which is equivalent to Pantai Irama's cost of investment for such shares;

(iii) the transfer by Bisikan Bayu Investments (Mauritius) Limited (Khazanah's wholly-owned subsidiary) to IHH (Mauritius) of 11,000,000 shares in Apollo, (representing approximately 8.8% shareholding interest at the time of the transfer) at a consideration taking into account the market value of such shares; and

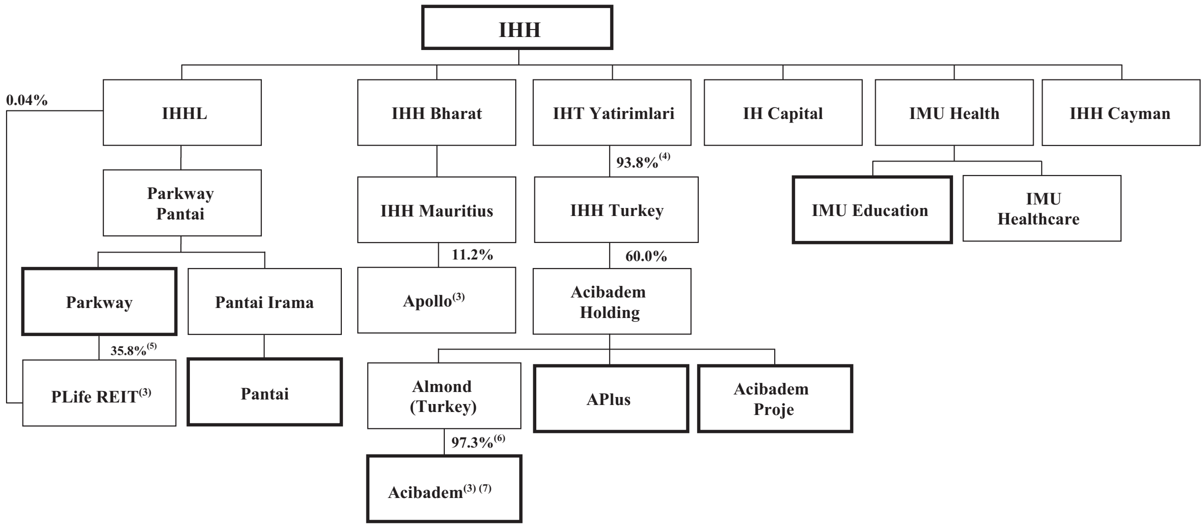
(iv) the provision of interest-free advances (which are not subject to any fixed terms of repayment) by Khazanah or its subsidiaries to our Group and the repayments of the same by our Group to Khazanah or its subsidiaries (whereby the reassignment of debts within the Group is eliminated and excluding capitalisation of advances for issuance of shares), details of which are set out as follows:

	FYE2009	FYE2010	FYE2011	1 January 2012 to 1 June 2012
	RM million			
Total advances by Khazanah or its subsidiaries to our Group	0.2	6,367.0	448.0	53.0
Total repayment of advances by our Group to Khazanah or its subsidiaries	0.04	4,294.0	0.1	43.3

As of 1 June 2012, all amounts were fully repaid by our Group to Khazanah or its subsidiaries.

The terms of the above transactions were not negotiated on an arm's length basis and were undertaken as part of an internal reorganisation exercise by Khazanah while our Company was a wholly-owned subsidiary of Khazanah.

As at 1 June 2012, our Group structure is as follows:



Notes:

(1) Unless indicated otherwise, all entities are wholly-owned.

(2) Our current Group structure reflects shareholding up to the key subsidiaries level or key holding companies.

(3) Listed entities.

(4) To increase to 100% after the Symphony Conversion.

(5) Indirectly owned by Parkway.

(6) Equity interest of 97.3% in Acibadem is based on shareholding as at 9 April 2012.

(7) In April 2012, the Board of Directors of Acibadem has resolved to delist from the ISE and applied to the CMB and the ISE for voluntary delisting, which is conditional upon the approval of the general assembly of shareholders of Acibadem as well as the approval of the relevant regulators.

PARTICULARS OF THE IPO

The Global Offering of up to 2,234.65 million Shares in IHH comprising Public Issue of up to 1,800.00 million Issue Shares by IHH and Offer for Sale of up to 434.65 million Offer Shares by the Selling Shareholder, involving the:

(i) Institutional Placement;

(ii) Malaysia Public Offering;

(iii) Singapore Offering; and

(iv) Cornerstone Offering.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated in the manner described below, subject to clawback and reallocation provisions (except for the Cornerstone Offering) as set out in "—Particulars of the IPO—Clawback and Reallocation".

Pursuant to the Institutional Placement Agreement, the Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and Co-Lead Managers of the respective Global Institutional Tranche, MITI Tranche and the Cornerstone Offering are expected to agree to procure the subscription for and/or the purchase of, or subscribe for and/or purchase up to 1,885.51 million IPO Shares, which will be or have been offered under the Institutional Placement and the Cornerstone Offering, and the additional Shares sold pursuant to the Over-Allotment Option.

Institutional Placement

Our Company and the Selling Shareholder are offering up to 498.01 million IPO Shares, representing up to 6.18% of the enlarged issued and paid-up share capital of our Company at the Institutional Price payable in full upon allocation which will be determined by way of bookbuilding, subject to clawback and reallocation and Over-Allotment Option, to be allocated in the following manner:

(a) MITI Tranche, being up to 360.00 million IPO Shares, representing up to 4.47% of the enlarged issued and paid-up share capital of our Company are to be placed to Bumiputera institutional and selected investors approved by MITI; and

(b) Global Institutional Tranche, being up to 138.01 million IPO Shares, representing up to 1.71% of the enlarged issued and paid-up share capital of our Company are offered to other Malaysian institutional and selected investors, foreign institutional and selected investors outside the United States in reliance on Regulation S, and QIBs within the United States.

Malaysia Public Offering

Our Company is offering up to 208.51 million IPO Shares, representing up to 2.59% of the enlarged issued and paid-up share capital of our Company, at the Retail Price of RM2.85 per IPO Share, payable in full upon application and subject to refund of the difference in the event the Final Retail Price is less than the Retail Price, to be allocated in the following manner:

(a) up to 161.14 million IPO Shares, representing up to 2.00% of the enlarged issued and paid-up share capital of our Company, are available for application by way of ballot, by Malaysian citizens, companies, co-operatives, societies and institutions, of which 80.57 million IPO Shares, representing 1.00% of the enlarged issued and paid-up share capital of our Company, are set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

    Any IPO Shares not subscribed by such Bumiputera investors are made available for application by other Malaysian investors under the Malaysia Public Offering; and

(b) up to 47.37 million IPO Shares, representing up to 0.59% of the enlarged issued and paid-up share capital of our Company have been reserved for the eligible Directors and eligible employees of our Group, and business associates and persons who have contributed to the success of our Group, including doctors, in the following manner:

    (aa) up to 4.50 million IPO Shares, representing up to 0.06% of the enlarged issued and paid-up share capital of our Company, have been reserved for the eligible Directors of our Group;

    (bb) up to 22.59 million IPO Shares, representing up to 0.28% of the enlarged issued and paid-up share capital of our Company, have been reserved for the eligible employees of our Group; and

    (cc) up to 20.27 million IPO Shares, representing up to 0.25% of the enlarged issued and paid-up share capital of our Company, have been reserved for our business associates and persons who have contributed to the success of our Group, including doctors.

A summary of the above allocation of up to 47.37 million IPO Shares to the eligible Directors and eligible employees of our Group business associates and persons who have contributed to the success of our Group, including doctors, is set out below:

Eligibility	Number of eligible persons	Aggregate number of IPO Shares allocated
		(000)
Eligible Directors of our Group[(1)]	10	4,500
Eligible employees of our Group[(2)]	5,622	22,593
Business associates and persons who have contributed to the success of our Group, including doctors[(3)]	583	20,272
Total	6,215	47,365

Notes:

(1) The allocation to the eligible Directors of our Group is based on, among others, their contribution to our Group. The Non-Executive and Independent Directors of our Company are allocated 250,000 IPO Shares each whilst the Executive Directors of our Company are allocated 1,000,000 IPO Shares each.

(2) The allocation to eligible employees of our Group is based on, among others, their staff grade in our Group.

(3) The allocation to our business associates and persons who have contributed to the success of our Group, including doctors are based on, among others, the nature and terms of our business relationship and their contribution to our Group.

Any of the IPO Shares not taken up by the eligible Directors and eligible employees of our Group and business associates and persons who have contributed to the success of our Group, including doctors ("Eligible Individuals") will be reallocated to other Eligible Individuals under (b) above and/or "—Singapore Offering" subsection (c) below at the discretion of the Company.

Applicants who apply for the IPO Shares under (b) above may also apply for IPO Shares under (a) above.

Any remaining IPO Shares unallocated to Eligible Individuals under (b) above will be made available for application by investors under (a) above, and subject to the clawback and reallocation provision set out in "—Particulars of the IPO—Clawback and Reallocation", any remaining IPO Shares under the Malaysia Public Offering which are not taken up thereafter will be underwritten by our Managing Underwriter and Joint Underwriters.

Singapore Offering

Our Company is offering up to 140.64 million IPO Shares, representing up to 1.75% of the enlarged issued and paid-up share capital of our Company, to be allocated in the following manner:

(a) up to 52.00 million IPO Shares, representing up to 0.65% of the enlarged issued and paid-up share capital of our Company, are available for application by the public in Singapore and subject to balloting and/or scaling down (as the case may be) at the Retail Price of SGD1.18 per IPO Share (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators), payable in full upon application and subject to refund of the difference, in the event that the Final Retail Price which will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price

Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators) is less than the Retail Price;

(b) Singapore Placement, being up to 36.00 million IPO Shares, representing up to 0.45% of the enlarged issued and paid-up share capital of our Company, are available by way of a placement to individuals, corporations and other investors at the Final Retail Price which will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators);

The Singapore Placement is subject to variation, depending on demand. In the event that demand in the Singapore Placement exceeds the number of IPO Shares currently allocated, the additional IPO Shares required to satisfy this additional demand may be taken from the Institutional Placement subject to the discretion of our Company and the Joint Global Coordinators; and

(c) up to 52.64 million IPO Shares, representing up to 0.65% of the enlarged issued and paid-up share capital of our Company have been reserved for the eligible Directors and eligible employees of our Group, and business associates and persons who have contributed to the success of our Group, including doctors, at the Retail Price of SGD1.18 per IPO Share, payable in full upon application and subject to refund of the difference, in the event the Final Retail Price which will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) or (b) the Retail Price (based on the exchange rate of SGD1.00 to RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators) is less than the Retail Price in the following manner:

(aa) up to 3.75 million IPO Shares, representing up to 0.05% of the enlarged issued and paid-up share capital of our Company, have been reserved for eligible Directors of our Group;

(bb) up to 16.60 million IPO Shares, representing up to 0.20% of the enlarged issued and paid-up share capital of our Company, have been reserved for the eligible employees of our Group; and

(cc) up to 32.28 million IPO Shares, representing up to 0.40% of the enlarged issued and paid-up share capital of our Company, have been reserved for our business associates and persons who have contributed to the success of our Group, including doctors.

A summary of the above allocation of up to 52.64 million IPO Shares to the eligible Directors and eligible employees of our Group and business associates and persons who have contributed to the success of our Group, including doctors, is set out below:

Eligibility	**Number of eligible persons**	**Aggregate number of IPO Shares allocated**
		(000)
Eligible Directors of our Group[(1)]	7	3,750
Eligible employees of our Group[(2)]	3,673	16,601
Business associates and persons who have contributed to the success of our Group, including doctors[(3)]	559	32,284
Total	4,239	52,635

Notes:

(1) The Non-Executive and Independent Directors of our Company are allocated 250,000 IPO Shares each whilst the Executive Directors of our Company are allocated 1,000,000 IPO Shares each.

(2) The allocation to eligible employees of our Group is based on, among others, their staff grade in our Group.

(3) The allocation to our business associates and persons who have contributed to the success of our Group, including doctors are based on, among others, the nature and terms of our business relationship and their contribution to our Group.

Any of the IPO Shares not taken up by the Eligible Individuals (as defined under "—Particulars of the IPO—Malaysia Public Offering" above), will be reallocated to other Eligible Individuals under (c) above and/or "—Malaysia Public Offering" subsection (b) above at the discretion of the Company.

Applicants, except for Directors of our Company, who apply for the IPO Shares under (c) above may also apply for IPO Shares under (a) and (b) above. Directors of our Company who apply for the IPO Shares under (c)(aa) may also apply for IPO Shares under (a) above.

Any remaining IPO Shares unallocated to Eligible Individuals under (c) above will be first made available for application by investors under (a) above and subsequently, under (b) above. Additionally, any IPO Shares not subscribed for under (a) above will be made available for application by investors under (b) above, and vice versa. Subject to the clawback and reallocation provisions set out in "—Particulars of the IPO—Clawback and Reallocation", any remaining IPO Shares under the Singapore Offering which are not taken up after the above will be underwritten by our Singapore Underwriters.

Cornerstone Offering

Separate from but concurrent to the Institutional Placement, Malaysia Public Offering and Singapore Offering, on 13 June 2012, the Company and the Joint Global Coordinators and Joint Bookrunners have entered into Cornerstone Placement Agreements with the Cornerstone Investors, whereby the Cornerstone Investors have agreed to purchase at the Institutional Price and subject to the terms of their respective Cornerstone Placement Agreements, an aggregate of 1,387.5 million IPO Shares, representing approximately 17.22% of the enlarged issued and paid-up share capital of our Company. None of the Cornerstone Investors will individually acquire 5.0% or more of the enlarged issued and paid-up share capital of our Company under the Cornerstone Placement Agreements, however, each of the Employees Provident Fund Board and the Kuwait Investment Authority has agreed to acquire 5.0% or more of the IPO Shares under the Global Offering (excluding the additional Shares sold pursuant to the Over-Allotment Option). See "Information on Cornerstone Investors—Employees Provident Fund Board" and "Information on Cornerstone Investors—Kuwait Investment Authority", for further details.

In addition, a Cornerstone Investor may acquire additional IPO Shares such that its aggregate holding of IPO Shares under the Global Offering at the date of Listing may equal or exceed 5.0% of the enlarged issued and paid-up share capital of our Company. The Cornerstone Placement Agreements are conditional upon, among other things, the Malaysia Underwriting Agreement and the Institutional Placement Agreement being entered into, having become unconditional and not having been terminated pursuant to their respective terms.

The identity of the Cornerstone Investors and the Shares they have undertaken to subscribe for should not be taken as indicative of the merits of this Global Offering, and prospective investors should read this Prospectus in its entirety before deciding to subscribe to the Global Offering.

In the event that any one or more of the Cornerstone Investors fail to subscribe for or pay for the IPO Shares that they have committed to subscribe for, the Global Offering may still proceed and subscribers and purchasers of the IPO Shares will still be required to pay for and complete their subscriptions and purchases pursuant to the Global Offering. However, if Cornerstone Investors representing committed subscriptions of more than 300 million IPO Shares pursuant to the Cornerstone Offering in the aggregate fail to subscribe or pay for their relevant IPO Shares, the the Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and Co-Lead Managers are not required to perform their underwriting obligations under the Institutional Placement Agreement, in which event we may decide not to proceed with the Global Offering and to return all monies paid in respect of applications received or accepted at the applicants' own risk (without interest or any share of revenue or other benefit arising therefrom) in accordance with applicable laws and regulations.

See "Details of the IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangement" and "Plan of Distribution—No Sales of Similar Securities and Lock-up" for a description of the lock-up arrangements in the Cornerstone Placement Agreements.

Information on the Cornerstone Investors (in alphabetical order)

AIA Group Limited's subsidiaries: AIA Singapore Private Limited, American International Assurance Bhd. and American International Assurance Company (Bermuda) Limited

AIA Singapore Private Limited, American International Assurance Bhd. and American International Assurance Company (Bermuda) Limited are subsidiaries of AIA Group Limited.

AIA Group Limited is a life insurance based financial services provider operating in 15 jurisdictions throughout the Asia Pacific region. The principal activity of AIA Group Limited and its subsidiaries is the writing of life insurance business, providing life, pensions and accident and health insurance throughout Asia, and distributing related investment and other financial services products to its customers.

Blackrock Investment Management, LLC—Global Allocation Group

Each of Blackrock Global Allocation Fund, Inc., Blackrock Global Dynamic Equity Fund, Blackrock Global Allocation V.I. Fund of Blackrock Variable Series Funds, Inc., Blackrock Global Allocation Portfolio of Blackrock Series Fund, Inc., Blackrock Global Allocation Fund (Australia), Transamerica Global Allocation Fund of Transamerica Funds, MassMutual Select Blackrock Global Allocation Fund of MassMutual Select Funds, JNL/Blackrock Global Allocation Fund of JNL Series Trust, Blackrock Global Funds—Global Allocation Fund, Blackrock Global Funds—Global Dynamic Equity Fund, and

AZL Blackrock Global Allocation Fund of Allianz Variable Insurance Products Trust are funds or accounts under management by direct or indirect subsidiaries of BlackRock, Inc ("BlackRock").

BlackRock is a Delaware corporation listed on the New York Stock Exchange (NYSE:BLK). BlackRock is one of the world's preeminent asset management firms and a provider of global investment management, risk management and advisory services to institutional, intermediary and individual investors around the world.

Capital Group International, Inc's wholly-owned subsidiaries: Capital Guardian Trust Company, Capital International, Inc and Capital International Sarl

Each of Capital Guardian Emerging Markets Equity DC Master Fund, Capital Guardian Emerging Markets Equity Fund for Tax-Exempt Trusts, Capital Guardian Emerging Markets Equity Master Fund and Capital Guardian Emerging Markets Restricted Equity Fund for Tax-Exempt Trusts are funds managed by Capital Guardian Trust Company.

Each of Capital International Emerging Economies and Emerging Markets Growth Fund, Inc. are funds managed by Capital International, Inc.

Each of Capital International Asia Pacific (All Countries) excluding Japan Equity, Capital International Emerging Asia Equity, Capital International Emerging Markets Fund and Screened Emerging Markets Equity are funds managed by Capital International Sarl.

Capital Guardian Trust Company, Capital International, Inc. and Capital International Sarl are wholly-owned subsidiaries of Capital Group International, Inc., a global institutional investor.

Capital Research Global Investors, a Division of Capital Research Management Company

Capital Research Global Investors is a division of Capital Research and Management Company. Capital Research Global Investors manages EuroPacific Growth Fund, New World Fund, Inc. and American Funds Insurance Series—International Fund which are mutual funds located in the United States.

CIMB-Principal Asset Management Berhad

CIMB-Principal Asset Management Berhad is a premier asset management company with regional investment capabilities. Established in 1995, it is one of the largest asset management companies in Malaysia with regional footprint covering Singapore, Indonesia and Thailand.

CMY Capital Markets Sdn Bhd

CMY Capital Markets Sdn Bhd is incorporated in Malaysia and is an active global investor privately owned by Tan Sri Dato' Chua Ma Yu.

Eastspring Investments Berhad

Eastspring Investments Berhad ("Eastspring Investments"), formerly known as Prudential Fund Management Berhad, is part of Prudential plc. Eastspring Investments was incorporated in November 2000 and is a wholly-owned subsidiary of a Malaysian resident holding company, which is in turn, is related to the Prudential group. Eastspring Investments has a comprehensive family of funds designed to accommodate most investment objectives, investment horizons and risk tolerance levels. Eastspring

Investments manages 43 unit trust funds valued at RM3.32 billion (as at 30 November 2011) and is a Fund Management Company licensed by the SC since 5 January 2005. The ultimate parent company of the Prudential group is Prudential plc which is headquartered in London, United Kingdom and is listed on both the London Stock Exchange and the New York Stock Exchange.

Employees Provident Fund Board

The Employees Provident Fund Board is a social security institution in Malaysia formed under the Employees Provident Fund Act 1991 (Act 452). The Employees Provident Fund Board provides retirement benefits for members through management of their savings.

Pursuant to its Cornerstone Placement Agreement, Employees Provident Fund Board has agreed to subscribe, subject to the terms of its Cornerstone Placement Agreement 200.0 million IPO Shares (representing approximately 8.95% of the total number of IPO Shares in the Global Offering). See "Details of the IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangements" and "Plan of Distribution—No Sales of Similar Securities and Lock-up" for a description of the lock-up arrangements in the Cornerstone Placement Agreements.

Fullerton Fund Management Company Ltd

Fullerton Fund Management Company Ltd specialises in providing product and advisory solutions to investors seeking exposure to the Asian markets. Fullerton Fund Management Company Ltd's expertise extends across all asset classes, including money market, equities, fixed income, currencies and alternatives. Today Fullerton Fund Management Company Ltd has more than 20 years of experience in managing Asian and global mandates for institutional clients and distribution intermediaries. It is a wholly-owned subsidiary of Temasek Holdings (Private) Limited.

The Government of Singapore Investment Corporation Pte Ltd

The Government of Singapore Investment Corporation Pte Ltd ("GIC") is a global investment management company established in 1981 to manage Singapore's foreign reserves. GIC invests internationally in equities, fixed income, foreign exchange, commodities, money markets, alternative investments, real estate and private equity. With its current portfolio size of more than USD100 billion, GIC is amongst the world's largest fund management companies.

HPL Investers Pte Ltd and Como Holdings Inc.

HPL Investers Pte Ltd is a wholly-owned subsidiary of Hotel Properties Limited ("HPL"). HPL is a company listed on the SGX-ST. The principal business activities of HPL and its subsidiaries are those of hotel ownership, management and operation, property development and investment holding.

Como Holdings Inc., a company beneficially owned by Mr. Ong Beng Seng, has investments in hotel, property and retail operations worldwide.

Hwang Investment Management Berhad

Hwang Investment Management Berhad (formerly known as HwangDBS Investment Management Berhad) ("**HwangIM**") was incorporated in Malaysia on 2 May 1997 under the Malaysian Companies Act and began operations under the name Hwang-DBS Unit Trust Berhad in 2001. It is supported by one of Malaysia's leading integrated financial services group, Hwang-DBS (M) Berhad whose principal subsidiaries, HwangDBS Investment Bank Berhad which has over 38 years of experience in the securities industry, and Nikko Asset Management Asia Limited (formerly known as DBS Asset Management Ltd.) is an independent Asian investment management franchise with its parent company Nikko Asset Management Group headquartered in Tokyo, Japan.

International Finance Corporation

International Finance Corporation is a member of the World Bank Group and fosters sustainable economic growth in developing countries by financing private sector investment, mobilising capital in the international financial markets, and providing advisory services to businesses and governments.

JF Asset Management Limited

JF Asset Management Limited is the Asia Pacific equity investment arm of J.P. Morgan Asset Management and it has a network of investment professionals based in the region. JF Asset Management Limited manages USD78.0 billion for investors around the globe.

Keck Seng (Malaysia) Berhad and Keck Seng Investments (Hong Kong) Limited

Keck Seng (Malaysia) Berhad is a company listed on Bursa Securities. The principal activities of the Keck Seng (Malaysia) Berhad consist of the cultivation of oil palm, processing and marketing of refined palm oil products, property development, property investment and share investment. Keck Seng (Malaysia) Berhad was a former significant shareholder of Parkway, a subsidiary of the Company which was previously listed on the SGX-ST.

Keck Seng Investments (Hong Kong) Limited is a company listed on the Hong Kong Stock Exchange. The principal activities of the Keck Seng Investments (Hong Kong) Limited and its subsidiaries are hotel and club operations, property investment and development and the provision of management services.

Kencana Capital Sdn Bhd

Kencana Capital Sdn Bhd is an investment holding company. Through its related companies, Kencana Capital Sdn Bhd has a diversified investment portfolio ranging from oil and gas (being one of the top five global Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) players), engineering and construction, information technology services, education and training as well as real estate. The shareholders of Kencana Capital were former substantial shareholders of Pantai, a subsidiary of our Company which was previously listed on Bursa Securities.

Kuwait Investment Authority

Kuwait Investment Authority ("KIA") is an autonomous government body responsible for the management and administration of the General Reserve Fund and the assets of the Future Generations Fund as well as any other funds entrusted to it by the Minister of Finance for and on behalf of the State of Kuwait. KIA invests across asset classes and markets around the globe with its main office located in Kuwait City and a branch office in London, United Kingdom.

Pursuant to its Cornerstone Placement Agreement, KIA has agreed to subscribe for, subject to the terms of its Cornerstone Placement Agreement, 150.0 million IPO Shares (representing approximately 6.71% of the total number of IPO Shares in the Global Offering). See "Details of the

IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangements" and "Plan of Distribution—No Sales of Similar Securities and Lock-up" for a description of the lock-up arrangements relating to the Cornerstone Placement Agreements.

Lembaga Tabung Haji

Lembaga Tabung Haji is a statutory body incorporated in Malaysia under the Lembaga Tabung Haji Act 1995 (ACT 535). Its functions are to administer the depositors' fund and to administer all matters concerning the welfare of pilgrims and to formulate policies in connection with the welfare of pilgrims.

Mezzanine Equities N.V.

Mezzanine Equities N.V. is an indirect subsidiary of Usaha Tegas Sdn Bhd, a Malaysian based investment holding company.

Newton Investment Management Limited

Newton Investment Management Limited is a company incorporated in England and Wales and is a Global Investment Manager.

Och-Ziff Capital Management Group's affiliates: OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P, Gordel Capital Limited and OZ ELS Master Fund, Ltd.

OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ ELS Master Fund, Ltd. and OZ Global Special Investments Master Fund, L.P. are Cayman Islands exempted companies. Gordel Capital Limited is a British Virgin Islands exempted company.

OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P., Gordel Capital Limited and OZ ELS Master Fund, Ltd. are investment funds affiliated with Och-Ziff Capital Management Group.

Permodalan Nasional Berhad

Permodalan Nasional Berhad ("PNB") was incorporated on 17 March 1978. PNB was conceived as an instrument of the Malaysian government's New Economic Policy to promote share ownership in the corporate sector among the Bumiputera, and develop opportunities for suitable Bumiputera professionals to participate in the creation and management of wealth.

Presently, with over 145 billion units in circulation held by more than 10.9 million individual unit holders, the PNB Group is Malaysia's leading investment institution with a diversified portfolio of activities that include unit trust funds, property trust funds, property management and asset management. Together with PNB's proprietary fund, PNB manages over RM200 billion in assets.

Summary of allocation

In summary, the IPO Shares will be allocated and allotted in the following manner:

Categories	Total No. of Shares	 % of enlarged share capital upon Listing(1)	 % of enlarged share capital after the conversion/exercise of outstanding LTIP units and EPP options(2)
		%	%
Institutional Placement			
MITI Tranche	360,000,000	4.47	4.38
Global Institutional Tranche	138,010,200	1.71	1.68
	498,010,200	6.18	6.06
Malaysia Public Offering			
Malaysian public (via balloting):			
Bumiputera	80,570,900	1.00	0.98
Non-Bumiputera	80,570,900	1.00	0.98
Eligible Directors of our Group	4,500,000	0.06	0.05
Eligible employees of our Group	22,593,000	0.28	0.27
Business associates and persons who have contributed to the success of our Group, including doctors	20,272,000	0.25	0.25
	208,506,800	2.59	2.53
Singapore Offering			
Singaporean public (via balloting or scaling down, where necessary)	52,000,000	0.65	0.63
Singapore Placement(3)	36,000,000	0.45	0.44
Eligible Directors of our Group	3,750,000	0.05	0.05
Eligible employees of our Group	16,601,000	0.20	0.20
Business associates and persons who have contributed to the success of our Group, including doctors	32,284,000	0.40	0.39
	140,635,000	1.75	1.71
Cornerstone Offering	1,387,500,000	17.22	16.87
Total	2,234,652,000	27.74	27.17

Notes:

(1) Based on the enlarged issued and paid-up share capital upon Listing which has taken into account the maximum number of shares to be issued pursuant to the Symphony Conversion, the surrender of all LTIP units granted and vested before the Listing and the Public Issue as described in "Description of Our Shares—Share Capital".

(2) Based on the enlarged share capital of our Company assuming the outstanding LTIP units and EPP options (which have been granted before the Listing but will vest or become exercisable only after the Listing) have been surrendered/exercised for new Shares, but assuming post-Listing, there are no further new LTIP units and EPP options being granted and surrendered/exercised for new Shares and there has not been any exercise of the Aydinlar Option or the Bagan Lalang Option (as described in "Statutory and Other General Information—Share Capital") after the Listing. See "—Share Capital" for further details.

(3) The Singapore Placement is subject to variation, depending on demand. In the event that demand exceeds the number of IPO Shares currently allocated, the additional IPO Shares required to satisfy this additional demand may be taken from the Institutional Placement subject to the discretion of our Company and the Joint Global Coordinators.

The completion of the Institutional Placement, Malaysia Public Offering and Cornerstone Offering are inter-conditional, while the Singapore Offering is conditional on the Institutional Placement, Malaysia Public Offering and Cornerstone Offering.

The Institutional Placement, Malaysia Public Offering and Singapore Offering are subject to the minimum subscription as set out in "—Minimum Subscription"

Clawback and Reallocation

The Institutional Placement, Malaysia Public Offering and Singapore Offering shall be subject to the following clawback and reallocation provisions in relation to the IPO, in the following order:

(i) if the IPO Shares allocated to the MITI Tranche are not fully taken up, the IPO Shares which are not taken up will be made available to selected Malaysian investors (including Government agencies) ("**Selected Malaysian Investors**") under the Global Institutional Tranche in the manner approved by the relevant authorities;

(ii) subject to (i) above and if the IPO Shares allocated to MITI Tranche and Selected Malaysian Investors are not fully taken up, the remaining IPO Shares which are not taken up will be made available to other investors under the Global Institutional Tranche;

(iii) if there is an under-subscription in the Malaysia Public Offering and/or Singapore Offering and there is a corresponding over-subscription in the Global Institutional Tranche, the IPO Shares which are not taken up may be clawed back from the Malaysia Public Offering and/or Singapore Offering and allocated to the Global Institutional Tranche;

(iv) if there is an over-subscription in the Malaysia Public Offering and/or Singapore Offering and a corresponding under-subscription in the Global Institutional Tranche, the IPO Shares which are not taken up may be clawed back from the Global Institutional Tranche and allocated to the Malaysia Public Offering and/or Singapore Offering proportionate to the over-subscription rates of the Malaysia Public Offering and/or Singapore Offering; and

(v) subject to (iii) above, if there is an under-subscription in the Malaysia Public Offering and there is a corresponding over-subscription in the Singapore Offering, the IPO Shares which are not taken up may be clawed back from the Malaysia Public Offering and allocated to the Singapore Offering, and vice versa.

Save for (i) and (ii) above, the clawback and reallocation above shall not apply in the event of over-subscription in all Institutional Placement, Malaysia Public Offering and Singapore Offering.

Over-Allotment Option

The Over-Allotment Option Provider is expected to grant an Over-Allotment Option to the Stabilising Manager (on behalf of the syndicate) and the Company is expected to appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or persons acting on behalf of the Stabilising Manager for the Global Institutional Tranche) may at its absolute discretion, over-allot Shares (on behalf of the syndicate) and subsequent thereto, effect transactions which may stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Shares. If the Stabilising Manager creates a short position in the Shares in connection with the Global Institutional

Tranche, the Stabilising Manager may reduce that short position by purchasing Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-Allotment Option.

If granted, the Over-Allotment Option will be exercisable, in whole or in part, by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-Allotment Option Provider at any time, within 30 days from the date of Listing to purchase from the Over-Allotment Option Provider up to an aggregate of 169.43 million Shares at the Institutional Price for each Share, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares), solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager is expected to (on behalf of the syndicate) enter into the Share Lending Agreement with the Over-Allotment Option Provider to borrow up to an aggregate of 169.43 million Shares to cover over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the share lending party or parties either through the purchase of Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or through the exercise of the Over-Allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-Allotment Option will not increase the total number of Shares issued.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and/or the Main Board of the SGX-ST where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA, Securities and Futures (Market Conduct) (Exemptions) Regulations 2006 and any regulations thereunder. The number of Shares that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager for the Global Institutional Tranche) may buy to undertake stabilising action, shall not exceed an aggregate of up to 169.43 million Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares).

However, there is no obligation on the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) to undertake any such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and the Main Board of the SGX-ST, if commenced, may be discontinued at any time and cannot be effected after the earliest of (i) the date falling 30 days from the commencement of trading of the Shares on the Main Market of Bursa Securities and the Main Board of the SGX-ST or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities and the Main Board of the SGX-ST, an aggregate of up to 169.43 million Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares), to undertake stabilising activities.

Neither our Company, the Selling Shareholder, the Over-Allotment Option Provider, Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers, Co-Lead Managers nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Shares. In addition, neither our Company, the Selling Shareholder, the Over-Allotment Option Provider, Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and

Joint Bookrunners for the MITI Tranche, Joint Lead Managers, Co-Lead Managers nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

SHARE CAPITAL

Our authorised share capital as at 1 June 2012 was RM18,000,000,000 comprising 18,000,000,000 ordinary shares of RM1.00 each while our issued and paid-up ordinary share capital as at 1 June 2012 was RM6,195,442,295 comprising 6,195,442,295 Shares.

Pursuant to our members' circular resolution dated 29 March 2012, our shareholders resolved to, amongst others, approve the conversion of our Company from a private limited company to a public limited company, and the amendment of the Articles of Association of our Company in conjunction with the said conversion. Subsequently, our shareholders, through our members' circular resolution dated 18 April 2012 resolved to, amongst others, approve the issuance of up to 1,800,000,000 new Shares in conjunction with the IPO. Our Shareholders, through a members' circular resolution dated 14 June 2012 resolved to approve the amendment of the Articles of Association of our Company in conjunction with the IPO.

As at 1 June 2012, save for the options over our Shares as set out in "Statutory and Other General Information—Share Capital", neither our Company nor our subsidiaries, associates and joint ventures had any outstanding warrants, options, convertible security or uncalled capital.

Details of the changes in our issued and paid-up share capital since the date of incorporation of our Company up to 15 June 2012, being the date of lodgment of this Prospectus with the MAS, are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
21.05.2010	2	1.00	Cash, at RM1.00 per share	Subscriber's share	2.00
26.05.2010	2,238,218,071	1.00	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	2,238,218,073.00
25.06.2010	544,192,217	1.00	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	2,782,410,290.00
30.03.2011	1,067,589,710	1.00	Other than cash, at RM3.09 per share	Capitalisation of amount owing to shareholder	3,850,000,000.00
16.05.2011	661,000,000	1.00	Cash, at RM2.00 per share	Capital increase	4,511,000,000.00
16.05.2011	989,000,000	1.00	Cash, at RM2.00 per share	Capital increase	5,500,000,000.00
24.01.2012	695,442,295	1.00	Other than cash, at RM2.50 per share	Shares issued pursuant to the Deed for the Sale and Purchase of a majority holding in Acibadem Holding dated 23 December 2011	6,195,442,295.00

Upon the completion of the IPO, our share capital will be as follows:

	No. of Shares	RM
Authorised	18,000,000,000	18,000,000,000
Issued and fully paid-up		
Issued and fully paid-up as at 1 June 2012	6,195,442,295	6,195,442,295
To be issued pursuant to the surrender of all LTIP units granted and vested prior to the Listing(1)	3,786,299	3,786,299
To be issued pursuant to the Symphony Conversion(2)	57,851,648	57,851,648
To be issued pursuant to the Public Issue	1,800,000,000	1,800,000,000
Enlarged share capital upon Listing	8,057,080,242	8,057,080,242

Notes:

(1) Refers to the maximum number of LTIP units that will be vested and surrended for new Shares prior to the Listing, based on the LTIP records as at 31 March 2012. See "Statutory and Other General Information—Employee Share Schemes" for details on the LTIP and EPP.

(2) Refer to the maximum number of Shares to be issued pursuant to the Symphony Conversion, the details of which are set out in "Statutory and Other General Information—Share Capital".

The following sets out strictly for illustration the issued and paid-up share capital of our Company after the Listing taking into consideration the conversion of the balance outstanding LTIP units and exercise of the EPP options which are granted prior to the Listing but which will vest or can only be exercised after the Listing.

	No. of Shares	RM
Issued and fully paid-up upon Listing	8,057,080,242	8,057,080,242
To be issued pursuant to the surrender of balance outstanding LTIP units granted prior to Listing, which will vest after Listing(1)	19,718,880	19,718,880
To be issued pursuant to the exercise of outstanding EPP options granted prior to Listing, which can only be exercised six months after Listing(1)	149,000,000	149,000,000
Share capital after taking into account the above outstanding LTIP units and EPP options	**8,225,799,122**	**8,225,799,122**

Notes:

(1) The number of LTIP units and EPP options set out above are based on the records of LTIP and EPP as at 31 March 2012. See "Statutory and Other General Information—Employee Share Schemes" for details on the LTIP and EPP.

The above does not take into consideration the following:

(i) The exercise of the Aydinlar Option and Bagan Lalang Option, which may result in the issue of up to a maximum of 611.0 million new Shares in aggregate over the option period of 10 years from 24 January 2012. Further details of the Aydinlar Option and Bagan Lalang Option are set out in "Statutory and Other General Information—Share Capital"; and

(ii) The conversion of further LTIP units and exercise of further EPP options that may be granted under the LTIP and EPP after the Listing. See "Statutory and Other General Information—Employee Share Schemes" for details on the LTIP and EPP.

Classes of shares and ranking

As at 1 June 2012, our Company had one class of shares, namely ordinary shares of RM1.00 each.

The Issue Shares will, upon allotment and issue, rank equally in all respects with our other existing issued and paid-up Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of the Issue Shares.

The Offer Shares will rank equally in all respects with our existing issued and paid-up Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Upon allotment and issue, subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus, in accordance with our Articles of Association.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney. On a show of hands, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have one vote. On a poll, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a member of our Company.

Minimum subscription

There is no minimum subscription to be raised from the IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders of our Company to comply with public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

TAXATION

The following summary of certain Malaysia, Singapore and United States income tax consequences of the purchase, ownership and disposition of our Shares is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and does not purport to apply to all categories of prospective investors, some of which may be subject to special rules. Prospective investors should consult their own tax advisers concerning the application of Malaysia, Singapore and United States income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of our Shares arising under the laws of any other taxing jurisdiction.

MALAYSIAN TAXATION

Tax Residence

Under Malaysian tax law, a company is regarded as a resident if the management and control of its business or any one of its businesses are exercised in Malaysia. There is a considerable body of case law which shows that management and control will vest in the place where the directors meet and make major decisions. In practice, the Malaysian Inland Revenue Board based on its recently issued Public Ruling has indicated that it will generally consider the location of the Board of Directors' meetings and the nature of decisions made at the directors' meeting when ascertaining a company's tax residence status. Resident companies are generally subject to Malaysian income tax at the prevailing corporate tax rate of 25.0% for the year of assessment 2009 and thereafter (except for resident companies with a paid up capital of RM2.5 million or less and is not related to a company with a paid up capital of more than RM2.5 million at the beginning of the basis period for a year of assessment, which are entitled to a preferential tax rate of 20% on the first RM500,000 of their taxable income). Non-resident companies are subject to a flat corporate tax rate of 25.0% on their chargeable income (except for interest or royalty income, which are taxed at 15.0% or 10.0% respectively).

The rules determining the tax residence of individuals in Malaysia are complex, but generally are based upon the length of time spent in Malaysia. A resident individual is subject to a graduated tax rate ranging from 0% to 26.0% and is entitled to certain personal reliefs and tax rebates. A non-resident individual is subject to income tax at a flat rate of 26.0% and is not entitled to any personal reliefs or tax rebates.

Income Tax

As the Shares will be listed on the Main Market of Bursa Securities, any proceeds arising from the sale, assignment, transfer or other disposition of the Shares that constitutes income to the holder of the Shares will likely be regarded as Malaysian-source income and subject to Malaysian income tax. The proceeds will be regarded as income (instead of capital gains) if they arise from the holder trading or dealing in the Shares. However, based on the circumstances and facts of each case, the proceeds accruing from the disposition of our Shares may be construed as a capital (as opposed to income) receipt not subject to income tax.

Stamp Duty

Stamp duty will not apply to any instrument of transfer of securities in companies listed on Bursa Securities where the transaction is undertaken through the existing scripless book entry system maintained by the Bursa Depository. However, these shares are transacted by way of contract notes, which will be subject to a stamp duty at the rate of 0.1% of the purchase price of the Shares so transacted; but this is currently capped at a maximum of RM200.

SINGAPORE TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Prospectus and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could disagree with the explanations or conclusions set out below.

The statements below are not to be regarded as advice on the tax position of any holder of our Shares or of any person acquiring, selling or otherwise dealing with our Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of our Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Prospective Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of our Shares. The statements below are based on the assumption that our Company is not a tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither our Company nor any other persons involved in this Prospectus accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

Individual income tax

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore ("Comptroller") is satisfied that the tax exemption would be beneficial to the individual. Foreign-sourced income received or deemed received in Singapore by an individual not resident in Singapore is exempt from Singapore income tax.

A Singapore tax resident individual is taxed at progressive rates ranging from 0.0% to 20.0% for the year of assessment 2013 (that is, in respect of income earned during the calendar year or other basis period ending in 2012). Non-resident individuals, subject to certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 20.0% for the year of assessment 2013.

Corporate income tax

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore.

However, foreign-sourced income in the form of dividends, branch profits and service income ("specified foreign income") received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 is exempt from tax if certain prescribed conditions are met, including the following:

(i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and

(ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time ("headline tax rate") is not less than 15.0%.

In the case of dividends paid by a company resident in a territory from which the dividends are received, the "subject to tax condition" in (i) above is considered met where tax is paid in that territory by such company in respect of its income out of which such dividends are paid or tax is paid on such dividends in that territory from which such dividends are received.

As a concession, the "subject to tax condition" in (i) above would, with effect from 30 July 2004, be considered met for specified foreign income which is exempt from tax in the foreign jurisdiction from which the specified foreign income is received if the exemption is due to a tax incentive granted by the foreign jurisdiction for carrying out substantive business activities in that jurisdiction. Generally, substantive business activities refer to business activities that are carried out through staff with certain expertise and actual expenditure is incurred to carry out the activities. Where there are difficulties in proving that the "subject to tax" condition in (i) above is met in respect of foreign-sourced dividends, the Comptroller may be prepared to accept any of the following two administrative methods to prove that such condition is met:

(i) the person receiving the foreign-sourced dividends has to keep track of the total dividends paid by the foreign payer company (including the foreign-sourced dividends in question) and the total taxed income of the foreign payer company (including income subject to tax as capital gains). If the total amount of such taxed income of the foreign payer company is equal to or greater than such total amount of dividends paid by the foreign payer company, the Comptroller will consider such "subject to tax" condition to have been met. The IRAS has stated that this method is suitable for local holding companies with newly incorporated foreign subsidiary companies, as the local holding companies would be in a position to track the taxed income of each foreign subsidiary and the dividends that each subsidiary has paid out; or

(ii) if the audited accounts of the foreign payer company for the financial period ending in the year prior to the year when the dividends in question are received in Singapore show a positive current year tax expense (which does not include deferred tax), the Comptroller will consider such "subject to tax" condition to have been met.

The above two methods are non-prescriptive and the taxpayer may also propose other methods to the Comptroller to prove (to the Comptroller's satisfaction) that such "subject to tax" condition has been met. For consistency, a taxpayer is expected to use the same method for all years of assessment and where there are exceptional situations to warrant a change to another method, the Comptroller's approval should be sought to change the method used.

With effect from 31 May 2006, with respect to the condition in (ii) above that the headline tax rate of the relevant foreign tax jurisdiction is at least 15.0%, the Inland Revenue Authority of Singapore ("IRAS") has announced that where:

(i) the specified foreign income received in Singapore is chargeable to tax under a special tax legislation (the "special tax legislation") of that foreign tax jurisdiction instead of its main tax legislation (the "main tax legislation");

(ii) the special tax legislation imposes tax at a rate lower than the highest tax rate applicable to other companies in that foreign tax jurisdiction under its main tax legislation; and

(iii) the application of the lower rate of tax under the special tax legislation is not a tax incentive for carrying out substantive activities in that foreign tax jurisdiction,

the headline tax rate for the purposes of the above condition in (ii) shall be the highest tax rate stipulated in the special tax legislation instead of the highest tax rate stipulated in the main tax legislation.

The IRAS has also announced that if the conditions for exemption of specified foreign income described above are not met, the IRAS may nevertheless consider granting an exemption on such income received by resident taxpayers on a case-by-case basis under certain specified scenarios and subject to certain conditions being met.

Non-Singapore tax resident corporate taxpayers are subject to income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

The corporate tax rate in Singapore is 17.0% with effect from the year of assessment 2010. In addition, three-quarters of up to the first SGD10,000, and one-half of up to the next SGD290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. New companies will also, subject to certain conditions, be eligible for full tax exemption on the first SGD100,000 and 50.0% tax exemption on the next SGD200,000 of normal chargeable income a year for each of the company's first three consecutive years of assessment.

Dividend distributions

As our Company is incorporated in Malaysia and is not tax resident in Singapore for Singapore tax purposes, dividends paid by our Company would generally be considered as sourced outside Singapore (unless our Shares are held as part of a trade or business carried on in Singapore in which event the holders of such Shares may be taxed on the dividends as they are derived).

Foreign-sourced dividends received or deemed received in Singapore by an individual not resident in Singapore would be exempt from Singapore income tax. This exemption will also apply in the case of a Singapore tax resident individual who receives such foreign-sourced income in Singapore (except where such income is received through a partnership in Singapore).

Foreign-sourced dividends received or deemed received by corporate investors in Singapore will be liable to Singapore tax. However, if the conditions for the exemption of specified foreign income (as stated above) are met, the foreign-sourced dividends received by corporate investors resident in Singapore would be exempt from Singapore tax.

Gains on disposal of our Shares

Singapore does not impose tax on capital gains (i.e. gains which are considered to be capital in nature) but imposes tax on income. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of our Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39—Financial Instruments: Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of our Shares is made. Investors who may be subject to such provisions should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Stamp duty

There is no stamp duty payable on the subscription of our Shares.

As our Company is incorporated in Malaysia, no stamp duty is payable in Singapore on any transfer of our Shares, unless our Shares are registered in any register kept in Singapore.

In the event that a register of our Shares is kept in Singapore and where an instrument of transfer is executed in respect of our Shares registered in such register, stamp duty may be payable on such instrument of transfer at the rate of SGD0.20 for every SGD100 or any part thereof, computed on the consideration for, or market value of, our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

The above stamp duty is not applicable to electronic transfers of our Shares through CDP.

Goods and services tax ("GST")

The sale of our Shares by a GST-registered investor belonging in Singapore for GST purposes through an SGX-ST member to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where our Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0.0%. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business carried on by such investor may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the standard rate of 7.0%. Similar services rendered contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to satisfaction of certain conditions, be subject to GST at 0.0%.

Estate duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Shares that are U.S. Holders and that will hold the Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Shares by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly) 10.0% or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. Dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Shares by the partnership.

The summary assumes that the Company is not a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes, which the Company believes to be the case. The Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

General.

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Shares will constitute ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to dividends on the Shares.

Foreign Currency Dividends.

Dividends paid in foreign currency will be included in income in a U.S. Dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. Dollar at that time. If dividends received in foreign currency is converted into U.S. Dollar on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Sale or other Disposition

General.

Upon a sale or other disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year. Any gain or loss will generally be U.S. source.

A U.S. Holder's tax basis in a Share will generally be its U.S. Dollar cost. The U.S. Dollar cost of a Share purchased with foreign currency will generally be the U.S. Dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

The amount realised on a sale or other disposition of Shares for an amount in foreign currency will be the U.S. Dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. Dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to its U.S. Dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Shares or upon exchange for U.S. Dollar) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

The Company does not believe that it should be treated as a PFIC for U.S. federal income tax purposes but the Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be treated as a PFIC, U.S. Holders of Shares would be required (i) to pay a special addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

If the Company is a PFIC, each U.S. Holder will be required to make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which it holds a direct or indirect interest. U.S. Holders should consult their tax advisors regarding this reporting requirement and any other reporting obligations that may apply if the Company is a PFIC. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Foreign Financial Asset Reporting

Recently enacted legislation imposes new reporting requirements on the holding of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds USD50,000. The Shares are expected to constitute foreign financial assets subject to these requirements unless the Shares are held in an account at a financial institution (in which case, the account may be reportable if maintained by a foreign financial institution). U.S. Holders should consult their tax advisors regarding the application of this legislation.

PLAN OF DISTRIBUTION

The Global Offering

The Company and the Selling Shareholder are making an offering of up to 2,234,652,000 IPO Shares for subscription and/or purchase at the Institutional Price or the Final Retail Price (as the case may be) consisting of the Institutional Placement, the Malaysia Public Offering, the Singapore Offering and the Cornerstone Offering. Up to 498,010,200 IPO Shares are being offered under the Institutional Placement, up to 208,506,800 IPO Shares are being offered under the Malaysia Public Offering and up to 140,635,000 IPO Shares are being offered under the Singapore Offering. Separate but concurrent to the Institutional Placement, the Malaysia Public Offering and the Singapore Offering, the Cornerstone Investors have agreed to purchase and/or subscribe for an aggregate of 1,387,500,000 IPO Shares. The IPO Shares may be re-allocated between the Institutional Placement, the Malaysia Public Offering and the Singapore Offering at the discretion of the Joint Global Coordinators, upon consultation with the Company and Selling Shareholder.

Investors subscribing for and/or purchasing IPO Shares in the Institutional Placement and/or Cornerstone Offering will be subscribing for and/or purchasing the IPO Shares at the Institutional Price denominated in SGD or RM, (converted based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) depending on whether the subscribed Shares are to be traded on Bursa Securities or SGX-ST upon Listing.

Investors subscribing for and/or purchasing IPO Shares in the Malaysia Public Offering will be subscribing for and/or purchasing the IPO Shares at the Final Retail Price (denominated in RM).

Investors subscribing for and/or purchasing IPO Shares in the Singapore Offering will be subscribing for and/or purchasing the IPO Shares at the Final Retail Price which will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM:SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date, as set out in the BNM website, subject to rounding) and (b) the Retail Price (based on the exchange rate of SGD1.00:RM2.42 as determined by our Directors in consultation with the Singapore Issue Managers and the Joint Global Coordinators.

Institutional Placement

If the Institutional Price is agreed between the Joint Global Coordinators, Joint Bookrunners, CIMB Investment Bank Berhad and Maybank Investment Bank Berhad (together with CIMB Investment Bank Berhad, the "Bumiputera Managers" and together with the Joint Global Coordinators and Joint Bookrunners, the "Managers") and the Company on the Price Determination Date, the Company, the Selling Shareholder, the Over-Allotment Option Provider, the Managers and Co-Lead Managers are expected to enter into an Institutional Placement Agreement on or about the Price Determination Date in connection with the Institutional Placement and the MITI Tranche, pursuant to which the Company is expected to agree to issue and sell and the Selling Shareholder is expected to agree to sell an aggregate of up to 498,010,200 IPO Shares and each of the Joint Global Coordinators, Joint Bookrunners and Co-Lead Managers (in respect of the Institutional Placement) and the Bumiputera Managers (in respect of the MITI Tranche) is expected to severally agree to subscribe and/or purchase, as the case may be, subject to certain conditions, the number of IPO Shares set forth opposite its name below:

Institutional Placement	Number of IPO Shares
CIMB Investment Bank Berhad	27,602,040
Deutsche Bank AG, Singapore Branch and Hong Kong Branch	27,602,040
Merrill Lynch (Singapore) Pte. Ltd.	27,602,040
Credit Suisse (Singapore) Pte. Ltd.	15,871,173
Goldman Sachs (Singapore) Pte.	15,871,173
DBS Bank Ltd.	11,040,816
Nomura Securities Singapore Pte. Ltd.	3,450,255
Oversea-Chinese Banking Corporation Limited	2,760,204
RHB Investment Bank Berhad	2,760,204
UBS AG, Singapore Branch	3,450,255
Total	138,010,200

MITI Tranche	Number of IPO Shares
CIMB Investment Bank Berhad	252,000,000
Maybank Investment Bank Berhad	108,000,000
Total	360,000,000

Pursuant to the Institutional Placement Agreement, each of the Joint Global Coordinators and Joint Bookrunners, has also agreed to subscribe and pay for and/or procure the subscription and payment of, subject to certain conditions, any Cornerstone Shares which the Cornerstone Investors fail to subscribe and pay for up to the number of Cornerstone Shares set forth opposite its name below:

Cornerstone Offering	Number of Cornerstone Shares
CIMB Investment Bank Berhad	304,945,055
Deutsche Bank AG, Singapore Branch and Hong Kong Branch	304,945,055
Merrill Lynch (Singapore) Pte. Ltd.	304,945,055
Credit Suisse (Singapore) Pte. Ltd.	175,343,407
Goldman Sachs (Singapore) Pte.	175,343,406
DBS Bank Ltd.	121,978,022
Total	1,387,500,000

Malaysia Public Offering

The Company, the Managing Underwriter and the Joint Underwriters have, in relation to the Malaysia Public Offering, entered into a retail underwriting agreement dated 21 June 2012 (the "Malaysia Underwriting Agreement") for the sale of up to 208,506,800 IPO Shares to the public in Malaysia. Subject to the terms and conditions in the Malaysia Underwriting Agreement, the Joint Underwriters agree, subject to certain conditions, to subscribe and/or procure the subscription for the maximum number of IPO Shares in the Malaysia Public Offering set forth opposite its name below:

Malaysia Public Offering	Number of Shares
CIMB Investment Bank Berhad	100,954,760
Maybank Investment Bank Berhad	62,552,040
AFFIN Investment Bank Berhad	5,000,000
Alliance Investment Bank Berhad	5,000,000
AmInvestment Bank Berhad	5,000,000
Bank Muamalat Malaysia Berhad	5,000,000
Hwang DBS Investment Bank Berhad	5,000,000
Kenaga Investment Bank Berhad	5,000,000
MIDF Amanah Investment Bank Berhad	5,000,000
OSK Investment Bank Berhad	5,000,000
RHB Investment Bank Berhad	5,000,000
Total	208,506,800

Singapore Offering

The Company, the Singapore Issue Managers and the Singapore Underwriters are expected to enter into a placement agreement on the Price Determination Date (the "Singapore Placement Agreement") pursuant to which the Company has agreed to issue and sell an aggregate of up to 36,000,000 IPO Shares to investors in Singapore and each of the Singapore Underwriters has severally agreed, with respect to the Singapore Placement, to procure the subscription and payment of, or failing which to subscribe and/or purchase, subject to certain conditions, the number of IPO Shares set forth opposite its name below:

Singapore Placement	Number of Shares
CIMB Securities (Singapore) Pte. Ltd.	14,400,000
DBS Bank Ltd	14,400,000
Maybank Kim Eng Securities Pte. Ltd.	1,800,000
Oversea-Chinese Banking Corporation Limited	1,800,000
Phillip Securities Pte Ltd.	1,800,000
United Overseas Bank Limited	1,800,000
Total	36,000,000

In addition, the Company, the Singapore Issue Managers and the Singapore Underwriters have entered into an offer agreement dated 29 June 2012 (the "Singapore Offer Agreement" and together with the Singapore Placement Agreement, the "Singapore Underwriting Agreements") for the sale of up to 104,635,000 IPO Shares to the public in Singapore and each of the Singapore Underwriters have severally agreed, with respect to the Singapore Public Offering to procure the subscription and payment of, or failing which to subscribe and pay for, subject to certain conditions, the number of IPO Shares set forth opposite its name below:

Singapore Public Offering	**Number of Shares**
CIMB Securities (Singapore) Pte. Ltd.	41,854,000
DBS Bank Ltd	41,854,000
Maybank Kim Eng Securities Pte. Ltd.	5,231,750
Oversea-Chinese Banking Corporation Limited	5,231,750
Phillip Securities Pte Ltd	5,231,750
United Overseas Bank Limited	5,231,750
Total	104,635,000

Each of the Institutional Placement Agreement, the Malaysia Underwriting Agreement and the Singapore Underwriting Agreements may be terminated at any time prior to delivery of the IPO Shares pursuant to the terms of the relevant agreement upon the occurrence of certain events, including, among other things, certain force majeure events. The listing of the Shares on the Main Market of Bursa Securities is conditional upon the completion of the Institutional Placement, the Malaysia Public Offering and the Cornerstone Offering only and not the completion of the Singapore Offering. The Singapore Offering and listing on the Main Board of the SGX-ST are conditional upon the completion of the Institutional Placement, the Malaysia Public Offering and the Cornerstone Offering. If for any reason we do not proceed with the Singapore Offering, (i) the Shares will not be listed on the Main Board of the SGX-ST, (ii) the Institutional Placement, the Malaysia Public Offering, and the Cornerstone Offering may still proceed, (iii) the Shares may only be listed on the Main Market of Bursa Securities, and (iv) any application monies received in respect of the Singapore Offering will be returned (without interest or any share of revenue or other benefit arising therefrom) to the applicants at their own risk within 14 Market Days after the Singapore Offering is discontinued.

In the event that any one or more of the Cornerstone Investors fail to subscribe for or pay for the Cornerstone Shares that they have committed to subscribe for, the Offering may still proceed and subscribers and purchasers of the IPO Shares will still be required to pay for and complete their subscriptions and purchases pursuant to the Offering. However, if Cornerstone Investors representing committed subscriptions of more than 300 million Cornerstone Shares in the aggregate fail to subscribe or pay for their relevant Cornerstone Shares, the Joint Global Coordinators, Joint Bookrunners and Co-Lead Managers are not required to perform their underwriting obligations under the Institutional Placement Agreement, in which event we may decide not to proceed with the Offering and to return all monies paid in respect of applications received or accepted at the applicants' own risk (without interest or any share of revenue or other benefit arising therefrom) in accordance with applicable laws and regulations.

The Managers, the Joint Underwriters and the Singapore Issue Managers and the Singapore Underwriters and Co-Lead Managers are offering the IPO Shares, subject to prior sale, when, as and if sold to and accepted by them, subject to certain conditions precedent, including the receipt by the Managers and Co-Lead Managers of officer's certificates and legal opinions and the Managers and Co-Lead Managers reserve the right to withdraw, cancel or modify such offers and to reject orders in whole or in part.

The Managers, the Joint Underwriters and Lead Manager and the Singapore Issue Managers and the Singapore Underwriters and Co-Lead Managers may make sub-placement arrangements in respect of their obligations under each of the Institutional Placement Agreement, the Malaysia Underwriting Agreement and the Singapore Underwriting Agreements, respectively, upon such terms and conditions as they deem fit.

The Company has agreed in the Malaysia Underwriting Agreement to indemnify the Malaysia Underwriters against certain liabilities. The Company has also agreed in the Singapore Underwriting Agreements to indemnify the Singapore Underwriters against certain liabilities. The indemnity under each of the Singapore Underwriting Agreements provides that where the indemnification is unavailable or insufficient, the Company shall contribute to the amount payable by the Singapore Underwriters as a result of any claims against them, in such proportion as is appropriate to reflect the relative benefits to be received by the Company and the Singapore Underwriters, as the case may be, from the Singapore Public Offering. Where such allocation is prohibited by applicable law then the Company and the Singapore Underwriters, as the case may be, shall contribute proportionately to reflect both the relative benefits and the relative fault of the Company and the Singapore Underwriters, as the case may be, in respect of, among other things, any misstatement or omission which resulted in such claims and any other relevant equitable considerations. The relative benefits to be received by the Company and the Singapore Underwriters pursuant to the Singapore Public Offering will be in the same proportion that the amount of total net proceeds from the offering of the Shares in the Singapore Public Offering (before deducting expenses) to be received by the Company bears to the amount of the total underwriting discounts and commissions to be received by the Singapore Underwriters in respect of the Singapore Public Offering. The relative fault is determined by reference to, among other things, whether the misstatement or omission relates to information supplied by the Company or the Singapore Underwriters, as the case may be and the respective parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misstatement or omission. No Singapore Underwriter is required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it under the Singapore Public Offering exceeds the amount of any damages which such Singapore Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. A similar contribution provision is contained in the Institutional Placement Agreement, save that the Selling Shareholder and the Over-Allotment Option Provider, which are parties to the Institutional Placement Agreement but not the Singapore Underwriting Agreements, have also agreed to such indemnity and contribution provisions in the Institutional Placement Agreement. No such contribution provision is contained in the Malaysia Underwriting Agreement.

In connection with the Global Offering, the Managers and Co-Lead Managers (or their respective affiliates) may, for their own accounts, enter into swaps or other derivative transactions relating to the Shares at the same time as the Global Offering or in secondary market transactions. As a result of such transactions (including hedging of such transactions), the Managers and Co-Lead Managers (or their respective affiliates) may hold long or short positions in such Shares or derivatives. These transactions may comprise a substantial portion of the Global Offering.

Expenses and Commission

As stipulated in the Malaysia Underwriting Agreement, we will pay our Joint Underwriters an underwriting fee of 1.6% of the amount equal to the Retail Price (denominated in RM) multiplied by the IPO Shares underwritten pursuant to the Malaysia Public Offering (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement). As stipulated in the Malaysia Underwriting Agreement, we will pay the Managing

Underwriter a managing underwriting commission of 0.15% of the amount equal to the Retail Price multiplied by the number IPO Shares underwritten in the Malaysia Public Offering.

As stipulated in the Singapore Offer Agreement, we will pay in respect of the Issue Shares our Singapore Underwriters a combined management and underwriting commission and selling concession of 1.6% of the amount equal to the Retail Price (denominated in SGD) multiplied by the IPO Shares underwritten pursuant to the Singapore Public Offering (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement). Also, we will pay in respect of the Issue Shares to the Singapore Issue Managers a praecipium of 0.15% of the amount equal to the Retail Price (as denominated in SGD) multiplied by the number IPO Shares underwritten in the Singapore Public Offering.

As expected to be stipulated in the Singapore Placement Agreement, we will pay in respect of the Issue Shares our Singapore Underwriters a combined management and underwriting commission and selling concession of 1.6% of the amount equal to the Final Retail Price (denominated in SGD) multipled by the IPO Shares underwritten pursuant to the Singapore Placement (subject to clawback and reallocation between the Malaysia Public Offering, Singapore Offering and the Institutional Placement). Also, we will pay in respect of the Issue Shares, the Singapore Issue Managers a praecipium of 0.15% of the amount equal to the Final Retail Price (as denominated in SGD) multiplied by the number of IPO Shares underwritten in the Singapore Placement.

As expected to be stipulated in the Institutional Placement Agreement, the Company in respect of the Issue Shares, the Selling Shareholder in respect of the Offer Shares, and the Over-Allotment Provider in respect of the additional Shares to be sold pursuant to the Over-Allotment Option, will pay the relevant Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers and Co-Lead Managers, a combined placement fee and selling commission of 1.6% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Institutional Placement (subject to clawback and reallocation between the Malaysia Public Offering and Singapore Offering and the Institutional Placement), the Cornerstone Offering and the additional Shares sold pursuant to the Over-Allotment Option.

The Company in respect of the Issue Shares, the Selling Shareholder in respect of the Offer Shares and the Over-Allotment Option Provider in respect of the additional Shares sold pursuant to the Over-Allotment Option, will pay the Joint Global Coordinators a praecipium of 0.15% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Global Institutional Tranche (excluding any unsubscribed Shares re-allocated from the Malaysia Public Offering and Singapore Offering to the Institutional Placement), and the Cornerstone Offering, and the additional Shares sold pursuant to the Over-Allotment Option. The Company in respect of the Issue Shares and the Selling Shareholder in respect of the Offer Shares will pay the Sole Coordinator of the MITI Tranche a praecipium of 0.15% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the MITI Tranche.

In addition, the Company in respect of the Issue Shares, the Selling Shareholder in respect of the Offer Shares and the Over-Allotment Option Provider in respect of the additional Shares to be sold pursuant to the Over-Allotment Option may pay to some or all of the Joint Global Coordinators and the Joint Bookrunners an incentive fee of up to 0.75% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Global Offering and the additional Shares to be sold pursuant to the Over-Allotment Option, at the discretion of the Company, the Selling Shareholder and the Over-Allotment Option Provider.

In respect of the sale of the IPO Shares under the Malaysia Public Offering, the Company will pay a brokerage fee of 1.0% of the Final Retail Price in respect of all successful applications which bear the stamp of the participating organization of Bursa Securities, members of the Association of Banks in Malaysia, Members of the Malaysian Investment Banking Association and/or the Issuing House.

In addition, purchasers of the IPO Shares in the Global Institutional Tranche and the Cornerstone Offering may be required to pay a brokerage fee (and if so required, such brokerage fee may be up to 1.0% of the Institutional Price) and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of purchase, at the time of settlement. Purchasers of the IPO Shares in the Singapore Placement may be required to pay a brokerage fee (and if so required, such brokerage fee may be up to 1.0% of the Final Retail Price) and applicable stamp duties, taxes and other similar charges (if any). Any profits earned from stabilisation activities will be distributed equally between the Over-Allotment Option Provider, on the one hand, and the Joint Global Coordinators and the Joint Bookrunners, on the other hand.

The expenses of the Company in connection with the initial public offering are approximately RM 188 million.

No Existing Public Market

Prior to the Global Offering, there has been no trading market for the Shares. The Offering Price will be determined after a bookbuilding process by agreement among the Company, the Selling Shareholder, the Joint Global Coordinators and Joint Bookrunners on or about the Price Determination Date, which date is subject to change. Among the factors considered in determining the Institutional Price or the Final Retail Price (as the case may be) of the IPO Shares will be the prevailing market conditions, current market valuations of publicly traded companies that the Company, the Selling Shareholder and the Joint Global Coordinators and Joint Bookrunners believe to be reasonably comparable to the Group, an assessment of our recent historical performance, estimates of our business potential and earnings prospects, the current state of our development and the current state of our industry and the economy as a whole.

Over-Allotment Option

In connection with the Global Offering, the Over-Allotment Option Provider has granted to the Stabilising Manager, on behalf of the syndicate, the Over-Allotment Option, exercisable in whole or in part by the Stabilising Manager on one or more occasions from the Listing Date until the earlier of (i) the date falling 30 days from the Listing Date on the Main Market of Bursa Securities and/or the Main Board of the SGX-ST, or (ii) the date when the Stabilising Manager or its appointed agents have bought, on Bursa Securities and/or the SGX-ST, an aggregate of up to 169,430,400 Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares), to undertake stabilising activities. The Over-Allotment Option is exercisable solely for the purpose of covering any over-allotments of the Shares in the Offering. The Selling Shareholder will pay the Managers a commission in respect of the additional Shares as described under "—Expenses and Commission". The exercise of the Over-Allotment Option will not affect the total number of issued and existing Shares. See "Description of Our Shares—Over-Allotment Option" for details of the Over-Allotment Option.

Share Lending Agreement

CIMB, as the Stabilising Manager, will enter into a share lending agreement on or about the Price Determination Date (the "Share Lending Agreement") with Pulau Memutik. (the **"Lender"**) to borrow up to 169,430,400 Shares to cover over-allotments, if any. Any Shares that may be borrowed by the

Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Lender either through the purchase of Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or through exercise of the Over-Allotment Option by the Stabilising Manager on behalf of itself and the Managers, or a combination of both.

Shares Are Not Being Registered Under the US Securities Act

The Managers and Co-Lead Managers, directly or through their affiliates, propose to offer the IPO Shares for resale in transactions not requiring registration under the US Securities Act or applicable state securities laws, including sales pursuant to Rule l44A and Regulation S. The Managers and Co-Lead Managers will not offer or sell the IPO Shares except:

- within the United States in reliance on Rule 144A to persons they reasonably believe to be QIBs; or

- outside the United States in offshore transactions (as defined in Regulation S).

Shares may not be offered, transferred or resold within the United States except under an exemption from the registration requirements of the US Securities Act or under a registration statement declared effective under the US Securities Act and in accordance with the restrictions under "Transfer Restrictions".

Intersyndicate Agreement

The Managers and Co-Lead Managers will enter into an intersyndicate agreement that provides for the coordination of their activities.

No Sales of Similar Securities and Lock-up

The Company

The Company has agreed that, without the prior written consent of the Joint Global Coordinators, it will not, during the period ending 180 days from the Listing Date, directly or indirectly, take any steps to issue new Shares or other securities that are convertible or exchangeable into Shares, nor to authorise the disposal of any Shares owned by the Company without the prior written consent of the Joint Global Coordinators. The foregoing restrictions do not apply to the Issue Shares issued and disposed by the Company in connection with (i) the Offering; (ii) the grant of any option (or allotment and/or issue of any Shares thereunder) to the eligible employees and directors of the Company and its subsidiaries under and pursuant to the terms of the Company's LTIP and/or EPP; or (iii) the allotment and/or issue of any Shares pursuant to the exercise by Aydinlar and/or Bagan Lalang in relation to the Aydinlar Option or the Bagan Lalang Option.

In addition, the Company also agrees, during the same period, not to take any steps to issue new Shares or other securities that are convertible or exchangeable into Shares, nor to authorise the disposal of any Shares owned by the Company without the prior written consent of the Joint Global Coordinators.

The Over-Allotment Option Provider and MBK Healthcare

Each of the Over-Allotment Option Provider and MBK Healthcare has agreed that, without the prior written consent of the Joint Global Coordinators, it will not, directly or indirectly, during the period ending 180 days from the Listing Date, (i) offer, pledge, sell, transfer, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Shares or warrants or any securities convertible into or exercisable or exchangeable for Shares or warrants; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part the economic consequence of ownership of Shares or warrants, whether any such transaction described in (i) or (ii) is to be settled by delivery of Shares or warrants of the Company or such other securities, in cash or otherwise.

In addition, each of the Over-Allotment Option Provider and MBK Healthcare also agrees, during the same period, not to take any steps to issue new Shares or other securities that are convertible or exchangeable into Shares, nor to authorise the disposal of any Shares owned by the Company without the prior written consent of the Joint Global Coordinators.

The Cornerstone Investors

Each of the Cornerstone Investors have agreed that, without the prior written consent of the Company and the Joint Global Coordinator(s), it will not, during the period ending 180 days from the Listing Date, (i) offer, pledge, sell, transfer, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Shares or warrants or any securities convertible into or exercisable or exchangeable for Shares or warrants; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part the economic consequence of ownership of Shares or warrants, whether any such transaction described in paragraph (i) or (ii) above is to be settled by delivery of Shares or warrants of the Company or such other securities, in cash or otherwise. The foregoing restrictions are not applicable in respect of subscriptions of less than 50 million Cornerstone Shares or the first 50 million Cornerstone Shares subscribed for by the relevant Cornerstone Investor pursuant to its Cornerstone Placement Agreement. Cornerstone Investors have agreed to purchase and/or subscribe for an aggregate of 1,387,500,000 IPO Shares of which 475,000,000 IPO Shares are subject to the lock-up provisions. See "Description of Our Shares—Cornerstone Offering" and "Details of the IPO —Underwriting, placement and lock-up arrangements—Lock-up arrangement" for further details of the Cornerstone Offering.

Price Stabilisation

In connection with the Global Offering, CIMB, as Stabilising Manager (or persons acting on behalf of the Stabilising Manager), on behalf of the Managers and Co-Lead Managers, may over-allot Shares or effect transactions that may stabilise or maintain the market price of the Shares at levels that might not otherwise prevail in the open market. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Shares. If the Stabilising Manager creates a short position in the Shares in connection with the Global Offering, that is, if it sells more than 169,430,400 IPO Shares, the Stabilising Manager may reduce that short position by purchasing Shares in the open market. The Stabilising Manager may also elect to reduce any short position by exercising all or part of the Over-Allotment Option described above. Purchases of a security to stabilise the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on Bursa Securities and/or the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the Malaysian Capital Markets and Services Act 2007 and Securities and Futures Act and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake any such stabilisation actions. The number of Shares that the Stabilising Manager may buy to undertake stabilising actions shall not exceed an aggregate of 169,430,400 Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares). Such transactions may commence on or after the Listing Date and, if commenced, may be discontinued at any time and shall not be effected after the earlier of (i) the date falling 30 days from the Listing Date, or (ii) the date when the Stabilising Manager or its appointed agent has bought, on Bursa Securities and the SGX-ST, an aggregate of up to 169,430,400 Shares, which is the lower of (i) the number of IPO Shares representing 15% of the total IPO Shares (including the Cornerstone Shares) and (ii) the number of IPO Shares representing 20% of the total IPO Shares (excluding the Cornerstone Shares), to undertake the stabilising activities.

None of the Company, the Selling Shareholder, Managers and Co-Lead Managers, makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Shares. In addition, none of the Company, the Selling Shareholder, Managers and Co-Lead Managers, makes any representation that the Stabilising Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Conflicts of Interest

It is the policy of our Group not to enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders. The Managers and the Co-Lead Managers, in the ordinary course of business, have provided and may in the future offer or provide services to or engage in any transactions (on its own account or otherwise) with any member of our Group, our respective affiliates, our shareholders, or any other entity or person. See "Interested Person Transactions and Potential Conflicts of Interests—Conflicts of Interests" for further details on conflicts of interests.

Selling Restrictions

Australia

This document and the offer is only made available in Australia to persons to whom a disclosure document is not required to be given under either Chapter 6D or Chapter 7.9 of the Australian Corporations Act 2001 (Cth) ("Corporations Act"). This document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of Australian Law, and is not required to, and does not, contain all the information which would be required in a disclosure document under Australian law. It is made available to you on the basis that you are a professional investor or sophisticated investor for the purposes of Chapter 6D, or a wholesale client for the purposes of Chapter 7.9, of the Corporations Act.

This document has not been and will not be lodged or registered with the Australian Securities and Investments Commission or ASX Limited or any other regulatory body or agency in Australia. The persons referred to in this document may not hold Australian Financial Services licences. No cooling off regime will apply to an acquisition of any interest in the Company.

This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest in the Company is appropriate in light of your own financial circumstances or seek professional advice.

It will be a term of the issue of the IPO Shares that an investor may not transfer or offer to transfer their interest to any person located in, or a resident of Australia for a period of 12 months after the issue, unless the person is a person to whom a disclosure document is not required to be given under either Chapter 6D or Chapter 7.9 of the Corporations Act.

Canada

The IPO Shares may not be offered or sold, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of any province or territory of Canada except pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which the offer or sale is made and only by a dealer duly registered under applicable laws in circumstances where an exemption from applicable registered dealer registration requirements is not available.

Cayman Islands

The IPO Shares are not offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands. However, Cayman Islands exempted and ordinary non-resident companies and certain other legal entities formed under the laws of but not resident in the Cayman Islands and engaged in business outside of the Cayman Islands may be permitted to acquire the IPO Shares.

Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The IPO Shares to which this document relates may be illiquid and/or subject to restrictions on their re-sale. Prospective purchasers of the IPO Shares offered should conduct their own due diligence on the IPO Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

EEA

In relation to each Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State"), an offer to the public of any IPO Shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any IPO Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Underwriters; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of IPO Shares shall result in a requirement for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any IPO Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any IPO Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Global Offering and any IPO Shares to be offered so as to enable an investor to decide to purchase any IPO Shares, as the same may be varied for that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any IPO Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, warranted and agreed to and with the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers and the Company that (i) the IPO Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers has been obtained to each such proposed offer or resale, or (ii) where IPO Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those IPO Shares to it is not treated under the Prospectus Directive as having been made to such persons. The Company, the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers and each of their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers of such fact in writing may, with the consent of the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers, be permitted to subscribe for or purchase IPO Shares.

The expression "Prospectus Directive" means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in each Relevant Member State (and amendments thereto, including the 2010 PD Amending Directive, to the extent that such directive has been implemented in the Relevant Member State), and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

France

This document is not being distributed in the context of an offer to the public of financial securities in France within the meaning of Article L.411-1 of the Code monétaire et financier, and has therefore not been submitted to the Autorité des marchés financiers for prior approval and clearance procedure.

Each of the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers and the Company represents and agrees that it has not offered or sold, and will not offer or sell, directly or indirectly, the shares to the public in France, and has not distributed or caused to be distributed, and will not distribute or cause to be distributed, to the public in France, this document or any other offering materials relating to the IPO Shares, and that such offers, sales and distributions have only been and shall only be made in France to: (i) providers of investment services relating to portfolio management for the account of third parties; and/or (ii) qualified investors (investisseurs qualifiés) other than individuals all as defined in and in accordance with Articles L.411-2, D.411-1 to D.411-3 of the Code monétaire et financier. Investors in France falling within the qualified investors or restricted circle of investors exemption may only participate in the issue of the IPO Shares for their own account in accordance with the conditions set out in Articles D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the Code monétaire et financier. The IPO Shares may only be issued, directly or indirectly, to the public in France in accordance with Articles L.411-1 to L.412-1 and L.621-8 to L.621-8-3 of the Code monétaire et financier.

The Netherlands

Each of the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell the IPO Shares in the Netherlands other than to qualified investors as defined in article 1:1 of the Act on Financial Supervision (*Wet op het financieel toezicht*).

Japan

The IPO Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). The Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers have represented and agreed that it will not offer or sell any IPO Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

PRC

The IPO Shares have not been offered or sold and will not be offered or sold in the PRC as part of the initial distribution of the IPO Shares. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC. The Company does not represent that this document may be lawfully distributed, or that any IPO Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which would permit a public offering of any IPO Shares or distribution of this document in the PRC. Accordingly, the IPO Shares are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations

Qatar

Each of the Joint Global Coordinators, Joint Bookrunners and Co-Lead Managers has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any IPO Shares in the State of Qatar except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

State of Kuwait

The IPO Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait ("Kuwait"). The distribution of this document and the offering, marking and sale of the IPO Shares in Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law No. 31 of 1990, and the various ministerial regulations issued pursuant thereto. Persons into whose possession this document comes are required by us and the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers to inform themselves about to observe such restrictions. Investors to Kuwait who approach us or any of the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers to obtain copies of this document are required by us and the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers to keep such document confidential and not to make copies thereof or distribute the same to any other person in Kuwait and are also required to observe the restrictions provided for in all jurisdictions with respect to offering, marketing and the sale of the IPO Shares.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the IPO Shares described herein. The IPO Shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the IPO Shares constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this document nor any other offering or marketing material relating to the IPO Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the IPO Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of IPO Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the offer of IPO Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of IPO Shares.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "Saudi Investor") who acquires IPO Shares pursuant to the Placement should note that the offer of IPO Shares is a limited offer under Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2–11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1–28-2008 dated August 18, 2008 (the "KSA Regulations"). Each initial purchaser has represented, warranted and agreed that the offer of the IPO Shares will not be directed at more than 60 Saudi Investors (excluding "Sophisticated Investors" (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor will be not less than Saudi Riyal (SR) 1 million or an equivalent amount. The offer of IPO Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the following restrictions on secondary market activity under Article 17 of the KSA Regulations:

(a) A Saudi Investor (the "transferor") who has acquired IPO Shares pursuant to a limited offer may not offer or sell IPO Shares to any person (referred to as a "transferee") unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and the price to be paid by the transferee for such IPO Shares equals or exceeds SR 1 million, or the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

(b) If the provisions of paragraph (a) cannot be fulfilled because the price of the IPO Shares being offered or sold to the transferee has declined since the date of the original limited offer, the transferor may offer or sell the IPO Shares to the transferee if their purchase price during the period of the original limited offer was equal to or exceeded SR 1 million.

(c) If the provisions of (a) and (b) cannot be fulfilled, the transferor may offer or sell IPO Shares if he/she sells his entire holding of IPO Shares to one transferee.

The provisions of paragraphs (a), (b) and (c) shall apply to all subsequent transferees of the IPO Shares.

United Arab Emirates

The IPO Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

United Kingdom

Each of the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers has represented, warranted and undertaken that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA") in connection with the issue or sale of any IPO Shares in circumstances in which section 21(1) of FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the IPO Shares in, from or otherwise involving the United Kingdom.

United States

This document is not an offer of securities for sale in the United States. The IPO Shares have not been registered under the U.S. Securities Act and may only be offered or sold within the United States in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act to persons who are QIBs, or outside the United States in offshore transactions (as defined in Regulation S) in compliance with Regulation S. See in "Transfer Restrictions" for a description of the transfer restrictions applicable to the IPO Shares.

General

Buyers of IPO Shares under the Institutional Placement may be required to pay stamp taxes and/or other charges in accordance with the laws and practice of the country of purchase in addition to the Institutional Price or Final Retail Price (as the case may be).

No action has been or will be taken in any jurisdiction that would permit a public offer of the IPO Shares being offered outside of Singapore or Malaysia as described herein, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the IPO Shares, in any jurisdiction where action for the purpose is required. Accordingly, the IPO Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the IPO Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

It is expected that delivery of the IPO Shares that will be settled though the facilities of the CDP (scripless) system or as the case may be the Malaysian CDS (scripless) system, on or about 23 July 2012.

Persons Intending to Purchase and/or Subscribe for the IPO Shares

Other than the Employees Provident Funds Board and the Kuwait Investment Authority, as of the date of registration of this Prospectus with the MAS, respectively, we are not aware of any person who intends to purchase more than 5.0% of either (i) the IPO Shares pursuant to the Global Offering or (ii) the aggregate number of IPO Shares pursuant to the Institutional Placement, the Malaysia Public Offering and the Singapore Offering. See "Description of Our Shares—Information on Cornerstone Investors—Employees Provident Fund Board" and "Description of Our Shares—Information on Cornerstone Investors—Kuwait Investment Authority" for further details.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of Shares.

The Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Shares may be offered for sale only (i) in the United States, to qualified institutional buyers within the meaning of, and in reliance on, Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; or (ii) outside the United States in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives.

Rule 144A Restrictions

Each purchaser of Shares within the United States, by its acceptance of this document and of Shares, will be deemed to have acknowledged, represented to and agreed with us and the Joint Global Coordinators as follows (terms used herein that are defined in Rule 144A or Regulation S under the U.S. Securities Act are used herein as defined therein):

(a) it (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is aware that the sale of Shares to it is being made in reliance on Rule 144A and (C) is acquiring such Shares for its own account or for the account of a qualified institutional buyer, as the case may be.

(b) it understands that the Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Shares have not been and will not be registered under the Securities Act and that, in the event of Shares sold in reliance on Rule 144A, if in the future it decides to offer, resell, pledge or otherwise transfer any of the Shares, such Shares may be offered, resold, pledged or otherwise transferred only (A)(i) to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the Securities Act (if available), or (iv) pursuant to another exemption from the Securities Act, or (B) pursuant to an effective registration statement under the U.S. Securities Act, and, in each of such cases, in accordance with any applicable securities laws of any state of the United States. It will, and each subsequent holder is required to, notify any subsequent purchaser of the Shares from it of the resale restrictions referred to in (A) above.

(c) it understands that such Shares (to the extent they are in certificated form), unless otherwise determined by us in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OR ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE

SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Regulation S Restrictions

Each purchaser of the Shares offered hereby in reliance on Regulation S will be deemed to have represented and agreed that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

(a) it is aware that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

(b) it is purchasing the Shares in an offshore transaction meeting the requirements of Regulation S; and

(c) it will not offer, sell, pledge or transfer any Shares, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

CLEARANCE AND SETTLEMENT

A letter of eligibility has been obtained from the SGX-ST for the listing of and quotation for our Shares and the IPO Shares. We have also received the approval of Bursa Securities for the listing of and quotation for our Shares on the Main Market of Bursa Securities. Upon admission to the Official List of the SGX-ST and the Main Market of Bursa Securities, we will have a dual listing on both the SGX-ST and the Bursa Securities, with the Bursa Securities being the primary exchange and the SGX-ST being the secondary exchange on which our Shares may be traded. Our Shares are quoted in Ringgit Malaysia on the Bursa Securities, and will be quoted in Singapore Dollars on the SGX-ST. For the purpose of trading on the SGX-ST, a board lot for our Shares will comprise 1,000 Shares.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

Trading, Settlement and Registration of Shares

Upon admission to the Official List of the SGX-ST and the Main Market of Bursa Securities, our Shares will be traded on the Bursa Securities and the SGX-ST. The principal register of the Shareholders will be maintained in Malaysia. There will not be a branch register in Singapore.

The procedures for the transfer of our Shares between the Bursa Securities and the SGX-ST and for the deposition and withdrawal of our Shares in the CDP system to facilitate trading on the Bursa Securities and the SGX-ST are set out in the following paragraphs.

Clearance and Settlement on the SGX-ST

Upon listing and quotation on the SGX-ST, Shares that are traded on the SGX-ST will be cleared and settled under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

The Shares that are traded on the SGX-ST will be scripless shares held by CDP's EAN in Malaysia for and on behalf of persons who maintain, either directly or through CDP depository agents, securities accounts with CDP. Under Malaysian law, CDP's EAN in Malaysia will be regarded as our Shareholder in respect of the Shares registered in their name. See "Clearance and Settlement—Voting Instructions" for more information about how investors who hold Shares through CDP are treated under Malaysian law. For the avoidance of doubt, CDP or its nominees, as bare trustees, will not be regarded as having an interest in our Shares in respect of the Shares registered in their respective names.

Transactions on the SGX-ST in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired and no transfer stamp duty is currently payable for the transfer of Shares that are settled on a book-entry basis.

Clearing Fees

A clearing fee for the trading of Shares on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of SGD600 per transaction. The clearing fee, instruments of transfer deposit fees and share withdrawal fee may be subject to GST at the prevailing rate (currently 7%).

Dealings in our Shares on the SGX-ST will be carried out in Singapore Dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of CDP depositors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Voting Instructions

Investors who subscribe for Shares in the Global Offering and those who trade Shares listed on the SGX-ST would hold their Shares through the CDP system. In connection with our Company's listing on the Main Board of the SGX-ST, CDP has appointed an EAN in Malaysia to hold Shares for CDP depositors. Under Malaysian law and our Articles of Association, CDP's EAN in Malaysia will be regarded as our Shareholder in respect of the Shares registered in its name, rather than CDP or the persons named as direct securities account holders and CDP depository agents in the Depository Register maintained by CDP. CDP depositors and CDP depository agents holding Shares through the CDP system may only be accorded rights such as voting rights, the right to appoint proxies, or the right to receive Shareholder circulars, proxy forms, annual reports, prospectuses and takeover documents, as may be accorded to CDP by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of securities accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time. No share certificate will be issued to the CDP depositors whose name appears in the Depository Register maintained by the CDP and such CDP depositor will not be deemed to be a member under the Malaysian Companies Act.

Under Malaysian law, the depositors whose name appears in the Depository Register maintained by the CDP are not members of our Company and therefore would be unable to exercise the rights of members of our Company. These rights may only be exercised by CDP's EAN in Malaysia, depositors whose name appears in the Depository Register maintained by the CDP and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded to CDP by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of securities accounts with CDP, the terms and conditions for CDP to act as depository for foreign securities as amended from time to time. Accordingly, investors who hold Shares through the CDP system will not be able to attend such Shareholders' meetings in their own names. CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint CDP depositors as proxies in accordance with Malaysian law and our Articles of Associations. CDP depositors who are not individuals can only be represented at a general meeting of our Company if their nominees are appointed by CDP's EAN as proxies. CDP depositors who are unable to personally attend general meetings of our Company may enable their nominees to attend as proxies of CDP's EAN's or forward their completed forms to our Share Transfer Agent in Singapore. Depositors that desire to personally attend Shareholders' meetings and exercise their voting rights under their names with regard to Shares that are credited to their Securities Account with CDP, will be required to transfer their Shares out of the CDP System in Singapore into the Bursa Depository system in Malaysia at their own costs. We will mail to depositors any notice of Shareholders' meeting.

Dealing of Shares on the SGX-ST

Dealing of Shares on the SGX-ST should be conducted with member companies of the SGX-ST by Shareholders who hold direct securities accounts with CDP or a sub-account with a CDP depository agent.

Dealings in, and transactions of, Shares on the SGX-ST will be due for settlement on the third Market Day following the date of transaction (T+3 or the "Settlement Date"). Shareholders should ensure that there are sufficient Shares in their direct securities account with CDP or their sub-account with a CDP depository agent on Settlement Date. Settlement of dealings through the CDP direct securities account or sub-account with a CDP depository agent shall be made in accordance with the Terms and Conditions for Operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities, as amended from time to time.

Mechanism for transmission of Shares from CDP in Singapore to Bursa Depository in Malaysia

Please note that in all cases of transmissions referred to in this section, there should not be any change or difference, or purported change or difference, in the beneficial owner of the Shares before and after transmission.

Please note that the transmission process and/or fees payable are subject to change. For further information or copies of the relevant transmission forms, please contact CDP (or your depository agent in Singapore, as the case may be) and the Malaysian ADA/ADM (as defined in the Rules of Bursa Depository) with which you have opened a CDS account. For the avoidance of doubt, all fees and taxes (including stamp duties) incurred during the transmission process shall be borne by the relevant Shareholder.

Transfer of Shares for trading from the SGX-ST to the Main Market of Bursa Securities will be carried out on a scripless basis. Investors whose Shares are not held through CDP and who wish to trade their Shares on the SGX-ST must first arrange to transfer their Shares into their own Singapore securities account with CDP. Such a Singapore securities account can be held by the investor either directly with CDP or indirectly through CDP depository agents in Singapore. Additionally, if you wish to trade your Shares on the Main Market of Bursa Securities, please follow the procedures set out below:

Please ensure that you have opened a CDS account with a Malaysian ADA/ADM before you (or your depository agent in Singapore, as the case may be) submit a transfer request to CDP.

You (whether directly or through your depository agent in Singapore, as the case may be) must notify the Malaysian ADA/ADM with which you have a CDS account to receive the transfer of your Shares from the foreign omnibus account which CDP maintains with its EAN in Malaysia. You should check with your relevant Malaysian ADA/ADM on the documents (if any) that you are required to submit to them.

Concurrently, you must do the following:

(i) if your Shares are held through a direct securities account with CDP, then you must submit the following to CDP:

    (a) CDP prescribed cross border transaction form; and

    (b) the applicable fees and expenses.

(ii) if your Shares are held through a securities sub-account with a CDP depository agent, then you must instruct your depository agent to submit the following to CDP:

(a) CDP prescribed cross border transaction form; and

(b) the applicable fees and expenses.

CDP will verify the documents and in the event of any discrepancy, CDP is entitled to return the relevant documents to you (or your depository agent in Singapore, as the case may be). CDP will instruct its EAN in Malaysia through Society for Worldwide Interbank Financial Telecommunication (SWIFT) messages to transfer the Shares, and CDP's EAN shall take all actions necessary to effect the transfer of Shares from the foreign omnibus account which CDP maintains with its EAN in Malaysia to your CDS account. After the transfer has been effected, a Notice of Crediting will be issued by CDP to you (or your depository agent in Singapore, as the case may be). You will also receive a confirmation on the transfer of Shares into your CDS account either from Bursa Depository or your Authorised Nominee who maintain your CDS account. You should note that the process to transfer your Shares from CDP will take at least one Market Day to complete. Shareholders are advised to ensure such transfers are completed before they trade in their Shares.

Mechanism for transmission of Shares from Bursa Depository in Malaysia to CDP in Singapore

Please note that in all cases of transmissions referred to in this section, there should not be any change or difference, or purported change or difference, in the beneficial owner of the Shares before and after transmission.

Please note that the transmission process and/or fees payable are subject to change. For further information or copies of the relevant transmission forms, please contact CDP (or your depository agent in Singapore, as the case may be) and the Malaysian ADA/ADM with which you have opened a CDS account. For the avoidance of doubt, all fees and taxes (including stamp duties) incurred during the transmission process shall be borne by the relevant shareholder.

If you wish to trade your Shares on the SGX-ST, please follow the procedures set out below:

Please ensure that you have opened a Securities Account with CDP or a sub-account with a depository agent in Singapore before a transfer request is submitted.

You (whether directly or through your Depository Agent, as the case may be) must provide instructions to the Malaysian ADA/ADM with which you have a CDS account to transfer your Shares from your CDS account to the foreign omnibus account which CDP maintains with its EAN in Malaysia. You should check with your relevant Malaysian ADA/ADM on the documents and fees that you are required to submit to them.

Concurrently, you must also do the following:

(i) if your Shares are held in your CDS account, then you (or your depository agent in Singapore, as the case may be) must submit the following to the CDP:

(a) CDP prescribed cross border transaction form; and

(b) the applicable fees and expenses.

(ii) if your Shares are held by an authorised nominee (the "Authorised Nominee") in an authorised nominee or exempt authorised nominee CDS account, then your Authorised Nominee must submit the following to CDP:

(a) CDP prescribed cross border transaction form; and

(b) the applicable fees and expenses.

In the event your Authorised Nominee is maintaining an omnibus CDS account with Bursa Depository, a confirmation is required from the Authorised Nominee stating that you are the beneficial owner of the Shares in that particular CDS account.

CDP will verify the documents and in the event of any discrepancy, CDP is entitled to return the relevant documents to you (or your depository agent in Singapore, as the case may be) or the Authorised Nominee, as the case may be. If the transfer request forms and the relevant documents are in order, the Malaysian ADA/ADM with which you have opened a CDS account shall take all actions necessary to effect the transfer of Shares from your CDS account to the foreign omnibus account which CDP maintains with its EAN in Malaysia. After the transfer has been effected, a Notice of Crediting will be issued by CDP to you (or your Depository Agent, as the case may be). You will also receive a confirmation on the transfer of Shares out of your CDS account either from Bursa Depository or the Authorised Nominee with whom you maintain your CDS account.

CDP holds all of its Shares in a foreign omnibus account through CDP's EAN in Malaysia. Hence, the transfer of Shares from an investor's CDS account to CDP's foreign omnibus account maintained by its EAN in Malaysia is regarded as an investment in foreign currency assets that would require shareholders to also comply with the Malaysian Foreign Exchange Administration Rules ("Foreign Exchange Rules") by Bank Negara Malaysia (the Central Bank of Malaysia) ("BNM"). Shareholders who are residents of Malaysia for the purposes of the Foreign Exchange Rules and subject to the prevailing Foreign Exchange Rules in relation to the permitted thresholds for investment abroad may be required to seek the prior approval of BNM should they wish to transfer their Shares from Bursa Securities for trading on the SGX-ST. There is no restriction for a non-resident of Malaysia (for the purpose of the Foreign Exchange Rules) to subscribe for or purchase securities in Malaysia. See Appendix J of this Prospectus for a brief description of the applicable foreign exchange rules of BNM. You are advised to seek further clarification from your own adviser.

You should note that transfer of Shares to CDP will take at least one Market Day to complete. Shareholders are advised to ensure such transfers are completed before they trade in our Shares.

If you do not have a direct CDP account or a sub-account with any CDP depository agent, you should:

(i) contact CDP if you would like to open a direct CDP account; or

(ii) contact a CDP depository agent if you would like to open a sub-account with a CDP depository agent.

Please refer to CDP's website (http://www.cdp.com.sg) should you require CDP's contact details.

Simultaneous offering

The Global Offering of up to 2,234.65 million IPO Shares will entail offerings in Malaysia to the Malaysian public and in Singapore to the Singaporean public. The public investors in Malaysia will be eligible for the IPO Shares to be traded on the Main Market of Bursa Securities while the public investors in Singapore will be eligible for the IPO Shares to be traded on the Main Board of the SGX-ST upon Listing, subject to the approval of the relevant regulatory authorities in Malaysia and/or Singapore.

All existing Shares which are listed and traded on both Bursa Securities and the SGX-ST will be fully fungible. Shareholders will be able to transfer their Shares from Bursa Securities to CDP and vice-versa upon completion of the Listing in accordance with the mechanism for transmission of Shares set out in "Mechanism for transmission of Shares from Bursa Depository in Malaysia to CDP in Singapore" and "Mechanism for transmission of Shares from CDP in Singapore to Bursa Depository in Malaysia" above.

"Fungibility"above means that holders of our Shares which are traded on the Bursa Securities and deposited with CDS, may transfer their Shares for listing and quotation on the SGX-ST, to CDP's foreign omnibus account which is maintained through its EAN in Malaysia; and holders of the Shares which are traded on the SGX-ST and deposited with CDP's foreign omnibus account which is maintained through its EAN in Malaysia, may transfer their Shares for listing and quotation on the Bursa Securities, which will be deposited with CDS.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares, whilst trading of shares of companies listed on the SGX-ST is normally done in "board lots" of 1,000 shares. Based on the above, investors who desire to trade less than 100 shares on Bursa Securities or 1,000 shares on the SGX-ST shall trade under the odd lot board.

CDP holds all of its Shares in a foreign omnibus account through CDP's EAN in Malaysia. Hence, the transfer of Shares from an investor's CDS account to CDP's foreign omnibus account maintained by its EAN in Malaysia is regarded as an investment in foreign currency assets that would require shareholders to also comply with the Malaysian Foreign Exchange Rules by BNM. Shareholders who are residents of Malaysia for the purposes of the Foreign Exchange Rules and subject to the prevailing Foreign Exchange Rules in relation to the permitted thresholds for investment abroad may be required to seek the prior approval of BNM should they wish to transfer their Shares from Bursa Securities to CDP for trading on the SGX-ST. There is no restriction for a non-resident of Malaysia (for the purpose of the Foreign Exchange Rules) to subscribe for or purchase securities in Malaysia. See Appendix J of this Prospectus for a brief description of the applicable foreign exchange rules of BNM. You are advised to seek further clarification from your own adviser.

LEGAL MATTERS

Certain legal matters in connection with the Global Offering will be passed upon for us by Kadir, Andri & Partners with respect to matters of Malaysian law, by Allen & Gledhill LLP with respect to matters of Singapore law, by Linklaters Singapore Pte. Ltd. with respect to certain matters of English law and U.S. federal securities and New York laws, by Akol Avukatlik Burosu with respect to matters of Turkish law, by King & Wood Mallesons with respect to matters of PRC law and by Talwar Thakore & Associates with respect to matters of Indian law.

Certain legal matters in connection with the Global Offering will be passed upon for the Selling Shareholder by Maples & Calder with respect to matters of Cayman law, and by Freshfields Bruckhaus Deringer, with respect to certain matters of English law.

Certain legal matters in connection with the Global Offering will be passed upon for the Underwriters by Albar & Partners with respect to matters of Malaysian law, by WongPartnership LLP with respect to matters of Singapore law, and by Allen & Overy LLP with respect to certain matters of English law and U.S. federal securities and New York laws.

Each of Kadir, Andri & Partners, Allen & Gledhill LLP, Linklaters Singapore Pte. Ltd., Akol Avukatlik Burosu, Talwar Thakore & Associates, Albar & Partners, WongPartnership LLP, Allen & Overy LLP and Freshfields Bruckhaus Deringer does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and each of them makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

INDEPENDENT AUDITORS

The combined financial statements of IHH Healthcare Berhad as at 31 December 2009, 2010 and 2011 and 31 March 2012, and for each of the years in the three year period then 31 December 2009, 2010 and 2011 and for the three month period ended 31 March 2012, included in this Prospectus, have been audited by KPMG, Chartered Accountants, as stated in their reports appearing in this Prospectus.

The consolidated financial statements of Acibadem Holding as at 31 December 2009, 2010 and 2011 and 31 March 2012, and for each of the years in the three year period then 31 December 2009, 2010 and 2011 and for the three month period ended 31 March 2012, included in this Prospectus, have been audited by KPMG, Akis Bagimisiz Denetim ve SMMM A.S. Public Accountants and Certified Public Accountants, as stated in their reports appearing in this Prospectus.

The pro forma financial information, comprising the pro forma income statements for the years ended 31 December 2009, 2010 and 2011 and for the three month period ended 31 March 2011 and 2012, the pro forma statement of financial position as at 31 December 2011 and 31 March 2012 and the pro forma cash flows for the year ended 31 December 2011 and for the three month period ended 31 March 2012, included in this Prospectus, have been reported on by KPMG, Chartered Accountants, in accordance with professional standards for a review of such information.

The above reports were prepared for the purpose of incorporation in this Prospectus.

EXPERTS

Frost & Sullivan (S) Pte Ltd, 100 Beach Road, #29-01/11, Shaw Tower, Singapore 189702, was responsible for preparing the section which was prepared for the purpose of incorporation in this Prospectus attributable to it in "Industry Overview". The report has been prepared for the purpose of incorporation in this Prospectus. See "Statutory and Other General Information—Consents".

IMRB Millward Brown International Pte. Ltd., 50 Scotts Road #04-01, Singapore 228242, was responsible for the statements attributable to them in the sections "Our Business—Our competitive strengths—Highly recognised brands with a reputation for clinical excellence" and "Our Business—Marketing—PPL".

King & Wood Mallesons Lawyers, 16-18/F, One ICC, Shanghai ICC, 999 Huai Hai Road (M), Shanghai 200031, PRC, our legal advisor as to PRC law, was responsible for advising on the statements attributable to them in the sections "Risk Factors—Risks related to our countries of operation—If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties" and "Risk Factors—Risks related to our countries of operation—We may face risks arising from certain trust arrangements".

Material Background Information

Except as otherwise set out below, as of the date of this Prospectus, none of our Directors or Key Management has:

(i) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(ii) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(iii) any unsatisfied judgment against him;

(iv) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(v) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(vi) at any time during the last 10 years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(vii) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(viii) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(ix) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(x) ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

    (a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and

(xi) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Lim Cheok Peng, Ahmad Shahizam Bin Mohd Shariff, Tan See Haw and Tan See Leng were directors (in the case of Tan See Haw, alternate director to Lim Cheok Peng) of Fomema Sdn Bhd ("FSB") from September 2005 till January 2011, July 2008 to November 2011, April 2009 till January 2011 and March 2007 till February 2008/April 2009 till January 2011 respectively. On 24 May 2010, Malaysian Anti-Corruption Commission ("MACC") issued an Order pursuant to Section 30(1)(b) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") to FSB in connection with an anonymous complaint letter dated 1 March 2010 addressed to the MACC, alleging irregularities in the laboratory panel allocation. The MACC had subsequently via its letter dated 9 July 2010 advised FSB that based on the investigation carried out, there was no evidence of wrong doing pursuant to the MACC Act on the part of any party and the investigation had been ceased.

Tan See Haw was appointed as a Director of AIT International Ltd, a company incorporated in Hong Kong, on 19 January 2000 and resigned on 9 Dec 2008. AIT International trades in integrated circuits and was a joint borrower in a loan facility. During the semi-conductor cycle down turn that occurred between 2001 and late 2004, various loan covenants were breached resulting in receivers being appointed on 12 November 2004. Upon successful restructuring of the loan, AIT International was taken out of the receivership three months later on 8 February 2005. AIT International Ltd is now renamed as Unisem International (HK) Ltd.

On 13 January 2010, Asiasons Capital Limited ("ACL"), Asiasons Investments Managers, Inc and Dato' Mohammed Azlan Bin Hashim received a supervisory warning from the MAS and a warning from the Accounting and Corporate Regulatory Authority ("ACRA") to comply with applicable laws and regulatory requirements relating to the timely disclosure of change in substantial shareholdings. The background leading up to such warnings is as follows: On 19 October 2009, Annica Holdings Limited, a company listed on the SGX-ST ("Annica"), announced that it had issued 23 million shares in Annica to ACL as part consideration for the acquisition of certain assets. ACL did not receive any statement from CDP to conclusively state that the shares were actually issued or allotted. On 21 October 2009, calls were made to CDP to enquire on the statement. ACL was informed by CDP to await the statement which would be sent through the mail. On 3 November 2009, email correspondence was sent to CDP to enquire about the statement. On 4 November 2009, CDP replied that the statement "might be loss (sic) in mail". On 5 November 2009, the Company received the securities movement notification for October 2009 from CDP. ACL immediately notified Annica on the same day of its substantial shareholding in Annica. ACL had required confirmation from CDP that the relevant shares had been credited into its CDP account before it could notify Annica of its substantial shareholding in Annica as there was no other means of verifying the fact that the relevant shares had in fact been issued to ACL.

Sources

We have included the information from this source in its proper form and context in this Prospectus. Bloomberg Finance L.P. has not provided its consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information cited and attributed to it, in this Prospectus, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Selling Shareholder, the Over-Allotment Option Provider and the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters have taken reasonable actions to ensure that the information has been reproduced in their proper form and context, we, the Selling Shareholder, the Over-Allotment Option Provider, the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Joint Underwriters, Singapore Issue Managers and Singapore Underwriters or any other party have not conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

Share Capital

No securities will be allotted or issued or offered on the basis of this Prospectus later than six months after the date of this Prospectus.

We have no founder, management or deferred shares. As at the date of this Prospectus, we have one class of shares in our Company, namely ordinary shares of RM1.00 each, all of which rank equally with one another.

Save as disclosed in "Description of Our Shares—Particulars of the IPO" and "—Material Contracts", no shares, stocks or debentures of our Group have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the two years from the date of this Prospectus.

Save as disclosed below, as at 1 June 2012, none of the share capital of our Company or any of our subsidiaries is under option, or agreed conditionally or unconditionally to be put under option:

(i) Shareholders' agreement dated 8 February 2012 and supplemental letters dated 31 May 2012 and 13 June 2012 respectively among IHT Yatirimlari, Symphony, our Company and IHH Turkey ("Shareholders' Agreement with Symphony")

(a) As at 1 June 2012, Symphony held 152,500,000 shares in IHH Turkey, representing approximately 6.2% equity interest in IHH Turkey, while our Company indirectly held the remaining 93.8% equity interest via its wholly-owned subsidiary, IHT Yatirimlari. Under the Shareholders' Agreement with Symphony, Symphony must convert all of its IHH Turkey shares into IHH Shares if there is an IPO by our Company ("Symphony Conversion"). Further, all of the IHH Shares to be issued to Symphony pursuant to the Symphony Conversion cannot be sold, transferred or disposed of for a period of 180 days from the date on which they were allotted and issued to Symphony. See "—Material Contracts" for further details of the share acquisition agreement that was entered into.

(b) The Symphony Conversion is to be implemented by way of our Company (or another subsidiary of our Company) acquiring Symphony's shares in IHH Turkey, in consideration of which our Company will issue IHH Shares to Symphony. The conversion ratio is based on Symphony's original acquisition price for its shares in IHH Turkey of RM1.00 per share and the Institutional Price to be determined for IHH Shares under our Company's IPO.

(c) Completion of the Symphony Conversion is to occur on the seventh business day after the Institutional Price is determined, or such longer period as may be prescribed by the applicable listing rules, but in any case no later than the date of the listing of IHH Shares.

(d) For so long as Symphony holds IHH Turkey shares, if Acibadem Holding or any Acibadem Holding's subsidiary were to undertake any IPO, based on a structure and terms to be agreed, Symphony would be entitled to convert its IHH Turkey shares into shares in the corporation that is undertaking the IPO.

The illustrative number of IHH Shares to be issued to Symphony pursuant to the Symphony Conversion is set out and taken into consideration in the enlarged share capital upon Listing in "Description of Our Shares—Share Capital".

(e) A supplemental letter of agreement was executed by the parties on 31 May 2012 in relation to the Shareholders' Agreement with Symphony to fix the applicable foreign exchange rate between RM and USD to be USD1.0000: RM3.1760, and to confirm that Symphony's share of costs in relation to the Shareholders' Agreement with Symphony shall be no more than USD650,000.00.

(f) A supplemental letter of agreement dated 13 June 2012 was executed among IHH, Symphony, IHT Yatirimlari and IHH Turkey to confirm that the number of IHH Shares to be allotted and issued to Symphony pursuant to the Symphony Conversion shall be not more than 57,851,648 IHH Shares. In the event that the number of IHH Shares to which Symphony is entitled pursuant to the Symphony Conversion as computed under the Shareholders' Agreement with Symphony exceeds 57,851,648 IHH Shares, IHH shall pay to Symphony, in cash, an amount in USD which is equal to the total acquisition consideration paid by Symphony under the share acquisition agreement dated 1 February 2012 (subject to Symphony's effective share of costs) less the value of the shares. This arrangement is to apply only on an IPO occurring on or prior to a certain agreed date.

(ii) Shareholders' agreement dated 23 December 2011 among our Company, IHH Turkey, Bagan Lalang and Mehmet Ali Aydinlar ("Shareholders' Agreement with Aydinlar and Bagan Lalang")

(a) Under this shareholders' agreement, Aydinlar have, in consideration of mutual covenants, an option to convert such number of Acibadem Holding shares that they hold representing up to 15.0% equity interest in Acibadem Holding into IHH Shares during a period of ten years from 24 January 2012, but provided that such option is exercisable only after an IPO of our Company (i.e. this has been defined in this Prospectus as the "Aydinlar Option").

(b) Pursuant to any exercise of the Aydinlar Option, this conversion is implemented by way of our Company (or another subsidiary of our Company) acquiring Aydinlar's Acibadem Holding shares in consideration of which our Company will issue new IHH Shares to Aydinlar.

(c) The relative prices at which the Acibadem Holding shares are sold, and the IHH Shares are issued, are based on the fair market values of these shares at the time the option is exercised, which are to be assessed by international investment banks to be engaged by each of Aydinlar and our Company.

(d) If the fair market valuation will result in a conversion of Aydinlar's Acibadem Holding shares into 20.0% or more above the number of IHH Shares that the Acibadem Holding shares would have converted into using the consideration paid under the Share Purchase Agreement referred to in "—Material Contracts" (and not the fair market value) ("Original Number"), then the number of IHH Shares which the Acibadem Holding shares will convert into will be not more than 20.0% above the Original Number. Likewise if the conversion would result in 20.0% or more below the Original Number, then the number of IHH Shares converted into will be not less than 20.0% below the Original Number. Based on the consideration paid, as well as taking into account the said 20.0% minimum and maximum threshold, the total number of IHH Shares that may be issued to Aydinlar upon full exercise of the Aydinlar Option would be between 203,681,288 and 305,521,933 IHH Shares.

(e) Subject to Aydinlar exercising the Aydinlar Option, Bagan Lalang will have a similar option to convert such number of Acibadem Holding shares held by Bagan Lalang, representing up to 15.0% equity in Acibadem Holding, into new IHH Shares (i.e. this is defined in this Prospectus as the "Bagan Lalang Option"). Bagan Lalang's right of conversion shall mirror exactly the Aydinlar Option and shall be subject to identical terms and procedures. Consequently, the total number of IHH Shares that may be issued to Bagan Lalang upon full exercise of the Bagan Lalang Option would be between 203,681,288 and 305,521,933 IHH Shares.

In relation to the above, the SC has via its letter dated 10 April 2012 granted a waiver such that the conversion price of the Aydinlar Option and the Bagan Lalang Option can be determined at fair value after the Listing and the issue price of IHH Shares under the Aydinlar Option may be lower than the price of the ordinary shares offered to the general public under the IPO.

(iii) Shareholders' agreement dated 22 March 2010 among Mitsui, Parkway Healthcare and Gleneagles CRC ("Shareholders' Agreement with Mitsui")

(a) Mitsui currently holds 49.0% of the issued share capital of Gleneagles CRC. Under the Shareholders' Agreement with Mitsui, Gleneagles CRC has granted Mitsui an option to subscribe for such number of additional ordinary shares in the capital of Gleneagles CRC so as to increase Mitsui's shareholding percentage by two per cent. ("Mitsui Option Shares") to result in Mitsui's shareholding percentage reaching 51.0%. ("Mitsui Option").

(b) Mitsui may at any time, no later than 31 December 2012, issue a written notice ("Mitsui Initial Option Notice") to Gleneagles CRC expressing its desire to consider exercising the Mitsui Option and requiring the Company to allot and issue the Mitsui Option Shares.

(c) Upon the delivery of the Mitsui Initial Option Notice to Gleneagles CRC, Mitsui and Parkway Healthcare shall agree on a firm of independent valuers or auditors ("Appointed Valuer") to be appointed to determine the fair value of each Mitsui Option Share as at the date of the Mitsui Initial Option Notice (the "Mitsui Option Price").

(d) Upon the delivery of the fair value certificate by the Appointed Valuer to Gleneagles CRC and Mitsui, Mitsui shall be entitled (but not obliged) to exercise the Mitsui Option and subscribe for the Mitsui Option Shares at the Mitsui Option Price no later than 31 December 2012.

(iv) LTIP and EPP

We have in place, four separate LTIP plans established at our Company, Parkway, Pantai and IMU Health, under which we may grant LTIP units to eligible employees of the Company, Parkway, Pantai, IMU Health and their subsidiaries. We also have in place the EPP under which we may grant EPP options to eligible employees and Directors of our Group. Further information on the LTIP and EPP is set out in "—Employee Share Schemes" and Appendix K.

Our Company did not have any outstanding convertible debt securities as at 1 June 2012.

Except as disclosed in the Prospectus, and save as provided under the Articles of Association of our Company, Articles of Association of our subsidiaries and the Malaysian Companies Act, there are no other restrictions upon the holding or voting or transfer of the Share or the interests in any of the Company or its subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

Extracts of our Articles of Association

The following is extracted from our Company's Articles of Association and is qualified in its entirety by the remainder of the provisions of our Company's Articles of Association and by applicable law. The Malaysian Companies Act differs from laws applicable to Singapore companies and their shareholders. A comparison of certain aspects of the Malaysian Companies Act applicable to us and the Singapore Companies Act applicable to Singapore companies is set out in Appendix E of this Prospectus.

"Act" means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

"Authorised Nominee" shall have the meaning ascribed thereto in the Central Depositories Act.

"beneficial owner" shall have the meaning ascribed thereto in the Central Depositories Act.

"Central Depository" means the Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) and its successors-in-title.

"Central Depositories Act" means the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

"Chief Executive" means the chief executive of the Company (as defined in accordance with the Listing Requirements).

"Deposited Security" means a security, as defined in Section 2 of the Central Depositories Act, in the Company standing to the credit of a Securities Account and includes security in a Securities Account that is in suspense.

"Depositor" means a holder of a Securities Account established by the Central Depository (as defined in Section 2 of the Central Depositories Act) or a Foreign Depository (as the case may be).

"Exchange" means Bursa Malaysia Securities Berhad (Company No. 635998-W) and if not inconsistent with the subject or context, includes the Foreign Exchange.

"Exempt Authorised Nominee" means an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

"Foreign Depository" means a foreign depository which operates a system for the deposit and custody of securities or which permits or facilitates the settlement of securities transactions or dealings in securities without the physical delivery of scrips which includes the Central Depository (Pte) Limited, a company incorporated in Singapore and a wholly-owned subsidiary of the SGX-ST.

“Foreign Exchange” means SGX-ST (for so long as the securities of the Company are listed on the SGX-ST) and/or such other foreign stock exchange on which the Company is listed or approved to be listed.

“Malaysian Register” means the register of securities holders maintained by the registrar of the Company in Malaysia.

“member” or “holder of shares” or any like expression means any person for the time being holding shares in the Company and whose name appears in the Register including Depositors, who may be authorised nominees, whose names appear on the Record of Depositors except Central Depository or Foreign Depository or their nominees in their capacity as bare trustees.

“Office” means the registered office for the time being of the Company.

“Omnibus Account” means Securities Account in which ordinary shares of the Company are held in the Company for multiple beneficial owners in one securities account and includes a Securities Account maintained by an Exempt Authorised Nominee on behalf of a Foreign Depository.

“Principal Registrar” means such person, firm or company which for the time being maintains in Malaysia the Malaysian Register.

“Record of Depositors” means the record provided by the Central Depository to the Company or its Principal Registrar or its issuing house under Chapter 24.0 of the Rules and/or a record provided by the Foreign Depository to the Company.

“Register” means the Register of Members to be kept pursuant to the Act.

“Relevant Regulations” means all relevant rules, regulations, guidelines, directives, practice notes, guidance notes passed or issued by any relevant authority for the time being in force applying to or affecting the Company and/or these Articles which shall include where applicable, the Act, the Central Depositories Act, the Listing Requirements, the Rules and the legislation, rules, regulations, guidelines, directives, practice notes, guidance notes and other requirements of such Exchange in respect of which the securities of the Company are listed or traded, as the case may be.

“Rules” means the Rules of the Central Depository as defined under the Central Depositories Act and any modification or amendment thereto for the time being in force.

“Seal” means the Common Seal of the Company.

“Secretary” means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

“Securities Account” means an account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealings in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.

“securities” means securities as defined in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.

“share seal” means the share seal of the Company.

“shares” means shares in the Company.

(i) Changes in capital and variation of class rights

Article 24

Class rights may be modified

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

Article 25

Rights on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith.

(ii) Remuneration of the Directors

Article 121

Remuneration of Directors

The total fees of all of the Directors in any year shall be a fixed sum as shall from time to time be determined by an ordinary resolution of the Company in general meeting) such fee shall be divisible (unless such resolution otherwise provide) among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office provided always that —

(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) remuneration payable to Director(s) holding executive position(s) under Article 150(1) may not include a commission on or percentage of turnover;

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

(d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 122

Payment of expenses

The Directors (including alternate Directors) shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other thing required of him as a Director of the Company.

(1) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

(2) In case the Company be wound up for any reason or purpose whatsoever, a Director shall not be entitled to any compensation in respect of the period which elapses between the date of the said winding up and the date at which, if the Company has not been wound up, he would have retired under these Articles.

(3) Any extra remuneration payable to:

(a) a non-executive Director shall not include a commission on or percentage of profits or turnover; and

(b) an executive Director shall not include a commission on or percentage of turnover.

(iii) Retirement/non-retirement of directors under age limit requirement

Article 113

Rotation and retirement of Directors

(i) At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third (1/3) of the Directors 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, shall retire from office PROVIDED ALWAYS that all Directors including Managing Director and Executive Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. An election of Directors shall take place each year.

(ii) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between Directors of equal seniority, the Directors to retire shall (unless they otherwise agree among themselves) be determined from among them by lot.

Article 114

Nomination of Director

A retiring Director shall be eligible for election but save as aforesaid and as provided in Article 120 no person shall be eligible for election as a Director at a general meeting unless a notice of intention to propose his election signed by a member or a notice of his consent signed by himself have been left at the Office not more than thirty (30) days nor less than eleven (11) clear days before the date appointed for the meeting PROVIDED THAT in the case of a person recommended by the Directors for election nine (9) clear days' notice only shall be necessary and notice of every candidate for election shall be served on all members at least seven (7) days prior to the meeting at which the election is to take place.

Article 115

When retiring Directors deemed re-elected

The Company at the meeting at which a Director retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for re election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected a Director in place of the retiring Director, the retiring Director shall, if offering himself for re election and not being disqualified under the Act from holding office as a Director, be deemed to have been re elected. A retiring Director shall be deemed to have offered himself for re election unless he has given notice in writing to the Company that he is unwilling to be re elected.

Article 116

Election of Directors

At a general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it.

Article 123

Vacation of office of Directors

The office of Director shall, ipso facto, be vacated:

(a) upon his attainment of the age of seventy (70) years, subject to Section 129 of the Act;

(b) if he ceases to be a Director by virtue of the Act;

(c) if he resigns his office by notice in writing under his hand sent to or left at the Office;

(d) if he shall have been absent from more than fifty per cent. (50%) of the total meetings of the Directors held from the date of his election or appointment to the end of any financial year of the Company (whether or not an alternate Director appointed by him attended) unless otherwise exempted by the Exchange on application by the Company;

(e) if he has absented himself (such absence not being absence with leave or by arrangement with the Directors) from meeting of the Directors for three (3) months in succession, and his alternate Director (if any) shall not during such period have attended in his stead and the Directors pass a resolution that he has by reason of such absence vacated office;

(f) if he is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;

(g) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;

(h) if he has a Receiving Order in Bankruptcy made against him or makes any arrangement or composition with his creditors generally or becomes bankrupt; or

(i) if he becomes prohibited from being a Director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act.

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

(iv) Transfer of securities

Article 50

Form of transfer

Subject to the provisions of the Act, these Articles, the Central Depositories Act, the Rules and the Relevant Regulations with respect to transfer of Deposited Security, all transfers of securities which are shares:–

(a) to the Central Depository or Foreign Depository or their nominee company which includes a Foreign Depositor's Exempt Authorised Nominee; or

(b) prior to the listing and quotation of such shares on the Exchange,

may be effected by transfer in writing in the usual common form conforming with the Act and/or approved by the relevant Exchange, or such form as may from time to time, be prescribed under the Act or approved by the relevant Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law.

Article 51

Transfer of shares by book entry

(1) The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security.

(2) The transfer of the beneficial ownership of any Deposited Security held by any Exempt Authorised Nominee which includes a Foreign Depository's Exempt Authorised Nominee which does not result in a transfer of any Deposited Security to or from an Omnibus Account shall be in accordance with the Relevant Regulations of such Foreign Exchange.

(3) There shall be no restriction on the transfer of fully paid up ordinary shares of the Company, except where required by law or the Relevant Regulations or where the Company has a lien and no shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 52

Transmission of securities

(1) Subject to the Relevant Regulations, where

(a) the securities of the Company are listed on another stock exchange other than Bursa Malaysia Securities Berhad; and

(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request by a Depositor, permit a transmission of securities held by such Depositor from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange to the Malaysian Register and vice versa provided that there shall be no change in the ownership of such securities.

(2) The procedures for the transmission of the securities between Bursa Securities and any other Foreign Exchange and for the deposition and withdrawal of any securities held under scripless system shall be determined by the Directors from time to time subject to and in accordance with the Relevant Regulations.

Article 53

Obligation to keep register not affected

Nothing in these Articles shall be construed as affecting the obligation of the Company to keep a Register under Section 158 of the Act and a register of option holders under Section 68A of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of Depositors who are deemed to be members or option holders.

Article 54

Instrument of transfer

Subject to the Central Depositories Act, the Rules, and the Relevant Regulations, the instrument of transfer of any Deposited Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register.

Article 55

Restriction of transfer

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 56

Maintenance of Register of Transfers

Subject to Article 51, the Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Subject to the provisions of the Central Depositories Act and the Rules and Article 51, particulars of the transfer or transmission of every share shall be entered into the Register of Transfers.

Article 57

Directors may refuse registration of transfer

(1) With the exception of transfer in favour of the Central Depository and Foreign Depository or their nominee company (including a Foreign Depository's Exempt Authorised Nominee) as the case may be, save and except for the transfer of beneficial ownership of any Deposited Security held through an Omnibus Account and subject to the provisions of the Central Depositories Act and the Rules and the Relevant Regulations, as the case may be, the Directors may subject to Article 57(4) decline to register the transfer of any share (not being a fully paid share) and may also decline to register the transfer of any share on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.

(2) The Directors may decline to recognise any instrument of transfer, unless:

(a) Such fee, not exceeding Ringgit Malaysia Three (RM3.00) per transfer or such other sum as may be permitted by the relevant Exchange plus the amount of the proper duty with which each certificate is chargeable under the law relating to stamp duty as the Directors may from time to time require, is paid to the Company in respect thereof; and

(b) The instrument of transfer together with the certificate is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.

(3) All instruments of transfers which are registered may be retained by the Company or its agents.

(4) Subject to the provisions of the Central Depositories Act and the Rules, if the Directors decline to register any transfer they shall within ten (10) Market Days (or such other period specified by the relevant Exchange) after the date on which the transfer was lodged with the Company send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud.

Article 58

Suspension of registration of transfers

The registration of transfers (including transfers of beneficial ownership of any Deposited Security held through an Omnibus Account) may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least ten (10) Market Days' (or such other period specified by the relevant Exchange) notice of such closure shall be given to the relevant Exchange stating the period and the purpose or purposes of such closure. In relation to such closure, the Company shall give notice, in accordance with the Central Depositories Act and the Rules and the Relevant Regulations, as the case may be, to the Central Depository or Foreign Depository, as the case may be, to enable the Central Depository or Foreign Depository to prepare the appropriate Record of Depositors.

Article 59

Record of Depositors by Central Depository or Foreign Depository considered final

A Record of Depositors requested by the Company as at any specified date and/or for any specified purpose when made available to the Company may be treated as the final Record of Depositors as at the specified date and/or for the specified purpose. If there shall be more than one Record of Depositors made available to the Company as at the specified date and/or for the specified purpose then the later or last of the Record of Depositors prepared by the Central Depository and Foreign Depository shall be the final Record of Depositors as at the specified date and/or for the specified purpose.

Article 60

Fees

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee, not exceeding three Ringgit Malaysia (RM3.00) or such other sum as may be permitted from time to time by the Exchange.

Article 61

Recognition of renunciation of allotment

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person or otherwise.

Article 62

Limitation of liability

Neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to, the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

(v) Voting and borrowing powers of Directors

Article 140

Directors may elect and remove a Chairman

The Directors may from time to time elect and remove a Chairman and Deputy Chairman of the Board and determine the period for which they are respectively to hold the office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Directors but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of such meeting.

Article 142

Director not to vote in contracts where he has an interest

No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company.

Article 144

Voting right of Director

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in the manner as aforesaid, if he may be, or is about to be appointed, a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

Article 126

Power of Directors to borrow money

(1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

(2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

(3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

(vi) Voting rights of members

Article 83

Entitlement to appoint proxy

In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a member or has any qualification but subject to the following provisions:

(1) Save as provided in Articles 83(2) or 83 (3), each member shall not be permitted to appoint more than two (2) proxies.

(2) Notwithstanding Article 83(1), any member who is also a substantial shareholder (within the meaning of the Act) per the Record of Depositors referred to in Article 81 shall be entitled to appoint up to (but not more than) five (5) proxies.

(3) Notwithstanding Articles 83(1) and 83 (2), where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account including on behalf of a Foreign Depository, there is no limit to the number of proxies which such Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

(4) Where an appointed proxy is a corporation, such proxy may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative.

Article 100

Rights and votes of members

(1) Subject to Article 59 and any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member

shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

(2) Subject to Article 59 and any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a member or a member's representative, or holder of preference shares or proxy or attorney shall have one (1) vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him upon which all calls due to the Company have been paid. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way. Subject to Article 59, the shares held or represented by a member present in person or by proxy or by attorney or other duly authorised representative shall, in relation to shares of a Depositor, be the number of shares entered against his name in the Record of Depositors.

(3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

Article 101

Corporation as member

Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or any class of members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

Article 102

Votes of joint-holders

Subject to the Central Depositories Act and the Rules, when there are joint-holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the person whose name stands first on the Register or to the extent permissible under the Central Depositories Act and the Rules, on the Record of Depositors in respect of such share shall alone be entitled to vote in respect thereof.

Article 103

Votes of lunatic, deceased or bankrupt member

(1) Any member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person as properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney

Provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than four (4) days before the time appointed for holding the meeting.

(2) The legal personal representative of a deceased member or the person entitled under the Articles 55 to 58 to any share in consequence of the death of bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that forty eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.

(vii) Limitation on the right to hold securities and/or exercise voting rights

Article 103

<u>Votes of lunatic, deceased or bankrupt member</u>

(1) Any member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person as properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney Provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than four (4) days before the time appointed for holding the meeting.

(2) The legal personal representative of a deceased member or the person entitled under the Articles 55 to 58 to any share in consequence of the death of bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that forty eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.

Article 104

<u>Member in default</u>

No member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.

Article 105

<u>Time for objection</u>

No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman at the meeting, whose decision shall be final and conclusive.

(viii) Rights, preferences and restrictions attached to each class of shares

Article 9

Preference Shares

Without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by special resolution determine provided that:–

(a) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meetings of the Company but shall only have the right to vote in each of the following circumstances:–

   (i) where the dividend or part of the dividend on such shares is in arrears for more than six (6) months;

   (ii) on a proposal to reduce the Company's share capital;

   (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

   (iv) on a proposal that affects rights attached to the share;

   (v) on a proposal to wind up the Company; and

   (vi) during the winding up of the Company.

(b) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 23 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith; and

(c) subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

(ix) Modification of rights

Article 23

Modification of Rights

Notwithstanding Article 24 hereof, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

(x) Issue of Shares/changes in capital

Article 5

Issue of Shares

(1) Subject to the Act, the Central Depositories Act, the Rules, the Relevant Regulations and the conditions, restrictions and limitations expressed in these Articles, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT:

(a) no shares shall be issued at a discount except in compliance with the provision of the Act;

(b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;

(c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;

(d) subject to Article 5(2) and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, no shares or convertible securities shall be issued if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue; and

(e) every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and in relation to a Director such approval shall specifically detail the amount of shares or options to be issued to such Director.

(2) Except in the case of an issue of securities on a pro rata basis to members, there shall be no issue of shares or other convertible securities to a Director, major shareholder, Chief Executive or person connected with any Director, major shareholder or Chief Executive (hereinafter referred to as "the interested Director", "interested major shareholder", "interested Chief Executive" or "interested person connected with a Director, major shareholder or Chief Executive" respectively) unless members in general meeting have approved of the specific allotment to be made to such aforesaid persons.

(3) In a meeting to obtain members' approval in respect of the allotment referred to under Article 5(2) above:–

(a) the interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive; and

(b) where the allotment is in favour of an interested person connected with a Director, major shareholder or Chief Executive, such Director, major shareholder or Chief Executive, must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested Chief Executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.

(4) The notice of the meeting referred to in Article 5(2) shall state:–

(a) the number of securities to be allotted;

(b) the purpose of allotment;

(c) the precise terms and conditions of the allotment; and

(d) the identity and relationship of the persons connected with the Director, major shareholder or Chief Executive, where applicable.

(5) In this Article, "major shareholder", "Chief Executive" and "person connected with any Director, major shareholder or Chief Executive" shall have the meaning ascribed thereto in the Listing Requirements.

(xi) Dividends

Article 158

Payment of dividends

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.

Article 159

Amount of dividends

No dividend shall be paid otherwise than out of profits of the Company and no dividend shall be paid in excess of the amount recommended by the Directors.

Article 160

Apportionment of dividend

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends is paid, but amount paid up on a share in advance of calls shall not, whilst carrying interest pursuant to Article 33, be treated for the purpose of this Article as paid up in the share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

Article 161

Interim dividends

The Directors may if they think fit from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non preferential rights. The Directors may also pay half yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

Payment procedure

Any dividend or other sum payable by the Company in respect of a share may be paid by cheque or warrant sent by post addressed to the holder at his registered address as it appears in the Register or the Record of Depositors or, in the case of joint-holders, addressed to the holder whose name stands first in the Register in respect of the share at his address as it appears in the Register or addressed to such person and at such address as the holder or joint-holders may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to the nominated bank account of the holder or person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall, unless the holder or joint-holders otherwise direct, be made payable to the order of the holder whose name stands first in the Register or the Record of Depositors in respect of the shares, and shall be sent at his or their risk and payment of the cheque or warrant or telegraphic transfer or electronic transfer or remittance by a bank on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may (subject to any restrictions which may be imposed by applicable law) be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint-holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint-holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were the holder of the share and his address noted in the Register or Record of Depositors were his registered address.

(xii) Winding-up

Article 188

Distribution of assets in specie

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Article 189

Proportionate distribution of assets

Save that this Article shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply:–

(1) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively; and

(2) If in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.

(xiii) Calls

Article 26

Directors may make calls

The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), and not by the conditions of allotment made payable at fixed times. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least seven (7) days notice specifying the time or times and place of payment.

(xiv) Acquisition of own Shares

Article 11

Purchase of Own Shares

(1) Subject to the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the relevant Exchange in respect of securities admitted to listing, and any rules or guidelines of any relevant authorities (whether having the force of law or not) issued from time to time whether by way of amendment, modification or variation or in replacement thereof (other than any such of the rules and guidelines compliance with which by the Company is waived by the relevant authority), the Company may purchase or may enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares.

(2) Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

Take-Overs

Singapore

As our Company is incorporated outside Singapore and does not maintain a primary listing in Singapore, it is not subject to the provisions of the Singapore Code on Take-Overs and Mergers.

Malaysia

The Malaysian Code on Take-Overs and Mergers 2010 (the "Code") and the practice notes issued thereunder is a piece of subsidiary legislation containing the principles and rules governing the conduct of all persons or parties involved in a take-over offer, merger or compulsory acquisition that may delay, deter or prevent a future take-over or change in control of our Company. An acquirer who has obtained control in our Company or held more than 33.0% but not more than 50.0% of the voting shares or voting rights of our Company and such acquirer acquires in any period of six months more than 2.0% of the voting shares or voting rights of our Company is required to make a mandatory general offer for the remaining shares in our Company in accordance with the Code.

An "acquirer" is defined in the CMSA to include two or more persons who, acting in concert with one another, acquire or propose to acquire control in our Company. "Persons acting in concert" is defined in the CMSA as a reference to persons who, pursuant to an agreement, arrangement or understanding, co-operate to:

(i) acquire jointly, or severally voting shares of a company for the purpose of obtaining control of that company; or

(ii) act jointly or severally for the purpose of exercising control over a company.

In determining whether a person is acting in concert, the SC will take into consideration the following circumstances:

(i) Shareholders voting together on a resolution in one general meeting or more;

(ii) Shareholders acquiring Shares or rights without each other's knowledge but subsequently coming together to co-operate as a group; or

(iii) Shareholders making a requisition or attempting to make a requisition for board control.

The CMSA presumes certain persons to be acting in concert unless the contrary is established. The list of persons presumed to be acting in concert in the CMSA extends to:

(i) a corporation and its related and associate corporations;

(ii) a corporation and any of its directors, or the parent, child, brother or sister of any of its directors, or the spouse of any such director or any such relative, or any related trust;

(iii) a corporation and any pension fund established by it;

(iv) a person and any investment company, unit trust or other fund whose investments such person manages on a discretionary basis;

(v) a financial adviser and its client which is a corporation, where the financial adviser manages on a discretionary basis the corporation's funds and has ten per cent. or more of the voting shares in that corporation;

(vi) a person who owns or controls twenty per centum or more of the voting shares of a corporation falling within paragraph (a) and any parent, child, brother or sister of such relative, or any related trusts together with one or more persons falling within paragraph (i); and

(vii) such other category of persons as may be prescribed in the Code.

For the takeover offer obligation, the CDP's EAN or its nominee will be exempted from making the above mandatory general offer on the premise that it is a mere bare trustee and is holding the Shares for the beneficial owners. Thus, if you acquire the Shares in our Company and reach the aforesaid threshold, the mandatory general obligation may be triggered upon you.

Deposited securities and rights of depositors

Upon Listing, we will have a dual listing on both the Main Market of Bursa Securities and the Main Board of the SGX-ST, with the Main Market of Bursa Securities being the primary exchange and the SGX-ST being the secondary exchange on which our Shares may be traded.

In Malaysia, as our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our share registrar will be required to transfer the Shares to the MOF, and such Shares may not be traded on Bursa Securities.

Under the Malaysian Companies Act, persons whose names are entered into the register of members of a company are members with rights to attend and vote at general meetings. However, the SICDA provides that depositors whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares traded on the Main Market of Bursa Securities shall be deemed to be members of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

In connection with our Company's listing on the Main Board of the SGX-ST, CDP has appointed an EAN in Malaysia to hold Shares for CDP depositors. As we will also be dual listed on the Main Board of the SGX-ST, such of our Shares which are proposed to be listed and traded on the Main Board of the SGX-ST, will be deposited with CDP's EAN in Malaysia. No share certificate will be issued to CDP depositors whose name appears in the Depository Register maintained by the CDP and CDP depositor will not be deemed to be a member under the Malaysian Companies Act. CDP's EAN shall be the registered member of our Company in respect of such Shares.

Under Malaysian law, the depositors whose name appears in the Depository Register maintained by the CDP are not members of our Company and therefore would be unable to exercise the rights of members of our Company. These rights may only be exercised by CDP's EAN in Malaysia, depositors whose name appears in the Depository Register maintained by the CDP and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded to CDP by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of securities accounts with CDP, the terms and conditions for CDP to act as depository for foreign securities as amended from time to time. Accordingly, investors who hold Shares through the CDP system will not be able to attend such shareholders' meetings in their own names. CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint CDP depositors who wish to attend and vote at general meetings of our Company as proxies in accordance with Malaysian law and our Articles of Associations. CDP depositors who are not individuals can only be represented at a general meeting of our Company if their nominees are appointed by CDP's EAN as proxies. CDP depositors who are unable to personally attend general meetings of our Company may enable their nominees to attend as proxies of CDP's EAN's or forward their completed proxy forms to our Share Transfer Agent in Singapore. Depositors that desire to personally attend Shareholders' meetings and exercise their voting rights under their names with regard to the Shares that are credited to their Securities Account with CDP, will be required to transfer their Shares out of the CDP System in Singapore into the Bursa Depository system in Malaysia at their own costs.

See "Risk Factors—Risks related to our Global Offering". CDP depositors whose names appear in the Depository Register maintained by the CDP will not be recognised as members of our Company and will have a limited ability to attend general meetings.

Employee Share Schemes

As at the date of this Prospectus, save as disclosed below, there is no other scheme involving the employees of our Group in the share capital of our Group.

(i) LTIP

Pursuant to four separate LTIPs that were established at our Company, Pantai, Parkway and IMU Health which came into effect on 25 March 2011, 24 May 2011, 21 April 2011 and 25 August 2011 respectively, we will make available new Shares, not exceeding in aggregate 2.0% of the issued and paid-up share capital of our Company during the subsistence of the LTIPs, to be issued under the LTIP units granted under the respective LTIP to eligible employees of our Company, Pantai, Parkway and IMU Health and their subsidiaries. Shareholders' approval of our Company for the LTIPs was obtained on 25 March 2011. The terms of the LTIP bye law was amended on 18 April 2012 which was duly approved by the shareholder of our Company on 18 April 2012.

The purpose of the LTIP is to promote ownership of Shares by eligible employees of our Group, thereby motivating eligible employees to work towards achieving our business goals and objectives and to enable us to attract, retain and reward eligible employees of our Group by permitting them to participate in our Company's growth. The LTIP units are granted to eligible employees in lieu of a cash bonus as part of the annual compensation package and upon the meeting of performance targets based on the annual financial results of our Group.

Our Board (or the board of Pantai, Parkway and IMU Health administering their respective LTIP) may, at its discretion, within the duration of the LTIPs, grant LTIP units to eligible employees of our Group. Since August 2011, the LTIPs as established by Pantai and Parkway have been administered by PPL.

Eligible employees do not have to pay for the LTIP units granted to them. LTIP units granted in each year will vest over a three year period in equal proportions each year. If our Company is successfully listed within three years from 25 March 2011, all LTIP units that have been granted and vested in the eligible employees must be surrendered to our Company and our Company shall issue and allot new Shares to the eligible employees on the basis of one Share for each LTIP unit. In respect of all LTIP units that have been granted and vested in the eligible employees before Listing, the eligible employees must surrender these LTIP units to our Company before the closing of the Malaysia Public Offering and Singapore Offering, and such Shares will be listed at the same time as the IPO Shares.

Each LTIP unit issued by our Company at any time until 31 December 2011 is based on the value of RM2.00. Each LTIP unit issued by our Company at any time from 1 January 2012 up to the date immediately preceding the Listing is based on the value of RM2.50. This rate will increase by ten per cent. over each subsequent 12 month period based on a compounded annual growth rate. Each LTIP unit issued by the Company at any time on or after the date of Listing is based on the value to be determined by the Board which shall be based on the five day weighted average market price of the underlying shares at the time the LTIP unit is issued, with a discount of not more than ten per cent.

As at 31 December 2011, a total of 11,898,305 LTIP units have been granted to the eligible employees of our Group and were still outstanding, whereby these LTIP units were granted on a base value of RM2.00 for each LTIP unit. During the period between 1 January 2012 and 31 March 2012, an additional 11,975,230 LTIP units have been granted to the eligible employees of our Group, whereby these LTIP units were granted on a base value of RM2.50 for each LTIP unit.

Out of the 11,898,305 LTIP units that have been granted and were still outstanding as at 31 December 2011, a total of 3,786,299 would be vested in the relevant eligible employees prior to the Listing, based on the LTIP records as at 31 March 2012. These LTIP units vested prior to the Listing will be surrendered to our Company and a total of 3,786,299 new Shares in our Company will be allotted and issued to such relevant eligible employees prior to the Listing. The balance of 7,743,650 LTIP units that have not been vested in the relevant eligible employees and not cancelled based on the LTIP records as at 31 March 2012 will vest in them according to the vesting dates as prescribed on the certificate of LTIP units held by such eligible employees. No LTIP units that have been granted to the eligible employees of our Group during the period between 1 January 2012 and 1 June 2012 have been vested yet in such eligible employees prior to the date of this Prospectus.

Subsequent to the Listing, all LTIP units that have been vested must be surrendered to the Company and the Company shall allot and issue to the eligible employee such number of Shares on the basis of one Share for each LTIP unit. There is no price payable by the eligible employee for the allotment and issuance of our Shares to them upon surrender of the LTIP units.

No Shares will be allotted and issued upon the surrender of LTIP units if such allotment and issuance would violate any provision of applicable laws, nor shall any LTIP units be exercisable more than ten years from the date on which the LTIP becomes effective. No LTIP unit shall be granted pursuant to the LTIP on or after the tenth anniversary of the date on which the LTIP becomes effective.

The new Shares issued upon the surrender of LTIP units will be subjected to all the provisions of our Memorandum and Articles of Association and shall rank equally in all respects with the then existing issued Shares, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new Shares.

Our Board may make or provide for such adjustments in the LTIP units and/or the number of Shares covered by outstanding LTIP units as our Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of the participants that would otherwise result from any of the following events:

(a) occurrence of Listing whereby the bye laws for the LTIPs are required to comply with the minimum requirements of the applicable laws as are applicable at the time of Listing;

(b) share dividend, share split, combination of shares, recapitalisation, rights issue, capital reduction or other change in the capital structure of our Company;

(c) merger, consolidation, separation, reorganisation, partial or complete liquidation; or

(d) other corporate transaction or event having an effect similar to any of the foregoing.

Moreover, in the event of any such transaction or event, our Board, in its discretion, subject to applicable laws, may provide in substitution for any or all outstanding LTIP units under the LTIP such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all LTIP units so replaced. Any adjustments made shall be confirmed in writing by the external auditor of our Company. However, no adjustment is required to be made in the LTIP units and/or the number of Shares covered by outstanding LTIP units where the alteration in the capital structure of our Company arises from:

(a) the issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business, as part of initial public offering, or pursuant to a special issue;

(b) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;

(c) a private placement or restricted issue of new Shares or other securities by our Company;

(d) the implementation of a Share buyback arrangement by our Company under the Malaysian Companies Act;

(e) any issue of warrants, convertible loan stocks or other instruments by our Company that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or

(f) any issue of new Shares upon the surrender of LTIP units granted under the LTIP.

All LTIP units granted but not yet vested in the eligible employees shall be cancelled with immediate effect if their employment is terminated, or if they are disqualified by law from holding their position in our Group, or if they resign from their employment in our Group, or if they become bankrupt or if our Company is liquidated. However, our Board may, in its discretion, approve the vesting of the LTIP units in the eligible employees whose services have been terminated from our Group by reason of, amongst others, retirement, redundancy, ill-health, injury, physical or mental disability.

In relation to the above, the SC has via its letter dated 10 April 2012 granted a waiver such that the conversion price of the LTIP units which have been granted before the IPO may be lower than the price of the ordinary shares offered to the general public under the IPO.

(ii) EPP

Pursuant to the EPP which came into effect on 25 March 2011, we will make available new Shares not exceeding 5.0% of the issued and paid-up share capital of our Company during the subsistence of the EPP, to be issued under the EPP options granted under the EPP to the eligible employees (including any Director (executive and non-executive)) of our Group whom our Board expects will contribute to the growth of our Group. Shareholders' approval of our Company for the EPP was obtained on 25 March 2011. The terms of the EPP bye law were amended on 18 April 2012, which was duly approved by the shareholder of our Company on 18 April 2012.

The primary objective of the EPP is to give selected employees of our Group whom our Board expects will contribute to the growth of our Group the opportunity to participate in the equity of our Company. The EPP seeks to retain key executives of the Group and to draw their commitment by incentivising them through equity participation. The EPP also aims to align the interest of the selected employees with that of the shareholder of our Company. The EPP is also designed to be a key attraction to potential executives to join our Group.

Our Board, may at its discretion, within the duration of the EPP offer EPP options to eligible employees of our Group. An eligible employee who accepts the offer of EPP options shall pay a sum of RM0.01 for each EPP option granted at any time from 25 March 2011 until the date immediately preceding the Listing or 0.5% of the exercise price of the EPP option at the time of the date of the offer for each option granted by the Company at any time on or after the Listing, as consideration for acceptance of that offer. EPP options that have been granted shall vest over a four year period, with two-thirds of the grant to be vested in equal proportions on a yearly basis on each anniversary of the date of grant over such four year period; and the remainder one-third to be vested in equal proportions on the same basis upon the Group meeting the performance target for each grant.

As at 31 December 2011, our Company has made a total grant of 149,000,000 EPP options to the relevant eligible employees. Out of the 149,000,000 EPP options, a total of 36,999,998 would be vested in the relevant eligible employees prior to the Listing, based on the EPP records as at 31 March 2012. The balance of 112,000,002 will be vested post-Listing subject to and in accordance with the manner aforesaid. Subject to the EPP options having vested in the eligible employees in the manner aforesaid and the Listing occurring within the period of five years from 31 March 2011 or such other longer period as our Board may decide at its discretion, the EPP options may be exercised at any time from the date falling six months from the Listing until the expiry of the duration of the EPP or such later date as the Board may determine in its sole discretion. The duration of the EPP is from 25 March 2011 until the expiry of five years thereafter.

To exercise an EPP option, the eligible employees shall give written notice to our Company specifying the number of our Shares to be subscribed for and provide sufficient payment of the exercise price. The exercise price as at the initial grant of the EPP option shall be RM2.00 only, which shall be increased by 10.0% over each subsequent 12 month-period based on a CAGR calculation. The exercise price shall be adjusted in such manner as our Board may determine at its discretion if dividends declared at our Company exceeds 3.0% per annum. Notwithstanding the above, the exercise price of the EPP options granted by the Company at any time on or after the date of Listing shall be determined by our Board which shall be based on the five day weighted average market price of the underlying shares at the time the EPP option is granted, with a discount of not more than ten per cent.

No EPP option shall be exercisable if the exercise of such EPP option would violate any provision of applicable laws, nor shall any EPP option be exercisable upon expiry of the EPP.

The new Shares issued upon the conversion of an EPP option will be subjected to all the provisions of our Memorandum and Articles of Association and shall rank equally in all respects with the then existing issued Shares, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new Shares.

Our Board may make or provide for such adjustments in the EPP options, the exercise price and/or the number of Shares covered by outstanding EPP options as our Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of the participants that would otherwise result from any of the following events:

(a) occurrence of Listing whereby the bye laws for the EPP are required to comply with the minimum requirements of the applicable laws as are applicable at the time of Listing;

(b) share dividend, share split, combination of shares, recapitalisation, rights issue, capital reduction or other change in the capital structure of our Company;

(c) merger, consolidation, separation, reorganisation, partial or complete liquidation; or

(d) other corporate transaction or event having an effect similar to any of the foregoing.

Moreover, in the event of any such transaction or event, our Board, in its discretion, subject to applicable laws, may provide in substitution for any or all outstanding EPP options under this EPP such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all EPP options so replaced. Any adjustments made shall be confirmed in writing by the external auditor of our Company. However, no adjustment is required to be made in the EPP options, the exercise price and/or the number of Shares covered by outstanding EPP options where the alteration in the capital structure of our Company arises from:

(a) the issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business, as part of initial public offering, or pursuant to a special issue;

(b) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;

(c) a private placement or restricted issue of new Shares or other securities by our Company;

(d) the implementation of a Share buyback arrangement by our Company under the Malaysian Companies Act;

(e) any issue of warrants, convertible loan stocks or other instruments by our Company that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or

(f) any issue of new Shares upon the exercise of EPP options granted under the EPP.

All unexercised EPP options held by the eligible employees shall be cancelled with immediate effect if their employment is terminated, or if they are disqualified by law from holding their position in our Group, or if they resign from their employment in our Group, or if they become bankrupt or if our Company is liquidated. However, our Board may, in its discretion, approve the vesting or exercise of the EPP options by the eligible employees whose services have been terminated from our Group by reason of, amongst others, retirement, redundancy, ill-health, injury, physical or mental disability.

In relation to the above, the SC has via its letter dated 10 April 2012 granted a waiver such that the exercise price of the EPP options which have been granted before the IPO may be lower than the price of the ordinary shares offered to the general public under the IPO.

General

- Save as disclosed in "Use of Proceeds", "—Employee Share Schemes" and "—Share Capital", no commissions, discounts, brokerages or other special terms have been paid or is payable by our Group within the two years immediately preceding 1 June 2012 for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any share in or debenture of our Group and in connection with the issue or sale of any capital of our Group and no Director or promoter or expert is or are entitled to receive any such payment or any other benefits.

- During the last financial year and the current financial period up to 1 June 2012, there were no:

  (i) public take-over offers by third parties in respect of our Company's securities; and

  (ii) public take-over offers by our Company and our subsidiaries in respect of any other company's securities, save for the mandatory tender offer of Acibadem by Almond (Turkey), details of which are set out in "Corporate Structure and History—History and Development".

- Except as disclosed in "Interested Person Transactions and Potential Conflicts of Interest—Declarations by advisers on conflicts of interest", no expert is employed on a contingent basis by our Company or any of our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company including an interest in the success of the Listing.

- Except as disclosed in "Corporate Information" "Details of the IPO" and "Interested Person Transactions and Potential Conflicts of Interest—Declarations by advisers on conflicts of interest", our Company does not have any material relationship with the Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers, Singapore Underwriters or any other financial adviser in relation to the Listing.

- Except as disclosed under "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and barring any unforeseen circumstances, our Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our revenue, profitability, liquidity or capital resources, or that would cause our financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition.

- Save as disclosed under the (i) audited combined financial statements of our Group for the three years ended 31 December 2009, 2010 and 2011 — Events subsequent to the end of the reporting period; (ii) audited condensed interim combined financial statements for the three months ended 31 March 2012; (iii) audited financial statements of Acibadem Holding for the three years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2012; and (iv) the unaudited pro forma financial information of the Group for the three years ended 31 December 2009, 2010, 2011 and three months ended 31 March 2012, our Directors are not aware of any event which has occurred since 31 March 2012 and up to 1 June 2012, which may have a material effect on the financial position and results of our Group.

- Save as disclosed in "—Extracts of our Articles of Association", there is no limitation on the right to own securities, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on such securities, which is imposed by Malaysian law or by the constituent documents of the Company.

Material contracts

Save as disclosed below, our Company and our subsidiaries have not entered into any material contract with parties outside of our Group which is not in the ordinary course of our Group's business during the two years preceding 15 June 2012, being the date of lodgment of this Prospectus with the MAS:

(i) In respect of the investment by Mitsui in our Company, the following agreements were entered into:

(a) A share acquisition agreement dated 7 April 2011 was entered into among Pulau Memutik, our Company and Mitsui, pursuant to which Mitsui agreed to acquire a total of 1,650,000,000 IHH Shares representing 30.0% of the issued and paid-up share capital of our Company as at the date of the share acquisition agreement, comprising:

(1) 661,000,000 IHH Shares purchased from Pulau Memutik for a cash consideration of RM1,322,000,000.00; and

(2) 989,000,000 IHH Shares allotted and issued by our Company for a cash consideration of RM1,978,000,000.00.

(b) On completion of the abovementioned share acquisition agreement, a shareholders' agreement dated 16 May 2011 ("Original SHA") was entered into among Pulau Memutik, MBK Healthcare and our Company to govern the relationship between Pulau Memutik and MBK Healthcare as the shareholders of our Company in the proportion of 70:30. This agreement has been superseded in its entirety by an amended and restated shareholders' agreement dated 23 December 2011 described in (ii)(c) below.

(ii) In respect of the investment by our Company in Acibadem Holding the following agreements were entered into:

(a) A deed dated 23 December 2011 was entered into among Mehmet Ali Aydinlar, Hatice Seher Aydinlar, Almond (Netherlands) (collectively, "Sellers", and each a "Seller"), Abraaj 44, our Company, IHH Turkey, Bagan Lalang and Acibadem Holding ("Share Purchase Agreement"), whereby (subject to later adjustment of the final total purchase consideration in accordance with the terms of the Share Purchase Agreement):

(1) Almond (Netherlands) agreed to sell, and IHH Turkey and Bagan Lalang agreed to purchase 267,200,000 and 66,800,000 issued shares respectively in Acibadem

Holding, representing 40.0% and 10.0% equity interests in Acibadem Holding respectively to be satisfied at the closing of the transaction, in the following manner:

- the issue and allotment by our Company to Almond (Netherlands), credited as fully paid-up, of 434,651,434 IHH Shares, representing 7.0% equity interest in our Company at an issue price of USD0.79 for each share;

- the cash payment of USD178,215,913.04 by IHH Turkey to Almond (Netherlands);

- the cash payment of USD130,566,035.72 by Bagan Lalang to Almond (Netherlands); and

(2) Mehmet Ali Aydinlar and Hatice Seher Aydinlar have agreed to sell, and IHH Turkey and Bagan Lalang have agreed to purchase 126,382,846 and 31,595,712 issued shares, respectively, in Acibadem Holding, representing 18.9% and 4.7% equity interests in Acibadem Holding respectively to be satisfied at the closing of the transaction in the following manner:

- the issue and allotment by our Company to Mehmet Ali Aydinlar and Hatice Seher Aydinlar, credited as fully paid-up, of 260,790,861 IHH Shares representing 4.2% equity interests in our Company at an issue price of USD0.79 for each share;

- the cash payment of USD40,596,617.98 by IHH Turkey to Mehmet Ali Aydinlar and Hatice Seher Aydinlar; and

- the cash payment of USD61,756,390.10 by Bagan Lalang to Mehmet Ali Aydinlar and Hatice Seher Aydinlar.

(3) The final total purchase consideration is subject to the following adjustment:

- An adjustment based on the final determination of the respective equity values of our Company and Acibadem Holding, after the completion of Acibadem Holding's and our Company's audit for the year ended 31 December 2011. If, after the adjustment, the respective equity value of our Company is higher, or the respective equity value of Acibadem Holding is less, than those values provided by the consideration paid by us as described in subsection (2) above, then the Sellers shall repay the excess value to us. If, after the adjustment, the respective equity value of our Company is less, or the respective equity value of Acibadem Holding is higher, than those values provided by the consideration paid by us as described in subsection (2) above, then we shall pay the Sellers the excess value.

- In this regard:

    o if the amount to be paid by IHH Turkey to the Sellers after such determination is USD50,000,000.00 or less, then IHH Turkey shall pay the amount in cash; and

    o if the amount to be paid by IHH Turkey to the Sellers after such determination exceeds USD50,000,000.00, then the amount up to USD50,000,000.00 shall be paid in cash, and the excess can be paid in cash or new Shares to be issued by our Company, or a combination of both cash and new shares to be issued by our Company.

- If the TL has appreciated in value against the USD on 31 December 2012, as compared with the relevant exchange rate used in the Share Purchase Agreement, subject to a cap of TL1.65/USD1.00, then IHH Turkey and Bagan Lalang shall pay the differential sum to the Sellers in cash in the proportion of 80.0% and 20.0% between IHH Turkey and Bagan Lalang. The maximum adjustment amount that may be required to be paid by IHH Turkey and Bagan Lalang is estimated to be approximately USD74.9 million in aggregate. Any payment by us in relation to the above may substantially be recognised in our income statement.

See "—Share Capital" for details of certain put options in respect of shares in our Company in connection with the foregoing transaction.

(b) A deed dated 23 December 2011 was entered into among Mehmet Ali Aydinlar, Acibadem Holding, Ahmet Sedat Artukoglu, Walnut Holding Cooperatie U.A., IHH Turkey and Acibadem Holding whereby Acibadem Holding agreed to purchase 1,299,996 shares in APlus (representing 99.99% of the share capital of APlus) or 100.0% of the share capital of APlus including the nominee shares from the shareholders of APlus; and 1,499,996 shares in Acibadem Proje (representing 99.99% of the share capital of Acibadem Proje) or 100.0% of the share capital of Acibadem Proje including the nominee shares from the shareholders of Acibadem Proje, for an initial cash consideration of USD70,532,563.36 ("Estimated APlus/Proje Price") which is subject to later adjustment after the completion of Acibadem Holding's audit for the year ended 31 December 2011 ("APlus/Proje Price"). In this regard:

(1) if the APlus/Proje Price is greater than the Estimated APlus/Proje Price, then Acibadem Holding shall be liable to pay to the sellers an amount equal to the APlus/Proje Price less the Estimated APlus/Proje Price; and

(2) if the Estimated APlus/Proje Price is greater than the APlus/Proje Price, then the sellers shall be liable to pay to Acibadem Holding an amount equal to the Estimated APlus/Proje Price less the APlus/Proje Price.

(c) An amended and restated shareholders' agreement dated 23 December 2011 was entered into among Pulau Memutik, MBK Healthcare, Almond (Netherlands), Abraaj 44, Hatice Seher Aydinlar, Mehmet Ali Aydinlar, Acibadem Holding (collectively, "Shareholders") and our Company to amend and restate the Original SHA in its entirety with effect from the closing of the transaction under the Share Purchase Agreement, and to govern the relationship among the Shareholders as holders of the Shares of our Company, with effect from the closing of the transaction under the Share Purchase Agreement. The shareholdings of the shareholders in our Company as at the closing of the transaction under the Share Purchase Agreement are as set forth:

(1) 3,850,000,000 Shares (representing 62.1% of the issued share capital of our Company) held by Pulau Memutik;

(2) 1,650,000,000 Shares (representing 26.6% of the issued and paid up share capital our Company) held by MBK Healthcare;

(3) 434,651,434 Shares (representing 7.0% of the issued and paid up share capital of our Company) held by Almond (Netherlands), and Abraaj 44; and

(4) 260,790,861 Shares (representing 4.2% of the issued and paid up share capital of our Company) held by Mehmet Ali Aydinlar and Hatice Seher Aydinlar.

In the event of the IPO of IHH, Aydinlar is permitted to sell up to 50% of its Shares as part of the IPO, subject to a right of first refusal for Pulau Memutik and Mitsui. Thereafter, Aydinlar is not permitted to sell the remainder of its Shares, or in the event that Aydinlar is not selling any of its Shares as part of IHH's IPO, Aydinlar is not permitted to sell any of its Shares, until the first anniversary of the Listing Date. If any of Abraaj 44's Shares is not disposed of in IHH's IPO, then the same restriction would apply in respect of Abraaj 44's unsold shares.

This agreement shall terminate upon the completion of the admission of any part of the share capital in our Company or any of our Company's subsidiaries to listing and trading on certain stock exchanges, including Bursa Securities and the SGX-ST. However, the said restriction on Aydinlar and Abraaj 44 against the sale of its remainder IHH Shares will survive the termination of this agreement.

(d) A shareholders' agreement dated 23 December 2011 was entered into among our Company, IHH Turkey, Bagan Lalang and Mehmet Ali Aydinlar whereby the parties have agreed on the rights and obligations of the parties regarding the governance of Acibadem Holding, and any company under the control of Acibadem Holding (including without limitation, Almond Turkey, APlus, Acibadem Proje, Acibadem and their subsidiaries), upon the closing of the transactions described in (ii)(a) and (b) above. The shareholdings of the shareholders in Acibadem Holding, as of the closing of the transaction under the Share Purchase Agreement are as set forth:

(1) IHH Turkey and Bagan Lalang hold class B shares representing 60.0% and 15.0% of the share capital of Acibadem Holding, respectively; and

(2) Mehmet Ali Aydinlar, Hatice Seher Aydinlar and certain relatives or heirs of these individuals hold class A shares representing 25.0% of the share capital of Acibadem Holding.

See "—Share Capital" below for details of the rights to convert the shares of Acibadem Holding into IHH Shares under the Aydinlar Option and the Bagan Lalang Option in connection with the foregoing transaction.

(e) A facility agreement dated 13 January 2012 ("Facilities Agreement") was entered into among:

(1) IHT Yatirimlari and IH Capital, as the borrowers;

(2) Bank of America National Association; CIMB Bank Berhad; Credit Suisse AG (Singapore Branch), DBS Bank Ltd., Labuan Branch, Deutsche Bank AG, Singapore Branch and Goldman Sachs Lending Partners LLC; as the mandated lead arrangers and original lenders; and

(3) CIMB Bank Berhad as the lead coordinator, facility agent and security agent,

whereby the borrowers agreed to borrow from the lenders, SGD470,000,000.00 and RM450,000,000.00 at an interest rate to be calculated and determined in accordance with the terms of the agreement, to (among others) finance the acquisition of 60.0% shareholding interest in Acibadem Holding pursuant to the Share Purchase Agreement.

(f) A guarantee agreement dated 13 January 2012 was entered into between our Company as the guarantor and CIMB Investment Bank Berhad as the security agent whereby we agreed to irrevocably and unconditionally guarantee the punctual performance by IHT Yatirimlari and IH Capital of their respective obligations pursuant to the Facilities Agreement.

(iii) In respect of the investment by Symphony (wholly-owned subsidiary of Symphony International Holdings Ltd., a strategic investment company which is currently listed on the Main Market of the London Stock Exchange) in IHH Turkey, the following agreements were entered into:

(a) A share acquisition agreement dated 1 February 2012 was entered into among IHT Yatirimlari, Symphony, and IHH Turkey pursuant to which:

(1) IHT Yatirimlari agreed to sell, and Symphony agreed to purchase, 109,448,659 ordinary shares of nominal value RM1.00 each in IHH Turkey representing 4.6% of the issued share capital of IHH Turkey at the time of the acquisition, for a cash consideration of USD0.32787 per share;

(2) subject to terms to be agreed, Symphony may purchase and IHT Yatirimlari may sell such additional number of ordinary shares of nominal value RM1.00 each in IHH Turkey as may be mutually determined among the parties for a cash consideration to be calculated and determined in accordance with the terms of the agreement. This right expired on 8 April 2012;

(3) Symphony agreed to subscribe for, and IHH Turkey agreed to allot and issue 43,051,341 new ordinary shares of nominal value RM1.00 each in IHH Turkey representing 1.8% of the issued share capital of IHH Turkey at the time of the acquisition, for a subscription price of RM1.00 per share; and

(4) Symphony may subscribe for, and IHH Turkey may allot and issue such number of additional new ordinary shares of nominal value RM1.00 each in IHH Turkey as may be mutually determined among the parties for a cash consideration to be calculated and determined in accordance with the terms of the agreement. This right expired on 8 April 2012.

The aggregate consideration paid by Symphony under this share acquisition agreement was USD50,000,000.00.

(b) A shareholders' agreement dated 8 February 2012 was entered into among IHT Yatirimlari, Symphony, our Company, and IHH Turkey to:

(1) regulate the relationship between IHH Turkey and Symphony as the shareholders of IHH Turkey, in connection with which their respective shareholdings are as follows:

- 2,248,528,724 shares in IHH Turkey (representing 93.7% of the issued share capital of IHH Turkey) at the time of this agreement are held by IHT Yatirimlari; and

- 152,500,000 shares in IHH Turkey (representing 6.3% of the issued share capital of IHH Turkey) at the time of this agreement are held by Symphony;

(2) govern the rights and obligations of IHT Yatirimlari, Symphony, our Company and IHH Turkey in respect of certain arrangements, including (but not limited to):

- options to convert the shares of IHH Turkey into the shares of our Company; and

- options requiring IHT Yatirimlari to acquire the IHH Turkey shares held by Symphony;

(c) A supplemental letter dated 31 May 2012 among IHT Yatirimlari, Symphony, IHH and IHH Turkey. See "—Share Capital" for details of this supplemental letter.

(d) A supplemental letter of agreement dated 13 June 2012 among IHH, Symphony, IHT Yatirimlari and IHH Turkey. Please refer to "—Share Capital" for details of this supplemental letter.

(iv) In respect of the acquisition by our Company of the remaining 32.5% equity interest in IMU Health, the following agreements were entered into:

(a) A share sale agreement dated 13 August 2010 (amended by a letter of amendment dated 7 September 2010) entered into between SEASAF Education Sdn Bhd and our Company whereby SEASAF Education Sdn Bhd agreed to sell and our Company agreed to purchase 200,000 ordinary shares of RM1.00 each (representing 20.0% of the entire issued and paid-up share capital of IMU Health) for a cash consideration of RM77,128,371.40.

(b) A share sale agreement dated 25 October 2010 was entered into between Dr. Mei Ling Young and our Company whereby Dr. Mei Ling Young agreed to sell and our Company agreed to purchase 110,000 ordinary shares of RM1.00 each (representing 11.0% of the entire issued and paid-up share capital of IMU Health) for a cash consideration of RM42,420,604.27.

(c) A share sale agreement dated 25 October 2010 between Tan Sri Dato' Dr. Abu Bakar Bin Suleiman and our Company, whereby Tan Sri Dato' Dr. Abu Bakar Bin Suleiman agreed to sell and our Company agreed to purchase, 15,000 ordinary shares of RM1.00 each (representing 1.5% of the entire issued and paid-up share capital of IMU Health) for a cash consideration of RM5,784,627.85.

The acquisition by our Company for the 20.0% equity interest in IMU Health was completed on 22 September 2010 while the acquisition for the remaining 12.5% equity interest was completed on 26 November 2010.

(v) A share purchase agreement dated 28 April 2011 was entered into between Acibadem, as the purchaser, and five individual shareholders of Yeni Saglik, currently the owners of John F. Kennedy Hospital (currently known as Aile Hospital Bahcelievler) and Goztepe Safak Hospital (currently known as Aile Hospital Goztepe) (namely Saim Ozturk, Secim Ozturk, Mehmet Ozturk, Meleksan Ozturk and Zeynep Ozturk as sellers), concerning the sale of shares corresponding to 100.0% of Yeni Saglik for a consideration of USD28,239,250. As at 1 June 2012, the consideration for this agreement had not been paid in full and such consideration will be paid in monthly instalments of USD1,000,000.00 starting as of April 2012. The share transfer to Acibadem contemplated in this agreement was completed on 31 May 2011.

(vi) An asset transfer agreement dated 31 May 2011 was entered into between Yeni Saglik, as the purchaser, and Ten Medikal Turizm Tekstil Sanayi ve Ticaret A.S. and Sevgi Saglik Hizmetleri ve Ticaret A.S., as sellers, concerning the transfer of John F. Kennedy Hospital (currently known as Aile Hospital Bahcelievler) and Goztepe Safak Hospital (currently known as Aile Hospital Goztepe) to Yeni Saglik for a consideration of USD10,000,000.00. As at 1 June 2012, the consideration for this agreement had been paid in full.

(vii) A share purchase agreement dated October 2011 was entered into between Acibadem, as purchaser, and Orka Holding AD Skopje, as seller, concerning the purchase of shares corresponding to 50.3% of Acibadem Sistina for a consideration of Euro20,000,000.00. The share transfer to Acibadem contemplated in this agreement was completed on 21 October 2011. Furthermore, as at the same date a share purchase agreement was entered into between Acibadem, as purchaser, and Orka Holding AD Skopje, as seller, concerning the purchase of shares corresponding to 50.0% of Acibadem Sistina Medikal's share capital for a consideration of Euro1.00. The share transfer to Acibadem contemplated in this agreement was also completed on 21 October 2011. As at 1 June 2012, the consideration for both agreements had been paid in full.

(viii) Malaysia Underwriting Agreement dated 21 June 2012 entered into between our Company, the Managing Underwriter and Joint Underwriters to underwrite, subject to clawback and reallocation provisions 208.51 million IPO Shares under the Malaysia Public Offering on terms and conditions contained therein. Further details of the Malaysia Underwriting Agreement are set out in "Details of the IPO—Brokerage, underwriting commission and placement fee" and "Details of the IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangements".

(ix) Singapore Offer Agreement dated 29 June 2012 entered into between the Company, the Singapore Issue Managers and the Singapore Underwriters pursuant to which the Singapore Underwriters will procure the subscription and payment of, or failing which, to subscribe and pay for, subject to clawback and reallocation provisions 104.64 million IPO Shares under the Singapore Public Offering, on terms and conditions contained therein. Further details of the Singapore Offer Agreement are set out in "Details of the IPO—Brokerage, underwriting commission and placement fee" and "Details of the IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangements".

(x) Cornerstone Placement Agreements dated 13 June 2012 entered into between our Company, Joint Global Coordinators, Joint Bookrunners and Cornerstone Investors, whereby the Cornerstone Investors have agreed to purchase at the Institutional Price and subject to the terms of their respective Cornerstone Placement Agreement, an aggregate of 1,387.50 million IPO Shares, representing approximately 17.22% of the enlarged issued and paid-up share capital of our Company. Further details of the Cornerstone Placement Agreements are set out in "Details of the IPO—Particulars of the IPO—Cornerstone Offering".

(xi) Trust deed dated 27 June 2012 entered into between our Company and the Joint Global Coordinators in relation to the lock-up arrangement on our Company. Further details of the trust deed are set out in "Details of the IPO—Underwriting, placement and lock-up arrangements—Lock-up arrangements"

Material litigation

We are subject to claims, lawsuits and legal proceedings in the ordinary course of business, including those arising from medical malpractice or labour disputes. Where such claims, lawsuits and legal proceedings are not, or are not sufficiently, covered by insurance policies maintained by our Group, the resolution of any such claims, lawsuits or legal proceedings could materially and adversely affect the results of operations and financial position of our Group.

Save as disclosed below, neither our Company nor our subsidiaries is involved in any litigation or arbitration, either as plaintiff or defendant, which may have, individually or taken as a whole, a material adverse effect on the business or financial position of our Group during the 12 months immediately preceding 15 June 2012, being the date of lodgment of this Prospectus with the MAS and our Directors are not aware of any legal proceedings, pending or threatened, or of any fact likely to give rise to any legal proceeding, which may have a material adverse effect on the business or financial position of our Group.

On 15 April 2008, Tan Sri Dato' Dr. Awang Bin Had Salleh and Konsortium Bersatu Perkhidmatan Kesihatan Sdn Bhd (collectively the "Plaintiffs") filed a suit in the High Court of Malaya at Kuala Lumpur (Suit No.: D11-22-510-2008) against Pantai Support Services Sdn Bhd ("PSS") and Pantai (collectively the "Defendants"). At all material times PSS was a wholly-owned subsidiary of Pantai. PSS was sold on 18 March 2011. The suit itself relates to the acquisition of the entire issued and paid-up capital in Anjur Dinamik Sdn Bhd ("ADSB") (which effected a change of name to Pantai Fomema & Systems Sdn Bhd and thereafter to Unitab Medic Sdn Bhd) vide an agreement dated 28 February 2000 between PSS (acting as purchaser) and, among others, the Plaintiffs and Dato' Dr. Mohammed Haniffa bin Haji Abdullah ("Haniffa") (acting as sellers) ("ADSB Share Sale Agreement").

On the date of the ADSB Share Sale Agreement, PSS had also entered into an agreement to acquire the entire issued and paid-up capital in Healthpac Industries Sdn Bhd ("HISB") from the previous shareholders of HISB ("HISB Vendors") ("HISB Share Sale Agreement") and in Pengkalan Usaha (M) Sdn Bhd ("PUSB") from Usha Rani a/p Govindasamy and Revathy a/p K. Adakalam ("PUSB Vendors") ("PUSB Share Sale Agreement"). At all material times, the company then known as ADSB owned 75.0% of the issued and paid-up capital of Fomema Sdn Bhd, a company which had been granted with the concession for Systematic and Standardised Medical Examination of Foreign Workers in Malaysia by the Government of Malaysia (the "Concession"). The Plaintiffs' suit is based on a claim that: (1) Haniffa was their agent in respect of negotiations and sale of their shares in ADSB to the defendants; and (2) that without their knowledge the Defendants had entered into collateral arrangements with Haniffa confirming promises of varying kinds for helping the Defendants with the injection of the Concession into the 'Pantai Group', an action which allegedly amounted to a breach of duty of care and fiduciary duty on the part of the Defendants. Amongst the alleged collateral arrangements which the Plaintiffs claimed Haniffa had benefited from is quantifiable in the amount of RM208,883,039.37, plus the value of 16 million new Pantai shares issued and allotted by Pantai to Haniffa at the request of the HISB Vendors which were entitled to the same as consideration shares payable by PSS under the HISB Share Sale Agreement and all the profits of ADSB from 1 December 1997 to 22 March 2002. The term 'the profits of ADSB' may include the profits of PUSB for the same period as the Plaintiffs are also claiming that PUSB Vendors had held their shares in PUSB for the beneficial interest of the vendors of ADSB (the former shareholders of ADSB).

The Defendants are relying on the following defences:

(i) the Defendants did not enter into any collateral arrangement between the Defendants and Haniffa;

(ii) there is no duty of care or fiduciary duty is owed by the Defendants to the Plaintiffs;

(iii) the Plaintiffs do not have legal standing to file the suit;

(iv) the suit is time-barred as the right of action had accrued more than six years before the date the suit is filed; and

(v) the suit is an abuse of the court's process and/or has already been subject to judicial determination and/or has resulted in multiplicity of actions because the Plaintiffs had filed another suit against Haniffa for the same collateral arrangements, which has been partially settled.

Therefore, Pantai believes, following consultation with its solicitors, that there is a good chance of defending the suit. The current status is that the Defendants have completed adducing evidence on 17 February 2012. The Plaintiffs' and the Defendants' closing submissions have been scheduled for 9 July 2012 for written submissions and 16 July 2012 for oral submissions.

Consents

(i) CIMB Investment Bank Berhad, named as a Principal Adviser, Managing Underwriter and Sole Coordinator (MITI Tranche), Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager and Joint Underwriter and Joint Bookrunner (MITI Tranche) and Joint Underwriter for the Malaysia Public Offering has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(ii) Merrill Lynch (Singapore) Pte. Ltd., named as a Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(iii) Deutsche Bank AG, Singapore Branch, named as a Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(iv) Deutsche Bank AG, Hong Kong Branch, named as a Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(v) CIMB Bank Berhad, Singapore Branch, named as a Singapore Issue Manager has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(vi) CIMB Securities (Singapore) Pte. Ltd., named as a Singapore Underwriter has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(vii) DBS Bank Ltd., named as a Joint Bookrunner and Joint Lead Manager, Singapore Issue Manager and Singapore Underwriter, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(viii) Credit Suisse (Singapore) Limited, named as a Joint Bookrunner and Joint Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(ix) Goldman Sachs (Singapore) Pte., named as a Joint Bookrunner and Joint Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(x) Maybank Investment Bank Berhad, named as Joint Underwriter for the Malaysia Public Offering and Joint Underwriter and Joint Bookrunner (MITI Tranche), has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in the Prospectus, and to act in such capacity in relation to this Prospectus.

(xi) Frost & Sullivan (S) Pte Ltd, named as an Independent Market Researcher, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the "Industry Overview — IMR Report" set out in this Prospectus and references to its name, in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.

(xii) Nomura Securities Singapore Pte. Ltd., named as a Co-Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its names and references thereto in the form and context which it appears in the Prospectus, and to act in such capacity to this Prospectus.

(xiii) RHB Investment Bank Berhad, named as a Co-Lead Manager and Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its names and references thereto in the form and context which it appears in this Prospectus, and to act in such capacity to this Prospectus.

(xiv) Oversea-Chinese Banking Corporation Limited, named as a Co-Lead Manager and Singapore Underwriter, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its names and references thereto in the form and context which it appears in this Prospectus, and to act in such capacity to this Prospectus.

(xv) UBS AG, Singapore Branch, named as a Co-Lead Manager, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its names and references thereto in the form and context which it appears in this Prospectus, and to act in such capacity to this Prospectus.

(xvi) Maybank Kim Eng Securities Pte. Ltd., named as a Singapore Underwriter, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xvii) Phillip Securities Pte Ltd, named as a Singapore Underwriter, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xviii) United Overseas Bank Limited, named as a Singapore Underwriter, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xix) Affin Investment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xx) Alliance Investment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxi) AmInvestment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxii) Bank Muamalat Malaysia Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxiii) HwangDBS Investment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxiv) Kenanga Investment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxv) MIDF Amanah Investment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxvi) OSK Investment Bank Berhad, named as a Joint Underwriter for the Malaysia Public Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and references thereto in the form and context in which it appears in this Prospectus, and to act in such capacity in relation to this Prospectus.

(xxvii) KPMG, Chartered Accountants, the Independent Auditors, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of: (i) its name and all references thereto; (ii) the Independent Auditors' Report on Combined Financial Statements in relation to the Audited Combined Financial Statements for the years ended 31 December 2009, 2010 and 2011; (iii) the Independent Auditors' Report on Condensed Interim Combined Financial Statements in relation to the Audited Condensed Interim Combined Financial Statements for the three months ended 31 March 2012; and (iv) the Independent Auditors' letter on the Pro Forma Financial Information for the years ended 31 December 2009, 2010 and 2011 and for the three months ended 31 March 2012, in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus. A written consent under the Securities and Futures Act is different from a consent filed with the U.S. Securities and Exchange Commission ("SEC") under Section 7 of the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. As our Shares in the Prospectus have not and will not be registered under the U.S. Securities Act, KPMG, Chartered Accountants has not filed a consent under Section 7 of the U.S. Securities Act.

(xxviii) KPMG, Akis Bagimsiz Denetim ve SMMM A.S., Public Accountants and Certified Public Accountants, the Independent Auditors, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of: (i) its name and all references thereto; (ii) the Independent Auditors' Report, in relation to the consolidated financial statements of Acibadem Holding as at and for the year ended 31 December 2011; (iii) the Independent Auditors' Report, in relation to the consolidated financial statements of Acibadem Holding as at and for the years ended 31 December 2010 and 2009; and (iv) the Independent Auditors' Report, in relation to the consolidated financial statements of Acibadem Holding as at and for the three months ended 31 March 2012, in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus. A written consent under the Securities and Futures Act is different from a consent filed with the SEC under Section 7 of the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. As our Shares in the Prospectus have not and will not be registered under the U.S. Securities Act, KPMG, Akis Bagimsiz Denetim ve SMMM A.S. has not filed a consent under Section 7 of the U.S. Securities Act.

(xxix) KPMG LLP, Public Accountants and Certified Public Accountants, the Independent Auditors in respect of Parkway Pantai Limited and Parkway Holdings Limited, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus. A written consent under the Securities and Futures Act is different from a consent filed with the SEC under Section 7 of the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. As our Shares in the Prospectus have not and will not be registered under the U.S. Securities Act, KPMG LLP has not filed a consent under Section 7 of the U.S. Securities Act.

(xxx) Millward Brown, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the statements attributed to them in the sections "Our Business—Our competitive strengths—Highly recognised brands with a reputation for clinical excellence" and "Our Business—Marketing—PPL", and all references to its name, in the form and context in which it appears in this Prospectus.

(xxxi) King & Wood Mallesons Lawyers, named as our legal adviser as to PRC law, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the statements attributed to them in "Risk Factors—Risks related to our countries of operation—If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties" and "Risk Factors—Risks related to our countries of operation—We may face risks arising from certain trust arrangements" and reference to its name, in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.

Documents available for inspection

Copies of the following documents may be inspected at our registered office at Suite 17-01, Level 17, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur Malaysia and at 111 Somerset Road #15-01 Singapore 238164 during normal working hours for a period of 12 months from the date of this Prospectus:

(i) Memorandum and Articles of Association of our Company;

(ii) Bye laws governing the LTIP and EPP referred to in "—Employee Share Schemes";

(iii) the letters of consent referred to in "—Letters of Consent";

(iv) material contracts referred to in "Statutory and Other General Information—Material Contracts";

(v) cause papers for material litigation referred to in "—Material Litigation";

(vi) service agreements referred to in "Substantial shareholders and Selling Shareholder—Service Agreements";

(vii) audited combined financial statements of our Group for the 3 years ended 31 December 2009, 2010 and 2011 and the 3 months ended 31 March 2012;

(viii) audited financial statements of our Company for the period from 21 May 2010 to 31 December 2010 and the year ended 31 December 2011;

(ix) audited financial statements of Parkway Pantai for the period from 21 March 2011 to 31 December 2011;

(x) audited financial statements of Parkway for the 3 years ended 31 December 2009, 2010 and 2011;

(xi) audited financial statements of Pantai Irama for the 3 years ended 31 December 2009, 2010 and 2011;

(xii) audited financial statements of Acibadem Holding for the 3 years ended 31 December 2009, 2010 and 2011 and 3 months ended 31 March 2012;

(xiii) audited financial statements of IMU Health for the 3 years ended 31 December 2009, 2010 and 2011;

(xiv) our Independent Auditors' Letter on the Pro Forma Financial Information as referred to in Appendix P; and

(xv) Independent Market Researcher's Report as included in "Industry Overview".

Responsibility statements

Our Directors, the Promoter, the Selling Shareholder and the Over-Allotment Option Provider collectively and individually accept full responsibility for the accuracy of the information given in this document and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the IPO and the Company and its subsidiaries, and our Directors, the Promoter, Selling Shareholder and the Over-Allotment Option Provider are not aware of any facts the omission of which would make any statement in this document misleading. Where information in this document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors, the Promoter, the Selling Shareholder and the Over-Allotment Option Provider has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this document in its proper form and context.

CIMB as the Principal Adviser for our IPO, Managing Underwriter, Sole Coordinator and Joint Bookrunner for the MITI Tranche, Joint Underwriter for the Malaysia Public Offering and Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager for the Global Institutional Tranche, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

DEFINED TERMS AND ABBREVIATIONS

The following terms when used in this Prospectus shall bear the same meanings as set forth below unless otherwise defined herein or the context otherwise requires:

DEFINITIONS

Abraaj	Abraaj Capital Holdings Limited, the ultimate holding company of Abraaj 44 and Almond (Netherlands)
Abraaj 44	Abraaj SPV 44 Limited, a subsidiary of Abraaj
Acibadem Group	Collectively, Almond Holding, Acibadem (Turkey), Acibadem, Acibadem Poliklinik, Acibadem Labmed, International Hospital, Acibadem Mobil, Konur Saglik, Yeni Saglik, Gemtip Ozel, APlus; Acibadem Proje, Acibadem Sistina, Acibadem Sistina Medikal, Specialist Ordination and Sistina Kosovo
Acibadem Sigorta	Acibadem Saglik ve Hayat Sigorta A.S.
Acibadem University	An educational institution owned by a non-profit foundation outside of our Group
ADA	Authorised Depository Agent
ADM	Authorised Direct Member
AFFIN	AFFIN Investment Bank Berhad
AIBB	AmInvestment Bank Berhad
Alliance	Alliance Investment Bank Berhad
Almond (Netherlands)	Almond Holding Cooperatie U.A.
Apollo	Apollo Hospitals Enterprise Limited
Apollo Group	Apollo and its subsidiaries
Application Form	Application form for the application of the IPO Shares under the Singapore Public Offering accompanying this Prospectus
Articles of Association	Articles of Association of our Company
ATM	Automated teller machine
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 Shares of our Company as described in “Statutory and Other General Information—Share Capital” of this Prospectus
BDS	Bachelor of Dental Surgery
BofAML	Merrill Lynch (Singapore) Pte. Ltd.
BMedSc	Bachelor of Medical Science
BNM	Bank Negara Malaysia
BNursing (Hons)	Bachelor of Nursing (Honours)

BNursing Science	Bachelor of Nursing Science (Honours)
BPharm	Bachelor of Pharmacy
BSc (Hons)	Bachelor of Science (Honours)
Bagan Lalang	Bagan Lalang Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah
Bagan Lalang Option	The right of Bagan Lalang to convert shares of Acibadem Holding into new Shares of our Company as described in "Statutory and Other General Information—Share Capital" of this Prospectus
BMMB	Bank Muamalat Malaysia Berhad
BNM	Bank Negara Malaysia
Board	Our Board of Directors
Bursa Depository	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	Bursa Malaysia Securities Berhad
CAGR	Compounded annual growth rate
CDP	The Central Depository (Pte) Limited of Singapore
CDS	The Central Depository System of Malaysia
CIMB	CIMB Investment Bank Berhad
CMB	Capital Markets Board of Turkey
CMSA	Capital Markets and Services Act 2007 of Malaysia, as amended from time to time and any re-enactment thereof
CPAC	Central Patient Assistance Centres, being PPL's overseas marketing centres
CPE	Council for Private Education in Singapore
CS	Credit Suisse (Singapore) Limited
Co-Lead Managers	Collectively, Nomura, OCBC, RHB and UBS, for the Global Institutional Tranche
Code	The Malaysian Code on Take-overs and Mergers 2010
CoEs	Centres of Excellence
Cornerstone Investors	Investors of the Cornerstone Offering, the details of which are set out in "Description of Our Shares—Particulars of the IPO—Cornerstone Offering"
Cornerstone Placement Agreements	Subscription agreements entered into with the Cornerstone Investors for the Cornerstone Offering
Cornerstone Offering	The offering to the Cornerstone Investors which is separate from but concurrent with the Institutional Placement, Malaysia Public Offering and Singapore Offering, for an aggregate of 1,387.50 million IPO Shares at the Institutional Price, subject to the terms of the Cornerstone Placement Agreements

Cornerstone Shares	The IPO Shares to be issued pursuant to the Cornerstone Placement Agreements
DB	Collectively, Deutsche Bank AG, Singapore Branch and Deutsche Bank AG, Hong Kong Branch
DBS	DBS Bank Ltd.
Depositor	Has the meaning ascribed to it under Section 130A of the Singapore Companies Act
Depository Register	Record of Depositors of the SGX-ST
EAN	Exempt authorised nominee
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBITDAR	Earnings before interest, taxes, depreciation, amortisation and real estate rental expense
EFQM	European Foundation of Quality Management
EPP	Equity Participation Plan for the grant of options to eligible employees and Directors of our Group
Electronic Share Application	Application for the IPO Shares under the Malaysia Public Offering through a Participating Financial Institution's ATMs
Equity Guidelines	Equity Guidelines issued by the SC on 8 May 2009 (effective 3 August 2009 and updated on 10 August 2011)
Final Retail Price	The final retail price per IPO Share equivalent to the Institutional Price which under (i) the Malaysia Public Offering will be equivalent to the Institutional Price in RM; and (ii) the Singapore Offering, will be equivalent to the lower of (a) the Institutional Price (denominated in SGD based on the RM: SGD noon middle rate on the date immediately preceding the Price Determination Date (or where unavailable, the immediate next available noon middle rate preceding the Price Determination Date), as set out in the BNM website, subject to rounding) and (b) the Retail Price as detailed in "Details of the IPO—Retail Price".
Frost & Sullivan	Frost & Sullivan (S) Pte Ltd
FRS 39	The Singapore Financial Reporting Standard 39 Financial Instruments — Recognition and Measurement
FRSM	Financial reporting standards in Malaysia
FYE	Financial year ended/ending
fiscal year	Our fiscal year ended or ending 30 June of that year. Our fiscal quarters end on 30 June, 30 September, 31 December and 31 March. References to a year other than a "fiscal year" are to the calendar year ended 31 December
GS	Goldman Sachs (Singapore) Pte.
GST	Goods and services tax of Singapore

Global Institutional Tranche	The offering of up to 138.01 million IPO Shares at the Institutional Price to other Malaysian institutional and selected investors, foreign institutional and selected investors outside the United States in reliance on Regulation S, and QIBs within the United States, which forms part of the Institutional Placement
Global Offering	Collectively, the Institutional Placement, Malaysia Public Offering, Singapore Offering and Cornerstone Offering
HMA	Hospital management agreement
HwangDBS	HwangDBS Investment Bank Berhad
IFRS	International Financial Reporting Standards
IGCF GP	IGCF General Partner Limited
IHH or our Company	IHH Healthcare Berhad, formerly known as Integrated Healthcare Holdings Berhad
IHH Group or Group	IHH and our subsidiaries, (based on accounting concept and as recognised in the financial statements)
IHH Share(s) or Share(s)	Ordinary share(s) of RM1.00 each in our Company
IMU	International Medical University
IPO	Initial public offering
IPO Shares	Collectively, the Offer Shares and the Issue Shares
IRS	Internal Revenue Service of the United States
ISE	Istanbul Stock Exchange
ISO	International Organization for Standardization
Independent Director	An "independent" director for the purposes of the Code is one who has no relationship with the company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company
Internal Revenue Code	Internal Revenue Code of 1986, as amended, of the United States
Institutional Placement	The offering of up to 498.01 million IPO Shares at the Institutional Price, subject to clawback and reallocation and Over-Allotment Option, comprising the MITI Tranche and Global Institutional Tranche, respectively
Institutional Placement Agreement	The placement agreement expected to be entered into by, among others, our Company, the Selling Shareholder, Joint Global Coordinators, Joint Bookrunners, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Lead Managers, and Co-Lead Managers in respect of the placement of the IPO Shares offered under the Institutional Placement and the Cornerstone Offering

Institutional Price	Price per IPO Share to be paid by investors pursuant to the Institutional Placement which will be determined on the Price Determination Date by way of bookbuilding as detailed in "Details of the IPO—Basis of arriving at the Retail Price, Final Retail Price, Institutional Price and refund mechanism—Institutional Price"
Insurance Act	Insurance Act, Chapter 142 of Singapore, as amended from time to time and any re-enactment thereof
Internet Participating Financial Institution	The participating financial institution for the Internet Share Application
Internet Share Application	Application for the IPO Shares under the Malaysia Public Offering through an Internet Participating Financial Institution
Issue Shares	New Shares to be issued pursuant to the Public Issue
Issuing House	Malaysian Issuing House Sdn Bhd
JCI	Joint Commission International, an international arm of The Joint Commission. The Joint Commission is an independent, not-for-profit organisation which accredits and certifies healthcare organisations and programmes in the U.S.. JCI provides accreditation and certification for healthcare organisations in over 50 countries. Their standards were developed by healthcare experts from around the world and have been tested worldwide, thus making them a recognised world leader in healthcare quality and patients' safety
Joint Bookrunners	Collectively, BofAML, CIMB, CS, DB, DBS and GS, for the Global Institutional Tranche and Cornerstone Offering
Joint Bookrunners for the MITI Tranche or Joint Bookrunners (MITI Tranche)	Collectively, CIMB and MIB, for the MITI Tranche
Joint Global Coordinators	Collectively, BofAML, CIMB and DB, for the Global Institutional Tranche and Cornerstone Offering
Joint Lead Managers	Collectively, BofAML, CIMB, CS, DB, DBS and GS, for the Global Institutional Tranche and Cornerstone Offering
Joint Underwriters	Collectively, AFFIN, AIBB, Alliance, BMMB, CIMB, HwangDBS, Kenanga, MIB, MIDF, OSK and RHB for the Malaysia Public Offering
Khazanah	Khazanah Nasional Berhad
Kenanga	Kenanga Investment Bank Berhad
Key Customers	Includes the top ten largest customers of the IHH Group, PPL and Acibadem Holding, respectively
Key Suppliers	Includes the top ten largest suppliers of the IHH Group, PPL and Acibadem Holding, respectively
LPD	1 June 2012, being the latest practicable date

LTIP	Long Term Incentive Plans established for the grant of LTIP units to eligible employees of our Company, Parkway, Pantai and IMU Health and their subsidiaries
Listing	Primary listing of and quotation for up to 8,057,080,242 Shares representing the entire enlarged issued and paid-up share capital of our Company on the Main Market of Bursa Securities and secondary listing on the Main Board of the SGX-ST
Listing Date	The date on which our Shares are listed and commence concurrent trading on the Main Market of Bursa Securities and the Main Board of the SGX-ST
Listing Manual	The listing manual of the SGX-ST
Listing Requirements	Main Market Listing Requirements of Bursa Securities
MAS	Monetary Authority of Singapore
MBBS	Bachelor of Medicine, Bachelor of Surgery
MBK Healthcare	MBK Healthcare Partners Limited
MFRS	Malaysian Financial Reporting Standards, the new accounting framework to replace FRSM
MIB	Maybank Investment Bank Berhad
MIDF	MIDF Amanah Investment Bank Berhad
MITI	Ministry of International Trade and Industry of Malaysia
MITI Tranche	Up to 360.00 million IPO Shares to be placed to Bumiputera institutional and selected investors approved by MITI
MOF	Ministry of Finance Incorporated, a corporate body incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957 of Malaysia
MOHEM	Ministry of Higher Education, Malaysia
MOH Malaysia	Ministry of Health, Malaysia
MOH Singapore	Ministry of Health, Singapore
MOH Turkey	Ministry of Health, Turkey
MOM	Ministry of Manpower, Singapore
M.Pharm	Masters of Pharmacy
MSc	Master of Science
MSQH	Malaysian Society for Quality in Health, a professional not-for-profit organisation which is recognised by MOH Malaysia as the national accreditation body for health care facilities and services

MQA	Malaysian Qualifications Agency, an agency that was established due to the merger of National Accreditation Board (LAN) and the Quality Assurance Division, Ministry of Higher Education (QAD). It is responsible for monitoring and overseeing the quality assurance practices and accreditation of national higher education in Malaysia
Macau	The Macau Special Administrative Region
Malaysia Public Offering	The offering of up to 208.51 million IPO Shares at the Retail Price, subject to clawback and reallocation to the Malaysian public, the eligible Directors and eligible employees of our Group and business associates and persons who have contributed to the success of our Group, including doctors
Malaysian Companies Act or the Act	Companies Act 1965 of Malaysia, amended from time to time and any re-enactment thereof
Malaysia Underwriting Agreement	Retail underwriting agreement entered into among our Company, the Managing Underwriter and the Joint Underwriters on 21 June 2012 in relation to the Malaysia Public Offering
Managing Underwriter	CIMB for the Malaysia Public Offering
Market Day	A day on which the SGX-ST is open for trading in securities
Millward Brown	IMRB Millward Brown International Pte. Ltd.
Mitsui	Mitsui & Co. Ltd
NABH	National Accreditation Board for Hospitals & Healthcare Providers of India
NABL	National Accreditation Board for Testing and Calibration Laboratories of India
NA	Net assets
New TCC	Turkish Commercial Code numbered 6102 published in the Official Gazette dated 14 February 2011 and numbered 27846
Nomura	Nomura Securities Singapore Pte. Ltd.
OCBC	Oversea-Chinese Banking Corporation Limited
OSK	OSK Investment Bank Berhad
Offer for Sale	Offer for sale of up to 434.65 million Offer Shares pursuant to the Global Offering
Offer Shares	Shares to be offered pursuant to the Offer for Sale
Official List	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and Main Board of the SGX-ST, as the case may be, and not removed
Over-Allotment Option	Over-allotment option granted by the Over-Allotment Option Provider to the Stabilising Manager (on behalf of the Placement Managers) as set out in "Description of Our Shares—Particulars of the IPO"
Over-Allotment Option Provider	Pulau Memutik

PAT	Profit after taxation
PBT	Profit before taxation
PE Act	Private Education Act, Chapter 247A of Singapore, as amended from time to time and any re-enactment thereof
PhD	Doctor of Philosophy
PHEI Act	Private Higher Education Institution Act 1996 of Malaysia, as amended from time to time and any re-enactment thereof
PHFS Act	Private Healthcare Facilities and Services Act 1998 of Malaysia, as amended from time to time and any re-enactment thereof
PHMC Act	Private Hospitals and Medical Clinics Act 1980 Chapter 248 of Singapore, as amended from time to time and any re-enactment thereof
Pantai College	Pantai College of Nursing and Health Science
Participating Financial Institution	Participating financial institution for the Electronic Share Application
Phase One	The first half of IMU's programme, where all students study at IMU
Phase Two	The second half of IMU's programme, where students on the transfer option will continue their studies at the partner universities, whereas students on the IMU option will continue their studies in IMU
Price Determination Date	Date on which the Institutional Price will be determined
Principal Adviser	CIMB
Promoter	Pulau Memutik
Prospectus Guidelines	Prospectus Guidelines — Equity and Debt issued by the SC on 8 May 2009 (effective 3 August 2009)
Public Issue	Public issue of up to 1,800.00 million Issue Shares pursuant to the Global Offering
Pulau Memutik	Pulau Memutik Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah
qualified institutional buyers or QIBs	Has the meaning as ascribed to it under Rule 144A
Qualified Investors	Persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of this Prospectus Directive
RHB	RHB Investment Bank Berhad
Regulation S	Regulation S under the U.S. Securities Act
Remuneration Committee	The Company's Remuneration Committee
restricted securities	Has the meaning ascribed to it within Rule 144(a)(3) under the Securities Act

Retail Price	RM2.85 per IPO Share under the Malaysia Public Offering or SGD1.18 per IPO Share (translated based on the exchange rate of approximately RM2.42 per SGD1.00, as determined by our Directors in consultation with the Singapore Issue Managers and Joint Global Coordinators), under the Singapore Offering (with the exception of the Singapore Placement), to be fully paid by applicants on application subject to refund as detailed in "Details of the IPO"
Rule 144A	Rule 144A under the U.S. Securities Act
SC	Securities Commission Malaysia
SFR	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, as amended from time to time and any re-enactment thereof
SGK	Social Security Institution of Turkey, which comprises three different social security funds, namely Social Insurance Institution (Sosyal Sigortalar Kurumu – SSK), Government Employees Retirement Fund (Emekli Sandigi) and Social Security Institution for Artisans and the Self-Employed (Bag-Kur). With the implementation of the "Social Security and Universal Health Insurance (UHI) Law" in October 2008, SGK became a single public entity providing health insurance coverage in Turkey
SGX-ST	Singapore Exchange Securities Trading Limited
SIC	Standing Interpretations Committee
SICDA	Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
SIMC	Shanghai International Medical Centre
Securities Account	Securities account maintained by a Depositor with CDP, not including the securities sub account
Securities and Futures Act	Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time and any re-enactment thereof
Selling Shareholder	Abraaj 44
Share Lending Agreement	Share lending agreement between the Stabilising Manager and Pulau Memutik providing for the Stabilising Manager to borrow up to 169.43 million Shares from Pulau Memutik
Shanghai Hui Xing	Shanghai Hui Xing Hospital Investment Management Co., Ltd.
Shanghai Hui Xing Jin Pu	Shanghai Hui Xing Jin Pu Clinic Co., Ltd.
Shares	Ordinary shares of the Company
Singapore Companies Act	Companies Act, Chapter 50 of Singapore (including, in the appropriate context, any predecessor legislation), as amended from time to time and any re-enactment thereof
Singapore Issue Managers	Collectively, CIMB Bank Berhad, Singapore Branch and DBS, for the Singapore Offering

Singapore Offer Agreement.............	The agreement dated 29 June 2012 entered into among our Company, Singapore Issue Managers and the Singapore Underwriters in relation to the Singapore Public Offering
Singapore Offering............................	The Singapore Public Offering and the Singapore Placement
Singapore Placement	Up to 36.00 million IPO Shares, available by way of a placement to individuals, corporations and other investors at the Final Retail Price, which form part of the Singapore Offering
Singapore Placement Agreement.....	The agreement to be entered into on or about the Price Determination Date among our Company and the Singapore Underwriters in relation to the Singapore Placement
Singapore Planning Act....................	Planning Act, Chapter 232 of Singapore (including, in the appropriate context, any predecessor legislation), as amended from time to time and any re-enactment thereof
Singapore Public Offering...............	The public offering in Singapore of up to 104.64 million IPO Shares at the Retail Price, including 52.64 million IPO Shares reserved for purchase and/or subscription by eligible Directors and eligible employees of our Group and business associates and persons who have contributed to the success of the Group, including doctors
Singapore Underwriters....................	Collectively, CIMB Securities (Singapore) Pte. Ltd., DBS, Maybank Kim Eng Securities Pte. Ltd., OCBC, Phillip Securities Pte Ltd and United Overseas Bank Limited for the Singapore Offering
Singapore Underwriting Agreements	The Singapore Offer Agreement and the Singapore Placement Agreement
Sole Coordinator for the MITI Tranche or Sole Coordinator (MITI Tranche).......	CIMB, for the MITI Tranche
Stabilising Manager..........................	CIMB
Symphony..	Symphony Healthcare Holdings Limited
Symphony Conversion......................	The conversion of the IHH Turkey shares held by Symphony into Shares of our Company as described in "Statutory and Other General Information—Share Capital" of this Prospectus
SZA Gayrimenkul.............................	SZA Gayrimenkul Yatirim Insaat ve Ticaret A.S.
TCC..	Turkish Commercial Code numbered 6762 published in the Official Gazette dated 9 July 1956 and numbered 9353
TPA...	Third party healthcare administration
TURKAK	Turkish Accreditation Institution
Turkish Clinic Regulation................	Regulation on the Healthcare Institutions Providing Outpatient Services published in the Official Gazette of Turkey dated 15 February 2008 and numbered 26788
Turkish Hospital Regulation	Private Hospital Regulation published in the Official Gazette dated 27 March 2002 and numbered 24708
UBS..	UBS AG, Singapore Branch

U.S. GAAP	United States generally accepted accounting principles
U.S. Holder	A beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) a citizen or resident of the U.S.; (ii) a corporation or other entity taxable as a corporation created or organised under the laws of the U.S. or any political subdivision thereof or therein or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (A) that is subject to the supervision of a court within the United States and the control of one or more United States persons as described in Internal Revenue Code Section 7701(a)(30) or (B) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time and any re-enactment thereof

GROUP ENTITIES

Acibadem	Acibadem Saglik Hizmetleri ve Ticaret A.S.
Acibadem Holding	Acidadem Saglik Yatirimlari Holding A.S.
Acibadem Labmed	Acibadem Labmed Saglik Hizmetleri A.S.
Acibadem Mobil	Acibadem Mobil Saglik Hizmetleri A.S.
Acibadem Orta	Acibadem Orta Dogu Saglik Yatirimlari A.S.
Acibadem Poliklinik	Acibadem Poliklinikleri A.S.
Acibadem Proje	Acibadem Proje Yonetimi A.S.
Acibadem Sistina	Clinical Hospital Acibadem Sistina Skopje
Acibadem Sistina Medikal	Acibadem Sistina Medikal Kompani Doo Skopje
Almond (Turkey)	Almond Holding A.S.
Angiography	Angiography Sdn Bhd
APlus	APlus Hastane ve Otelcilik Hizmetleri A.S.
Apollo Gleneagles	Apollo Gleneagles Hospital Limited
Apollo PET	Apollo Gleneagles PET-CT (Private) Limited
Asia Renal Care	Asia Renal Care Mt Elizabeth Pte Ltd
Asia Renal Care (Katong)	Asia Renal Care (Katong) Pte Ltd
Chengdu Rui Rong	Chengdu Rui Rong Clinic Co Ltd
Cheras Medical Centre	Cheras Medical Centre Sdn Bhd
Credit Enterprise	Credit Enterprise Sdn Bhd
Drayson Investments	Drayson Investments Pte. Ltd.
East Shore Medical	East Shore Medical Holdings Pte. Ltd.
GEH Management	GEH Management Services (M) Sdn Bhd
Gemtip Ozel	Gemtip Ozel Saglik Hizmetleri Sanayi ve Ticaret Ltd. Sti.
Gleneagles Clinical Research	Gleneagles Clinical Research International Pte. Ltd.

Gleneagles CRC	Gleneagles CRC Pte Ltd
Gleneagles CRC (Australia)	Gleneagles CRC Pty Ltd
Gleneagles CRC (China)	Gleneagles CRC (China) Pte Ltd
Gleneagles CRC (Thailand)	Gleneagles CRC (Thailand) Co Ltd
Gleneagles Development	Gleneagles Development Pte Ltd
Gleneagles International	Gleneagles International Pte. Ltd.
Gleneagles JPMC	Gleneagles JPMC Sdn Bhd
Gleneagles KL	Gleneagles Hospital (Kuala Lumpur) Sdn Bhd
Gleneagles Malaysia	Gleneagles (Malaysia) Sdn Bhd
Gleneagles Management	Gleneagles Management Services Pte Ltd
Gleneagles Medical Centre	Gleneagles Medical Centre Ltd.
Gleneagles Medical Centre KL	Gleneagles Medical Centre (Kuala Lumpur) Sdn Bhd
Gleneagles Medical Holdings	Gleneagles Medical Holdings Limited
Gleneagles Pharmacy	Gleneagles Pharmacy Pte Ltd
Gleneagles Shanghai	Shanghai Gleneagles International Medical and Surgical Centre
Gleneagles Technologies	Gleneagles Technologies Services Pte Ltd
Gleneagles UK	Gleneagles Hospital (UK) Limited
Goldlink Investments	Goldlink Investments Pte. Ltd.
Hale Medical Clinic	Hale Medical Clinic (Concourse) Pte. Ltd.
HPAK Cancer	HPAK Cancer Centre Sdn Bhd
HPAK Lithotripsy	HPAK Lithotripsy Services Sdn Bhd
IH Capital	Integrated Healthcare Capital Sdn Bhd
IHH Bharat	Integrated Healthcare Holdings (Bharat) Limited
IHH Cayman	Integrated Healthcare Holdings (Cayman Islands) Limited
IHHL	Integrated Healthcare Holdings Limited
IHH Mauritius	Integrated (Mauritius) Healthcare Holdings Limited
IHH Turkey	Integrated Healthcare Hastaneler Turkey Sdn Bhd
IHT Yatirimlari	Integrated Healthcare Turkey Yatirimlari Limited
IMU Education	IMU Education Sdn Bhd
IMU Health	IMU Health Sdn Bhd
IMU Healthcare	IMU Healthcare Sdn Bhd
International Hospital	International Hospital Istanbul A.S.
iXchange	iXchange Pte. Ltd.
Jinemed Saglik	Jinemed Saglik Hizmetleri A.S.
Khubchandani Hospitals	Khubchandani Hospitals Private Limited
KL Medical Centre	Kuala Lumpur Medical Centre (Asia Pacific) Sdn Bhd
Konur Saglik	Konur Saglik Hizmetleri A.S.

Kyami	Kyami Pty Ltd
M&P Investments	M & P Investments Pte Ltd
Magnetom Imaging	Magnetom Imaging Sdn Bhd
Medical Resources	Medical Resources International Pte Ltd
Medi-Rad	Medi-Rad Associates Ltd
MENA Services	MENA Services Pte Ltd
Mount Elizabeth Healthcare	Mount Elizabeth Healthcare Holdings Ltd
Mount Elizabeth Medical	Mount Elizabeth Medical Holdings Ltd.
Mount Elizabeth Ophthalmic	Mount Elizabeth Ophthalmic Investments Pte Ltd
Mount Elizabeth Services	Mount Elizabeth Health Care Services Sdn Bhd
Nippon Medical	Nippon Medical Care Pte Ltd
Oncology Centre (KL)	Oncology Centre (KL) Sdn Bhd
Orifolio Options	Orifolio Options Sdn Bhd
Paloh Medical Centre	Paloh Medical Centre Sdn Bhd
Pantai	Pantai Holdings Berhad
Pantai-Arc Dialysis	Pantai-ARC Dialysis Services Sdn Bhd
Pantai Ayer Keroh	Hospital Pantai Ayer Keroh Sdn Bhd
Pantai Diagnostics	Pantai Diagnostics Indonesia Sdn Bhd
Pantai Education	Pantai Education Sdn Bhd
Pantai Hospitals	Pantai Hospitals Sdn Bhd
Pantai Indah	Hospital Pantai Indah Sdn Bhd
Pantai Irama	Pantai Irama Ventures Sdn Bhd
Pantai Johor	Pantai Hospital Johor Sdn Bhd
Pantai Klang	Pantai Klang Specialist Medical Centre Sdn Bhd
Pantai Management	Pantai Management Resources Sdn Bhd
Pantai Manjung	Pantai Hospital Manjung Sdn Bhd
Pantai Medical Centre	Pantai Medical Centre Sdn Bhd
Pantai Premier Pathology	Pantai Premier Pathology Sdn Bhd
Pantai Integrated Rehab	Pantai Integrated Rehab Services Sdn Bhd
Pantai Resources	Pantai Group Resources Sdn Bhd
Pantai Screening	Pantai Screening Services Sdn Bhd
Pantai Sungai Petani	Pantai Hospital Sungai Petani Sdn Bhd
Parkway	Parkway Holdings Limited
Parkway College	Parkway College of Nursing & Allied Health Pte. Ltd.
Parkway Education	Parkway Education Pte. Ltd.
Parkway Healthcare	Parkway Group Healthcare Pte Ltd
Parkway Healthcare HK	Parkway Healthcare (Hong Kong) Limited

Parkway Healthcare Mauritius	Parkway Healthcare (Mauritius) Ltd
Parkway Healthtech	Parkway Healthtech Investments Pte Ltd
Parkway HK	Parkway HK Holdings Limited
Parkway Hospitals	Parkway Hospitals Singapore Pte. Ltd.
Parkway Investments	Parkway Investments Pte. Ltd.
Parkway Irrawaddy	Parkway Irrawaddy Pte. Ltd.
Parkway Lab or PLS	Parkway Laboratory Services Ltd.
Parkway M&A	Parkway M&A Capital Corporation
Parkway Novena	Parkway Novena Pte. Ltd.
Parkway Novena Holdings	Parkway Novena Holdings Pte. Ltd.
Parkway Pantai or PPL	Parkway Pantai Limited
Parkway Promotions	Parkway Promotions Pte Ltd
Parkway Shenton	Parkway Shenton Pte Ltd
Parkway Shenton International	Parkway Shenton International Holdings Pte. Ltd.
Parkway Shenton Vietnam	Parkway Shenton Vietnam Limited
Parkway Shanghai	Parkway (Shanghai) Hospital Management Ltd
Parkway Trust Management	Parkway Trust Management Limited
PLife REIT	Parkway Life Real Estate Investment Trust
PMC Radio-Surgery	PMC Radio-Surgery Sdn Bhd
PT Tritunggal	PT Tritunggal Sentra Utama Surabaya
Positron Tracers	Positron Tracers Pte. Ltd.
PT Pantai	P.T. Pantai Healthcare Consulting
PT Pantai Bethany	P.T. Pantai Bethany Care International
Pulau Pinang Clinic	Pulau Pinang Clinic Sdn Bhd
Radiology Consultants	Radiology Consultants Pte Ltd
Shanghai Gleneagles	Shanghai Gleneagles Hospital Management Co., Ltd.
Shanghai Rui Hong	Shanghai Rui Hong Clinic Co., Ltd.
Shanghai Rui Pu	Shanghai Rui Pu Clinic Co., Ltd.
Shanghai Rui Xiang	Shanghai Rui Xiang Clinic Co., Ltd.
Shanghai Rui Xin	Shanghai Rui Xin Healthcare Co., Ltd.
Shanghai Shu Kang	Shanghai Shu Kang Hospital Investment Management Co., Ltd.
Shanghai Xin Rui	Shanghai Xin Rui Healthcare Co., Ltd.
Shenton Family	Shenton Family Medical Clinics Pte Ltd
Shenton Family Ang Mo Kio	Shenton Family Medical Clinic (Ang Mo Kio)
Shenton Family Bedok Reservoir	Shenton Family Medical Clinic (Bedok Reservoir)
Shenton Family Bukit Gombak	Shenton Family Medical Clinic (Bukit Gombak)
Shenton Family Clementi	Shenton Family Medical Clinic (Clementi)

Shenton Family Duxton	Shenton Family Medical Clinic (Duxton)
Shenton Family Jurong East	Shenton Family Medical Clinic (Jurong East)
Shenton Family Serangoon	Shenton Family Medical Clinic (Serangoon)
Shenton Family Tampines	Shenton Family Medical Clinic (Tampines)
Shenton Family Towner	Shenton Family Medical Clinic (Towner)
Shenton Family Yishun	Shenton Family Medical Clinic (Yishun)
Shenton Insurance	Shenton Insurance Pte. Ltd.
Specialist Ordination	Specialist Ordination in Occupational Medicine Sistina Skopje
Swiss Zone	Swiss Zone Sdn Bhd
Sistina Kosovo	Clinical Hospital Sistina, Kosovo
Syarikat Tunas	Syarikat Tunas Pantai Sdn Bhd
The Heart Hospital	The Heart Hospital Limited
Twin Towers Healthcare	Twin Towers Healthcare Sdn Bhd
Twin Towers Medical Centre	Twin Towers Medical Centre KLCC Sdn Bhd
Yeni Saglik	Yeni Saglik Hizmetleri ve Ticaret A.S.

COUNTRIES AND REGIONS

Australasia	The region that consists of Australia, New Zealand, New Guinea, and the neighbouring islands of the Pacific Ocean
BVI	British Virgin Islands
CEEMENA	The region that consists of Central and Eastern Europe, Middle East and North Africa
HK	The Special Administrative Region of Hong Kong
PRC	People's Republic of China excluding Hong Kong, Macau and Taiwan
UAE	United Arab Emirates
UK	United Kingdom
U.S. or United States	United States of America

CURRENCIES

AUD	Australian Dollar, the lawful currency of Australia
BND	Brunei Dollar, the lawful currency of Brunei Darussalam
Baht	The lawful currency of Thailand
Chinese Renminbi or CNY or RMB	Renminbi, the lawful currency of the PRC
Euro or €	The Euro, the currency of certain nations within the European Union that have adopted the Euro as their lawful currency
GBP or £	The pound sterling, the lawful currency of the United Kingdom

HKD	Hong Kong Dollar, the lawful currency of Hong Kong
MKD	Macedonian Denar, the lawful currency of Macedonia
RM or Ringgit Malaysia and sen	Ringgit Malaysia and sen, the lawful currency of Malaysia
SGD or Singapore Dollar and cent	Singapore Dollar and cent, the lawful currency of the Republic of Singapore
Swiss Franc	Swiss Franc, the lawful currency of Switzerland
TL or Turkish Lira	Turkish Lira, the lawful currency of Turkey
USD or U.S. Dollar	United States Dollar, the lawful currency of the United States
Rs.	Rupee, the lawful currency of India

References herein to "this Prospectus" should be construed as being references to the "Prospectus" in the context of the prospectus distributed outside Singapore or the "Singapore Prospectus" or the "Prospectus" in the context of this Prospectus registered by the MAS and distributed in Singapore.

The terms "depositor", "depository agent" and "depository register" shall have the meanings ascribed to them in Section 130A of the Singapore Companies Act.

The expressions "associate", "associated company", "associated entity", "controlling interest-holder", "related corporation", "related entity", "subsidiary", "subsidiary entity", "substantial shareholder" and "substantial interest-holder" shall have the meanings ascribed to them in the Fourth Schedule of the SFR, save that in "Interested Person Transactions and Potential Conflicts of Interests" such terms, if used, shall have the meanings ascribed to them in the Listing Manual or the SFR as the context so requires.

Words importing the singular include, where applicable, the plural and vice versa, and words importing the masculine gender include, where applicable, the feminine and neuter gender.

Any reference in this Prospectus to any legislation or enactment refers to the legislation or enactment as amended or re-enacted unless the context otherwise requires.

Unless we specify otherwise or the context otherwise requires, all references to our "ordinary shares" or our "Shares" refer to ordinary shares in the capital of the Company.

Any reference to a time or day shall be a reference to Malaysian time, unless otherwise stated.

GLOSSARY OF TECHNICAL TERMS

allied health....................	The domain of medical practices that support medical professionals. Allied health professionals collaborate with physicians and other members of the health care team to deliver diagnostics, technical, therapeutic and direct patient care and support services to the patients they serve for the identification, prevention, and treatment of diseases, disabilities and disorders
algology............................	The branch of medicine involving the study of pain
angiography	The radiographic visualisation of the blood vessels after injection of a radio-opaque substance
apheresis	Procedure that involves removal of whole blood from a patient or donor, followed by removal of one or more components (plasma, blood platelets, or white blood cells) from the blood, and transfusion of the remaining blood back into the donor
brownfield	Sites for potential building development that have had previous development
CCU	Critical care unit
CICU...............................	Coronary intensive care unit
CSSD...............................	Central sterile supply department
CT	Computed tomography used for medical imaging employing tomography created by computer processing to generate a three dimensional image of the inside of an object from a large series of x-ray images taken around a single axis of rotation
cardiology........................	The branch of medicine that deals with diseases and abnormalities of the heart
cardiothoracic surgery... **or cardiothoracic vascular surgery**	The field of medicine involved in surgical treatment of diseases affecting organs inside the thorax (the chest) — generally treatment of conditions of the heart (heart disease) and lungs (lung disease). Vascular surgeries are surgeries of the blood vessels
cauterisation	Operation where the skin or tissue (or wound) is burned with a heated instrument or caustic substance in order to stop bleeding
colonoscopy	A flexible fibre-optic instrument inserted through the anus in order to examine the colon
diagnostic services..........	Refers to medical procedures, examinations, imaging, clinical laboratory and other tests performed to identify the condition that is causing symptoms or to determine the status of a condition
ENT.................................	Ear, nose and throat
gastroenterology..............	The branch of medicine which deals with disorders of the stomach and intestines

general surgery — A discipline that requires knowledge of and familiarity with a broad spectrum of diseases that may require surgical treatment; these include (alimentary tract, abdomen and its contents, breast, skin and soft tissue, endocrine system); However, there are some types of disease in which comprehensive knowledge and experience is not generally gained in the course of a standard general surgical training

greenfield — Undeveloped sites for potential building development

HDU — High dependency unit

haematology — The branch of medicine involving study and treatment of the blood and blood-forming organs

haemodialysis or renal dialysis — The process of diffusing blood across a semipermeable membrane to remove substances that a normal kidney would eliminate, including poisons, drugs, urea, uric acid, and creatinine. Renal dialysis may restore electrolytes and acid-base imbalances

hub-and-spoke model — An operating model which comprises of hub hospitals and spoke hospitals. See "Our Business" for descriptions of hub hospitals and spoke hospitals

ICU — Intensive care unit

IVF — In-vitro fertilisation

LASIK — Laser-assisted in situ keratomileusis, a type of refractive surgery for correcting myopia, hyperobia and astigmatism

MRI — Magnetic resonance imaging, a type of medical imaging technique to visualise detailed internal structure by making use of the property of nuclear magnetic resonance to image nuclei of atoms inside the body

medical travel — The activity of seeking medical treatment outside the borders of one's own country, and requires a patient to travel to a destination country, including making necessary arrangements (akin to a tourist) such as entry visas / permits, transfers and accommodation

NICU — Neonatal intensive care unit

neonatology — The branch of medicine concerned with the development, and disorders of newborn babies

nephrology — The branch of medicine that deals with the physiology and diseases of the kidneys

neuropsychiatry — The branch of medicine concerned with both neurology and psychiatry. Neurology deals with the physiology and disease of the nervous system. Psychiatry involves the study and treatment of mental, emotional, or behavioural disorders

neurosurgery — Surgery performed on the nervous system, especially the brain and spinal cord

obstetrics — The branch of medicine that deals with the care of women during pregnancy, childbirth, and the recuperative period following delivery

oncology — The study and treatment of tumours

ophthalmology — The branch of medicine concerned with the study and treatment of disorders and diseases of the eye

orthopaedics	Medical specialty that focuses on injuries and diseases of the musculoskeletal system, which includes bones, joints, ligaments, tendons, muscles, and nerves
otorhinolaryngology	The branch of medicine involving study and treatment of diseases related to ear, nose, and throat
PET	Positron emission tomography, a type of nuclear medical imaging technique to visualise detailed internal structures by detecting pairs of gamma rays emitted indirectly by radionuclide
primary care	The most basic healthcare services that is provided to the general public, delivered by primary care physicians, nurses or family doctors on an outpatient basis. Primary care services are generally provided through health centres, clinics and sometimes, pharmacies and also include administering first-aid to injuries and dental services
quaternary care	The highest level of healthcare services which involve high-risk and complex surgeries such as organ transplants
reconstructive and .... **maxillofacial surgery**	Reconstructing surgery relating to the jaws and face
rectoscopy	Procedure for inspecting the rectum, usually done using a speculum or tubular instrument with illumination.
rheumatology	The study of rheumatism, arthritis, and other disorders of the joints, muscles, and ligaments.
secondary care	The intermediate healthcare services or consultation by medical specialists to patients, usually referred by primary care personnel and may be delivered on an inpatient or outpatient basis. Secondary care is typically provided in specialist clinics, hospitals and medical centres that have special facilities for diagnostic, inpatient treatment and general surgeries. Secondary care services are supported by healthcare workers such as nurses, pharmacists and allied health personnel
TPA	Third party healthcare administration
tertiary care	The level of healthcare services provided to patients which typically involve specialist consultative care, advanced treatment or complex surgery and inpatient care. Tertiary care patients are usually referred by primary or secondary care personnel. The provision of these services is delivered via hospitals and medical centres with specialised equipment and facilities for complex medical interventions. Examples of tertiary care include cardiac surgery, neurosurgery, reconstructive surgery and cancer treatment
traumatology	The study of wounds and injuries, and the surgical therapy and repair of the damage
urology	The branch of medicine that focuses on the urinary tracts of males and females, and on the reproductive system of males

APPENDIX A:
DETAILS OF OUR MAJOR TRADEMARKS AND PATENTS

1. Major trademarks of our Group

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
GLENEAGLES Gleneagles	Gleneagles International	Singapore	42	T07/10939H	Registered on 18 May 2007
Gleneagles	Gleneagles International	PRC	42	6325135	Registered on 28 June 2010
Gleneagles	Gleneagles International	PRC	44	6325134	Registered on 14 July 2010
GLENEAGLES Gleneagles	Gleneagles International	Malaysia	42	08010116	Registered on 23 May 2008
GLENEAGLES Gleneagles Gleneagles	Gleneagles International	Hong Kong	44	302237102	Pending registration; applied on 27 April 2012
Gleneagles	Gleneagles International	Singapore	42	T92/05510C	Renewed on 23 July 2002
GLENEAGLES *Gleneagles*	Gleneagles International	Singapore	44	T05/04129Z	Registered on 28 March 2005
GLENEAGLES	Gleneagles International	India	42	1612880	Pending registration; applied on 18 October 2007

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
GLENEAGLES Gleneagles	Gleneagles International	Malaysia	44	08010117	Registered on 23 May 2008
Gleneagles	Gleneagles International	India	42	1252034	Pending registration; applied on 28 November 2003
MOUNT ELIZABETH Mount Elizabeth	Mount Elizabeth Medical	Singapore	42	T07/10933I	Registered on 18 May 2007
MOUNT ELIZABETH Mount Elizabeth	Mount Elizabeth Medical	Singapore	44	T07/10934G	Registered on 18 May 2007
Mount Elizabeth	Mount Elizabeth Medical	PRC	44	6325136	Registered on 28 March 2010
MOUNT ELIZABETH NOVENA MOUNT ELIZABETH NOVENA	Mount Elizabeth Medical	Singapore	44	T1200641J	Pending registration; applied on 17 January 2012
Mount Elizabeth	Mount Elizabeth Medical	PRC	42	6325137	Pending registration; applied on 16 October 2007
MOUNT ELIZABETH	Mount Elizabeth Medical	India	42	1612879	Pending registration; applied on 18 October 2007
MOUNT ELIZABETH Mount Elizabeth	Mount Elizabeth Medical	Malaysia	42	08010118	Pending registration; applied on 23 May 2008
MOUNT ELIZABETH Mount Elizabeth	Mount Elizabeth Medical	Malaysia	44	08010119	Registered on 23 May 2008
	Parkway	Singapore	42	T07/10925H	Registered on 18 May 2007

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
	Parkway	Singapore	44	T07/10926F	Registered on 18 May 2007
ParkwayHealth™ ParkwayHealth™ ParkwayHealth™ ParkwayHealth™	Parkway	Singapore	42	T07/10927D	Registered on 18 May 2007
ParkwayHealth™ ParkwayHealth™ ParkwayHealth™ ParkwayHealth™	Parkway	Singapore	44	T07/10928B	Registered on 18 May 2007
	Parkway	Singapore	36	T07/13163F	Registered on 14 June 2007
	Parkway	Singapore	37	T07/13166J	Registered on 14 June 2007
ParkwayLife REIT	Parkway	Singapore	36	T07/13168G	Registered on 14 June 2007
ParkwayLife REIT	Parkway	Singapore	37	T07/13169E	Registered on 14 June 2007
PARKWAY EAST	Parkway	Singapore	44	T1000462C	Registered on 15 January 2010
	Parkway	PRC	42	6325131	Registered on 28 June 2010
	Parkway	PRC	44	6325130	Registered on 28 March 2010

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
ParkwayHealth	Parkway	PRC	42	6325133	Registered on 28 June 2010
ParkwayHealth	Parkway	PRC	44	6325132	Registered on 28 March 2010
	Parkway	India	42	1612877	Registered on 18 October 2007
PARKWAYHEALTH	Parkway	India	42	1612878	Registered on 18 October 2007
	Parkway	Malaysia	36	08010108	Registered on 23 May 2008
	Parkway	Malaysia	37	08010109	Registered on 23 May 2008
	Parkway	Malaysia	44	08010111	Registered on 23 May 2008
ParkwayHealth ParkwayHealth PARKWAYHEALTH	Parkway	Hong Kong	44	301933975	Registered on 1 June 2011
Parkway Parkway PARKWAY	Parkway	Hong Kong	44	301934082	Registered on 1 June 2011

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
	Parkway	Hong Kong	44	301934019	Registered on 1 June 2011
PARKWAY	Parkway	Singapore	44	T05/04128A	Registered on 28 March 2005
PARKWAY	Parkway	India	42	1252033	Registered on 28 November 2003
	Parkway	Malaysia	42	08010110	Pending registration; applied on 23 May 2008
ParkwayHealth™ ParkwayHealth™ ParkwayHealth™ ParkwayHealth™	Parkway	Malaysia	42	08010114	Pending registration; applied on 23 May 2008
ParkwayHealth™ ParkwayHealth™ ParkwayHealth™ ParkwayHealth™	Parkway	Malaysia	44	08010115	Pending registration; applied on 23 May 2008
LUXE LUXE	Parkway Shenton	Singapore	44	T1104193Z	Registered on 1 April 2011
EXECUTIVE HEALTH SCREENERS	Parkway Shenton	Singapore	44	T04/02576B	Registered on 23 February 2004
NIPPON MEDICAL CARE	Parkway Shenton	Singapore	44	T04/02578I	Registered on 23 February 2004
SHENTON	Parkway Shenton	Singapore	44	T04/03807D	Registered on 9 March 2004

Trademark	Owner/Applicant	Country	Class(1)	Registration/Renewal Application no.	Status(2)
	Parkway Shenton	Singapore	42	T94/01105G	Renewed on 8 February 2004
Shenton	Parkway Shenton	PRC	44	TM No. 5573141	Registered on 14 December 2009
Shenton Shenton SHENTON	Parkway Shenton	Hong Kong	44	301934055	Registered on 1 June 2011
LUXE	Parkway Shenton	PRC	44	9723649	Pending registration; applied on 15 July 2011
LUXE LUXE	Parkway Shenton	Malaysia	44	2011052007	Pending registration; applied on 6 July 2011
Pantai	Pantai	Malaysia	41	99010656	Renewed on 20 April 2009
Pantai	Pantai	Malaysia	44	99010657	Renewed on 20 April 2009
PANTAI	Pantai	Malaysia	35	09003517	Registered on 5 March 2009
PANTAI	Pantai	Malaysia	39	09003514	Registered on 5 March 2009
PANTAI	Pantai	Malaysia	44	09003512	Registered on 5 March 2009
	Pantai	Malaysia	35	09003518	Registered on 5 March 2009

Trademark	Owner/Applicant	Country	Class[(1)]	Registration/Renewal Application no.	Status[(2)]
	Pantai	Malaysia	37	09003520	Registered on 5 March 2009
	Pantai	Malaysia	39	09003521	Registered on 5 March 2009
	Pantai	Malaysia	44	09003524	Registered on 5 March 2009
PANTAI	Pantai	Malaysia	36	09003516	Registered on 5 March 2009
PANTAI	Pantai	Malaysia	37	09003515	Registered on 5 March 2009
PANTAI	Pantai	Malaysia	41	09003508	Pending registration; applied on 5 March 2009
PANTAI	Pantai	Malaysia	40	09003513	Gazetted on 24 November 2011
	Pantai	Malaysia	36	09003519	Pending registration; applied on 5 March 2009
	Pantai	Malaysia	40	09003522	Pending registration; applied on 5 March 2009
	Pantai	Malaysia	41	09003523	Pending registration; applied on 5 March 2009

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
IMU	IMU Education	Malaysia	41	01007802	Renewed on 22 June 2011
IMU	IMU Education	Malaysia	9	01007805	Renewed on 22 June 2011
IMU	IMU Education	Malaysia	16	01007806	Renewed on 22 June 2011
IMU	IMU Education	Malaysia	25	01007807	Renewed on 22 June 2011
IMU Chinese Medicine Centre IMU Chinese Medicine Centre	IMU Education	Malaysia	44	2010015250	Registered on 17 August 2010
IMU Medical Centre IMU Medical Centre	IMU Education	Malaysia	44	2010015251	Registered on 17 August 2010
IMU Healthcare IMU Healthcare	IMU Education	Malaysia	44	2010015253	Registered on 17 August 2010
IMU ORAL HEALTH CENTRE	IMU Education	Malaysia	44	2010015247	Registered on 17 August 2010

Trademark	Owner/Applicant	Country	Class[1]	Registration/Renewal Application no.	Status[2]
IMU Dental Centre IMU Dental Centre	IMU Education	Malaysia	44	2010015248	Registered on 17 August 2010
IMU Chiropractic Centre IMU Chiropractic Centre	IMU Education	Malaysia	44	2010015249	Registered on 17 August 2010
IMU Specialist Clinic IMU Specialist Clinic	IMU Education	Malaysia	44	2010017612	Registered on 21 September 2010
ACIBADEM	Acibadem	Turkey	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45	2006 51770	Applied on 30 January 2006
ACIBADEM PROJE YÖNETİMİ	Acibadem	Turkey	19, 35, 37 and 42	2007 33385	Applied on 18 June 2007

Trademark	Owner/Applicant	Country	Class[(1)]	Registration/Renewal Application no.	Status[(2)]
ACIBADEM ACiL	Acibadem	Turkey	5, 10, 36, 39, 42 and 44	2008 61161	Applied on 23 October 2008
ACIBADEM LABMED	Acibadem	Turkey	5, 9, 10, 35, 41 and 44	2006 27937	Applied on 12 June 2006
ACIBADEM LABVITAL	Acibadem	Turkey	1, 5, 9, 10, 35, 42 and 44	2008 27918	Applied on 12 May 2008
ACIBADEM MOBIL SAGLIK	Acibadem	Turkey	39 and 44	2008 63541	Applied on 3 November 2008
	Acibadem	Turkey	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45	2008 63535	Applied on 3 November 2008
MOBİL SAĞLIK	Acibadem	Turkey	39 and 44	2008 63540	Applied on 3 November 2008
EVİNİZESAĞLIK ACIBADEM	Acibadem	Turkey	5, 10, 36, 39, 41, 43 and 44	2009 60273	Applied on 12 November 2009
BADEM ÇOCUK	Acibadem	Turkey	16, 35 and 41	2003 03130	Applied on 10 February 2003

Trademark	Owner/Applicant	Country	Class(1)	Registration/Renewal Application no.	Status(2)
ACIBADEM	Acibadem	Turkey	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45	2001 07866	Renewed on 1 May 2011
ACIBADEM LABCELL	Acibadem	Turkey	5, 9, 10, 41 and 44	2010 36376	Applied on 2 June 2010
www.ahkalbim.com ACIBADEM	Acibadem	Turkey	10, 35, 38, 41 and 44	2010 42581	Applied on 29 June 2010
DOKTORSENSİN	Acibadem	Turkey	38 and 44	2010/21062	Applied on 1 April 2010
ACIBADEM	Acibadem	Certain contracting parties under Madrid Protocol*	44	955384	Applied on 18 January 2008
ACIBADEM	Acibadem	United States	44	3598667	Applied on 18 January 2008
VİTAMİN CARD	Acibadem	Turkey	36 and 44	2011/12997	Gazetted on 22 December 2011
cerebral	Acibadem	Turkey	09, 35, 37, 38, 42 and 44	2011/67009	Gazetted on 30 January 2012
AİLE HASTANESİ	Acibadem	Turkey	Not specified	2012/19005	Pending issuance of trade mark number and examination

Trademark	Owner/Applicant	Country	Class(1)	Registration/Renewal Application no.	Status(2)
ACIBADEM LABGEN	Acibadem	Turkey	05, 9, 10, 42 and 44	2011/118432	Pending issuance of trade mark number and examination
	Acibadem	Turkey	09, 35, 37, 38, 42 and 44	2011/119505	Pending issuance of trade mark number and examination
ACIBADEM	Acibadem	Iraq	44	7866	Pending issuance of trade mark number and examination
ACIBADEM	Acibadem	Kosovo	44	7358	Pending issuance of trade mark number and examination
CATERPLUS	Acibadem	Turkey	3, 8, 16, 20, 21, 24, 29, 30, 32, 37, 43	2010 43549	Applied on 2 July 2010
INTERNATIONAL HOSPITAL ISTANBUL	International Hospital	Turkey	42	169072	Renewed on 22 December 2005

Trademark	Owner/Applicant	Country	Class(1)	Registration/Renewal Application no.	Status(2)
KONUR HASTANESİ	Konur Saglik	Turkey	42	171358	Renewed on 18 June 2006
APLUS	Aplus	Turkey	10, 16, 29, 30, 32, 37, 39 and 43	2006 40363	Applied on 18 August 2006
СИСТИНА SISTINA	Acibadem Sistina	Macedonia	44	10-5453/1 – 2011	Pending issuance of trademark number and examination

Notes:

(1) Brief description of each class under which the trademark is registered/applied for is as follows:

(a) Class 1 refers to, amongst others, chemicals used in industry, science and photography.

(b) Class 2 refers to, amongst others, paints, varnishes, lacquers; preservatives against rust and against deterioration of wood.

(c) Class 3 refers to, amongst others, bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations.

(d) Class 4 refers to, amongst others, industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions.

(e) Class 5 refers to, amongst others, pharmaceutical; sanitary preparations for medical purposes; dietetic food and substances adapted for medical use.

(f) Class 6 refers to, amongst others, common metals and their alloys; metal building materials; transportable buildings of metal.

(g) Class 7 refers to, amongst others, machines and machine tools; motors and engines (except for land vehicles).

(h) Class 8 refers to, amongst others, hand tools and implements (hand-operated); cutlery; side arms; razors.

(i) Class 9 refers to, amongst others, scientific, photographic, cinematographic, optical, weighing, measuring and teaching apparatus and instruments.

(j) Class 10 refers to, amongst others, surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.

(k) Class 11 refers to, amongst others, apparatus for lighting, heating, steam generating, and cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.

(l) Class 12 refers to, amongst others, vehicles; apparatus for locomotion by land, air or water.

(m) Class 13 refers to, amongst others, firearms; ammunition and projectiles; explosives; fireworks.

(n) Class 14 refers to, amongst others, precious metals and their alloys, not included in other classes; horological and chronometric instruments.

(o) Class 15 refers to, amongst others, musical instruments.

(p) Class 16 refers to, amongst others, paper, cardboard and goods made from these materials, not included in other classes; printed matter.

(q) Class 17 refers to, amongst others, rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes.

(r) Class 18 refers to, amongst others, leather and imitations of leather, and goods made of these materials and not included in other classes.

(s) Class 19 refers to, amongst others, building materials (non-metallic); non-metallic rigid pipes for building.

(t) *Class 20 refers to amongst others furniture, mirrors, picture frames; goods (not included in other classes) of wood.*

(u) *Class 21 refers to amongst others household or kitchen utensils and containers; combs and sponges; brushes (except paint brushes).*

(v) *Class 22 refers to amongst others ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes).*

(w) *Class 23 refers to amongst others yarns and threads, for textile use.*

(x) *Class 24 refers to amongst others textiles and textile goods, not included in other classes; bed covers; table covers.*

(y) *Class 25 refers to amongst others clothing, footwear, headgear.*

(z) *Class 26 refers to amongst others lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.*

(aa) *Class 27 refers to amongst others carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).*

(bb) *Class 28 refers to amongst others games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.*

(cc) *Class 29 refers to amongst others meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables.*

(dd) *Class 30 refers to amongst others coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals.*

(ee) *Class 31 refers to amongst others grains and agricultural, horticultural and forestry products not included in other classes.*

(ff) *Class 32 refers to amongst others amongst others beers; mineral and aerated waters and other non-alcoholic beverages.*

(gg) *Class 33 refers to amongst others alcoholic beverages (except beers).*

(hh) *Class 34 refers to amongst others tobacco; smokers' articles; matches.*

(ii) *Class 35 refers to amongst others advertising; business management; business administration; office functions.*

(jj) *Class 36 refers to amongst others insurance; financial affairs; monetary affairs; real estate affairs.*

(kk) *Class 37 refers to amongst others building construction; repair; installation services.*

(ll) *Class 38 refers to amongst others telecommunications.*

(mm) *Class 39 refers to amongst others transport; packaging and storage of goods; travel arrangement.*

(nn) *Class 40 refers to amongst others treatment of materials.*

(oo) *Class 41 refers to amongst others education; providing of training; entertainment; sporting and cultural activities.*

(pp) *Class 42 refers to amongst others laboratory research services; and research and scientific services relating to medical services.*

(qq) *Class 43 refers to amongst others services for providing food and drink; temporary accommodation.*

(rr) *Class 44 refers to amongst others hospital services; medical services; physician's services.*

(ss) *Class 45 refers to amongst others legal services; security services for the protection of property and individuals.*

(2) *Trademarks registered in Singapore, Malaysia, PRC, India and Hong Kong will be valid for a period of ten (10) years from registration or renewal date. Trademarks registered in Turkey and Macedonia will be valid for a period of ten (10) years from application or renewal date.*

2. Patents owned or applied for by our Group

Invention	Country	Proprietor/Inventor	Registration/Application No.	Status
Detection of Aneuploidy	Singapore	Parkway Lab/Roger Quaife	Registration No.: P-No. 119192	Filed on 27 June 2003
Nephelium Lappaceum Extracts for Cosmeceutical and Nutraceutical Applications	Malaysia	SIRIM Berhad/IMU Uma Devi M. Palanisamy/Cheng Hwee Ming/Theanmalar Masilamani/ Thavamanithevi Subramaniam/Yap Say Moi/Ammu Radhakrishnan	Application No.: 20064567	Filed on 27 November 2006
Extract and Fraction having antiglycemic activity	Malaysia	SIRIM Berhad/University Malaya/ IMU Education/Monash University Sunway Campus Sdn Bhd Uma Devi M. Palanisamy/ Theanmalar Masilamani/ Thavamanithevi Subramaniam	Application No.: 20090710	Filed on 23 February 2009
An apparatus and method for obtaining biomolecules	Malaysia	IMU/Dr. Yiap Beow Chin	Application No.: PI2011001094	Filed on 10 March 2011

This page has been intentionally left blank.

APPENDIX B:
DETAILS OF OUR MAJOR LICENCES AND PERMITS

This Appendix B sets out key details of the approvals, major licences and permits for our operating hospitals, clinical laboratories, medical centres, clinics and educational facilities in our key operating jurisdictions.

1. Hospitals and specialist centres

The table below sets forth the approvals, major licences and permits for our hospitals and specialist centres as at 1 June 2012.

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
A.	**Singapore**						
A1.	**Hospitals**						
1.	Gleneagles Hospital						
	6A Napier Road Singapore 258500	Parkway Hospitals	MOH Singapore	05/1700000/2010 / 28 September 2010 / Effective period from 1 October 2010 to 30 September 2012	Licence under the PHMC Act to operate a 272-bedded private medical, surgical, maternity and children's hospital Gleneagles Hospital is also approved to provide the following specialised procedures and services: (a) blood transfusion, storage and apheresis services; (b) radiation oncology; (c) assisted reproduction services; (d) neonatal intensive care; and (e) renal dialysis	Refer to Note (1)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
2.	<u>Mount Elizabeth Hospital</u> 3 Mount Elizabeth Singapore 228510	Parkway Hospitals	MOH Singapore	05/1690000/2010 / 24 September 2010 /Effective period from 1 October 2010 to 30 September 2012	Licence under the PHMC Act to operate a 345-bedded private medical, surgical, maternity, psychiatric and children's hospital Mount Elizabeth Hospital is also approved to provide the following specialised procedures and services: (a) blood transfusion, storage and apheresis services; (b) assisted reproduction services; (c) neonatal intensive care; (d) nuclear medicine, imaging & assay services; (e) renal dialysis (limited to acute haemodialysis); and (f) radiation oncology	Refer to Note (1)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
3.	Parkway East Hospital 321 Joo Chiat Place Singapore 427990	Parkway Hospitals	MOH Singapore	05/1980000/2011 / 2 December 2011 /Effective period from 4 January 2012 to 3 January 2014	Licence under the PHMC Act to operate a 113-bedded private medical, surgical, maternity and children hospital. From 16 May 2012, the MOH Singapore has granted approval for Parkway Hospitals to change the number of licensed beds in Parkway East Hospital to 92 beds. Parkway East Hospital is also approved to provide the following specialised procedures and services: (a) blood & blood product storage and transfusion services (including autologous blood transfusion); (b) neonatal intensive care; (c) renal dialysis (limited to acute haemodialysis); and (d) from 3 February 2012, assisted reproduction services	Refer to Note (1)	Complied
4.	Mount Elizabeth Novena Hospital 38 Irrawaddy Road Singapore 329563	Parkway Hospitals	MOH Singapore	05/2060000/2012 / 29 May 2012 / Effective period from 29 May 2012 to 28 May 2014	Licence under the PHMC Act to operate a 180-bedded private medical and surgical hospital Mount Elizabeth Novena Hospital is also approved to provide the following specialised procedures and services: (a) blood transfusion services; (b) renal dialysis; and (c) nuclear medicine, imaging and assay services	Refer to Note (1)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
A2.	**Specialist Centres**						
1.	Parkway East Specialist Centre (Bedok) 445 Bedok North Street 1, Princess Theatre Building Singapore 469661	Parkway Hospitals	MOH Singapore	94/944070/2010 / 14 June 2010 / Effective period from 14 June 2010 to 13 June 2012 94/947332/2012 / 8 May 2012 / Effective period from 14 June 2012 to 13 June 2014	To operate a medical clinic	Refer to Note (1)	Complied
2.	Parkway East X-Ray Centre (Bedok) 445 Bedok North Street 1, Level 2 Princess Theatre Building Singapore 469661	Dr. Low Chen Hoong	MOH Singapore	97/977990/2012 / 3 April 2012 / Effective period from 7 May 2012 to 6 May 2014	To operate a clinical laboratory	Refer to Note (1)	Complied
3.	Parkway Cancer Centre 3 Mount Elizabeth #02-00, Mount Elizabeth Hospital Singapore 228510	Parkway Cancer Centre	MOH Singapore	94/944247/2010 / 4 August 2010 / Effective period from 9 October 2010 to 8 October 2012	To operate a medical clinic	Refer to Note (1)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
4.	Parkway Cancer Centre 3 Mount Elizabeth #13-08, Mount Elizabeth Medical Centre Singapore 228510	Parkway Cancer Centre	MOH Singapore	94/945627/2011 / 25 July 2011 / Effective period from 25 July 2011 to 24 July 2013	To operate a medical clinic	Refer to Note (1)	Complied
5.	Parkway Cancer Centre 3 Mount Elizabeth #13-16/17, Mount Elizabeth Medical Centre Singapore 228510	Parkway Cancer Centre	MOH Singapore	94/944353/2010 / 31 August 2010 / Effective period from 30 October 2010 to 29 October 2012	To operate a medical clinic	Refer to Note (1)	Complied
6.	Parkway Cancer Centre 6A Napier Road #01-35 Gleneagles Hospital Singapore 258500	Parkway Cancer Centre	MOH Singapore	94/944730/2011 / 3 January 2011 / Effective period from 27 January 2011 to 26 January 2013	To operate a medical clinic	Refer to Note (1)	Complied
7.	Parkway Cancer Centre 6A Napier Road #02-00 Gleneagles Hospital Singapore 258500	Parkway Cancer Centre	MOH Singapore	94/944138/2010 / 5 July 2010 / Effective period from 10 September 2010 to 9 September 2012	To operate a medical clinic	Refer to Note (1)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
8.	Parkway Cancer Centre 6A Napier Road #04-37 Gleneagles Hospital (Annexe Block) Singapore 258500	Parkway Cancer Centre	MOH Singapore	94/944352/2010 / 31 August 2010 / Effective period from 30 October 2010 to 29 October 2012	To operate a medical clinic	Refer to Note (1)	Complied
9.	Parkway Eye Centre 6A Napier Road #03-00 Gleneagles Hospital Singapore 258500	Parkway Eye Centre	MOH Singapore	94/946978/2012 / 6 February 2012 / Effective period from 6 February 2012 to 5 February 2014	To operate a medical clinic	Refer to Note (1)	Complied
10.	Parkway Eye Centre @ Mount Elizabeth 3 Mount Elizabeth #16-14, Mount Elizabeth Medical Centre Singapore 228510	Parkway Hospitals	MOH Singapore	94/944598/2010 / 16 November 2010 / Effective period from 16 November 2010 to 15 November 2012	To operate a medical clinic	Refer to Note (1)	Complied
11.	Parkway Gynaecology Screening & Treatment Centre 6A Napier Road #03-00 Gleneagles Hospital Singapore 258500	Parkway Gynaecology Screening & Treatment Centre	MOH Singapore	94/945843/2011 / 23 September 2011 / Effective period from 23 September 2011 to 22 September 2013	To operate a medical clinic	Refer to Note (1)	Complied
12.	Gamma Knife Centre 363 Balestier Road ParkwayHealth Day Surgery & Medical Centre Singapore 329784	Parkway Hospitals	MOH Singapore	94/946463/2011 / 4 November 2011 / Effective period from 1 December 2011 to 30 November 2013	To operate a medical clinic	Refer to Note (1)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
B.	**Malaysia**						
1.	Pantai Hospital Kuala Lumpur 8 Jalan Bukit Pantai, 59100 Kuala Lumpur	Pantai Medical Centre	Director General, MOH Malaysia	131401-00014-01 / 2010 / 19 August 2010 / 1 June 2012 13140-00014-01/ 2012 / 2 June 2012 / 1 June 2014	Licence to operate or provide a private hospital for the following services: (i) in patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 332 beds, 40 cots, eight operation rooms, 12 delivery rooms, ICU, NICU, CCU, nursery and CSSD	Refer to Note (2)	Complied
2.	Pantai Hospital Ampang Jalan Perubatan 1 Pantai Indah, 55100 Kuala Lumpur	Pantai Indah	Director General, MOH Malaysia	131401-00130-01/ 2011 / 06 May 2011 / 19 April 2013	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; (v) haemodialysis; and facilities with the approved capacity of 114 beds, 11 bassinets, four operating theatres, four delivery rooms, nursery, eight ICU beds, and seven dialysis non-hepatitis chairs	Refer to Note (2)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
3.	<u>Pantai Hospital Cheras</u> 1 Jalan 1/96A Taman Cheras Makmur, 58100 Kuala Lumpur	Cheras Medical Centre	Director General, MOH Malaysia	131401-00127-01/ 2011 27 October 2011 / 19 April 2013	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 143 beds, five bassinets, four operation rooms, four delivery rooms, ICU, nursery and HDU	Refer to Note (2)(a) & (c)	Complied
4.	<u>Pantai Hospital Klang</u> Lot 5921 Persiaran Raja Muda Musa 41200 Klang, Selangor.	Pantai Klang	Director General, MOH Malaysia	131002-00215-01/ 2011 1 October 2011 / 30 September 2013	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 108 beds, 10 cots, three operating rooms, two delivery rooms, nursery, six ICU beds, and CSSD	Refer to Note (2)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
5.	Pantai Hospital Penang 82 Jalan Tengah Bayan Baru, 11900 Bayan Lepas Pulau Pinang	Syarikat Tunas	Director General, MOH Malaysia	130705-00155-01/ 2011 21 September 2011 / 20 September 2013	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 180 beds, 25 dialysis chairs, 13 bassinets, two dental chairs, five operation rooms, five delivery rooms, one nursery, CSSD, six HDU beds, six ICU beds, and four CCU beds	Refer to Note (2)	Complied
				130705-00155-01/ 2011/P4 26 January 2012 / 20 September 2013	Approved capacity of 15 beds, five day cares, four arm chairs		
6.	Pantai Hospital Ipoh 126 Jalan Tambun 31400, Ipoh, Perak.	Paloh Medical Centre	Director General, MOH Malaysia	130803-00053-01/ 2011 / 25 June 2011 / 24 June 2013	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 180 beds, one dialysis chair of hepatitis B and one hepatitis chair of hepatitis C, four operation rooms, four delivery rooms, five ICU beds, five nursery cots, CSSD, and two CICU beds	Refer to Note (2)(a) and (c)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
				130803-00053-01/ 2011/P2 25 June 2011 / 24 June 2013	Approved capacity of 20 Dialysis chairs (18 non-hepatitis, one hepatitis B chair, one hepatitis C chair)		
7.	Pantai Hospital Ayer Keroh 2418-1, KM 8 Lebuh Ayer Keroh 75450 Melaka	Pantai Ayer Keroh	Director General, MOH Malaysia	130403-00104-01/ 2011 / 2 March 2011 / 1 March 2013	Licence to operate or provide a private hospital for the following services: (i) medical, surgery, paediatric, obstetrics and gynaecology, critical service, recovery, emergency, endoscopic, orthopaedic, neonatal, oncology, vascular surgical, and maxilla o-facial surgical, dermatology, urology, cardiology, otorinolaringolohy; (ii) anaesthesia, radiology and imaging, nursing, laboratory, pharmaceutical, ambulance, diet, haemodialysis, sterilisation; (iii) out-patient; and facilities with the approved capacity of 224 beds, 25 bassinets, 14 dialysis chairs, seven operation rooms, seven delivery rooms, nursery, 12 ICU beds, six HDU beds, and two endoscopic	Refer to Note (2)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
8.	Pantai Hospital Batu Pahat 9S Jalan Bintang Satu, Taman Koperasi Bahagia, 83000 Batu Pahat, Johor	Pantai Ayer Keroh	Director General, MOH Malaysia	130101-00055-01/ 2010 / 23 December 2010 / 11 December 2012	Licence to operate or provide a private hospital for the following services: (i) in-patient services; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 106 beds, 12 bassinets, three operation rooms, three delivery beds, five ICU beds, nursery and CSSD	Refer to Note (2)(a) and (c)	Complied
9.	Pantai Hospital Sungai Petani 1 Persiaran Cempaka, Bandar Amanjaya, 08000 Sungai Petani, Kedah	Pantai Sungai Petani	Director General, MOH Malaysia	130204-00047-01/ 2010 / 8 November 2010 / 7 November 2012 (Application for renewal was made on 28 May 2012)	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 80 beds, 10 cots, 10 bassinets, 11 dialysis chairs, two operation rooms, two delivery rooms, ICU, nursery and CCU	Refer to Note (2)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
10.	Gleneagles Intan Medical Centre (currently known as Gleneagles Hospital Kuala Lumpur) 286 Jalan Ampang, 50450 Kuala Lumpur	Gleneagles KL	Director General, MOH Malaysia	131401-00022-01-2010 / 19 August 2010 / 21 July 2012 (Application for renewal was made on 16 January 2012)	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient; and facilities with the approved capacity of 316 beds, 10 arm chairs and with eight surgery rooms, eight delivery rooms, nursery, 10 ICU beds, 10 CCU beds health screening centres, six HDU beds and one CSSD	Refer to Note (2)(a) and (c)	Complied
11.	Gleneagles Medical Centre Penang 1 Jalan Pangkor 10050, Pulau Pinang	Pulau Pinang Clinic	Director General, MOH Malaysia	130704-00098-01/ 2011 / 28 February 2011 / 27 February 2013	Licence to operate or provide a private hospital for the following services: (i) in-patient; (ii) ambulatory; (iii) support; (iv) out-patient services; and facilities with the approved capacity of 227 beds, 13 dialysis chairs, three cots, 12 bassinets, six operating rooms, four delivery rooms, six ICU beds, four CCU beds, CSSD, and nursery	Refer to Note (2)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
C.	**Turkey**						
1.	Acibadem Adana Hospital Seyhan Doseme Mah. Cumhuriyet Caddesi No: 66 Adana	Acibadem	MOH Turkey	5973 / 16 February 2009[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 119 beds and approximately 25 therapeutic areas and key specialist services including radiation oncology	Refer to Note (3) below	Complied; refer to Note (4) below
2.	Acibadem Bakirkoy Hospital Halit Ziya Usakligil Cad. No: 1 Bakirkoy Istanbul	Acibadem	MOH Turkey	6895 / 28 July 2000[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 127 beds and approximately 25 therapeutic areas and key specialist services including paediatric cardiovascular surgery, orthopaedic, general surgery	Refer to Note (3) below	Complied; refer to Note (4) below
3.	Acibadem Bursa Hospital Fatih Sultan Mehmet Bulvari Sumer Sokak No: 1 Nilufer, Bursa	Acibadem	MOH Turkey	1026 / 9 February 2006[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 164 beds and approximately 25 therapeutic areas and key specialist services including radiation oncology, cardiovascular surgery, general surgery, obstetrics and gynaecology	Refer to Note (3) below	Complied; refer to Note (4) below
4.	Acibadem Eskisehir Hospital Hosnudiye Mahallesi S00734 Sokak No: 19 Eskibaglar Tepebasi Eskisehir	Acibadem	MOH Turkey	38037 / 23 September 2010[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 93 beds and approximately 20 therapeutic areas and key specialist services	Refer to Note (3) below	Complied; refer to Note (4) below
5.	Acibadem Fulya Hospital Hakki Yeten Caddesi Dikilitas Mahallesi Besiktas, Istanbul	Acibadem	MOH Turkey	37439 / 20 September 2010[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 104 beds and approximately 10 therapeutic areas and key specialist services including sports medicine	Refer to Note (3) below	Complied; refer to Note (4) below

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
6.	Acibadem Kadikoy Hospital Kadikoy Acibadem Tekin Sok No: 8 Istanbul	Acibadem	MOH Turkey	6701 / 26 September 1991[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 138 beds and approximately 25 therapeutic areas and key specialist services including IVF, cardiology, paediatrics, internal medicine	Refer to Note (3) below	Complied; refer to Note (4) below
7.	Acibadem Kayseri Hospital Seyitgazi Mah. Mustafa Kemal Pasa Bul. No: 1/1-A Kayseri	Acibadem	MOH Turkey	11273 / 19 March 2009[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 111 beds and approximately 20 therapeutic areas and key specialist services including radiation oncology	Refer to Note (3) below	Complied; refer to Note (4) below
8.	Acibadem Kocaeli Hospital Yenimahalle Inkilap Cad. No: 9 Kocaeli	Acibadem	MOH Turkey	5800 / 26 February 2008[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 68 beds and approximately 25 therapeutic areas and key specialist services including paediatrics, internal medicine, ENT, cardiovascular surgery	Refer to Note (3) below	Complied; refer to Note (4) below
9.	Acibadem Kozyatagi Hospital Inonu Cad. Okur Sok. No: 20 Kadikoy Istanbul	Acibadem	MOH Turkey	4756 / 30 June 2004[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 93 beds and approximately 25 therapeutic areas and key specialist services including adult and paediatric, neurosurgery, medical and oncology, nuclear medicine	Refer to Note (3) below	Complied; refer to Note (4) below
10.	Acibadem Maslak Hospital Darusafaka Mahallesi Buyukdere Caddesi No: 40 Sariyer Istanbul	Acibadem	MOH Turkey	8593 / 3 March 2009[(5)]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 178 beds and approximately 30 therapeutic areas and key specialist services, radiation oncology, cardiac care, urology	Refer to Note (3) below	Complied; refer to Note (4) below

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
11.	International Hospital Yesilkoy Istanbul Caddesi No: 82 Bakirkoy, Istanbul	International Hospital	MOH Turkey	6051 / 11 October 1989[5]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 121 beds and approximately 20 therapeutic areas and key specialist services including organ transplantation, paediatric cardiovascular surgery	Refer to Note (3) below	Complied; refer to Note (4) below
12.	Aile Hospital Bahcelievler Talatpasa Bulv. Begonyali Sok. No: 7 Bahcelievler, Istanbul	Yeni Saglik	MOH Turkey	8599 / 13 October 1998[5]	Licence under the Turkish Hospital Regulation, with a capacity of 109 beds and approximately 20 therapeutic areas and key specialist services including general surgery, orthopaedic, obstetrics and gynaecology	Refer to Note (3) below	Complied; refer to Note (4) below
13.	Aile Hospital Goztepe Goztepe Fahrettin Kerim Gokay Cad. No: 192 Kadikoy, Istanbul[8]	Yeni Saglik	MOH Turkey	2677 / 14 April 2004[5]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 89 beds and approximately 20 therapeutic areas and key specialist services including general surgery, cardiology and cardiovascular surgery	Refer to Note (3) below	Complied; refer to Note (4) below
14.	Jinemed Hospital Muradiye Mahallesi Nuzhetiye Caddesi Deryadil Sokak No: 1 Besiktas Istanbul	Jinemed Saglik[7]	MOH Turkey	5039 / 8 February 2010[5]	Licence under the Turkish Hospital Regulation, to operate with a capacity of 20 beds and approximately 15 therapeutic areas and key specialist services including obstetrics-gynaecology, IVF, general surgery, internal medicine, paediatrics and orthopaedics	Refer to Note (3) below	Complied; refer to Note (4) below
D.	**Macedonia**						
1.	Acibadem Sistina Skopje Clinical Hospital Skupi Str. No. 5A Skopje	Acibadem Sistina	Ministry of Health of Macedonia	10-3597/2 / 2 June 2010	Working permit for registering the Clinical Hospital under the Macedonian Law on Healthcare and Law on Institutions	Refer to Note (6)	Complied

	Licenced premise/ Location	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
E.	**India**						
1.	Apollo Gleneagles Hospital 58, Canal Circular Road, Kolkata 700054	Apollo Gleneagles	Deputy Director of Health Services, West Bengal	L/919-(03)-10/0448 License granted on 16 September 2010 valid till 7 August 2013	Apollo Gleneagles has been issued a licence for carrying on a 425 bed hospital issued under the West Bengal Clinical Establishments Act, 1950.	Apollo Gleneagles is not permitted to transfer this licence. The hospital must furnish periodic reports to the Deputy Director of Health Services, West Bengal in the prescribed form. Closure of the establishment must be notified at least one month in advance to the Deputy Director of Health Services, West Bengal.	Complied; refer to note (9) below.

Notes:

(1) Subject to the provisions of the PHMC Act, the regulations made thereunder and the terms and conditions stipulated by the Director of Medical Services, which, inter alia, regulate the operations of private hospitals, medical clinics and clinical laboratories, including the following:

(a) any changes in the appointment of any person as the manager or deputy manager of a licensee of a private hospital, medical clinic or clinical laboratory or any intention by a licensee to cease operation or to let, sell or in any way dispose of a private hospital, medical clinic or clinical laboratory shall require notification to be made to the Director of Medical Services; and

(b) any intention by any private hospital (not being a nursing home or maternity home) to increase the number of its beds exceeding 10% of the maximum number of beds for which it is increased, is subject to the approval of the Director of Medical Services.

(2) Private hospitals in Malaysia are subject to the provisions of PHFS Act and must ensure compliance with various conditions including the following conditions:

(i) all registered medical practitioner must have appropriate qualification and experience as well as a valid Annual Practicing Certificate to practise at the licensed private hospitals.

(ii) there is a valid Licence for the radiation apparatus (X-ray)/radioactive elements, hosting machine for lift, steam boilers and unfired pressure vessel for autoclave (if relevant).

(iii) to comply with all terms and conditions which attached to the licence, including the type of services and facilities to be provided by the hospital.

(iv) to comply with the provisions under the PHFS Act and Private Healthcare Facilities and Services (Private Healthcare Facilities) Regulations 2006 and all other guidelines issued from time to time by the Director General of MOH Malaysia which include, inter alia, the following:

(a) any structural or functional extension or alteration of a private hospital shall only be made upon prior written approval from the Director General; and

(b) the licensee shall notify the Director General within fourteen (14) days from the occurrence of any change of the person in charge of the private healthcare facility or service to which his or its License or certificate of registration relates to.

(v) renewal of the licence shall be at least six months prior to its expiry.

(3) The licenses listed herein are the final licenses that authorise an applicant willing to open and operate a private hospital to commence patient reception and treatment services. Prior to obtaining this operation certificate, certain pre-requisite licenses such as construction permit, building use permit, pre-approval certificate and hospital opening certificate must be obtained. Although the operation certificate is the main license to commence and continue operations, further licenses such as working permit, laboratory permits etc. must be obtained in order to maintain or expand operations. Additionally, the private hospital must apply to the MOH Turkey and obtain its approval for each planned capacity increase (e.g. transfer of personnel, opening an additional unit or laboratory, increasing number of beds etc). The MOH Turkey introduced a procedure for 'planning' of health sector and established a planning commission in 2002. The planning procedure requires approval of the said commission for certain operations, including capacity increase. The planning commission is not yet fully active and hence, the issuance of approvals is suspended with certain exceptions.

(4) As per the reports of the latest inspections carried out by the MOH Turkey on each Acibadem hospital listed in this table, the operations and licence of each hospital are compliant with the health legislation.

(5) The operation certificates are issued without certain time limitation and they remain valid until the medical center/policlinic ceases operations or the operation license is revoked by the MOH Turkey due to violation of the Turkish Hospital Regulation by the medical center/policlinic. The MOH Turkey may revoke the operation certificate of a private hospital, if it fails to satisfy its obligations.

(6) As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Group. On 1 February 2012, Acibadem and the shareholders of Jinemed Saglik executed a "share purchase agreement" according to which, 65% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction; however, the share transfer has not yet been completed. Jinemed Medical Center is included in the pro forma financial information of our Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed within 2012.

(7) Goztepe Safak Hospital was operational until April 2012 and is currently undertaking structural reinforcements of the hospital building, which is leased.

(8) The procedure for registering the Clinical Hospital begins with issuing a temporary decision by the Ministry of Health for fulfilling the conditions for premises and equipment for opening private clinical hospital in order to commence patient reception and treatment services. The main permit is working permit listed above. Although the working permit is the main permit to commence and continue operations, further licenses such permit for production of food, decision for performing IVF procedures, permit to perform activity near the sources of ionizing radiation etc must be obtained in order to maintain the operations. No additional approval from the Ministry of Health is needed for increasing the existing capacity, approval is needed only in case when new segments are introduced in the hospital which were not registered previously. The working permit is issued without expiry date and remains valid until the private hospital ceases operations or the working permit is revoked by the Ministry of Health due to violation of the regulation by the private hospital.

(9) As at 1 June 2012, Apollo Gleneagles operates a 510 bed facility and has applied for a modification of the existing license. An inspection of the hospital has been carried out by the Directorate of Health Services, West Bengal. Apollo Gleneagles expects the modified license to be issued in due course.

In addition to the above, Acibadem received the operation certificate for Acibadem Bodrum Hospital from MOH Turkey for 60 licensed patient and observations beds on 8 June 2012.

2. Healthcare and others

The table below sets forth the approvals, major licences and permits for our healthcare and other businesses (other than our education business) as at 1 June 2012:

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
A.	**Singapore**						
A1.	**Medical clinics**[1]						
1.	Luxe Wellness Centre for Women 333 Orchard Road #06-25 Mandarin Hotel Singapore 238867	Parkway Shenton	MOH Singapore	94/945139/2011 / 5 April 2011 / Effective period from 5 April 2011 to 4 April 2013	To operate a medical clinic	Refer to Note (2)	Complied
2.	Executive Health Screeners 10 Sinaran Drive #08-17/30, Novena Medical Center Singapore 307506	Parkway Shenton	MOH Singapore	94/945923/2011 / 5 October 2011 / Effective period from 10 November 2011 to 9 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
3.	Executive Health Screeners 290 Orchard Road #07-07/08, Paragon Singapore 238859	Parkway Shenton	MOH Singapore	94/945247/2011 / 28 April 2011 / Effective period from 28 April 2011 to 27 April 2013	To operate a medical clinic	Refer to Note (2)	Complied
4.	24 Hour Walk-In Clinic 321 Joo Chiat Place #01-00, Parkway East Hospital Singapore 427990	Parkway Shenton	MOH Singapore	94/944567/2010 / 4 November 2010 / Effective period from 4 November 2010 to 3 November 2012	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
5.	Shenton Medical Group 9 Raffles Place #02-22, Republic Plaza II Singapore 048619	Parkway Shenton	MOH Singapore	94/944366/2010 / 6 September 2010 / Effective period from 26 October 2010 to 25 October 2012	To operate a medical clinic	Refer to Note (2)	Complied
6.	Shenton Medical Group 11 Collyer Quay #19-01, The Arcade Singapore 049317	Parkway Shenton	MOH Singapore	94/945838/2011 / 21 September 2011 / Effective period from 10 November 2011 to 9 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
7.	ParkwayHealth Primary Care Network 11 Collyer Quay #18-01/02 The Arcade Singapore 049317	Parkway Shenton	MOH Singapore	94/946575/2011 / 18 November 2011 / Effective period from 11 January 2012 to 10 January 2014	To operate a medical clinic	Refer to Note (2)	Complied
8.	Shenton Medical Group 10 Anson Road #36-01 International Plaza Singapore 079903	Parkway Shenton	MOH Singapore	94/946581/2011 / 18 November 2011 / Effective period from 23 January 2012 to 22 January 2014	To operate a medical clinic	Refer to Note (2)	Complied
9.	Shenton Medical Group 3 Temasek Boulevard #02-122 Suntec City Mall Singapore 038983	Parkway Shenton	MOH Singapore	94/945087/2011 / 21 March 2011 / Effective period from 3 May 2011 to 2 May 2013	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
10.	Shenton Medical Group 138 Robinson Road #16-01/02, The Corporate Office Singapore 068906	Parkway Shenton	MOH Singapore	94/946582/2011 / 18 November 2011 / Effective period from 23 January 2012 to 22 January 2014	To operate a medical clinic	Refer to Note (2)	Complied
11.	Shenton Medical Group 10 Eunos Rd 8 #B1-01, Singapore Post Centre Singapore 408600	Parkway Shenton	MOH Singapore	94/945602/2011 / 19 July 2011 / Effective period from 18 August 2011 to 17 August 2013	To operate a medical clinic	Refer to Note (2)	Complied
12.	Shenton Medical Group 333 Orchard Road #06-23/24 Mandarin Orchard Singapore 238867	Parkway Shenton	MOH Singapore	94/946144/2011 / 14 October 2011 / Effective period from 14 October 2011 to 13 October 2013	To operate a medical clinic	Refer to Note (2)	Complied
13.	Shenton Medical Group 333 Orchard Road #06-26 Mandarin Hotel Singapore 238867	Parkway Shenton	MOH Singapore	94/945140/2011 / 5 April 2011 / Effective period from 5 April 2011 to 4 April 2013	To operate a medical clinic	Refer to Note (2)	Complied
14.	Shenton Medical Group 1 HarbourFront Place #01-04, HarbourFront Tower One Singapore 098633	Parkway Shenton	MOH Singapore	94/944532/2010 / 28 October 2010 / Effective period from 14 January 2011 to 13 January 2013	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
15.	Shenton Medical Group 1 Raffles Quay #09-02, One Raffles Quay North Tower Singapore 048583	Parkway Shenton	MOH Singapore	94/944678/2010 / 20 December 2010 / Effective period from 23 January 2011 to 22 January 2013	To operate a medical clinic	Refer to Note (2)	Complied
16.	Shenton Medical Group 60 Alexandra Terrace #03-08, The Comtech Singapore 118502	Parkway Shenton	MOH Singapore	94/946953/2012 / 27 January 2012 / Effective period from 7 March 2012 to 6 March 2014	To operate a medical clinic	Refer to Note (2)	Complied
17.	ParkwayHealth Primary Care Network/ Shenton Medical Group 363 Balestier Road #01-02 Singapore 329784	Parkway Shenton	MOH Singapore	94/943915/2010 / 29 April 2010 / Effective period from 17 June 2010 to 16 June 2012 94/947343/2012 / 8 May 2012 / Effective period from 17 June 2012 to 16 June 2014	To operate a medical clinic	Refer to Note (2)	Complied
18.	Shenton Medical Group 1 Changi Business Park Crescent #01-17 Singapore 486025	Parkway Shenton	MOH Singapore	94/945839/2011 / 21 September 2011 / Effective period from 8 December 2011 to 7 December 2013	To operate a medical clinic	Refer to Note (2)	Complied
19.	Shenton Medical Group 26 Sentosa Gateway #B2-01 Singapore 098138	Parkway Shenton	MOH Singapore	94/946580/2011 / 18 November 2011 / Effective period from 15 January 2012 to 14 January 2014	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
20.	<u>Shenton Medical Group</u> 8A Marina Boulevard #B2-76, Marina Bay Link Mall Singapore 018984	Parkway Shenton	MOH Singapore	94/945819/2011 / 21 September 2011 / Effective period from 21 September 2011 to 20 September 2013	To operate a medical clinic	Refer to Note (2)	Complied
21.	<u>Shenton Medical Group</u> Blk 625 Elias Road #01-324B, Elias Mall Singapore 510625	Parkway Shenton	MOH Singapore	94/946131/2011 / 14 October 2011 / Effective period from 14 October 2011 to 13 October 2013	To operate a medical clinic	Refer to Note (2)	Complied
22.	<u>Shenton Medical Group</u> 20 Bendemeer Road #01-02/06 Singapore 339914	Parkway Shenton	MOH Singapore	94/944126/2010 / 2 July 2010 / Effective period from 2 July 2010 to 1 July 2012 94/947420/2012 / 24 May 2012 / Effective period from 2 July 2012 to 1 July 2014	To operate a medical clinic	Refer to Note (2)	Complied
23.	<u>Shenton Medical Group</u> 82 Genting Lane Level 4, News Centre Singapore 349567	Parkway Shenton	MOH Singapore	94/946583/2011 / 18 November 2011 / Effective period from 23 January 2012 to 22 January 2014	To operate a medical clinic	Refer to Note (2)	Complied
24.	<u>Shenton Medical Group</u> 2 Jurong Port Road Singapore 619088	Parkway Shenton	MOH Singapore	94/946801/2011 / 13 December 2011 / Effective period from 1 February 2012 to 31 January 2014	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
25.	Shenton Medical Group 1 Jurong West Central 2 #01-40/41/42 Jurong Point Shopping Centre Singapore 648886	Parkway Shenton	MOH Singapore	94/946704/2011 / 28 November 2011 / Effective period from 28 November 2011 to 27 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
26.	Shenton Medical Group 1000 Toa Payoh North #07-00 Annexe Block Singapore 318994	Parkway Shenton	MOH Singapore	94/945788/2011 / 5 September 2011 / Effective period from 23 November 2011 to 22 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
27.	Shenton Medical Group 168 Kallang Way Level 1 Singapore 349253	Parkway Shenton	MOH Singapore	94/947089/2012 / 9 March 2012 / Effective period from 1 April 2012 to 31 March 2014	To operate a medical clinic	Refer to Note (2)	Complied
28.	Shenton Medical Group Blk 177 Toa Payoh Central #01-138 Singapore 310177	Parkway Shenton	MOH Singapore	94/947273/2012 / 25 April 2012 / Effective period from 25 April 2012 to 24 April 2014	To operate a medical clinic	Refer to Note (2)	Complied
29.	Shenton Medical Group 11 Orchard Road #B2-01 Dhoby Ghaut MRT Station Singapore 238826	Parkway Shenton	MOH Singapore	94/947096/2012 / 13 March 2012 / Effective period from 13 March 2012 to 12 March 2014	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
30.	PCS Medical Centre 100 Ayer Merbau Road, Jurong Island Singapore 628277	Parkway Shenton	MOH Singapore	94/946733/2011 / 1 December 2011 / Effective period from 1 December 2011 to 30 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
31.	SIA ALH Clinic 25 Airline Road 6D Airline House Singapore 819829	Parkway Shenton	MOH Singapore	94/945696/2011 / 15 August 2011 / Effective period from 15 August 2011 to 14 August 2013	To operate a medical clinic	Refer to Note (2)	Complied
32.	SIA Training Centre Clinic 720 New Upper Changi Road East Singapore 486852	Parkway Shenton	MOH Singapore	94/945695/2011 / 15 August 2011 / Effective period from 15 August 2011 to 14 August 2013	To operate a medical clinic	Refer to Note (2)	Complied
33.	ST Kinetics In-House Clinic 249 Jalan Boon Lay Singapore 619523	Parkway Shenton	MOH Singapore	94/945629/2011 / 27 July 2011 / Effective period from 27 July 2011 to 26 July 2013	To operate a medical clinic	Refer to Note (2)	Complied
34.	Singapore Technologies Marine Ltd (Medical Clinic) 7 Benoi Road Singapore 629882	Parkway Shenton	MOH Singapore	94/946697/2011 / 24 November 2011 / Effective period from 24 November 2011 to 23 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
35.	Micron Semiconductor Asia Medical Clinic 990 Bendemeer Road Singapore 339942	Parkway Shenton	MOH Singapore	94/945813/2011 / 16 September 2011 / Effective period from 16 September 2011 to 15 September 2013	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
36.	ParkwayHealth Primary Care Network 1150 Depot Road #05-00 Singapore 109673	Parkway Shenton	MOH Singapore	94/944493/2010 / 13 October 2010 / Effective period from 1 December 2010 to 30 November 2012	To operate a medical clinic	Refer to Note (2)	Complied
37.	Singapore Technologies Electronics Limited (In-House Medical Clinic) 24 Ang Mo Kio Street 65 Singapore 569061	Parkway Shenton	MOH Singapore	94/946696/2011 / 24 November 2011 / Effective period from 24 November 2011 to 23 November 2013	To operate a medical clinic	Refer to Note (2)	Complied
38.	MSA Medical e Center (Fab10) 1 North Coast Drive Level 3 Singapore 757432	Parkway Shenton	MOH Singapore	94/947217/2012 / 11 April 2012 / Effective period from 11 April 2012 to 10 April 2014	To operate a medical clinic	Refer to Note (2)	Complied
39.	Shenton Family Medical Clinic (Serangoon) Blk 304 Serangoon Ave 2 #01-10 Singapore 550304	Shenton Family Serangoon	MOH Singapore	94/944011/2010 / 3 June 2010 / Effective period from 14 July 2010 to 13 July 2012 94/947460/2012 / 1 June 2012 / Effective period from 14 July 2012 to 13 July 2014	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
40.	Shenton Family Medical Clinic (Bedok Reservoir) Blk 744 Bedok Reservoir Road #01-3065 Singapore 470744	Shenton Family Bedok Reservoir	MOH Singapore	94/944049/2010 / 10 June 2010 / Effective period from 11 August 2010 to 10 August 2012	To operate a medical clinic	Refer to Note (2)	Complied
41.	Shenton Family Medical Clinic (Bukit Gombak) Blk 372 Bukit Batok Street 31 #01-378 Singapore 650372	Shenton Family Bukit Gombak	MOH Singapore	94/943753/2010 / 31 March 2010 / Effective period from 7 June 2010 to 6 June 2012 94/947342/2012 / 8 May 2012 / Effective period from 7 June 2012 to 6 June 2014	To operate a medical clinic	Refer to Note (2)	Complied
42.	Shenton Family Medical Clinic Blk 131 Jurong Gateway Road #01-261 Singapore 600131	Shenton Family Jurong East	MOH Singapore	94/945035/2011 / 3 March 2011 / Effective period from 3 March 2011 to 2 March 2013	To operate a medical clinic	Refer to Note (2)	Complied
43.	Shenton Family Medical Clinic (Tampines) Blk 201D Tampines Street 21 #01-1137 Singapore 524201	Shenton Family Tampines	MOH Singapore	94/944747/2011 / 5 January 2011 / Effective period from 4 March 2011 to 3 March 2013	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
44.	Shenton Family Medical Clinic (Yishun) Blk 160 Yishun Street 11 #01-200 Singapore 760160	Shenton Family Yishun	MOH Singapore	94/944313/2010 / 24 August 2010 / Effective period from 12 October 2010 to 11 October 2012	To operate a medical clinic	Refer to Note (2)	Complied
45.	Shenton Family Medical Clinic Blk 728 Ang Mo Kio Avenue 6 #01-4208 Singapore 560728	Shenton Family Ang Mo Kio	MOH Singapore	94/947211/2012 / 5 April 2012 Effective period from 11 May 2012 to 10 May 2014	To operate a medical clinic	Refer to Note (2)	Complied
46.	Shenton Family Medical Clinic Blk 1 Cantonment Road #01-02 Pinnacle@Duxton Singapore 080001	Shenton Family Duxton	MOH Singapore	94/944024/2010 / 4 June 2010 / Effective period from 4 June 2010 to 3 June 2012 94/947292/2012 / 25 April 2012 / Effective period from 4 June 2012 to 3 June 2014	To operate a medical clinic	Refer to Note (2)	Complied
47.	Shenton Family Medical Clinic Blk 451 Clementi Avenue 3 #01-309 Singapore 120451	Shenton Family Clementi	MOH Singapore	94/944027/2010 / 7 June 2010 / Effective period from 7 June 2010 to 6 June 2012 94/947366/2012 / 17 May 2012 / Effective period from 7 June 2012 to 6 June 2014	To operate a medical clinic	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
48.	Shenton Family Medical Clinic Blk 18 Bedok South Road #01-67 Singapore 460018	Parkway Shenton	MOH Singapore	94/944566/2010 / 3 November 2010 / Effective period from 3 November 2010 to 2 November 2012	To operate a medical clinic	Refer to Note (2)	Complied
49.	Shenton Family Medical Clinic Blk 102 Towner Road #01-268 (Lower Floor) Townerville Singapore 322102	Shenton Family Towner	MOH Singapore	94/945756/2011 / 24 August 2011 / Effective period from 24 August 2011 to 23 August 2013	To operate a medical clinic	Refer to Note (2)	Complied
50.	Nippon Medical Care 6A Napier Road #03-37, Gleneagles Hospital Singapore 258500	Nippon Medical	MOH Singapore	94/946132/2011 / 14 October 2011 / Effective period from 14 October 2011 to 13 October 2013	To operate a medical clinic	Refer to Note (2)	Complied
51.	The Hale Medical Clinic 300 Beach Road #02-01B The Concourse Singapore 199555	Hale Medical Clinic	MOH Singapore	94/944688/2010 / 20 December 2010 / Effective period from 11 February 2011 to 10 February 2013	To operate a medical clinic	Refer to Note (2)	Complied
A2.	**Parkway Laboratory Services**						
52.	Parkway Laboratory Services Ltd 28 Ayer Rajah Crescent #03-05 to #03-08 Singapore 139959	Dr. Thomas Anjula nee Khandelwal	MOH Singapore	97/977770/2011 / 23 December 2011 / Effective period from 23 December 2011 to 22 December 2013	To operate a clinical laboratory	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
53.	Parkway Laboratory Services Ltd 10 Sinaran Drive #08-01, Novena Medical Center Singapore 307506	Dr. Thomas Anjula nee Khandelwal	MOH Singapore	97/977750/2011 / 9 December 2011 / Effective period from 29 January 2012 to 28 January 2014	To operate a clinical laboratory	Refer to Note (2)	Complied
A3.	**Parkway Radiology Services**						
54.	Radiologic Clinic 3 Mt Elizabeth #01-01/01A Mount Elizabeth Medical Centre Singapore 228510	Dr. Hoe Wei Ming John	MOH Singapore	97/977710/2011 / 30 November 2011 / Effective period from 1 January 2012 to 31 December 2013	To operate a clinical laboratory	Refer to Note (2)	Complied
55.	Radiologic Clinic 3 Mt Elizabeth #01-02, Mount Elizabeth Medical Centre Singapore 228510	Dr. Hoe Wei Ming John	MOH Singapore	97/977970/2012 / 2 April 2012 / Effective period from 27 May 2012 to 26 May 2014	To operate a clinical laboratory	Refer to Note (2)	Complied
56.	Radiologic Clinic 3 Mt Elizabeth #02-08, Mount Elizabeth Medical Centre Singapore 228510	Dr. Hoe Wei Ming John	MOH Singapore	97/977190/2011 / 23 March 2011 / Effective period from 23 March 2011 to 22 March 2013	To operate a clinical laboratory	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
57.	Radiologic Clinic @ Mandarin 333 Orchard Road #06-27, Mandarin Orchard Singapore 238867	Dr. Hoe Wei Ming John	MOH Singapore	97/977210/2011 / 7 April 2011 / Effective period from 7 April 2011 to 6 April 2013	To operate a clinical laboratory	Refer to Note (2)	Complied
58.	Radiologic Clinic – Breast Imaging Centre 290 Orchard Road #07-04/05/06 Paragon Singapore 238859	Dr. Hoe Wei Ming John	MOH Singapore	97/976690/2010 / 31 March 2010 / Effective period from 8 June 2010 to 7 June 2012 97/978060/2012 / 8 May 2012 / Effective period from 8 June 2012 to 7 June 2014	To operate a clinical laboratory	Refer to Note (2)	Complied
59.	Radiologic Clinic 3 Second Hospital Avenue #04-03 Health Promotion Board Singapore 168937	Dr. Hoe Wei Ming John	MOH Singapore	97/976820/2010 / 18 June 2010 / Effective period from 24 August 2010 to 23 August 2012	To operate a clinical laboratory	Refer to Note (2)	Complied
60.	Radiologic Clinic Blk 130 Jurong Gateway Road #01-219 Singapore 600130	Dr. Hoe Wei Ming John	MOH Singapore	97/976830/2010 / 21 June 2010 / Effective period from 1 August 2010 to 31 July 2012 97/978100/2012 / 28 May 2012 / Effective period from 1 August 2012 to 31 July 2014	To operate a clinical laboratory	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
61.	Radiologic Clinic 6A Napier Road #02-25/26, Gleneagles Hospital Singapore 258500	Dr. Hoe Wei Ming John	MOH Singapore	97/976720/2010 / 20 April 2010 / Effective period from 8 June 2010 to 7 June 2012 97/978050/2012 / 3 May 2012 / Effective period from 8 June 2012 to 7 June 2014	To operate a clinical laboratory	Refer to Note (2)	Complied
62.	Radiologic Clinic 11 Collyer Quay #18-02, The Arcade Singapore 049317	Dr. Hoe Wei Ming John	MOH Singapore	97/977730/2011 / 7 December 2011 / Effective period from 14 January 2012 to 13 January 2014	To operate a clinical laboratory	Refer to Note (2)	Complied
63.	Radiologic Clinic 10 Sinaran Drive #08-02/03/04, Novena Medical Center Singapore 307506	Dr. Hoe Wei Ming John	MOH Singapore	97/977550/2011 / 28 September 2011 / Effective period from 5 November 2011 to 4 November 2013	To operate a clinical laboratory	Refer to Note (2)	Complied
64.	Radiologic Clinic 984 Upper Changi Road North Singapore Prison Service Singapore 506969	Dr. Hoe Wei Ming John	MOH Singapore	97/977410/2011 / 30 June 2011 / Effective period from 14 August 2011 to 13 August 2013	To operate a clinical laboratory	Refer to Note (2)	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
A4.	**REIT**						
	Not Applicable	Parkway Trust Management	MAS	CMS100131-2 / Issued on 1 February 2011 / NA	Capital markets services licence for real estate investment trust management	Refer to Note (3)	Complied
A5.	**Insurance**						
	Not Applicable	Shenton Insurance	MAS	Issued on 29 April 2005 / NA	To carry on direct general insurance business in Singapore	Refer to Note (4)	Complied
B.	**Malaysia**						
1.	Twin Towers Medical Clinic Lot LC 402-404 4th floor Suria KLCC Kuala Lumpur City Centre, 50888 Kuala Lumpur	Zainal Abidin Bin Abdul Hamid	Director General, MOH Malaysia	231401-07198-11 / 10 April 2012 / NA	To operate or provide a private medical clinic	NA	Complied
2.	IMU Medical Clinic Ground Floor, Annex Block, International Medical University 126 Jalan Jalil Perkasa 19 Bukit Jalil, 57000 Kuala Lumpur	Abu Bakar Bin Suleiman	Director General, MOH Malaysia	231401-06834-11 / 1 October 2010 / NA	To operate or provide a private medical clinic	NA	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
3.	IMU Oral Health Centre Ground Floor International Medical University, No. 126 Jalan Jalil Perkasa 19 Bukit Jalil, 57000 Kuala Lumpur	IMU Education	Director General, MOH Malaysia	931401-00028-03/ 2011 / 27 October 2011 / 18 September 2013	To provide and operate the service and facilities of a private ambulatory care centre for dental service, dental teaching (services handled by the staff and student of dentistry faculty) and outpatient service (medical and dental) with approved capacity of one bed/30 dental chairs	Renewal of licence shall be at least six months prior to the expiry of the licence.	Complied
C.	**Turkey**						
1.	Acibadem Atasehir Surgical Medical Center Kucukbakkalkoy Mah. Karaman Ciftligi Cad. No: 2 Atasehir, Istanbul	Acibadem Poliklinik	MOH Turkey	7226 / 16 May 2008[7]	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including pediatric, general surgery, internal diseases, dental diseases, and anaesthesia treatments	Refer to Note (5)	Complied; refer to Note (6)
2.	Acibadem Bagdat Caddesi Medical Center Bagdat Caddesi No: 263/A Caddebostan Kadikoy, Istanbul	Acibadem Poliklinik	MOH Turkey	2433 / 28 February 2007[7]	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including pediatric, general surgery, internal diseases, dental diseases, anaesthesia, ENT, orthopedics, radiology, cardiology, urology treatments	Refer to Note (5)	Complied; refer to Note (6)
3.	Acibadem Beylikduzu Surgical Medical Center Baris Mahallesi Zafer Caddesi A Blok No: 2 Beylikduzu, Istanbul	Acibadem Poliklinik	MOH Turkey	15399 / 12 November 2007[7]	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including pediatric, general surgery, internal diseases, dental diseases, ENT, orthopedics, radiology, cardiology, urology, neurology treatments	Refer to Note (5)	Complied; refer to Note (6)

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
4.	Acibadem Etiler Medical Center Nispetiye Cad. Aytar Sok. No: 40/8 Levent Besiktas, Istanbul	Acibadem Poliklinik	MOH Turkey	2468 / 28 February 2007(7)	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including pediatric, general surgery, internal diseases, dental diseases, ENT, orthopedics, radiology, cardiology, neurology treatments	Refer to Note (5)	Complied; refer to Note (6)
5.	Acibadem Gokturk Medical Center Gokturk Beldesi Merkez Mah. Belediye Cad. Acelya Sok. No: 1/a Eyup Istanbul	Acibadem Poliklinik	MOH Turkey	1371 / 5 February 2007(7)	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including pediatric, general surgery, internal diseases, dental diseases, ENT, orthopedics, radiology treatments	Refer to Note (5)	Complied; refer to Note (6)
6.	Acibadem Uludag Outpatient Clinic Agaoglu My Resort Uludag Oteller Bolgesi Uludag Bursa	Acibadem Poliklinik	MOH Turkey	49 / 28 December 2006(7)	Licence under the Turkish Clinic Regulation, to operate a policlinic, especially for emergency cases in winter seasons	Refer to Note (5)	Complied; refer to Note (6)
7.	Konur Surgical Medical Center Kukurtlu Mah. Zubeydehanim Cad. No: 12/1 Osmangazi Bursa	Konur Saglik	MOH Turkey	83 / 2 August 2001(7)	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including pediatric, internal diseases, anaesthesia, ENT, orthopedics treatments	Refer to Note (5)	Complied; refer to Note (6)
8.	Gemtip Medical Center Hamidiye Mah. Istiklal Cad. No: 44 Gemlik, Bursa	Gemtip Ozel	MOH Turkey	37 / 10 November 2003(7)	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including gynecology, pediatric, internal diseases, dental diseases treatments	Refer to Note (5)	Complied; refer to Note (6)

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
9.	Levent Medical Center Carsi Caddesi No: 17 Birinci Levent Istanbul	Tolga Saglik(8)	MOH Turkey	19874 / 30 December 2010(7)	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including internal diseases, neurology, dental diseases, ENT, orthopedics, urology treatments	Refer to Note (5)	Complied; refer to Note (6)
10.	Jinemed Medical Center Fenerbahce Mah. Kalamis Fener Cad No: 56 Kadikoy Istanbul	Jinemed Saglik(9) Dr. F. Teksen Camlibel Dr. Sidika Camlibel Dr. Birgul Sarikamis Dr. Emre Yazicioglu Dr. Erhan Cankat	MOH Turkey	6394 / 24 December 2001	Licence under the Turkish Clinic Regulation, to operate a medical center with units for services including gynecology, pediatrics, internal diseases, general surgery, dental diseases, urology treatments	Refer to Note (5)	Complied; refer to Note (6)
D.	**PRC**						
1.	Chengdu Medical Centre 24 Wan Xiang North Road, High-Tech Zone, Chengdu	Chengdu Rui Rong	Social Work Department of the Hi-tech Industrial Development Park of Chengdu	5101075201 / 17 December 2010 / 16 December 2015	Licensed as a for-profit polyclinic, with the licensed medical subjects including preventive care, general practice, internal medicine, surgery (general surgery), gynaecology and obstetrics (gynaecology professional), paediatrics	Refer to Note (10) below	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
2.	Gleneagles Medical and Surgical Center B401-404 & A407-410, 4F, Tomorrow Square, 389 Nan Jing West Road, Shanghai	Gleneagles Shanghai	Ministry of Health, Shanghai branch	717865001310 10132D1102 / 15 February 2012 / 14 February 2017	Licensed as a Sino-foreign for-profit polyclinic, with the licensed medical subjects including preventive care, general practice, internal medicine, surgery (general surgery), gynaecology and obstetrics (gynaecology professional), paediatrics	Refer to Note (10) below	Complied
3.	Luwan Specialty and Inpatient Center No. 149 Chong Qing South Road Lu Wan District Shanghai	Shanghai Xin Rui	Ministry of Health, Shanghai branch	717869045310 10331A1002 / 8 April 2008 / 8 April 2013	Licensed as a for-profit Sino-foreign joint venture general hospital, with a licensed bedspace number of 20, the licensed medical subjects including internal medicine, surgery, gynaecology and obstetrics, gynaecology professional, obstetrics professional, reproductive health and infertility professional, paediatrics, dermatology, medical laboratory, clinical humor and hematology department, clinical biochemistry laboratory, medical image department, ultrasound diagnosis department electrocardiography diagnosis professional, gynaecology related reproductive health and infertility professional	Refer to Note (10) below	Complied
4.	Jin Qiao Medical and Dental Center No. 51 Hong Feng Road Pudong New Area Shanghai	Shanghai Rui Pu	Ministry of Health of Pudong District of Shanghai	77851729731011 590D1102 / 28 September 2010 / 27 September 2015	Licensed as a private owned for-profit polyclinic, with the licensed medical subjects including preventive care, general practice, internal medicine, surgery, gynaecology and obstetrics, gynaecology professional, paediatrics, ophthalmology, stomatology, medical laboratory, medical image department, X-ray diagnosis department, psychiatry, clinical psychology, ultrasound diagnosis department	Refer to Note (10) below	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
5.	Mandarine City Medical Center Ground Floor, Block 11, Mandarin City, 788 Hong Xu Road, Min Hang District Shanghai	Shanghai Rui Hong	Ministry of Health, Shanghai branch	717869053310 11231D1102 / 30 November 2007 / 30 November 2012	Licensed as a for-profit Sino-foreign joint venture polyclinic, with the licensed medical subjects including internal medicine, surgery, gynaecology and obstetrics, paediatrics, medical laboratory, clinical humor and hematology department, clinical biochemistry laboratory	Refer to Note (10) below	Complied
6.	Shanghai Center Medical and Dental Centers 1376 Nan Jing West Road Jing An District Shanghai	Shanghai Rui Xin	Ministry of Health, Shanghai branch	607346788310 10631D1102 / 20 September 2007 / 20 September 2012	Licensed as a for-profit Sino-foreign joint venture polyclinic, with the licensed medical subjects including general practice, internal medicine, surgery, gynaecology and obstetrics, paediatrics, ophthalmology, stomatology, medical laboratory, clinical humor and hematology department, medical image department, X-ray diagnosis department	Refer to Note (10) below	Complied
7.	Shanghai Jin Mao Tower Medical Center J LIFE, 1N01 Jin Mao Tower 88 Century Avenue Pudong, Shanghai	Shanghai Hui Xing Jin Pu	Ministry of Health of Pudong District in Shanghai,	PDY25161X310 11517D1102 / 29 June 2011 / 28 June 2016	Licensed as a for-profit polyclinic, with the licensed medical subjects including preventive care, internal medicine, surgery, gynaecology and obstetrics, gynaecology professional, paediatrics, medical laboratory, clinical humor and hematology department, medical image department, X-ray diagnosis department, general practice, psychiatry, clinical psychology, ultrasound diagnosis department	Refer to Note (10) below	Complied
8.	Hong Qiao Medical Center No. 2258 Hong Qiao Road Chang Ning District Shanghai	Shanghai Rui Xiang	Ministry of Health of Changning District in Shanghai	779309887310 10519D1102 / 18 August 2010 / 31 August 2015	With the licensed medical subjects including general practice, internal medicine, gynaecology and obstetrics, paediatrics, medical laboratory, medical image department, traditional Chinese medicine	Refer to Note (10) below	Complied

	Licenced premise/ Address	Licencee	Authority	Licence no./ Date of issue/Expiry	Nature of approvals, licences and permits	Equity and other material conditions	Status of compliance
E.	<u>India</u>						
1.	<u>Medical Cyclotron Facilities, Apollo Gleneagles PET-CT Centre</u> Apollo Jubilee Hills Hyderabad- 500033	Apollo PET	Atomic Energy Regulatory Board	AERB/444/MCY/ License / AP41/2012/4594 / 22 March 2012 / 31 March 3013	Licence for operation of the medical cyclotron facility for production and handling of radiopharmaceuticals	Necessary authority from the central/state governments will be required. Reporting requirements must be complied with at all levels. For PET facility approval is issued for biograph-16 and for up to 50 patients a week.	Complied

Notes:

(1) *Excluding medical clinics which are operated by Parkway Shenton and which licences are not held by Parkway Shenton.*

(2) *Subject to the provisions of the PHMC Act, the regulations made thereunder and the terms and conditions stipulated by the Director of Medical Services, which, inter alia, regulate the operations of private hospitals, medical clinics and clinical laboratories, including the following:*

(i) *any changes in the appointment of any person as the manager or deputy manager of a licensee of a private hospital, medical clinic or clinical laboratory or any intention by a licensee to cease operation or to let, sell or in any way dispose of a private hospital, medical clinic or clinical laboratory shall require notification to be made to the Director of Medical Services; and*

(ii) *any intention by any private hospital (not being a nursing home or maternity home) to increase the number of its beds exceeding 10% of the maximum number of beds for which it is increased, is subject to the approval of the Director of Medical Services.*

(3) (i) *The licensee shall obtain the prior approval of the MAS for any change of its members or shareholdings of its members which will result in any person, alone or acting together with any connected person, being in a position to control not less than 20% of the voting power in the licensee or to hold interest in not less than 20% of the issued shares of the licensee. The licensee shall immediately notify the MAS of any other changes of its members or shareholdings of its members*.*

* *In addition, pursuant to Section 97A of the Securities and Futures Act the prior approval of the MAS is required for any person to enter into any arrangement (which includes any formal or informal understanding) in relation to shares in a capital markets service licence ("**CMS Licence**") holder, if that arrangement, if carried out, would allow such person to obtain effective control of the CMS Licence holder. A person is regarded as obtaining effective control by virtue of an arrangement if the person alone or acting together with any connected person would, if the arrangement is carried*

out: (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the CMS Licence holder; or (ii) control, directly or indirectly, 20% or more of the voting power in the CMS Licence holder. Two corporations are "connected persons" if one has control over not less than 20% of the voting power in the other.

(ii) *The licensee shall inform the MAS of (i) the resignation of its Chief Executive Officer or any of its directors; (ii) any change in the nature of appointment or country of residence of the Chief Executive Officer or any of its directors; and (iii) any change in the business interests or shareholdings of its Chief Executive Officer or any of its directors provided to the MAS.*

(iii) *The licensee shall not acquire or hold, whether directly or indirectly, an interest of 20% or more of the share capital of any corporation; or establish any branch (whether in Singapore or elsewhere), without first obtaining the prior approval of the MAS.*

(iv) *The licensee shall immediately inform the MAS of any matter which may adversely affect its financial position to a material extent.*

(v) *The licensee shall conduct its business in such a manner as to avoid conflicts of interests; and should such conflicts arise, shall ensure that they are resolved fairly and equitably.*

(vi) *Prior to the cessation of its business in regulated activities for which it is licensed, the licensee shall ensure that its liabilities and obligations to all customers have been fully discharged or provided for.*

(vii) *The licensee shall immediately inform the MAS when it becomes aware:*

(a) *that it or any of its officers or representatives is the subject of an investigation or when any civil or criminal proceedings are instituted against it or any of its officers or representatives, whether in Singapore or elsewhere;*

(b) *of any offence committed by or disciplinary action taken against it or any of its officers or representatives, whether in Singapore or elsewhere;*

(c) *of any breach of any laws or regulations, business rules or codes of conduct, whether in Singapore or elsewhere; or*

(d) *of any other matter that would affect its or any of its officers' or representatives' ability to meet the criteria set out in the Guidelines on Fit and Proper Criteria issued by the MAS.*

(viii) *The licensee shall produce its books to independent auditors to be selected by the MAS to conduct any audit on the licensee. All expenses arising from such audit shall be borne by the licensee.*

(ix) *The licensee shall give written notice to the MAS seven days prior to the execution of an agreement for the purchase, sale, merger or any other business combination of all or any part of the business (where such part could operate as a viable business enterprise if it were a stand-alone entity) in a regulated activity under the Securities and Futures Act for which its CMS Licence is granted. Where any transaction, as described in the foregoing, is not documented in an agreement, the licensee shall give written notice to MAS seven days prior to the execution of the transaction.*

(x) *The licensee shall ensure that any person it employs or appoints to act as its representative in respect of any regulated activity for which the licensee is licensed to provide is an appointed, temporary or provisional representative in respect of that regulated activity.*

(xi) *The licensee shall not carry on any moneylending without the prior approval of the MAS.*

(xii) *The licensee shall inform the MAS promptly when it has fewer than two full-time appointed representatives in respect of each relevant regulated activity under the Securities and Futures Act.*

(xiii) *The licensee shall ensure that all board resolutions concerning the real estate investment trust must be approved by a majority of the licensee's directors, including at least one independent director, as set out in the Code of Corporate Governance (as referred to in the licence).*

(xiv) *The licensee shall ensure that at least one-third of the board of directors comprises independent directors.*

(xv) *The licensee shall ensure that for matters in which any of the licensee's sponsor, shareholder or subsidiary has an interest (whether directly or indirectly), the nominees appointed by the relevant shareholder, sponsor or subsidiary to the board of directors will abstain from voting. For such matters, the quorum must comprise a majority of the independent directors.*

(xvi) *The licensee shall ensure that the adequacy and effectiveness of their internal controls to address and mitigate potential conflicts of interests are subject to regular reviews, and that all related party transactions are subject to review, by an audit committee which comprises only non-executive directors, the majority of whom, including the chairman of the committee should be independent.*

(xvii) The licensee shall ensure that for matters in which a director has an interest, the interested director will abstain from voting. For such matters, the quorum must comprise a majority of the directors and exclude such interested directors.

(xviii) The licensee shall not, whether directly or indirectly, manage any other real estate investment trusts, without first obtaining the prior approval of the MAS.

(4) Amongst others:

(i) Shenton Insurance shall write only short-term accident and health insurance business.

(ii) Shenton Insurance shall not, without the approval of the MAS, do any of the following:

(a) amend or alter its memorandum and articles of association;

(b) reduce its paid-up share capital;

(c) appoint any person to or permit any significant changes in its management;

(d) acquire 20% or more of the voting share capital or merge with any company;

(e) establish any new operations including subsidiaries, joint ventures or overseas branches;

(f) appoint any underwriting agent or managing agent; or

(g) issue any financial guarantees relating to loan transactions.

(iii) Shenton Insurance shall immediately inform the MAS if there are significant changes in the corporate and financial structure, or in the operations of Shenton Insurance.[#]

[#]In addition, a person who wishes to enter into:

(a) any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would become a substantial shareholder of that insurer (that is, a person who holds 5% or more of the voting power of the insurer);

(b) any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he could obtain effective control of that insurer (that is, the person alone or acting together with any associate(s) would (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the insurer; or (ii) control, directly or indirectly, 20% or more of the voting power of the insurer); or

(c) any arrangement in relation to any registered insurer that is incorporated in Singapore by virtue of which he could obtain control of the insurer (that is, the person alone or acting together with any associates(s) would be in a position to determine the policy of the insurer),

is required to first notify the MAS of his intention to enter into the agreement or arrangement, as the case may be, and obtain the MAS' approval.

(5) The licences listed herein are the final licences that authorise an applicant willing to open and operate a medical centre or a policlinic to commence patient reception and treatment services. Prior to obtaining this operation certificate, certain pre-requisite licenses such as construction permit and building use permit, must be obtained. Although the operation certificate is the main license to commence and continue operations, further licenses such as working permit, laboratory permits and etc. must be obtained in order to maintain or expand operations. Additionally, the private medical centre or policlinic must apply to the MOH Turkey and obtain its approval for each planned capacity increase (e.g. transfer of personnel, opening an additional unit or laboratory, increasing number of beds etc). The MOH Turkey introduced a procedure for 'planning' of health sector and established a planning commission in 2002. The planning procedure requires approval of the said commission for certain operations, including capacity increase. The planning commission is not yet fully active and hence, the issuance of approvals is suspended with certain exceptions. The Turkish healthcare legislation requires all the ultimate shareholders of licensed operators of outpatient clinics to be doctors.

(6) Refer to Note (4). The MOH Turkey regularly inspects the compliance of the outpatient clinics with the Turkish Clinics Regulation. As per the reports of the latest inspections carried out by the MOH Turkey on each Acibadem outpatient clinic or medical centre listed in this table, the operations and licence of each outpatient clinic or medical centre are in compliance with the health legislation. Although none of our subsidiaries in Turkey that operate outpatient clinics have received any negative remarks from the MOH Turkey thus far, if the relevant government agencies pursue a stricter application of these healthcare regulations in relation to the ultimate shareholdings of licensed operators in outpatient clinics, our subsidiaries may face certain penalties, including the suspension of our relevant outpatient clinic operations. See "Risk Factors—Risks related to our countries of operation" for further information.

(7) The operation certificates are issued without certain time limitation and they remain valid until the medical center/policlinic ceases operations or the operation license is revoked by the MOH Turkey due to violation of the Turkish Clinic Regulation by the medical center/policlinic. The MOH Turkey may revoke the operation certificate of a private hospital, if it fails to satisfy its obligations.

(8) As at 1 June 2012, Tolga Saglik is not a subsidiary of Acibadem Group. Acibadem Poliklinik executed a 'future share sale' agreement and 'future asset transfer' agreement with Tolga Saglik. The potential share purchase and asset transfer is expected to be realised in 2012. The share transfer is expected to be completed with 2012.

(9) As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Group. On 1 February 2012, Acibadem and the shareholders of Jinemed Saglik executed a "share purchase agreement" according to which, 65% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction; however, the share transfer has not yet been completed. Jinemed Medical Center is included in the pro forma financial information of our Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed with 2012.

(10) Pursuant to the Regulation on Administration of Medical Institutions of the PRC, any organisation or individual that intends to establish a medical institution must obtain a medical institution practicing license from the relevant healthcare administrative authorities, which includes the procedure of application approval and registration.

In order to establish a medical institution, the approval from relevant healthcare administrative authorities should be applied and an approval letter for the establishment of medical institutions should be obtained before other application procedures from other relevant authorities. Medical institution with no bed or with less than 100 beds shall make the application with the local county-level healthcare administrative authorities, and medical institution with more than 100 beds and specialist medical institution shall make the application with the province-level healthcare administrative authorities. In determining whether to approve any application, the relevant healthcare administrative authorities are to consider whether the proposed medical institution comports with the population, medical resources, medical needs and geographic distribution of existing medical institutions in the regions for which such authorities are responsible as well as whether the proposed medical institution meets the basic medical standards set by the MOH. All of the clinics in the PRC would each need to obtain such a medical institution practicing license. Pursuant to the Detailed Rules for the Implementation of Regulation on Administration of Medical Institutions, any individual or organization may not apply to establish a medical institution if:

(a) It is incapable to assume the civil liabilities independently;

(b) The individual is serving a sentence or incapable of assuming civil liabilities independently;

(c) The applicant is a medical personnel who is working in a medical institution, or has been discharged from his/her position because of sickness, or retains his/her position with a salary suspension.

(d) The applicant is a medical personnel who has committed a medical accident of higher than 2nd level in the last five years.

(e) The applicant is a medical personnel whose practice license has been revoked because of violation of laws, rules or regulations.

(f) The applicant is a legal representative or major person in charge of a medical institution of which the medical institution practice license has been revoked.

(g) Any other conditions set by the health care administrative authorities of provinces, autonomous regions or municipalities.

After the relevant healthcare administrative authorities have approved the establishment of the proposed medical institution, such medical institution shall be registered at the aforesaid healthcare administrative authorities and obtain a Medical Institution Practicing License in order to operate and provide medical services.

A medical institution needs to satisfy the following conditions to obtain a license:

(a) An Approval Letter for the Establishment of Medical Institutions has been obtained.

(b) The medical institution meets the basic standards of medical institutions.

(c) The medical institution has appropriate name, organisation and premises.

(d) The medical institution has the funds, facilities, equipment and professional healthcare technical personnel suitable for its operation.

(e) There are corresponding internal rules and regulations of the medical institution.

(f) The medical institution is able to assume civil liabilities independently.

A medical institution will not be permitted to be registered and obtain the Medical Institution Practicing License if the medical institution is, amongst others, not in compliance with the approval it has obtained from the healthcare administrative authorities, it does not meet the basic standards for a medical institution or if the medical institution does not meet any other requirements stipulated by by the healthcare administrative authorities of provinces, autonomous regions or municipalities.

The licence, if granted, is not permitted to be transferred or lent. An application for change of information should be made if the medical institution intends to change any of its information, including without limitation the name, address, legal representative, or main responsible person. In case of any intention of closing the medical institution, it may make an application to cancel its license with the registration authorities and the licence shall be withdrawn by the authorities.

The licence of medical institution with less than 100 beds shall be checked and verified once a year by its registration authorities and shall be valid for a term of five years and the licence of medical institution with more than 100 beds shall be checked and verified once every three years and shall be valid for a term of 15 years. The registration authorities shall suspend the medical institution's operation for a time period of one to six months if the medical institution is found not to meet the basic standards of medical institutions or other requirements. The licence shall be cancelled if the medical institution is unable to pass the checking and verification after the suspension period.

3. Education

The table below sets out the major approvals, licences and permits for our education business as at 1 June 2012:

3.1 Approval and registration of private higher education institutions

	Licenced Institution/Address	Authority	Registration no./ Date of issue/Expiry	Nature of approvals	Equity and other material conditions	Status of compliance
A.	**Singapore**					
	Parkway College 167 Jalan Bukit Merah #03-12 Tower 4 Singapore 150167 168 Jalan Bukit Merah Surbana Tower 3 #02-05, Tower 4 #03-15 Singapore 150168	Council for Private Education ("**CPE**")	200800722R / 16 June 2010 / Effective period from 20 May 2010 to 19 May 2014	Registration as a Private Education Institution under the provisions and regulations of the PE Act	Refer to Note (1)	Complied
B.	**Malaysia**					
	IMU No 126, Jalan Jalil Perkasa 19 Bukit Jalil, 57000 Kuala Lumpur	MOHE	KPT/JPT/DFT/US/W03 / 16 February 2011 / 01 March 2016	Certificate of registration of IMU	Refer to Note (2)	Complied
	Clinical School of IMU[(4)] International Medical University. Jalan Rasah, 70300, Seremban Negeri Sembilan	MOHE	KPT/JPS/DFT/US/N03 / 24 February 2008 / 23 February 2013	Certificate of Registration of Clinical School, International Medical University	Refer to Note (3)	Complied
	Pantai College, Subang Jaya Lot T3 66B, 3rd Floor Summit Complex Persiaran Kewajipan USJ 1 47600 UEP Subang Jaya Selangor	MOHE	B4P8080 / 12 October 2009 / 31 December 2012	Certificate of Registration of Pantai Health Science and Nursing College	Refer to Note (2) (a) and (b)	Complied

Licenced Institution/Address	Authority	Registration no./ Date of issue/Expiry	Nature of approvals	Equity and other material conditions	Status of compliance
Pantai College, Ayer Keroh Floor 2 & 3, Complex Yayasan Belia Sedunia (WFY Complex) Lebuh Ayer Keroh, 75450, Melaka	MOHE	M4P2019 / 17 June 2011 / 25 April 2016	Certificate of Registration of Pantai Melaka Health Science and Nursing College	Refer to Note (3)	Complied

Notes:

(1) Subject to the following:

(i) except with the prior written approval of the CPE, Parkway College shall not enter into any agreement or arrangement to undertake any activity that is not related to private education and shall only provide private education and any other activity that are directly related to private education;

(ii) Parkway College shall inform the CPE before it enters or changes any sharing arrangements in respect of its premises;

(iii) Parkway College shall ensure that the managers, teachers, academic or examination board members shall have the necessary and relevant qualifications; and

(iv) the PE Act and the Private Education Regulations, which stipulate, inter alia, operational requirements and restrictions for the operation of private education institutions, including the following:

(a) the change of (A) name of a private education institution; or (B) name of any premises or school of, or any education provided by, a private education institution to a new name, shall require the approval of the CPE;

(b) the change in the registered premises of a private education institution shall require the permission of the CPE;

(c) (A) the change in the ownership, control or management of a private education institution (including any change in the academic board or the examination board of a private education institution); (B) the conviction of any manager of a private education institution of any offence punishable with imprisonment; and (C) the institution of any legal proceedings against the private education institution, shall be notified to the CPE; and

(d) the issue or publication, knowingly or recklessly, of any advertisement relating to a private education institution which is false or misleading in a material particular is prohibited.

(2) Subject to the following:

(i) Certificate of Registration is not transferable.

*(ii) IMU Education and Pantai Education (for Pantai Colleges) shall not change/alter/amend (as the case may be) its name, authorised and issued share capital, equity participation, composition of the board of directors, memorandum and articles of association save and except with prior approval of the Registrar General of Private Higher Education Institutions ("**Registrar General**").*

(iii) Matters in relation to the chief executive are subject to the provisions of the PHEIA including appointment, registration and regulation of the chief executive. Approval from the MOHE must be obtained for any changes to the chief executive.

(iv) For employment of lecturers, priority shall be given to Malaysian citizens who are qualified and experienced in the programmes of study taught. All the lecturers shall have updated valid permits to teach and foreign lecturers shall have valid employment passes. Foreign lecturers shall have updated valid employment passes.

(v) Physical facilities and safety requirements for students and staff shall be provided in accordance with the constitution of IMU or Pantai College as approved by the Registrar General. Any relocation, changes, refurbishment and renovation of the premise requires prior approval of the Registrar General.

(vi) IMU shall be strictly managed in accordance with its constitution and the approval from the Registrar General shall be obtained for any amendments to the constitution.

(vii) The approval from the MOHE shall be obtained prior to any changes to the conditions of the approval and registration. Renewal of registration shall be six months prior to the expiration of the registration.

(3) Subject to the following:

(a) Certificate of Registration is not transferable.

(b) No changes/alteration/amendment (as the case may be) to the conditions under the Licence shall be made save and except with prior approval of the Registrar General.

(4) The clinical school of IMU is supported by smaller clinical schools, which are located in Kuala Pilah, Negeri Sembilan, Malaysia and in Batu Pahat, Johor, Malaysia.

3.2. Programmes of study at private higher education institutions

The tables below set forth the approvals, certifications and/or accreditations at our private higher education institutions as at 1 June 2012.

A. Singapore

	Types of Approval/Certification/Accreditation						
	CPE Approval to conduct a programme			Certification/Accreditation			
Programme/ Institution	Reference no.	Date of issuance/ expiry	Equity and other material conditions	By	Reference no.	Date of issuance/ expiry	Equity and other material conditions
Parkway College	Not applicable	Not applicable	Not applicable	Certified by the CPE to have fulfilled the requirements under the EduTrust Terms and Conditions(1)	EDU-2-2003	20 May 2010/ 19 May 2014	Refer to Note (2)
Parkway College	Not applicable	Not applicable	Not applicable	Verified by the Singapore Workforce Development Agency as an Approved Training Organisation	00178	Since 15 January 2007/ NA	None
Diploma in Nursing/ Parkway College	200800722R	16 June 2010 / Expiry date is not available	Refer to Note (3)	Singapore Nursing Board ("**SNB**")	SNB 11:10(17)	23 February 2012/ 22 February 2017	Refer to Note (4)

Programme/ Institution	Types of Approval/Certification/Accreditation						
	CPE Approval to conduct a programme			Certification/Accreditation			
	Reference no.	Date of issuance/ expiry	Equity and other material conditions	By	Reference no.	Date of issuance/ expiry	Equity and other material conditions
Advanced Diploma in Nursing (Critical Care)/ Parkway College	200800722R	16 June 2010/ Expiry date is not available	Refer to Note (3)	SNB	SNB 11:10(18)	17 March 2010/ 16 March 2012 (extended to 16 October 2012 on 6 March 2012)	Refer to Note (4)
Advanced Diploma in Nursing (Perioperative)/ Parkway College	200800722R	15 October 2010/ Expiry date is not available	Refer to Note (3)	SNB	SNB 11:10(19)	12 October 2010/ 17 January 2012 (extended to 17 November 2012 on 6 March 2012)	Refer to Note (4)
Bachelor of Science (Honours) Diagnostic Radiography and Imaging/Parkway College[(5)]	200800722R	16 June 2010/ Expiry date is not available	Refer to Note (3)	None	None	None	None
Diploma in Healthcare Management/ Parkway College	200800722R	16 June 2010/ Expiry date is not available	Refer to Note (3)	None	None	None	None
Diploma in Psychology/ Parkway College	20080072 2R	16 June 2010/ Expiry date is not available	Refer to Note (3)	None	None	None	None
Graduate Diploma in Healthcare Management/ Parkway College	20080072 2R	16 June 2010/ Expiry date is not available	Refer to Note (3)	None	None	None	None

	Types of Approval/Certification/Accreditation						
	CPE Approval to conduct a programme			Certification/Accreditation			
Programme/ Institution	Reference no.	Date of issuance/ expiry	Equity and other material conditions	By	Reference no.	Date of issuance/ expiry	Equity and other material conditions
Master of Healthcare Administration Parkway College(6)	20080072 2R	16 June 2010/ Expiry date is not available	Refer to Note (3)	None	None	None	None

Notes:

(1) The EduTrust certification is not tantamount to the CPE's accreditation, endorsement or recognition of Parkway College's courses and services.

(2) Subject to the Terms and Conditions governing the EduTrust certification, including the requirement that applications for the renewal of the certification are subject to an assessment by the CPE.

(3) Prior to offering the courses permitted by the CPE overseas, Parkway College is required to inform the CPE of its intention, and obtain the CPE's approval to do so.

(4) Subject to the SNB Standards for Nursing Education, which inter alia, form the basis for monitoring, maintaining and evaluating the quality of nursing educational programmes and set out the criteria for the accreditation of nursing programmes.

(5) Awarded by the University of Hertfordshire in the United Kingdom.

(6) Awarded by Flinders University in Australia.

B. Malaysia

	Types of approval								
	MOHEM Approval to conduct a programme			Provisional Accreditation from the MQA			Certificate of Accreditation from the MQA		
Programme	Reference no.	Date of issuance/ expiry	Equity and other material conditions	Reference no.	Date of issuance/ expiry	Equity and other material conditions	Reference no.	Date of issuance/ expiry	Equity and other material conditions
IMU									
Bachelor of Medicine and Bachelor of Surgery (MBBS) (KR 10935)	MOHE/JPT/ BPP(U) 1000-801/2(41)	28 September 2009/ 27 September 2014	Refer to Note (1)	NA	NA	NA	A6706 (04367)	1 July 2010/ 30 June 2015	Refer to Note (10)
Bachelor of Dental Surgery (KA 8358)	MOHE/ KPT(JPS) 600-07/2/ Jld.VIII(25)	7 January 2008/ 6 January 2013	Refer to Note (2)	MQA(S)10/ 13/1/ 2Jld19(83) dated 13 February 2008	21 January 2008/ 6 January 2013	Refer to Note (9)	NA	NA	NA
Bachelor of Pharmacy (Hons) (KR 10605)	MOHE/JPT/ BPP(U) 1000-801/2(26)	28 September 2009/ 27 September 2014	Refer to Note (3)	NA	NA	NA	A1746 (03034)	13 July 2009/ 12 July 2014	Refer to Note (11)
Master of Pharmacy (Hons) in Collaboration with University Strathclyde, Glasgow UK	MOHE/JPT/ BPP(U) 1000801/ 2/Jld.3(2)	3 January 2011/ 26 October 2015	Refer to Note (4)	NA	NA	NA	A1745 (05792)	27 May 2008/ 26 May 2012[(12)]	Refer to Note (11)
Bachelor of Nursing (Hons) (KR11196)	MOHE/JPT/ BPP(U) 1000-801/ 2/Jld.1(20)	19 April 2010/ 18 April 2015	Refer to Note (5)	NA	NA	NA	A4675 (03140)	20 April 2009/ 19 April 2014	Refer to Note (13)

	Types of approval								
	MOHEM Approval to conduct a programme			Provisional Accreditation from the MQA			Certificate of Accreditation from the MQA		
Programme	**Reference no.**	**Date of issuance/ expiry**	**Equity and other material conditions**	**Reference no.**	**Date of issuance/ expiry**	**Equity and other material conditions**	**Reference no.**	**Date of issuance/ expiry**	**Equity and other material conditions**
Bachelor of Nursing Science (Hons) Post Registration (KA9377)	MOHE/KPT (JPS)600-07/ 2/Jld.IX (28)	12 January 2009/ 11 January 2014	Refer to Note (6)	NA	NA	NA	A9377 (06114)	7 June 2010/ 6 June 2013	Refer to Note (13)
Pantai College (Subang)									
Diploma in Nursing	JPT/BPP (K) 1000-600/ B2104 dated 17 November 2009	17 November 2009/ 17 November 2014	Refer to Note (7)	NA	NA	NA	A6081 (02287)	4 April 2007/ 3 May 2012(15)	Refer to Note (14)
Pantai College (Melaka)									
Diploma in Nursing (KN11489)	MOHE/BPP(K) 1000-600/ M420 (42) dated 8 February 2011	8 February 2011/ 8 February 2016	Refer to Note (8)	MQA/ PA11489 (9) dated 5 April 2011	24 March 2011/ 23 March 2014	Refer to Note (9)	NA	NA	NA

Notes:

(1) (i) It is compulsory to obtain the Accreditation Certificate from the MQA for this course.

(ii) The validity period for the approval is five years from the date of the approval. The institution is to submit an application for renewal of the approval of the programme of study at least six months prior to the expiry of the approval.

(2) (i) It is compulsory to obtain the Accreditation Certificate from the MQA for this course.

(ii) The validity period for the approval is five years from the date of the approval. The institution is to submit an application for renewal of the approval of the programme of study at least six months prior to the expiry of the approval.

(iii) The following specific terms are to be complied with:

(a) Monitoring visits will be conducted as per the timetable given to ensure the implementation of the program meets the standard sets out by the Malaysian Dental Council and MQA;

(b) To ensure that the acceptance of new students does not exceed 50 students every year and the increase in enrolment of students four years later is subject to the approval of the Dental Accreditation Technicality Committee;

(c) To ensure the infrastructure and facility is ready according to the specified time; and

(d) To ensure the treatment procedures are limited to the facilities of IMU and it is monitored by the staffs of IMU.

(3) (i) It is compulsory to obtain the Accreditation Certificate from the MQA for this course.

(ii) The validity period for the approval is five years from the date of the approval. The institution is to submit an application for renewal of the approval of the programme of study at least six months prior to the expiry of the approval.

(iii) The ratio of lecturer: student must be 1:10 according to the Malaysia Pharmacy Board.

(4) (i) It is compulsory to obtain the Accreditation Certificate from the MQA for this course.

(ii) Application for renewal of the approval of the programme of study is to be submitted at least six months prior to the expiry of the approval.

(iii) Qualified, experienced and sufficient lecturers to be provided.

(iv) To ensure sufficient facilities and equipments.

(5) (i) It is compulsory to obtain the Accreditation Certificate from the MQA for this course.

(ii) The validity period for the approval is five years from the date of the approval. The institution is to submit an application for renewal of the approval of the programme of study at least six months prior to the expiry of the approval.

(iii) To have a special skilled laboratory for the Nursing Clinical Procedures.

(6) (i) It is compulsory to obtain the Accreditation Certificate from the MQA for this course.

(ii) The validity period for the approval is five years from the date of the approval. The institution is to submit an application for renewal of the approval of the programme of study at least six months prior to the expiry of the approval.

(iii) The following specific terms are to be complied with:

(a) There can only be 60 students a year, as provided for by the Malaysian Nursing Board. This quota is only for one academic year and new application for quota must be made three (3) months before the next academic year. Application for acceptance of students exceeding the quota is to be made to the Malaysian Nursing Board.

(b) To ensure that qualification of lecturers to comply with the Standard and Guidelines of the Malaysian Nursing Board.

(c) IMU is responsible to uphold the standard and criteria set and any amendments or changes approved by the Malaysian Nursing Board from time to time.

(7) (i) Application for renewal of the approval of the programme of study is to be submitted at least one year prior to the expiry of the approval.

(ii) Qualified, experienced and sufficient lecturers to be provided.

(iii) To ensure sufficient facilities and equipments.

(iv) No new students' recruitment is allowed if there is no accreditation by the MQA.

(8) (i) Application for renewal of the approval of the programme of study is to be submitted at least six months prior to the expiry of the approval.

(ii) Qualified, experienced and sufficient lecturers to be provided.

(iii) To ensure sufficient facilities and equipments.

(iv) No new students' recruitment is allowed if there is no accreditation by the MQA.

(9) (i) Application for full accreditation shall be made to the MQA before the first cohort of students begins the last semester of the programme of study to ensure that the accreditation process can be completed before the students graduate, failing which the provisional accreditation will be revoked.

(ii) Full accreditation will only be achieved after the quality of the conduct of the programme of study has been improved and achieved the standards and criteria set by Malaysia Dental Council (Bachelor of Dental Surgery for IMU) and Malaysian Nursing Board (Diploma in Nursing for Pantai College Melaka).

(iii) Monitoring of the programme of study shall be conducted within the timeframe of the provisional accreditation.

(iv) IMU/Pantai College, as the case may be, shall improve the quality of the conduct of the programme of study on order to obtain full accreditation. The conduct of the programme of study will be monitored by the MQA within the duration of the provisional accreditation.

(10) (i) The Certificate of Accreditation is not to be used for franchised programmes to other institution.

(ii) Visitation for inspection and monitoring of the programme of study shall be conducted in mid 2013.

(11) (i) The Certificate of Accreditation is not to be used for franchised programmes to other institution.

(ii) IMU must ensure and comply with the ratio of lecturer: student of 1:10 according to the Malaysian Pharmacy Board.

(12) MQA has conducted the accreditation visit for the renewal of the accreditation but the process has not completed.

(13) (i) The Certificate of Accreditation is not to be used for franchised programmes to other institution.

(ii) To separate the special skilled laboratory for the clinical procedure of the nursing programme.

(14) (i) The Certificate of Accreditation is not to be used with franchised programmes to other institution.

(ii) To ensure all conditions and criteria of the Malaysian Nursing Board as stated in the "Guidelines on Standards & Criteria for Approval/Accreditations of Nursing Programmes" are observed.

(iii) To ensure the intake of students are limited to twice a year and it is in accordance to the quota allowed for acceptance of students approved by Malaysian Nursing Board which is 60 students a year.

(15) The reaccreditation audit was conducted by MOHE on 9 May 2012 and 10 May 2012 for the renewal of the diploma programme. The renewal is still pending the evaluation report pursuant to the audit as at 1 June 2012.

(16) (i) This Certificate of Accreditation is not to be used for franchised programmes to other institution.

(ii) To ensure the intake of students are as approved by Malaysian Nursing Board which is 180 students per academic year. Any new application for quota must be submitted to Malaysian Nursing Board three months before the next academic year.

*(iii) To ensure intake of student only to those who passed Sijil Pelajaran Malaysia (**"SPM"**) with a minimum of three credits and passed Bahasa Melayu, English and Mathematics or Science at SPM level or its equivalent.*

This page has been intentionally left blank.

APPENDIX C:
DETAILS OF OUR MATERIAL PROPERTIES

This Appendix C sets out key details of the material properties of our Group which are mainly hospitals, clinical laboratories, medical centers, clinics and educational facilities in our key operating jurisdictions as at 1 June 2012.

1. Material properties owned by our Group

Save as disclosed in this Prospectus and to the best of our Group's knowledge and belief, none of the properties owned by our Group: (i) is in breach of any land-use conditions or relevant steps have been taken to comply with land-use conditions; and (ii) is in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations as at 1 June 2012.

The table below sets forth the details of the material properties where the titles are owned by our Group:

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
A. Singapore							
Mount Elizabeth Medical Centre Units							
3 Mount Elizabeth Singapore 228510[1] SSCT 1177/104 Lot/Unit TS27-U4413V/#02-07 TS27-U4424C/#02-05/06 TS27-U4473M/#01-03 TS27-U4484X/#01-03 TS27-U4495A/#01-04 TS27-U4506K/#01-05 TS27-U4517P/#01-06 TS27-U4435N/#02-04 TS27-U4447A/#02-02 TS27-U4448K/#02-03 TS27-U4528M/#01-02 TS27-U4505A/#08-06 TS27-U4534P/#11-09	Mount Elizabeth Medical	Shops / medical suites within a 17-storey medical and retail block with shops / medical suites and a car park 99 years from 1 October 1976[2]	A total of 62 certificates of fitness / certificates of statutory completion were issued between 22 October 1981 and 10 November 2008 in respect of the buildings and its various extensions	Strata area: 3,189[3]	The land and any building thereon shall only be used as a private hospital and for other purpose relative thereto and in accordance with the approval of the competent authority appointed under the Singapore Planning Act. Units #10-09, #11-14, #11-15 and #11-13 shall only be used as private specialist clinics for the use of registered medical practitioners and shall not be let, sublet, sold, assigned or transferred (other than by way of security) without the prior written consent of Mount Elizabeth Medical. Units #11-09, #11-10 and #04-02 shall only be used as private specialist clinics for the use of registered medical dental and para-medical practitioners.	The title to this property is subject to the lease and leaseback arrangements described in Note (1) below.	—[4]

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
TS27-U4535T/#11-10 TS27-U4403K/#10-09 TS27-U4409W/#11-13 TS27-U4410C/#11-14 TS27-U4431P/#12-10 TS27-U4604W/#14-10 TS27-U4450A/#02-10 TS27-U4391T/#01-02 TS27-U4446T/#02-01 TS27-U4449N/#02-09 TS27-U4411M/#11-15 TS27-U4452N/#02-11 TS27-U4454L/#02-12 TS27-U4462P/#01-01 TS27-U4592C/#14-04 TS27-U4402A/#02-08 TS27-U4932M/#04-02							
<u>Mount Elizabeth Hospital</u>							
3 Mount Elizabeth Singapore 228510[1] SSCT 345/194 Lot TS27-U4390P Accessory Lots: TS27-A8T TS27-A9A TS27-A10P TS27-A11T TS27-A12A TS27-A13K	Parkway Hospitals	A 10-storey hospital block and a five-storey hospital block as well as car park lots 99 years from 1 October 1976[2]	See above	Strata area: 54,950[3]	See above	The title to this property is subject to the lease and leaseback arrangements described in Note (1) below.	—[4]

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
SSCT 345/195 Lot TS27-U4451K Accessory Lots: TS27-A14N TS27-A15X							
Gleneagles Hospital							
6A Napier Road Singapore 258500[1] SSCT 421/89 Lot TS25-U2769C Accessory Lots: TS25-A41P TS25-A42T TS25-A43A	Parkway Hospitals	A 10-storey hospital block with two basements and car park lots and a five-storey annexe block Estate in fee simple (i.e. freehold)[2]	A total of 17 certificates of fitness / certificates of statutory completion were issued between 13 August 1981 and 16 April 1999 in respect of the buildings and its various extensions	Strata area: 48,502[3]	Nil	The title to this property is subject to the lease and leaseback arrangements described in Note (1) below.	—[4]
Gleneagles Medical Centre A Units							
6 Napier Road Singapore 258499[1] SSCT 381/183 Lot TS25-U1945C Unit #02-09 SSCT 381/186 Lot TS25-U1948V Unit #02-12 SSCT 381/187 Lot TS25-U1949P Unit #02-08	Gleneagles Medical Centre	Shops/medical suites within a 10-storey medical block with three basements and car park lots Estate in fee simple (i.e. freehold)[2]	See above	Strata area: 317[3]	Nil	The title to this property is subject to the lease and leaseback arrangements described in Note (1) below.	—[4]

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
SSCT 381/188 Lot TS25-U1950W Unit #02-07							
SSCT 381/189 Lot TS25-U1951V Unit #02-06							
SSCT 382/54 Lot TS25-U2016T Unit #10-03							
SSCT 421/6 Lot TS25-U2686V Unit #02-20							
Gleneagles Medical Centre B Units							
6 Napier Road Singapore 258499[1]	Gleneagles Pharmacy	Shops/medical suites within a 10-storey medical block with three basements and car park lots Estate in fee simple (i.e. freehold)[2]	See above	Strata area: 184[3]	Nil	The title to this property is subject to the lease and leaseback arrangements described in Note (1) below.	—[4]
SSCT 381/192 Lot TS25-U1954A Unit #02-03							
SSCT 381/193 Lot TS25-U1955K Unit #02-02							
SSCT 381/194 Lot TS25-U1956N Unit #02-01							

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Parkway East Hospital							
319 Joo Chiat Place Singapore 427989 and 321 Joo Chiat Place Singapore 427990[(1)] CT 347/198 MK26-6912P	Parkway Hospitals	A four-storey hospital block, a five-storey medical block and car park lots Estate in fee simple (i.e. freehold)[(2)]	A total of 12 certificates of fitness / certificates of statutory completion were issued between 19 April 1984 and 17 July 2007 in respect of the buildings and its various extensions	Land area: 6,203 Gross floor property area: 10,994[(5)]	Nil	The title to this property is subject to the lease and leaseback arrangements described in Note (1) below.	—[(4)]
Mount Elizabeth Novena Hospital							
38 Irrawaddy Road Singapore 329563 CT 658/112 TS29-974V	Parkway Novena and Parkway Irrawaddy hold the property as tenants-in-common in unequal proportions of 70:30	A 14-storey hospital and shops / medical suites with two basements 99 years from 20 May 2008	Property under development[(6)]	Land area: 17,226[(7)]	The land and any building thereon shall only be used as a hospital and in accordance with the approval of the competent authority appointed under the Singapore Planning Act.	Nil, save for caveats lodged by the purchasers / mortgagees of the medical suites at Mount Elizabeth Novena Hospital	SGD1,781,500[(8)] (RM4,400,305)

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Radiologic Clinic 130 Jurong Gateway Road #01-219 Singapore 600130 CT 361/28 MK5-6015 Strata Lot U43057K	Medi-Rad	A Housing & Development Board shophouse located on the first and second storey of a four-storey commercial cum residential block Clinical laboratory 91 years from 1 April 1993	A total of two certificates of statutory completion were issued between 14 February 2007 and 31 December 2008 in respect of the building and its various extensions	Strata area: 145[3]	The premises shall not be used for any purposes other than in accordance with the use approved under the Singapore Planning Act without the prior written consent of the Housing & Development Board.	Nil	SGD1,660 (RM4,100)
B. Malaysia							
Pantai Hospital Kuala Lumpur							
8, Jalan Bukit Pantai 59100 Kuala Lumpur PN 29088, Lot 53594 Mukim Kuala Lumpur Kuala Lumpur	Pantai Medical Centre	Eight-storey private hospital block with three basement floors Leasehold interest of 99 years expiring 21 September 2068	20 January 2004	Land area: 10,634 Built-up area: 40,732	The land hereby leased shall not be transferred or leased without the consent of the State Authority. This land should be used for a building site for the purpose of a medical centre only.	Nil	RM101,975

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
8 Jalan Bukit Pantai 59100 Kuala Lumpur PN 380, Lot 28409 Mukim Kuala Lumpur Kuala Lumpur	Pantai Medical Centre	Part of an eight-storey private hospital block with three basement floors Leasehold interest of 99 years expiring until 21 September 2068	20 January 2004	Land area: 9,870 Built-up area: 22,678	The land hereby alienated shall not be transferred or leased without the consent of the State Authority. Additionally: (i) The land hereby leased shall be solely used for a maternity, nursing home and staff quarters; and (ii) The lessee shall pay and discharges all taxes, rates, assessments and charges whatsoever which may be payable for the time being in respect of the land hereby leased or any building thereon or any part thereof whether levied by the Municipality or any other authority.	Nil	RM39,666

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
PN 21350, Lot 51775 Mukim Kuala Lumpur Kuala Lumpur	Pantai Medical Centre	Development plot for Pantai Medical Centre's expansion project To be used as a basement parking lot / medical office building and is to be amalgamated with PN 380, Lot 28409 and PN 29088, Lot 53594[(9)] Leasehold interest of 99 years expiring 21 September 2068	Property under development	Land area: 2,029 Proposed built-up area of the car park: 24,370 Proposed built-up area of the medical office building: 43,004	The land hereby leased shall not be transferred or leased without the consent of the State Authority. This land should be used for the purpose of a car park only.	Grant of easement on Mukim Kuala Lumpur PN 21350 Lot 51775 under Section 81 Mineral Enactment Wilayah Persekutuan KL (PML)	RM242
Pantai Hospital Cheras							
1 Jalan 1/96A Taman Cheras Makmur 56100 Kuala Lumpur HS(D) 98726, PT 4820 Mukim Kuala Lumpur Kuala Lumpur	Cheras Medical Centre	Five-storey hospital with one basement level Freehold	10 March 1999	Land area: 4,607 Built-up area: 12,466	This land should be used for a private hospital only.	Nil	RM23,869

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Pantai Hospital Ampang							
Jalan Perubatan 1 Pandan Indah 55100 Kuala Lumpur PM 1038, Lot 2374 Seksyen 15, Mukim Empang, Taman Pandan Indah Hulu Langat, Selangor	Pantai Indah	Six-storey private hospital and three-storey office building Leasehold interest of 99 years expiring 07 July 2092	16 September 2002	Land Area: 19,472 Built-up area: 20,343	This land cannot be sold, leased, charged or transferred in any manner whatsoever except the approval of the State Authority. The land shall only be used for Private hospital.	Charge in favour of EON Bank Berhad registered on 9 January 2008 Grants of easements serving Lots 2373 and 2374 for 84 years, registered on 8 September 2008	RM60,698
Pantai Hospital Penang							
82 Jalan Tengah Bayan Baru 11900 Bayan Lepas Penang GRN 60006 Lot 11546, Mukim 12 Barat Daya Pulau Pinang	Syarikat Tunas	Five-storey building and one block one-storey medical specialist centre annexe Freehold	13 November 1993	Land area: 16,364 Built-up area: 18,989	Nil	Lease of part of the land to Tenaga Nasional Berhad for 30 years commencing from 10 June 1998 and expiring on 9 June 2028, registered on 20 August 1999	RM25,805
Pantai Hospital Ipoh							
126 Jalan Tambun 31400 Ipoh Perak GRN 80564, Lot 228961 Mukim Hulu Kinta Kinta Perak	Paloh Medical Centre	Six-storey specialist medical centre block, with basement car park, office space and others Freehold	11 December 1995	Land area: 10,331 Built-up area: 25,032	For business used as a private medical centre.	Lease of the whole land to Tenaga Nasional Berhad for 30 years commencing from 15 September 1993 and expiring on 14 September 2023, registered on 2 August 1995	RM27,461

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Pantai Hospital Ayer Keroh							
2418-1. KM 8 Lebuh Ayer Keroh 75450 Melaka GM 2887, Lot 9302 Mukim Bukit Baru Melaka Tengah Melaka	Pantai Ayer Keroh	Five-storey hospital Freehold	2 October 2007	Land area: 16,062 Built-up area: 19,974	For commercial building only.	Lease of part of the land to Tenaga Nasional Berhad measuring 937.5 square meters, registered on 26 September 1995	RM35,475
Pantai Hospital Batu Pahat							
9S Jalan Bintang Satu Taman Koperasi Bahagia 83000 Batu Pahat Johor HS(D) 21563, PTB 3562 Mukim Simpang Kanan Batu Pahat Johor	Pantai Ayer Keroh	Six-storey hospital building Freehold	11 May 2006	Land area: 3,777 Built-up area: 13,942	The land contained in this title cannot be sold or transferred in any manner whatsoever to non-citizens/ foreigners without the approval of the State Authority. Additionally: (i) this land is to be used for Private Hospital, built following plan approved by relevant Local Authority; (ii) all refuse and pollution from this activity must be discharged/disposed in areas designated by the relevant Authority; and (iii) all policy and condition imposed and enforced from time to time by the relevant Authority must be complied with.	Nil	RM33,435

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Pantai Hospital Sungai Petani							
1, Persiaran Cempaka Bandar Amanjaya 0800 Sungai Petani Kedah HS(D) 40598, PT 23535 Bandar Sungai Petani Kuala Muda Kedah	Pantai Sungai Petani	Three-storey permanent specialist treatment center Freehold	15 August 1998	Land area: 14,406 Built-up area: 9,987	The land contained in this title should be used as site for one commercial building only.	Charge on land in favour of Standard Chartered Saadiq Berhad, registered on 26 August 2010	RM21,897
Pantai Hospital Klang							
Lot 5921, Persiaran Raja Muda Musa 41200 Klang Selangor GM 18748, Lot 82643 Seksyen 30, Telok Gadong Bandar Klang Selangor	Pantai Klang	Three-storey specialist medical centre Freehold	17 July 2007	Land area: 6,390 Built-up area: 6,875	Commercial building use only.	Charge in favour of Malayan Banking Berhad, registered on 9 November 2004 Lease on part of the land to Tenaga Nasional Berhad for 30 years commencing from 24 April 2006 and expiring on 23 April 2036, registered on 28 December 2006	RM29,186
HS(M) 50510, PT 4209 Seksyen 30 Telok Gadong Bandar Klang Klang Selangor	Pantai Klang	Development plots for Pantai Hospital Klang's expansion project[10]	Land under development	Land area: 2,159 Proposed built-up area: 10,219	Residential building.[11]	Private caveat on land by Pantai Klang, lodged on 19 June 2009	RM5,786 (represents a lump sum payment for HS(M) 50510 and HS(M) 48932)
HS(M) 48932, PT 16367 Seksyen 30, Bandar Klang Persiaran Raja Muda Musa Klang Selangor	Pantai Klang	Development plots for Pantai Hospital Klang's expansion project[10] Freehold	Land under development	Land area: 1,296 Proposed built-up area: 7,681	Residential Building.[11]	Private caveat on land by Pantai Klang, lodged on 19 June 2009	

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Gleneagles Kuala Lumpur							
286 Jalan Ampang 50450 Kuala Lumpur GRN 34310, Lot 98 Seksyen 88 Bandar Kuala Lumpur Kuala Lumpur	Gleneagles KL	Eight-storey hospital block and one office block Freehold	16 July 1999	Land area: 13,552 Built-up area: 29,947	This land should be used for commercial building with the purpose of a private hospital only.	Lease of all of the land to Pacific Tin Consolidated Corporation, registered on 30 September 1952[(12)] Lease of part of the land to Pacific Tin Consolidated Corporation, registered on 4 December 1954[(12)] Lease of part of the land to Pacific Tin Consolidated Corporation, registered on 20 April 1956[(12)] Charge in favour of Malayan Banking Berhad, registered on 15 December 2010	RM80,461
Gleneagles Medical Centre Penang							
1 Jalan Pangkor 10050 Penang GRN 63521, Lot 1229 Seksyen 13 Bandar George Town Timor Laut Pulau Pinang GRN 63520, Lot 1228 Seksyen 13 Bandar George Town Timor Laut Pulau Pinang	Pulau Pinang Clinic	Six-storey hospital Freehold	9 December 1998	Built-up area: 17,327 Land area for GRN 63521: 6,884 Land area for GRN 63520: 254	Both titles are subject to identical express condition set out below: The land comprised in this title: (i) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercised by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and	Both titles are charged in favour of RHB Bank Berhad, registered on 23 August 1997	RM36,131

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
					(ii) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).		
HS(D) 17573, Lot 3391 Seksyen 13 Bandar George Town Timor Laut Pulau Pinang	Pulau Pinang Clinic	Development plot for Gleneagles Medical Centre Penang's expansion project(13) Freehold	Property under development	Land area: 5,273 Proposed built-up area: 53,495	The land comprised in this title: (i) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercised by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and	Lien holders caveat by Ambank (M) Berhad, registered on 2 December 2009 Charge in favour of Ambank (M) Berhad, registered on 24 February 2012	RM22,483

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
					(ii) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).		
<u>IMU</u>							
No. 126, Jalan Jalil Perkasa 19 Bukit Jalil 57000 Kuala Lumpur GRN 46836 Lot 38388 Mukim Petaling Kuala Lumpur	IMU Education	Five-storey commercial building complete with two levels of car park and a six-storey annexed building Freehold	10 December 2007	Land area: 13,000 Built-up area: 51,418	The land may not be transferred, leased, charged or be the subject of any transactions save with the written approval from the Federal Territories Land Executive Committee Secretariat except for a first mortgage. The land should be used for a commercial building for the purpose as a commercial complex.	Lien-holder's caveat by CIMB Bank Berhad, registered on 1 August 2008	RM95,705

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
IMU Clinical School							
6 Jalan Indah Taman Sri Kenangan 83000 Batu Pahat Johor HS(D) 21476, PTB 3617 Bandar Penggaram Batu Pahat	IMU Education	Two-storey detached house to be renovated and the land is to be converted to allow the operation of the clinical school(14) Leasehold interest of 99 years and expiring on 21 March 2086	Property under renovation	Land area: 1,068 Proposed built-up area: 923	This land which has been granted cannot be sold, mortgaged, charged, leased or transfered in any manner whatsoever, including by agreement which aim to release/sell the land without the approval of the State Authority. Additionally: (i) This land should be used for a permanent type of residential home, built following plan approved by relevant local authority; (ii) all refuse and pollution from this activity must be discharged/disposed in areas designated by the relevant authority; and (iii) All policy and condition imposed and enforced from time to time by the relevant authority must be complied with.	Nil	RM524

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
C. Turkey							
Acibadem Adana Hospital							
Cumhuriyet Cad. No: 66 01130 Seyhan/Adana 71 plot, 1639 block, 644 parcel, Doseme Mahallesi, Seyhan, Adana	Acibadem	Four and eight-storey hospital blocks[15]	22 December 2008	Land area: 5,132/ Built-up area: 2,400 and 12,400 (in total 14,800)	Can only be used as a healthcare facility and a workplace.	1st Degree mortgage established on February 20, 2008 in favour of Garanti Bank for an amount of USD 24,000,000	TL37,107 (RM63,824)
Acibadem Bursa Hospital							
Fatih Sultan Mehmet Bulvari Sumer Sok. 1 16110 Nilufer/Bursa 2176 block, H21C05C1D parcel, Ihsaniye Mahallesi, Nilufer, Bursa	Acibadem	Nine-storey hospital block[15]	3 March 2006	Land area: 6,523 Built-up area: 29,281	Can only be used as a private healthcare facility.	1st Degree mortgage established in favour of Garanti Bank for an amount of USD 77,000,000	TL41,833 (RM71,953)
International Hospital							
Istanbul Cad. No: 82 Yesilkoy, Istanbul 1081 block, 46 plot, 72 parcel, E. Serbesti Y. Istanbul Caddesi, Bakirkoy 1. Sevketiye, Istanbul	International Hospital	10-storey hospital block[15]	29 December 1993	Land area: 3,919 Built-up area: 19,000	Can only be used as a healthcare facility.	1st Degree mortgage established in favour of Garanti Bank for an amount of USD 32,000,000	TL35,909 (RM61,763)
Acibadem Kayseri Hospital							

Address / title identification	Registered owner / Beneficial owner	Description / existing or proposed use / tenure	Date of issuance of certificate of fitness or equivalent	Land area / built-up area (unless otherwise stated) (sq m)	Restriction in interest and / or express conditions	Encumbrances	Carrying value as at 31 March 2012
							000
Seyitgazi, Mah. Ahmet Yesevi Cad. No: 6 Melikgazi, Kayseri 344 plot, 5350 block, 1 parcel, Koskdagi Mahallesi, Melikgazi, Kayseri	Acibadem Kayseri Hastanesi A.S. (later merged under Acibadem)	Six-storey hospital building and three storey clinic(15)	4 March 2009	Land area: 2.844,37 Built-up area: 20,013	Can only be used as a hospital and clinic.	First degree mortgage established on December 14, 2009 in favour of Turkiye Vakiflar Bankasi T.A.O. for an amount of USD 13,000,000	TL30,214 (RM51,968)
Acibadem Ankara Hospital							
Yukari Dikmen Mahallesi No. 630 Sokak No: 6 Oran Cankaya Ankara 26679 block, 1 parcel, Dikmen Mahallesi, Cankaya, Ankara	Acibadem	15 storey hospital building(15)	4 October 2010 Under construction(16)	Land area: 1,692 Built-up area: 8,948	Can only be used as a healthcare facility.	Nil	TL27,325 (RM46,999)

Notes:

(1) The title to the Mount Elizabeth Hospital and the Mount Elizabeth Medical Centre Units is owned by Parkway Hospitals and Mount Elizabeth Medical respectively. The title to the Gleneagles Hospital, the Gleneagles Medical Centre A Units and the Gleneagles Medical Centre B Units is owned by Parkway Hospitals, Gleneagles Medical Centre and Gleneagles Pharmacy respectively. The title to the Parkway East Hospital is owned by Parkway Hospitals.

*In 2007, each of Parkway Hospitals, Mount Elizabeth Medical, Gleneagles Medical Centre and Gleneagles Pharmacy (together, the "**Property Holding Companies**") entered into a lease and leaseback arrangement with HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of PLife REIT (the "**Trustee**") pursuant to which all the above-mentioned properties (together, the "**Leased Properties**") were leased to the Trustee and subsequently leased back to Parkway Hospitals.*

With regard to the lease of the Leased Properties to the Trustee, the following instruments of lease were entered into:

(a) in respect of the Mount Elizabeth Hospital and the Mount Elizabeth Medical Centre Units,

*(i) an instrument of lease between Parkway Hospitals and the Trustee, pursuant to which Parkway Hospitals granted a leasehold interest in respect of the Mount Elizabeth Hospital to PLife REIT for a period of 67 years, commencing on 23 August 2007, being the date of admission of PLife REIT to the Official List of the SGX-ST (the "**PLife REIT Listing Date**"); and*

(ii) an instrument of lease between Mount Elizabeth Medical and the Trustee, pursuant to which Mount Elizabeth Medical granted a leasehold interest in respect of the Mount Elizabeth Medical Centre Units to PLife REIT for a period of 67 years, commencing on the PLife REIT Listing Date;

(b) in respect of the Gleneagles Hospital, the Gleneagles Medical Centre A Units and the Gleneagles Medical Centre B Units,

(i) an instrument of lease between Parkway Hospitals and the Trustee, pursuant to which Parkway Hospitals granted a leasehold interest in respect of the Gleneagles Hospital to PLife REIT for a period of 75 years, commencing on the PLife REIT Listing Date;

(ii) an instrument of lease between Gleneagles Medical Centre and the Trustee, pursuant to which Gleneagles Medical Centre granted a leasehold interest in respect of the Gleneagles Medical Centre A Units to PLife REIT for a period of 75 years, commencing on the PLife REIT Listing Date; and

(iii) an instrument of lease between Gleneagles Pharmacy and the Trustee, pursuant to which Gleneagles Pharmacy granted a leasehold interest in respect of the Gleneagles Medical Centre B Units to PLife REIT for a period of 75 years, commencing on the PLife REIT Listing Date; and

(c) in respect of the Parkway East Hospital, an instrument of lease between Parkway Hospitals and the Trustee, pursuant to which Parkway Hospitals granted a leasehold interest in respect of the Parkway East Hospital to PLife REIT for a period of 75 years, commencing on the PLife REIT Listing Date.

*With regard to the leaseback of the Leased Properties to Parkway Hospitals, Parkway Hospitals entered into master lease agreements with the Trustee in respect of each of the Leased Properties ("**Master Lease Agreements**"). The term of each of the Master Lease Agreements is for an initial term of 15 years from the PLife REIT Listing Date. Under the terms of the Master Lease Agreements, Parkway Hospitals has an option to extend the lease of each of the Leased Properties for a further term of 15 years upon the expiry of the initial term by giving a written notice to the Trustee, provided that Parkway Hospitals is not in breach of the relevant Master Lease Agreement at the time of the notice and subject to the agreement of the parties to the appropriate adjustment to the rent payable for the Leased Properties.*

The Property Holding Companies will retain the reversionary interests in respect of the Leased Properties. Upon the expiry of the term of the lease of the Leased Properties to the Trustee, the interests in the respective properties will revert to the Property Holding Companies at no consideration.

Please see Section 2 of this Appendix for further details on the leaseback of the Leased Properties to Parkway Hospitals.

(2) Refers to the tenure of the underlying title of the relevant property. These properties are leased to the Trustee and subsequently leased back to Parkway Hospitals as described above.

(3) Strata area means the area of the strata unit(s) as evidenced by the strata certificate(s) of title or the instrument(s) of lease, as the case may be.

(4) Notwithstanding that the Group retains the legal title of the Leased Properties under the lease and leaseback arrangement with PLife REIT, the land and buildings are accounted for as assets of PLife REIT, an equity-accounted associate of the Group and not accounted nor consolidated as assets of the Group in accordance with applicable accounting principles, where substantially all the risks and rewards incidental to ownership of the Leased Properties have been transferred to PLife REIT.

(5) As stated in the 2011 Annual Report of PLife REIT.

(6) Subsequent to the grant of written permission and the building plan approval for the development of Mount Elizabeth Novena Hospital, the temporary occupation permit was obtained on 23 April 2012. The certificate of statutory completion is expected to be obtained in the second quarter of 2013. However, there is no certainty that the certificate of statutory completion will be obtained by that date as the issuance of the certificate of statutory completion upon submission of the relevant application is not within the control of the Group.

(7) This property is subject to strata sub-division. The total strata area of this property is subject to final survey and the issue of the relevant strata certificates of title.

(8) This includes the carrying value of approximately SGD384.8 million for the Novena medical suites that were sold as at 31 March 2012. The costs of construction and development of these medical suites, which had been capitalised during the period of construction, were recognised in our income statement when the temporary occupation permit was received on 23 April 2012. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—Mount Elizabeth Novena Hospital" for further details.

(9) The development order for this development was obtained on the 2 April 2008 and building plan approval was obtained on the 18 January 2011. The application to amend the express conditions endorsed on the documents of title and for the amalgamation of PN 29088 Lot 53594, PN 380 Lot 28409 and PN 21350 Lot 51775 is pending state authority approval. Management expects to obtain this approval by March 2013. Although the proper applications have been submitted by management, there is no certainty that the state authority's approval will be obtained by that date because the state authority's approval is not within the control of the management. See "Our Business—Parkway Pantai" for further details of the expansion project.

(10) Management expects to submit applications to obtain the development order and the building plan approval after the state authority approvals to applications to amend the express conditions endorsed on the documents of title of HS(M) 50510 PT 4209 and HS(M) 48932 PT 16367 have been received. See "Our Business—Parkway Pantai" for further details of the expansion project.

(11) The applications to amend the express conditions endorsed on the documents of title of HS(M) 50510 PT 4209 and HS(M) 48932 PT 16367 are pending state authority approval. Management expects to obtain these approvals by November 2012. Although the proper applications have been submitted by management, there is no certainty that the state authority's approvals will be obtained by that date because the state authority's approval is not within the control of the management.

(12) We have appointed an external legal adviser to take the necessary steps as provided under the National Land Code to remove the leases. In this regard, based on the advice of our external legal adviser, we intend to proceed with an application pursuant to Section 313 of the National Land Code for the cancellation of the leases on determination otherwise than by surrender. However, there is no certainty that the application will succeed as the cancellation of the leases under Section 313 is a discretionary power of the registrar and subject to the proprietor i.e. Gleneagles KL providing to the registrar such evidence of the determination of the leases as the registrar may require. If the application under Section 313 fails, we will consult our external legal adviser for other alternatives to remove the leases. In any event, we do not expect the existence of the leases to adversely affect our hospital operation on this property.

(13) The development order for this development was obtained on the 30 July 2008 and the building plan approval was obtained on the 25 June 2009. See "Our Business—Parkway Pantai" for further details of the expansion project.

(14) The building plan approval was obtained on 3 April 2012 and renovation began on the same date. Completion of renovation is expected to be by end July 2012. Application to amend the express condition endorsed on the document of title of HS(D) 21476 PTB 3617 is still pending.

(15) Under Turkish law, there is no equivalent of a leasehold or freehold concept for land purchased by an owner governing the tenure of ownership of the property. Pursuant to Turkish law, once a property is purchased, the owner will enjoy ownership of the property, provided that the ownership is registered to the relevant land registry, and save for any restrictions that may be imposed by public bodies or institutions, such as confiscation in accordance with the Expropriation Law numbered 2942, published in the Official Gazette dated 8 November 1983 and numbered 18215.

(16) The construction permit for this development has been obtained and is dated 4 October 2010 and valid until 4 October 2015. The building use permit will be obtained upon the completion of the construction. See "Our Business—Acibadem" for further details of this project.

2. Properties leased/tenanted by our Group

Save as disclosed in this Prospectus and to the best of our Group's knowledge and belief, all the material properties disclosed below are not in breach of any lease covenants or conditions and the Group is not aware of any non-compliance with the current statutory requirements, land rules or building regulations by the respective lessors which will have a material adverse impact on our operations as at 1 June 2012.

The table below sets forth the details of the material properties leased or tenanted by our Group.

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
A. Singapore						
Mount Elizabeth Hospital and Mount Elizabeth Medical Centre Units						
Mount Elizabeth Medical Centre Units 3 Mount Elizabeth, Singapore 228510[1]	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of PLife REIT)	Parkway Hospitals	Shops/medical suites within a 17-storey medical and retail block with shops/medical suites and a car park	Strata area: 3,189[3]	15 years from 23 August 2007	See Note (2) below
Mount Elizabeth Hospital 3 Mount Elizabeth, Singapore 228510[1]			A 10-storey hospital block and a five-storey hospital block as well as car park lots	Strata area: 54,950[3]		
Gleneagles Hospital, Gleneagles Medical Centre A Units and Gleneagles Medical Centre B Units						
Gleneagles Hospital 6A Napier Road, Singapore 258500[1]	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of PLife REIT)	Parkway Hospitals	A 10-storey hospital block with two basements and car park lots and a five-storey annexe block	Strata area: 48,502[3]	15 years from 23 August 2007	See Note (2) below
Gleneagles Medical Centre A Units 6 Napier Road, Singapore 258499[1]			Shops/medical suites within a 10-storey medical block with three basements and car park lots	Strata area: 317[3]		

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
Gleneagles Medical Centre B Units 6 Napier Road, Singapore 258499[1]			Shops/medical suites within a 10-storey medical block with three basements and car park lots	Strata area: 184[3]		
Parkway East Hospital						
319 Joo Chiat Place, Singapore 427989 and 321 Joo Chiat Place, Singapore 427990[1]	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of PLife REIT)	Parkway Hospitals	A four-storey hospital block, a five-storey medical block and car park lots	Land area: 6,203 Gross floor property area: 10,994	15 years from 23 August 2007	See Note (2) below
Parkway College						
168 Jalan Bukit Merah #02-05 (Tower 3) and #04-01 (Surbana One) Singapore 150168	Housing & Development Board	Parkway College	As an office and training facility. Part of a seven-storey commercial office building (Tower 3) and part of a 27-storey commercial office building (Surbana One)	Net floor area: 2,323[5]	16 August 2010 to 15 August 2013	SGD84,214.01 (RM208,008.60)[6]
167 Jalan Bukit Merah #03-15 Tower 4, Singapore 150167	Housing & Development Board	Parkway College	As a training facility. Part of a seven-storey commercial office building	Net floor area: 917[5]	16 August 2010 to 15 August 2013	SGD34,567.63 (RM85,382.05)[6]
167 Jalan Bukit Merah #03-12 Tower 4 Singapore 150167	Housing & Development Board	Parkway College	As a training facility. Part of a seven-storey commercial office building	Net floor area: 184[5]	16 July 2011 to 15 July 2014	SGD7,506.40 (RM18,540.80)[6]

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
B. Malaysia						
Pantai College						
Shop Lot No. T3.66B, T3.66C, T3.66E, Third Floor, The Summit Subang USJ Persiaran Kewajipan USJ1 UEP Subang Jaya 47600 Selangor	Mayban Trustees Berhad	Pantai Education	As a nursing college. Part of a five-storey building	3,716	1 July 2011 to 30 June 2014	Year one: RM80,000.00 Year two: RM84,000.00 Year three: RM88,000.00
M1-3-25, M1-3-26, M1-4-33 and M1-4-34 World Youth Foundation Complex Lebuh Ayer Keroh 75450 Melaka	Agibs Revenue Sdn Bhd	Pantai Education	As a nursing college. Part of a four-storey building	Apartment No. M1-3-25: 217 Apartment No. M1-3-26: 217 Apartment No. M1-4-33: 217 Apartment No. M1-4-34: 217 Total: 870	15 November 2009 to 14 November 2012	RM14,043.00
M1-3-24, M1-3-32 World Youth Foundation Complex Lebuh Ayer Keroh 75450 Melaka	Agibs Revenue Sdn Bhd	Pantai Education	As a nursing college. Part of a four-storey building	Apartment No. M1-3-24: 217.44 Apartment No. M1-3-32: 217.44 Total: 435	1 December 2009 to 30 November 2012	RM8,191.75
First Floor, No. 1743 Taman Wira Jaya 72000 Kuala Pilah Negeri Sembilan	Persatuan Hainan Kuala Pilah	IMU Education	IMU clinical school. Part of a three-storey building	326	1 February 2012 to 31 January 2014	RM1,800.00
12 Jalan Indah, Batu Pahat Johor	J Jaafar Bin Dayat	IMU Education	IMU clinical school. A two-storey detached bungalow	650	15 June 2011 to 14 June 2013[7]	RM4,700.00

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
C. <u>Turkey</u>[8]						
Fahrettin Kerim Gokay Cad. No. 49 Uskudar 34662 Istanbul	Mehmet Ali Aydinlar	Acibadem	As Acibadem headquarters office. Four-storey building	5,314	1 September 2006 to 31 August 2007 (automatic renewal)	USD48,700.00 (RM155,353.00)
<u>Acibadem Bakirkoy Hospital</u>						
Halit Ziya Usakligil Cad. No:1 34140 Bakirkoy, Istanbul	Baymer Turizm A.S.	Acibadem	15-storey hospital building	16,009	1 July 1999 to 1 July 2014	USD275,100.00 (RM877,569.00)
<u>Acibadem Fulya Hospital</u>						
Hakki Yeten Caddesi Yesilcimen Sok. No. 23 Besiktas, Istanbul	Besiktas Jimnastik Kulubu	Acibadem	17-storey hospital building	25,000	1 October 2010 to 30 September 2030	USD300,000.00 (RM957,000.00), which will not be paid until 30 September 2012, and USD7,500.00 (RM23,925.00) for the additional area, which will not be paid until 30 November 2012.

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
Aile Hospital Goztepe						
Goztepe Mah Fahrettin Kerim Gokay Cad. No: 192, Kadikoy Istanbul	Emin Tellioglu (independent parts numbered 17, 18), Asim Tellioglu (independent parts numbered two, three, 18), Mehmet Celal Tellioglu (independent parts numbered 11, four, 18), Ahmet Cem Tellioglu (independent parts numbered seven and five), Zubeyde Sen (independent part numbered 12), Fatma Dilek Isci (independent part numbered 16), Melek Tellioglu (independent part numbered 14)	Yeni Saglik, Saim Ozturk, Secim Ozturk and Zeynep Ozturk	11-storey hospital building	2,772 (as a part of the total 6,300 sq m Aile Hospital Goztepe)	1 May 2011 to 1 May 2016	TL55,000.00 (RM94,600.00) until 1 May 2012. Thereafter, TL60,000.00 (RM103,200.00).
Goztepe Mah. Fahrettin Kerim Gokay Cad. No. 192, Kadikoy Istanbul	Salih Zeki Tellioglu	Yeni Saglik, Saim Ozturk, Secim Ozturk and Zeynep Ozturk	11-storey hospital building	3,528 (as a part of the total 6,300 sq m Aile Hospital Goztepe)	1 May 2011 to 1 May 2016	TL40,000.00 (RM68,800.00) until 1 May 2012. Thereafter, to be increased in accordance with the average of the Producer Price Index ("**PPI**") and Consumer Confidence Index ("**CPI**") inflation rates.

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
Aile Hospital Bahcelievler						
Talatpasa Bulvari, Begonya Sok. No. 7/9, Bahcelievler, Istanbul	Lokman Hekim Saglik Hizmetleri A.S.[9]	Yeni Saglik	Four-storey hospital building	1,347 (The project records indicate the area as 7,258 sq m)	1 June 2011 to 1 June 2016	USD100,000.00 (RM319,000.00)
Acibadem Kadikoy Hospital						
Osmaniye Mah., Tekin Sok No: 8 Acibadem Kadikoy 34718 Istanbul	Kamu Yararina Calisan Turkiye Polis Emeklileri Sosyal Yardim Dernegi	Acibadem	Seven-storey hospital building	17,600	1 July 1995 to 1 July 2020	USD50,000.00 (RM159,000.00)
Inonu Cad. Okur Sok. No: 20 Kozyatagi 34742 Istanbul	Topcuoglu Pazarlama ve Dayanikli Tuketim Mallari Sanayi ve Ticaret A.S.	Acibadem	12-storey hospital building	9,784	1 May 2001 to 1 May 2016	USD60,000.00 (RM191,400.00)
Acibadem Maslak Hospital						
Darusafaka Mahallesi Buyukdere Caddesi No: 40 Maslak 34457, Istanbul	Turkiye Isveren Sendikalari Konfederasyonu Mikrocerrahi ve Rekonstruksiyon Vakfi	Acibadem	Eight-storey hospital building[10]	37,243	16 October 2001 to 9 April 2031	USD 208,335.00 (RM664,588.65)[11]

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
Acibadem Eskisehir Hospital						
Hosnudiye Mahallesi Acibadem Sokak No: 19 Eskibaglar Tepebasi, Eskisehir	Guven Motorlu Araclar ve Tarimsal Urunler Tic. ve San. A.S.	Acibadem	10-storey hospital building	19,518	22 March 2007 to 22 March 2027	A minimum rental amount of TL180,000.00. (RM309,600.00). In the event that monthly turnover is more than four per cent of minimum rental amount, the exceeding amount shall be paid in addition to the fixed rental amount but in any case, shall not exceed TL260,000.00 (RM447,200.00). The above mentioned minimum and ceiling rental amounts shall be recalculated each year (following the execution date of 2007) in accordance with the average of the PPI and CPI inflation rates of the previous year.

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
Acibadem Kocaeli Hospital						
Yenimahalle Inkilap Cad. No: 9, Kocaeli	Ozel Uzmed Saglik Hizmetleri Ticaret A.S.	Acibadem	Five-storey hospital building	5,946	23 April 2006 to 23 April 2016	A fixed rental amount has been determined as TL60,000.00 (RM103,200.00). 2.5% of the annual net turnover shall be paid in addition to the fixed rental amount but in any case, shall not be less than TL100,000.00 (RM172,000.00) and shall not exceed TL150,000.00 (RM258,000.00). The above mentioned rental amounts shall be recalculated each year (following the execution date of 2006) in accordance with the average of the PPI and CPI inflation rates of the previous year.
Jinemed Hospital						
Muradiye Mah. Nuzhetiye Cad. Deryadil Sok. No. 1 Besiktas, Istanbul	Turk Kizilayi Istanbul Mudurlugu	Jinemed Saglik[12]	Eight-storey hospital building	2,565	1 March 2011 to 1 March 2031	TL32,000.00 (RM55,040.00). The rental amount shall be recalculated each 1 March in accordance with the average of the PPI and CPI inflation rates of the previous year.

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
Acibadem Bodrum Hospital						
Ortakent Mahallesi Golbasi Sok. No: 11 Ortakent Bodrum, Mugla	SZA Gayrimenkul.	Acibadem	Construction of a Acibadem Bodrum Hospital. Six-storey hospital building[13]	22,864	15 July 2010 to 15 July 2030	USD150,000.00 (RM478,500.00). This amount will not be paid until the completion of the construction.
D. Macedonia[14]						
Sistina Skopje Clinical Hospital						
Skupi Str. No.5A, Skopje	Acibadem Sistina Medikal Kompani	Acibadem Sistina	Six-storey hospital building	16,000	18 October 2011 to 18 October 2031	Euro96,001.00 (RM378,243.94)
Skupi Str. No.5A, Skopje	Euro Balkan Grup Ad Skopje	Acibadem Sistina Medikal	Six-storey hospital building[15]	16,000	18 October 2011 to 18 October 2031	Euro96,000.00 (RM378,240.00)
E. PRC						
No. 149, South Chongqing Rd. Luwan District, Shanghai	Shanghai Lu Wan District Center Hospital	Shanghai Xin Rui	As a clinic. Part of a five-storey podium building and affiliated to a 13-storey hospital building	1,180	1 May 2012 to 30 April 2017	RMB393,120.00 (RM187,007.18)

Address	Name of lessor	Name of lessee	Existing Use / type	Built-up area (unless otherwise stated) (sq m)	Tenure	Monthly Rental[4] (unless otherwise stated)
F. India						
Gleneagles Khubchandani Hospital						
CTS No. 198(Pt), Link Road Andher Village Andheri (West), Mumbai Maharashtra	Bai Kabibai Hansraj Morarji Charity Trust	Khubchandani Hospitals	Construction of a ten-storey hospital block[16]	54,270	Initially for a term of 50 years (till 7 June 2045) and with an option to renew for another 30 years as agreed between the parties	Nil[17]
Apollo Gleneagles Hospital						
Plot Nos. 58, 59, 60, 61, 62, 72, 73, 79 and 81, Canal Circular Road Kolkata 700001 West Bengal	Government of West Bengal	Apollo Gleneagles	One five-storey building (main building) and two four-storey buildings	42,418	60 years (including a 30 year renewal option) commencing from 2 December 1994	Rs.984,130.00 per annum

Notes:

(1) The title to the Mount Elizabeth Hospital and the Mount Elizabeth Medical Centre Units is owned by Parkway Hospitals and Mount Elizabeth Medical respectively. The title to the Gleneagles Hospital, the Gleneagles Medical Centre A Units and the Gleneagles Medical Centre B Units is owned by Parkway Hospitals, Gleneagles Medical Centre and Gleneagles Pharmacy respectively. The title to the Parkway East Hospital is owned by Parkway Hospitals.

Please see Section 1 of this Appendix for further details.

(2) Under the terms of the Master Lease Agreements, the rent payable for the Leased Properties is currently the higher of (i) the aggregate of a base rent and a variable rent which is tied to 3.8% of the hospital's adjusted revenue for the relevant financial year; and (ii) the total rent paid in the immediately preceding year, adjusted for any growth in the Singapore consumer price index plus 1% of such total rent paid in the immediately preceding year. The minimum annual rent for the Leased Properties for the period commencing from 23 August 2011 to 22 August 2012 is approximately SGD56.4 million.

(3) Strata area means the area of the strata unit(s) as evidenced by the strata certificate(s) of title.

(4) Monthly rental refers to the monthly amount payable by the Group for the properties leased / tenanted by the Group, as stated in the valid and subsisting tenancy or lease agreements, or any subsequent letter or document which may supersede the original tenancy or lease agreements, and are exclusive of any applicable taxes. Translations of the monthly rental in SGD, TL, USD, Euro and RMB amounts into Ringgit Malaysia is based on the exchange rate of RM2.40: SGD 1.00, RM1.72: TL 1.00, RM2.99: USD 1.00, RM4.03: Euro1.00 and RM0.4757: RMB1.00, which was Bloomberg Finance L.P.'s period end rates as at 1 June 2012.

Bloomberg Finance L.P. has not provided its consent to the inclusion of the information extracted from its database in this Prospectus, and is thereby not liable for such information. While we, the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters have taken reasonable actions to ensure that the information from Bloomberg Finance L.P.'s database has been reproduced in its proper form and context, neither we, the Promoter, Selling Shareholder, Over-Allotment Option Provider, Principal Adviser, Managing Underwriter, Joint Underwriters, Sole Coordinator and Joint Bookrunners for the MITI Tranche, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Co-Lead Managers, Singapore Issue Managers and Singapore Underwriters nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

(5) As stated in the lease finance agreements.

(6) Includes monthly service and conservancy charges as stated in the relevant lease agreements.

(7) The tenancy for this property is due for early termination in September 2012. This premise is being used by the IMU students at their 10th semester who are undergoing clinical training at the nearby Hospital Batu Pahat as a location for study and discussion. However, IMU is planning to move the IMU clinical school in Batu Pahat to the two-storey detached house in Taman Sri Kenangan, Batu Pahat (disclosed above under Material properties owned by our Group) which IMU Education recently acquired in early 2011.

(8) All information related to the built-up of leased premises were obtained from the building use permits, where available. In the absence of building use permits, the information were obtained from construction permits, lease agreements or data of the relevant company.

(9) Lokman Hekim Saglik Hizmetleri A.S. has transferred the ownership of the property of Aile Hospital Bahcelievler to Erar Gayrimenkul Yatirimlari ve Ticaret Limited Sirketi and Med-Art Saglik Hizmetleri ve Kuyumculuk Sanayi ve Ticaret Limited Sirketi. Acibadem did not execute a protocol amending the lease agreement, however the new owners have notified Acibadem that the current lease agreement shall continue to be valid and have indicated that the rental amount to be paid to a specific bank account.

(10) The management of Acibadem Maslak Hospital expects to submit the relevant applications to construct the additional building for Acibadem Maslak Hospital's expansion project within 2012. See "Our Business—Acibadem" for further details of this project.

(11) This rental amount will not be paid until 1 April 2013 as a prepayment in the amount of USD2,500,000.00 (RM7,975,000.00) has been made in advance.

(12) As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Group. On 1 February 2012, Acibadem and the shareholders of Jinemed Saglik executed a "share purchase agreement" according to which, 65% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction, however the share transfer has not been completed. Jinemed Medical Center is included in the pro forma financial information of our Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed within 2012.

(13) The construction permit for this development has been obtained and is dated 26 November 2010 and valid until 26 November 2015. The amendment construction permit for the additional construction within Acibadem Bodrum Hospital has been obtained and is dated 19 April 2012 and valid until 19 April 2017. The building use permit will be obtained upon completion of the construction. See "Our Business—Acibadem" for further details of this project.

(14) The Hospital Building that is used by Acibadem Sistina Skopje Clinical Hospital is owned by Euro Balkan Grup Ad Skopje. Acibadem Sistina Medical is leasing the Hospital Building from Euro Balkan Grup Ad Skopje and is sub-leasing to Acibadem Sistina.

(15) The construction permit for the construction of the additional building is dated 5 July 2011. The working permit in relation to the additional building of Acibadem Sistina Skopje Clinical Hospital will be obtained once the construction is completed and the hospital is equipped. See "Our Business—Acibadem" for further details of this project.

(16) The notification to change the land-use from "education complex" to "hospital and sports academy" was obtained on the 5 April 2003. The orders to transfer the developments rights over the land to Khubchandani Hospitals were dated 8 June 1995, 15 June 1995 and 2 November 1999. The no objection letter to develop the vacant land and the environment clearance to permit the construction of the Gleneagles Khubchandani Hospital were dated 11 March 1997 and 26 September 2011, respectively. Although an initial commencement certificate and an initial no objection letter to develop the Gleneagles

Khubchandani Hospital were obtained on the 20 September 2007 and 10 August 2004 respectively, the renewed commencement certificate for develop and building permission to erect the Gleneagles Khubchandani Hospital and the no objection letter extending the construction period of Gleneagles Khubchandani Hospital have not been obtained. Management of Khubchandani Hospitals has made payment of the renewal fees of the commencement certificate on 8 August 2011 and the renewed commencement certificate should be issued in due course. Management of Khubchandani Hospital has not applied for renewal of the no objection letter, on the basis that the same is not required whilst the commencement certificate is valid. Hence, the management of Khubchandani Hospital currently does not have any plans to apply for a renewal of the no objection letter. See "Our Business—Parkway Pantai" for further details of this project. See "Risk Factors—Risks related to our countries of operation" on the Risk Factor relating to the non-receipt of certain approvals from the relevant authorities by Gleneagles Khubchandani Hospital required for its development activities.

(17) Khubchandani Hospitals does not pay any rental to Bai Kabibai Hansraj Morarji Charity Trust for the use of the property because Bai Kabibai Hansraj Morarji Charity Trust owns the land and Khubchandani Hospitals owns the hospital building. Khubchandani Hospitals paid Rs.40 million to acquire the development rights to construct Gleneagles Khubchandani Hospital on the land for an initial period of 50 years and, if the parties agree, a further period of 30 years on terms and conditions to be decided at the time of renewal.

Further to the above, our Group has entered into the following arrangements pertaining to certain properties:

(1) Pursuant to an agreement between IMU (then known as International Medical College) and the Government of Malaysia ("**GOM**") dated 24 May 1994 for the teaching and training of IMU students at GOM hospitals over a period of 10 years (the "**Agreement**"), all building and structures built for the purpose of teaching and training of IMU students shall be the property of the GOM. The Agreement expired on 24 May 2004 and a renewal agreement was entered into on 30 November 2006. Pursuant to the renewal agreement the parties agreed that a lease agreement will be entered into in respect of such building and structures. As at 1 June 2012, the parties are still negotiating the terms of the lease agreement.

(2) Pursuant to a master collaboration agreement dated 31 January 2011 between GEH Management ("**GEHM**") (a wholly owned subsidiary of Gleneagles Malaysia) and Jesselton Wellness Sdn Bhd ("**JWSB**") ("**Proprietor**") (a joint venture between Riverson Corporation Sdn Bhd (developer of the project) ("**Developer**"), Warisan Harta Sabah Sdn Bhd ("**Warisan**") and Sahamurni Sdn Bhd (land owner of the project site) ("**Landowner**"), the parties have agreed to collaborate and and co-operate exclusively with each other to undertake the development and construction of a private hospital on a portion of land held under Title No. Town Lease 017549530 located in Kota Kinabalu, Sabah ("**Hospital Project Site**"). Pursuant to the terms of the sale and purchase agreement dated 14 July 2011 entered into between the Proprietor and the Developer, the Developer, as the developer for the hospital, has agreed to undertake, inter alia, the design, development and the construction of the hospital project on the Hospital Project Site and the Proprietor has agreed to purchase the hospital and the Hospital Project Site from the Developer and the Landowner respectively free from all encumbrances. The Developer has agreed to sell the hospital and procure the Landowner to sell the Hospital Project Site to the Proprietor free from all encumbrances. Upon completion of the Hospital Project, GEHM intends to lease the hospital from the Proprietor upon terms and conditions to be mutually agreed between Gleneagles Malaysia and the Proprietor and to be set out in a separate lease agreement. The parties save for Warisan had further entered into a development agreement to regulate their rights and obligations in respect of the aforementioned project. The planning approval for this development was obtained on 19 January 2012. The applications to obtain the building plan approval and the licence to establish Gleneagles Kota Kinabalu, both of which are still pending approval from the relevant regulatory authorities. Management expects to obtain these approvals by August 2012. Although the proper applications have been submitted by management, there is no certainty that these approvals will be obtained by this date because the approvals are not within the control of the management. See "Our Business—Parkway Pantai" for further details of this project.

(3) Pursuant to an asset purchase agreement dated 6 December 2010 entered into between Global Capital and Development Sdn Bhd ("**Global Capital**") and Pantai Johor as amended by the Supplemental Letter dated 28 February 2012 ("**Agreement**"), Pantai Johor has agreed to purchase from Global Capital the lease in respect of the building plots within Zone A, Lifestyle & Leisure North, Medini, Iskandar Malaysia identified as:

(1) plot A23 held under HS(D) 478930, PTD 170680 Mukim Pulai, District of Johor Bahru, Johor, to be purchased at a consideration price of RM20,126,232.00 for a term of 96 years, 10 months and 28 days commencing from and including 18 March 2010 and expiring on 14 February 2107, with an option to renew for a further term of three years immediately upon its expiry thereof;

(2) plot A24 held under HS(D) 478962, PTD 170681 Mukim Pulai, District of Johor Bahru, Johor, to be purchased at a consideration price of RM11,075,201.28 for a term of 96 years, 10 months and 28 days commencing from and including 18 March 2010 and expiring on 14 February 2107, with an option to renew for a further term of three years immediately upon its expiry thereof; and

(3) plot A25 held under HS(D) 478967, PTD 170682 Mukim Pulai, District of Johor Bahru, Johor, to be purchased at a consideration price of RM36,837,244.80 for a term of 96 years, 10 months and 28 days commencing from and including 18 March 2010 and expiring on 14 February 2107, with an option to renew for a further term of three years immediately upon its expiry thereof.

The purchases are subject to the terms and conditions as contained in the Agreement. Pursuant to the Agreement, in the event Pantai Johor does not commence construction on plot A23 within the date of the Agreement and 5 March 2016 ("**Construction Commencement Period**"), Pantai Johor shall pay the purchase price for plot A23 at the end of the Construction Commencement Period, failing which Global Capital shall terminate the Agreement in relation to the sale of the lease over plot A23 and issue a written notice to Pantai Johor in respect of such termination. Plot A24 is subject to the same terms. As at 1 June 2012 the transfer of the lease in favour of Pantai Johor is not completed yet. Applications to obtain the development order, the building plan approval and the licence to establish Gleneagles Medini is scheduled to be made within 2012. See "Our Business—Parkway Pantai" for further details of this project.

(4) Pursuant to a master collaboration agreement dated 16 November 2009 ("**Master Collaboration Agreement**") between Pantai Hospitals and YNH Property Berhad ("**YNH**"), parties thereto have agreed to collaborate and co-operate exclusively with each other to undertake the development of a private hospital ("**Project**") on all that piece of freehold land held under the title no. HSD 33527, PT 17283, Mukim of Lumut, District of Manjung, State of Perak, measuring 19,986 square metres the "**Project Land**"). Pantai Hospital has appointed Pantai Manjung ("**Operator**") and YNH has appointed Kar Sin Berhad ("**Proprietor**" and "**Developer**") (a wholly owned subsidiary of YNH) to act as their nominees to execute and do respectively under the covenants and provisions contained in the Master Collaboration Agreement. Pursuant to the Development Agreement dated 24 November 2011, upon completion of the Project in accordance with the terms of the development agreement and within six (6) months from the First Unconditional Date (as defined in the Development Agreement), the Proprietor has agreed to grant a lease (pursuant to the terms and conditions set forth in the Development Agreement) and the Operator has agreed to accept the lease and both parties have agreed to execute a Lease Agreement (pursuant to the terms and conditions set forth in the Development Agreement) of the Project Land. The planning approval for this development was obtained on the 26 July 2011 and the building plan approval was obtained on the 27 February 2012. The licence to establish Pantai Hospital Manjung is valid from 30 June 2011 to 29 June 2014. See "Our Business—Parkway Pantai" for further details of this project.

(5) Pursuant to an agreement to lease dated 13 October 2011 between Ampang 210 Sdn Bhd ("**Lessor**") and Gleneagles KL ("**Lessee**") (collectively the "**Parties**") ("**Agreement**"), the Lessor is desirous of constructing, among other developments, a one block building (which is a proposed extension of the existing Gleneagles KL hospital building) ("**Gleneagles KL New Wing**") on all that piece of leasehold land which they own held under Master Title of PN47486, Lot 81, Seksyen 88, Mukim of Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. It is the intention of the Parties to enable the use and occupation of Gleneagles KL New Wing and in this regard the Lessor will grant a registrable lease (in the form of a strata title) of Gleneagles KL New Wing to the Lessee based on the terms and conditions of the Agreement. Pursuant to the agreement, the Lessee is to apply to the MOH Malaysia for approval to construct Gleneagles KL New Wing and the Lessor shall apply for the development order and the building plan approval. The application to construct Gleneagles KL New Wing is pending the approval of MOH Malaysia. Management expects to obtain this approval within 2012. Although the proper applications have been submitted by management, there is no certainty that MOH Malaysia's approval will be obtained by that date because MOH Malaysia's approval is not within the control of the management. The development order was obtained in December 2011 and the building plan approval is still pending approval. Construction of Gleneagles KL New Wing is expected to begin when all the approvals are obtained and the completion of the development is expected to be in mid 2015. Upon the completion of Gleneagles KL New Wing and the terms and conditions of the Agreement being fulfilled, the Lessee will enter into a lease agreement with the Lessor. Please refer to "Our Business—Parkway Pantai" of this Prospectus for further details of this project.

In addition to the above material properties leased or tenanted by our Group, we have entered into 40 leases and tenancies for our clinics and clinical laboratories in Singapore, one tenancy for our clinic in Malaysia, nine leases for our medical centres in Turkey, seven leases for our clinics in the PRC and one lease for a PET-CT scanning facility in India. We do not regard these leases and tenancies as material as (i) the amount of annual rental payable in respect of each of these leases and tenancies is not significant and (ii) the contribution of the relevant clinic, clinical laboratory or medical centre, individually, to the revenue of the Group in one year is not significant.

This page has been intentionally left blank.

APPENDIX D: INFORMATION ON OUR GROUP'S SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

1. INFORMATION ON OUR GROUP

1.1 Subsidiaries, associates and joint ventures

As at 1 June 2012, our subsidiaries, associates and joint ventures are as follows:

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Direct wholly-owned subsidiaries of IHH				
IHHL	05.09.2006 Federal Territory of Labuan, Malaysia	USD2,670,947,496.00	100.00	Holding company
IMU Health	27.06.2006 Malaysia	RM1,140,032.50	100.00	Holding company and provision of management services
IHH Bharat	07.03.2011 Mauritius	USD160,089,950.00	100.00	Holding company
IHH Cayman	12.08.2010 Cayman Islands	USD1.00	100.00	Dormant
IHT Yatirimlari	12.12.2011 Federal Territory of Labuan, Malaysia	SGD711,987,171.00	100.00	Holding company
IH Capital	22.12.2011 Malaysia	RM2.00	100.00	Holding company
Subsidiary of IHHL				
Parkway Pantai	21.03.2011 Singapore	SGD3,350,231,267.00	100.00	Holding company
Subsidiaries of IMU Health				
IMU Education	11.04.1992 Malaysia	RM8,700,002.00	100.00	Management of educational institutions and other centres of learning
IMU Healthcare	24.07.2007 Malaysia	RM2.00	100.00	Dormant
Subsidiary of IHH Bharat				
IHH Mauritius	18.06.2010 Mauritius	USD160,089,950.00	100.00	Holding company
Subsidiary of IHT Yatirimlari				
IHH Turkey	13.12.2011 Malaysia	RM2,476,142,657.00	93.84	Holding company
Subsidiaries of Parkway Pantai				
Pantai Irama*	30.09.2004 Malaysia	RM922,235,901.00	100.00	Holding company

Note:

* *All the shares in Pantai Irama are subject to the share charge dated 10 May 2011 entered into between Parkway Pantai and Oversea-Chinese Banking Corporation Limited, as security for financing purposes in connection with a SGD1.85 billion facility which is due in 2013. See "Use of Proceeds" for the proposed repayment of the bank borrowings from the proceeds of the Public Issue.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Parkway HK*	14.06.2011 Hong Kong	HKD2.00	100.00	Holding company

Note:

* *Parkway HK is Parkway Pantai's 50.0%-owned subsidiary, whilst Parkway, which is a wholly-owned subsidiary of Parkway Pantai, owns the remaining 50.0% in Parkway HK.*

Parkway*	27.02.1974 Singapore	SGD1,170,761,281.73	100.00	Holding company

Note:

* *All the shares in Parkway have been charged to Oversea-Chinese Banking Corporation Limited, as security agent, as security for financing purposes in connection with a SGD1.85 billion facility which is due in 2013. Oversea-Chinese Bank Nominees Private Limited, as nominee of the security agent, holds the legal interest in the shares while Parkway Pantai holds the beneficial interest in the shares. See "Use of Proceeds" for the proposed repayment of the bank borrowings from the proceeds of the Public Issue.*

Subsidiary of IHH Turkey				
Acibadem Holding	07.08.2007 Turkey	TL839,946,831.00	56.30	Holding company
Subsidiary of Pantai Irama				
Pantai	10.03.1972 Malaysia	RM478,358,979.00	100.00	Holding company
Subsidiaries of Parkway				
Parkway Hospitals	04.08.2004 Singapore	SGD100,000,000.00	100.00	Private hospitals ownership and management
Parkway Healthcare	12.06.1993 Singapore	SGD188,423,323.00	100.00	Holding company and provision of management and consultancy services
Parkway Trust Management	19.04.2007 Singapore	SGD1,000,000.00	100.00	Provision of management services to PLife REIT
Parkway Investments	11.07.2007 Singapore	SGD10,000,000.00	100.00	Holding company
Parkway Novena Holdings	06.02.2008 Singapore	SGD1.00	100.00	Dormant
Gleneagles Management	26.09.1989 Singapore	SGD100.00	100.00	Provision of advisory, administrative, management and consultancy services to healthcare facilities
Gleneagles JPMC	15.07.2002 Brunei Darussalam	BND100,000.00	75.00	Management and operation of a cardiac and cardiothoracic care centre

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
M&P Investments	07.07.1981 Singapore	SGD2.00	100.00	Holding company
Gleneagles Medical Holdings	16.01.1958 Singapore	SGD3,844,952.60	100.00	Holding company
Medi-Rad	30.07.1982 Singapore	SGD13,757,336.94	100.00	Operation of radiology clinics
Parkway Shenton	23.12.1995 Singapore	SGD2,000,000.00	100.00	Holding company and operation of a network of clinics and provision of comprehensive medical and surgical advisory services.
Parkway Lab	18.05.1983 Singapore	SGD21,733,588.50	100.00	Provision of comprehensive diagnostic laboratory services
Parkway College	09.01.2008 Singapore	SGD1,700,000.00	100.00	Provision of courses in nursing and allied health
iXchange	22.01.1994 Singapore	SGD6,400,000.00	100.00	Agent and administrator for managed care and related services
Shenton Insurance	04.02.2005 Singapore	SGD13,000,000.00	100.00	Underwriting of accident and healthcare insurance policies
Parkway Novena	06.02.2008 Singapore	SGD1.00	100.00	Hospital construction and development
Gleneagles CRC	21.10.1999 Singapore	SGD7,191,827.00	51.00	Operation of a clinical research centre
Parkway Irrawaddy	06.02.2008 Singapore	SGD1.00	100.00	Medical centre construction and development
Associates of Parkway				
Parkway HK*	14.06.2011 Hong Kong	HKD2.00	100.00	Holding company

Note:

* *Parkway HK is Parkway's 50.0%-owned associate, whilst Parkway Pantai owns the remaining 50.0% in Parkway HK. Parkway is a wholly-owned subsidiary of Parkway Pantai.*

Kyami	18.08.1993 Australia	AUD200,000.00	30.00	Holding company
Subsidiaries of Acibadem Holding				
Almond (Turkey)	30.07.2007 Turkey	TL690,000,000.00	56.30	Holding company

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
APlus	23.12.1996 Turkey	TL1,300,000.00	56.30	Provision of catering, laundry and cleaning services for hospitals
Acibadem Proje	20.07.2004 Turkey	TL1,500,000.00	56.30	Supervise and manage the construction of healthcare facilities
Subsidiaries of Pantai				
Pantai Hospitals	25.07.1998 Malaysia	RM6,804,800.00	100.00	Holding company and provision of management and consultation services to hospitals and medical centres
Gleneagles Malaysia	29.08.1989 Malaysia	RM3,108,500.00	100.00	Holding company
Pantai Resources	24.09.2001 Malaysia	RM100,000.00	100.00	Holding company
Pantai Management	06.09.2001 Malaysia	RM100,002.00	100.00	Provision of administration support, training, research and development services
Pantai Diagnostics	03.05.2002 Malaysia	RM2.00	100.00	Holding company
Subsidiaries of Parkway Hospitals				
Parkway Promotions	08.09.1982 Singapore	SGD10,000.00	100.00	Promoters and organisers of healthcare events
MENA Services	12.03.1985 Singapore	SGD2.00	100.00	Nursing agency
Subsidiaries of Parkway Healthcare				
Parkway Healthtech	02.02.2000 Singapore	SGD2.00	100.00	Holding company
Mount Elizabeth Healthcare	06.04.1985 Singapore	SGD37,000,000.00	100.00	Dormant
Gleneagles International	04.07.1989 Singapore	SGD23,000,000.00	100.00	Holding company
Medical Resources International	16.10.1995 Singapore	SGD90.00	100.00	Holding company
Parkway Shanghai	22.01.2008 PRC	USD1,000,000.00*	100.00	Provision of management and consultancy services to healthcare facilities

Note:

* *This refers to the registered and paid-up capital of this entity.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Gleneagles Shanghai	03.04.2006 PRC	USD4,000,000.00*	100.00	Provision of medical and healthcare services

Note:

* *This refers to the registered and paid-up capital of this entity.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
Parkway Healthcare Mauritius	12.08.2002 Mauritius	SGD2.00	100.00	Holding company
Parkway Education	18.12.2007 Singapore	SGD1.00	100.00	Dormant
Swiss Zone	07.09.2005 Malaysia	RM2.00	100.00	Dormant
Joint venture of Parkway Healthcare				
Khubchandani Hospitals*	15.05.2006 India	Rs.80,000,000.00	50.00	Private hospital ownership

Note:

* *This entity is treated as a subsidiary in the financial statements of the Group on the basis that the Group, by virtue of the existence of currently exercisable potential voting rights, has the ability to control the financing and operating decisions of this entity.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
Subsidiaries of Parkway Investments				
Gleneagles Technologies	08.11.1995 Singapore	SGD2.00	100.00	Provision of consultancy services, equipment planning, procurement, testing and commissioning, and manage a healthcare facility
Mount Elizabeth Medical	16.09.1976 Singapore	SGD150,000,000.00	100.00	Holding company
Gleneagles Medical Centre	29.12.1988 Singapore	SGD15,120,002.00	100.00	Dormant
Gleneagles Pharmacy	29.05.1991 Singapore	SGD3.00	100.00	Dormant
Associate of Parkway Investments				
PLife REIT(1)	12.07.2007 Singapore	604,970,414 units in issue (2)	35.81	Real estate investment trust

Notes:

(1) *PLife REIT is a 35.25%-owned associate of Parkway Investments, whilst IHHL owns 0.04% and Parkway Trust Management owns 0.52%.*

(2) *As at 1 March 2012, according to the 2011 Annual Report of PLife REIT*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiary of Parkway HK				
Parkway Healthcare HK	21.04.2011 Hong Kong	HKD100,003.00	95.00	Provision of medical and healthcare outpatient services
Associate of M&P Investments				
Parkway M & A*	07.11.1988 BVI	USD4,500,000.00	38.89	Holding company

Note:

* *This entity is treated as a long term investment as the Group is unable to exert significant influence on the operating and financing decisions.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
Associates of Gleneagles Medical Holdings				
Asia Renal Care	30.07.1987 Singapore	SGD50,000.00	20.00	Specialised medical services (including day surgical centres)
Asia Renal Care (Katong)	18.04.1987 Singapore	SGD50,002.00	20.00	Specialised medical services (including day surgical centres)
PT Tritunggal	10.10.1994 Indonesia	Rp2,917,500,000.00	30.00	Provision of medical diagnostic services
Subsidiary of Medi-Rad				
Radiology Consultants	01.02.1990 Singapore	SGD2.00	100.00	Provision of radiology consultancy and interpretative services
Associate of Medi-Rad				
Positron Tracers	27.03.2002 Singapore	SGD550,000.00	33.00	Ownership and operation of cyclotron for production of radioactive tracers
Subsidiaries of Parkway Shenton				
Nippon Medical	28.05.1998 Singapore	SGD500,000.00	70.00	Operation of clinics
Shenton Family	08.05.1990 Singapore	SGD2.00	100.00	Provision and establishment of and carrying on the business of clinics
Parkway Shenton International	28.11.2003 Singapore	SGD2.00	100.00	Holding company
Joint venture of Parkway Shenton				
Hale Medical Clinic	28.04.1995 Singapore	SGD350,010.00	50.00	Operation of medical clinic

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiaries of Gleneagles CRC				
Gleneagles Clinical Research	23.02.2004 Singapore	SGD50,000.00	51.00	Operation of a clinical research centre
Gleneagles CRC (Thailand)	19.04.2002 Thailand	Baht750,000.00	51.00*	Conduct of global and local clinic trials

Note:

* *This entity is treated as a wholly-owned subsidiary in the financial statements of the Group on the basis that the Group controls the entity and is entitled to all its profits.*

Gleneagles CRC (China)	19.02.2002 PRC	USD100,000.00	51.00	Conduct of global and local clinic trials
Gleneagles CRC (Australia)	29.08.2006 Australia	AUD3.00	51.00	Conduct of global and local clinic trials
Subsidiary of Almond (Turkey)				
Acibadem	19.02.1990 Turkey	TL100,000,000.00	54.80	Provision of medical, surgical and hospital services
Subsidiaries of Pantai Hospitals				
Pantai Medical Centre	15.07.1981 Malaysia	RM6,891,000.00	100.00	Provision of medical, surgical and hospital services
Cheras Medical Centre	18.10.1991 Malaysia	RM6,254,002.00	100.00	Provision of medical, surgical and hospital services
Pantai Klang	31.03.1980 Malaysia	RM1,105,000.00	100.00	Provision of medical, surgical and hospital services
Syarikat Tunas	27.05.1992 Malaysia	RM24,000,000.00	80.70	Provision of medical, surgical and hospital services
Paloh Medical Centre	29.03.1991 Malaysia	RM35,792,120.00	77.80	Provision of medical, surgical and hospital services
Pantai Ayer Keroh	24.02.1966 Malaysia	RM30,535,569.00	100.00	Provision of medical, surgical and hospital services
Pantai Indah	23.04.2002 Malaysia	RM5,650,000.00	100.00	Provision of medical, surgical and hospital services
Pantai Sungai Petani	03.04.1997 Malaysia	RM2,120,000.00	100.00	Provision of medical, surgical and hospital services
Gleneagles KL*	28.05.1990 Malaysia	RM22,400,000.00	100.00	Provision of medical, surgical and hospital services

Note:

* *Gleneagles KL is Pantai Hospitals' 70.0%-owned subsidiary, whilst Gleneagles Malaysia owns the remaining 30.0% in Gleneagles KL.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Pantai Manjung	23.09.2010 Malaysia	RM2.00	100.00	Has not commenced operations since the date of its incorporation. Intended principal activity is provision of medical, surgical and hospital services
Pantai Johor	26.03.2010 Malaysia	RM500,000.00	100.00	Has not commenced operations since the date of its incorporation. Intended principal activity is provision of medical, surgical and hospital services
Pantai Screening	05.07.2004 Malaysia	RM2.00	100.00	Manager and administrator for health screening services
KL Medical Centre	01.04.1998 Malaysia	RM250,000.00	51.00	Dormant
PT Pantai*	10.08.2005 Indonesia	USD100,000.00	100.00	Provision of healthcare consulting services in Indonesia

Note:

* *PT Pantai is Pantai Hospitals' 50.0%-owned subsidiary, whilst Pantai Resources owns the remaining 50.0% in PT Pantai.*

Subsidiaries of Gleneagles Malaysia

Pulau Pinang Clinic	12.02.1971 Malaysia	RM24,337,500.00	70.00	Rendering of hospital services
GEH Management	31.10.2007 Malaysia	RM2.00	100.00	Provision of advisory, administrative, management and consultancy services to healthcare facilities

Associate of Gleneagles Malaysia

Gleneagles KL*	28.05.1990 Malaysia	RM22,400,000.00	100.00	Provision of medical, surgical and hospital services

Note:

* *Gleneagles KL is a 30.0%-owned associate of Gleneagles Malaysia, whilst Pantai Hospitals owns the remaining 70.0% in Gleneagles KL.*

Gleneagles Medical Centre KL	28.05.1990 Malaysia	RM7,000,000.00	30.00	Development of and investment in medical centres

Subsidiaries of Pantai Resources

Pantai Premier Pathology	04.07.1997 Malaysia	RM10,000,000.00	100.00	Provision of medical laboratory services
Pantai Education	14.05.1997 Malaysia	RM400,000.00	100.00*	Provision of educational programmes and training courses for healthcare and related fields

Note:

* *IMU Health has agreed to acquire Pantai Education from Pantai Resources as part of the consolidation of IHH's Malaysian education business. IMU Health and Pantai Resources have executed a Share Sale Agreement on 3 April 2012 for the acquisition.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Pantai Integrated Rehab	04.09.2000 Malaysia	RM200,000.00	85.00	Provision of rehabilitation services
Credit Enterprise	24.03.1976 Malaysia	RM100,000.00	100.00	Dormant
PT Pantai*	10.08.2005 Indonesia	USD100,000.00	100.00	Provision of healthcare consulting services in Indonesia

Note:

* *PT Pantai is Pantai Resources' 50.0%-owned subsidiary, whilst Pantai Hospitals owns the remaining 50.0% in PT Pantai.*

Mount Elizabeth Services	11.02.1991 Malaysia	RM2.00	100.00	Provision of laboratory services to hospitals and clinics
Twin Towers Healthcare	23.05.2007 Malaysia	RM100,000.00	70.00	Holding company and provision of management services to its subsidiary
Subsidiary of Pantai Diagnostics				
PT Pantai Bethany*	17.01.2009 Indonesia	USD300,000.00	65.00	Provision of medical diagnostics laboratory testing and analytical services

Note:

* *In 27 April 2012, Pantai Diagnostic, Mr. Aswin Tanuseputra, PT Bethany Karya Medika Internasional and PT Pantai Bethany, executed a Conditional Sale and Purchase Agreement according to which, Pantai Diagnostic shall sell its shares constituting 65.0% of the issued and paid up capital in PT Pantai Bethany to Mr. Aswin Tanuseputra. However the share transfer has not yet been executed as at 1 June 2012. The share transfer is expected to be executed within 2012.*

Subsidiaries of Parkway Healthtech				
Goldlink Investments	12.03.2002 Singapore	SGD2.00	100.00	Dormant
Drayson Investments	12.03.2002 Singapore	SGD2.00	100.00	Dormant
Subsidiaries of Gleneagles International				
Gleneagles Development	29.05.1991 Singapore	SGD2.00	100.00	Developing and managing turnkey hospital projects and holding company
Gleneagles UK	12.07.1993 UK	GBP2,000.00	65.00	Holding company
Subsidiaries of Medical Resources International				
Shanghai Rui Xin	31.01.1996 PRC	USD2,500,000.00[(1)]	70.00	Provision of medical and healthcare outpatient services
Shanghai Xin Rui	29.07.2003 PRC	RMB14,000,000.00[(1)]	70.00	Provision of medical and healthcare outpatient services
Shanghai Rui Hong	11.07.2003 PRC	RMB14,000,000.00[(1)]	70.00	Provision of medical services and healthcare outpatient services
Shanghai Gleneagles	21.09.2011 PRC	Registered Capital: USD1,000,000.00 Paid-up Capital: USD200,000.00	100.00*	Provision of hospital management and consultancy services to healthcare facilities

Note:

* *Medical Resources International has voting control over 100% of the shares of this entity.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiaries of Parkway Shanghai				
Shanghai Shu Kang	17.09.2010 PRC	RMB30,000[(1)]	—[(2)]	Management of healthcare industry investment and provision of consulting services.

Notes:

(1) *This refers to the registered and paid-up capital of this entity.*

(2) *Parkway Shanghai has voting control over 100% of the shares of this entity, through a contractual arrangement. Shanghai Shu Kang is consolidated as a subsidiary for accounting purposes. See "Risk Factors — Risks related to our countries of operation — If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties, and — We rely on contractual arrangements with the PRC operating entities in the PRC and their shareholders for our business operations, which may not be as effective in providing operational control or enabling us to derive economic benefits compared to ownership of controlling equity interests" for further details on such contractual arrangement.*

Joint venture of Parkway Healthcare Mauritius				
Apollo PET	24.03.2004 India	Rs.170,000,000.00	50.00	Operation of a PET CT radio imaging centre
Subsidiaries of Mount Elizabeth Medical				
East Shore Medical	15.09.1979 Singapore	SGD50,000,000.00	100.00	Dormant
Mount Elizabeth Ophthalmic	05.09.1987 Singapore	SGD704,002.00	66.48	In the process of undergoing members' voluntary liquidation
Joint ventures of Shenton Family Medical				
Shenton Family Bukit Gombak	01.06.2000# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Serangoon	17.07.2000# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Bedok Reservoir	16.11.2002# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Jurong East	01.01.2003# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Tampines	01.01.2005# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Yishun	16.10.2006# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Ang Mo Kio	22.02.2010# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Duxton	16.03.2010# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Clementi	01.04.2010# Singapore	Not applicable	50.00*	Operation of clinic
Shenton Family Towner	25.08.2011# Singapore	Not applicable	50.00*	Operation of clinic

Notes:

* *This refers to the partnership interest of Shenton Family Medical in these entities.*

\# *This refers to the commencement date of the partnerships.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiary of Parkway Shenton International				
Parkway Shenton Vietnam	27.01.1997 Vietnam	USD3,500,000.00	100.00	Dormant
Subsidiary of Acibadem				
Acibadem Poliklinik	16.03.1993 Turkey	TL8,000,000.00	54.80	Provision of outpatient and surgical (in certain clinics only) services
Acibadem Labmed	28.08.2001 Turkey	TL3,000,000.00	27.40	Provision of lab services
International Hospital	12.12.1983 Turkey	TL2,000,000.00	49.32	Provision of medical, surgical and hospital services
Acibadem Mobil*	07.07.2008 Turkey	TL4,500,000.00	54.80	Provision of emergency, home and ambulatory care services

Note:

* *Acibadem Mobil is a 17.77%-owned subsidiary of Acibadem, whilst Acibadem Poliklinik, which is a wholly-owned subsidiary of Acibadem, owns 82.22% in Acibadem Mobil.*

Yeni Saglik	12.01.2000 Turkey	TL20,000,000.00	54.80	Provision of medical, surgical and hospital services
Jinemed Saglik*	23.09.1993 Turkey	TL6,600,000.00	35.62	Provision of medical, surgical and hospital services

Note:

* *As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Group. In January 2012, Acibadem and the shareholders of Jinemed Saglik executed a "share purchase agreement" according to which, 65.0% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction; however, the share transfer has not yet been completed. Jinemed Hospital and Jinemed Medical Center is included in the pro forma financial information of the Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed within 2012.*

Acibadem Sistina	07.04.2010 Macedonia	MKD1,946,800.00	27.58	Provision of medical, surgical and hospital services
Acibadem Sistina Medikal	31.08.2011 Macedonia	MKD310,000.00	27.40	Provision of medical equipment
Acibadem Orta	09.06.1999 Turkey	TL500,000.00	54.93	Construction and planning of healthcare facilities, provision of operation and management services to healthcare institutions and secondary logistic services such as catering cleaning, laundry services
Subsidiaries of Pantai Medical Centre				
Angiography	29.06.1983 Malaysia	RM758,500.00	100.00	Provision of cardiac catherisation services
Magnetom Imaging	08.09.1990 Malaysia	RM1,590,156.00	100.00	Provision of medical diagnostic services and other related ventures
PMC Radio-Surgery	09.05.1996 Malaysia	RM2.00	100.00	Provision of radiotherapy services
Pantai-Arc Dialysis	01.08.2000 Malaysia	RM1,315,760.00	51.00	Provision of haemodialysis services

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiaries of Pantai Ayer Keroh				
HPAK Cancer	19.04.2001 Malaysia	RM666,669.00	100.00	Provision of medical services for cancer diseases
HPAK Lithotripsy	24.11.1999 Malaysia	RM100,000.00	100.00	Provision of lithotriptor services
Subsidiary of Gleneagles KL				
Oncology Centre (KL)	20.07.1996 Malaysia	RM250,000.00	100.00	Provision of comprehensive professional oncological services inclusive of diagnostic, radiotherapy and chemotherapy treatment
Subsidiary of Mount Elizabeth Services				
Orifolio Options	04.07.1997 Malaysia	RM2.00	100.00	Letting of property and general trading
Subsidiary of Twin Towers Healthcare				
Twin Towers Medical Centre	17.01.1997 Malaysia	RM4,000,000.00	70.00	Operation of an outpatient and daycare medical centre
Joint venture of Gleneagles Development				
Apollo Gleneagles	19.09.1988 India	Rs.1,093,513,940.00	50.00	Private hospital ownership and management
Subsidiaries of Gleneagles UK				
The Heart Hospital	14.10.1994 UK	GBP2.00	65.00	Under company voluntary arrangement
Subsidiaries of Shanghai Rui Xin				
Shanghai Rui Pu	27.07.2005 PRC	RMB1,500,000.00[(1)]	—[(2)]	Provision of medical and healthcare outpatient services

Notes:

(1) This refers to the registered and paid-up capital of this entity.

(2) As at 1 June 2012, 70.0% of the equity interests of Shanghai Rui Pu is held by Shanghai International Trust Co., Ltd on trust on behalf of Shanghai Rui Xin, while the remaining 30.0% is held by Shanghai Shu Kang. Shanghai Rui Pu is consolidated as a subsidiary for accounting purposes. See "Risk Factors—Risks related to our countries of operation — If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties, — We rely on contractual arrangements with the PRC operating entities in the PRC and their shareholders for our business operations, which may not be as effective in providing operational control or enabling us to derive economic benefits compared to ownership of controlling equity interests, and — We may face risks arising from certain trust arrangements" for details on the contractual and trust arrangement.

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiary of Shanghai Rui Hong				
Shanghai Rui Xiang*	16.08.2005 PRC	RMB5,000,000.00(1)	—(2)	Provision of medical and healthcare outpatient services

Notes:

(1) *This refers to the registered and paid-up capital of this entity.*

(2) *Shanghai International Trust Co., Ltd and Shanghai International Group Assets Management Co Ltd are holding equity interests in Shanghai Rui Xiang on behalf of Shanghai Rui Hong which is the beneficiary of such trust arrangement. Shanghai Rui Xiang is consolidated as a subsidiary for accounting purposes. See "Risk Factors—Risks related to our countries of operation—We may face risks arising from certain trust arrangements" for details on the contractual arrangement.*

Subsidiary of Shanghai Shu Kang				
Chengdu Rui Rong	09.05.2011 PRC	RMB5,000,000.00*	100.00	Provision of medical and healthcare and outpatient services

Note:

* *This refers to the registered and paid-up capital of this entity.*

Associate of Shanghai Shu Kang				
Shanghai Rui Pu	27.07.2005 PRC	RMB1,500,000.00(1)	—(2)	Provision of medical and healthcare and outpatient services

Notes:

(1) *This refers to the registered and paid-up capital of this entity.*

(2) *As at 1 June 2012, 70.0% of the equity interests of Shanghai Rui Pu is held by Shanghai International Trust Co., Ltd on trust on behalf of Shanghai Rui Xin, whilst the remaining 30.0% is held by Shanghai Shu Kang. Shanghai Rui Pu is consolidated as a subsidiary for accounting purposes. See "Risk Factors — Risks related to our countries of operation — If the PRC government determines that the agreements that establish the structure for operating our business otherwise do not comply with applicable PRC laws, rules and regulations, we could be subject to penalties, — We rely on contractual arrangements with the PRC operating entities in the PRC and their shareholders for our business operations, which may not be as effective in providing operational control or enabling us to derive economic benefits compared to ownership of controlling equity interests, and — We may face risks arising from certain trust arrangements".*

Subsidiaries of Acibadem Poliklinik				
Acibadem Mobil*	07.07.2008 Turkey	TL4,500,000.00	54.80	Provision of emergency, home and ambulatory care services

Note:

* *Acibadem Mobil is a 82.22%-owned subsidiary of Acibadem Poliklinik, whilst Acibadem owns 17.78% in Acibadem Mobil. Acibadem Poliklinik is a wholly owned subsidiary of Acibadem.*

Konur Saglik	13.08.2003 Turkey	TL1,590,000.00	52.03	Provision of outpatient and surgical services

Note:

* *As of 2 March 2012, Suleyman Toker transferred his shareholding in Konur Saglik to Acibadem Poliklinik, as a result of which the shareholding of Acibadem Poliklinik increased to 95.0%.*

Name	Date and country of incorporation/ Principal place of business	Issued and paid-up share capital	Effective equity interest of IHH	Principal activities
			%	
Subsidiaries of Acibadem Sistina				
Specialist Ordination	29.12.2010 Macedonia	MKD19,840.00	27.58	Provision of specialist medical services
Sistina Kosovo	23.07.2010 Kosovo	€2,600.00	27.58	Provision of patient administrative assistance
Subsidiary of Konur Saglik				
Gemtip Ozel	11.01.2011 Turkey	Issued capital: TL250,000.00 Paid-up capital: TL81,250.00	30.18	Provision of outpatient services

1.2 The details of our subsidiaries, associates and joint ventures as at 1 June 2012 are set out below:

1.2.1 Direct wholly-owned subsidiaries of IHH

1.2.1.1 IHHL (Company No. LL05489)

(i) History and business

IHHL was incorporated in Federal Territory of Labuan, Malaysia under Labuan Companies Act, 1990 on 5 September 2006 as a private company limited by shares and commenced its business on 5 September 2006.

The principal activity of IHHL is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of IHHL is USD2,670,947,496.00 comprising 2,631,980,621 ordinary shares.

Note:

* *Under the Labuan Companies Act, 1990, there is no requirement for a Labuan company to have an authorised share capital and par value for its shares.*

The changes in the issued and paid-up share capital of IHHL for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				USD
Ordinary shares				
14.05.2010	628,625,196	Other than cash, at USD628,625,196.00	Capitalisation of amount owing to shareholder	628,625,198.00
12.07.2011	427,176,423	Cash, at USD equivalent to SGD525,427,000.00 at the conversion rate of USD1.00: SGD1.22 per share as of 13 July 2011	Capital increase	1,059,304,468.00
31.08.2011	1,576,179,000	Other than cash, at USD equivalent to RM4,807,346,390.00 at the exchange rate of USD1.0225 per share	Capitalisation of amount owing to shareholders	2,670,947,496.00

(iii) Shareholder

As at 1 June 2012, IHHL is a wholly-owned subsidiary of IHH.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Pantai is a wholly-owned subsidiary of IHHL, details of which are set out in Section 1.2.2.1 of this Appendix. As at 1 June 2012, IHHL does not have any associate.

1.2.1.2 IMU Health (Company No. 738984-W)

(i) History and business

IMU Health was incorporated in Malaysia under the Malaysian Companies Act on 27 June 2006 as a private company limited by shares and commenced its business on 26 December 2006.

The principal activities of IMU Health are as a holding company and provision of management services to its subsidiaries.

(ii) Share capital

As at 1 June 2012, the authorised share capital of IMU Health is RM5,000,000.00 comprising 4,799,990 ordinary shares of RM1.00 each; 1,000 redeemable preference shares of RM0.01 each; 10,000,000; class A redeemable preference shares of RM0.01 each; and 10,000,000 class B redeemable preference shares of RM0.01 each. The issued and paid-up share capital of IMU Health is RM1,140,032.50 comprising 1,140,032 ordinary shares of RM1.00 each and 50 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of IMU Health for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Ordinary shares					
21.03.2011	88,962	1.00	Cash, at RM607.00 per share	Capital increase	1,088,962.50
15.07.2011	51,070	1.00	Cash, at RM607.00 per share	Capital increase	1,140,032.50

(iii) Shareholder

As at 1 June 2012, IMU Health is a wholly-owned subsidiary of IHH, whilst the 50 redeemable preference shares of RM0.01 each are held by 50 individuals. These preference shares do not carry any voting or distribution rights. The rights of these redeemable preference shareholders are limited to receiving notice of meetings of shareholders and the right to redeem the preference shares at par value upon receipt of a redemption notice issued by IMU Health.

(iv) Subsidiary and associate*

As at 1 June 2012, IMU Education and IMU Healthcare are subsidiaries of IMU Health, details of which are set out in Sections 1.2.3.1 and 1.2.3.2 of this Appendix respectively. As at 1 June 2012, IMU Health does not have any associate.

Note:

* *IMU Health has agreed to acquire Pantai Education from Pantai Resources as part of the consolidation of IHH's Malaysian education business. IMU Health and Pantai Resources have executed a Share Sale Agreement on 3 April 2012 for the acquisition.*

1.2.1.3 IHH Bharat (Company No. 101176)

(i) History and business

IHH Bharat was incorporated in the Republic of Mauritius under the Section 24 of the Companies Act, 2001 on 7 March 2011 as a private company limited by shares and commenced its business on 8 March 2011.

The principal activity of IHH Bharat is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of IHH Bharat is USD160,089,950.00 comprising 160,089,950 ordinary shares of USD1 each.

Note:

* *Under the Companies Act, 2001, there is no requirement for a company incorporated in the Republic of Mauritius to have an authorised share capital.*

The changes in the issued and paid-up share capital of IHH Bharat for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		USD			USD
Ordinary shares					
07.03.2011	1	1.00	Cash, at USD1.00 per share	Subscriber's share	1.00
26.05.2011	117,238,891	1.00	Cash, at USD1.00 per share	Capital increase	117,238,892.00
17.10.2011	42,851,058	1.00	Cash, at USD1.00 per share	Capital increase	160,089,950.00

(iii) Shareholder

As at 1 June 2012, IHH Bharat is a wholly-owned subsidiary of IHH.

(iv) Subsidiary and associate

As at 1 June 2012, IHH Mauritius is a wholly-owned subsidiary of IHH Bharat, details of which are set out in 1.2.4.1 of this Appendix respectively. As at 1 June 2012, IHH Bharat does not have any associate.

1.2.1.4 IHH Cayman (Company No. ET 244209)

(i) History and business

IHH Cayman was incorporated in Cayman Islands under the Companies Law Cap. 22, on 12 August 2010 as an exempted company.

IHH Cayman is currently dormant.

(ii) Share capital

As at 1 June 2012, the authorised share capital of IHH Cayman is USD35,000,000.00 comprising 35,000,000 ordinary shares of USD1.00 each. The issued and paid-up share capital of IHH Cayman is USD1.00 comprising one ordinary share of USD1.00 each.

There has been no change to the issued and paid-up share capital of IHH Cayman since its incorporation on 12 August 2010 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, IHH Cayman is a wholly-owned subsidiary of IHH.

(iv) Subsidiary and associate

As at 1 June 2012, IHH Cayman does not have any subsidiary or associate.

1.2.1.5 IHT Yatirimlari (Company No. LL08622)

(i) History and business

IHT Yatirimlari was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990 on 12 December 2011 as a company limited by shares and commenced its business on 12 December 2011.

The principal activity of IHT Yatirimlari is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of IHT Yatirimlari is SGD711,987,171.00 comprising 711,987,171 ordinary shares.

Note:

* *Under the Labuan Companies Act, 1990, there is no requirement for a Labuan company to have an authorised share capital and par value for its shares.*

The changes in the issued and paid-up share capital of IHT Yatirimlari for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
12.12.2011	1	Cash, at SGD1.00	Subscriber's share	1.00
23.01.2012	711,987,170	Other than cash, at SGD711,987,170.00	In consideration of IHH allotting the shares to the vendors pursuant to the Deed for the Sale and Purchase of a majority holding in Acibadem Holding dated 23 December 2011	711,987,171.00

(iii) Shareholder

As at 1 June 2012, IHT Yatirimlari is a wholly-owned subsidiary of IHH.

(iv) Subsidiary and associate

As at 1 June 2012, IHH Turkey is a 93.84%-owned subsidiary of IHT Yatirimlari, details of which are set out in 1.2.5.1 of this Appendix. As at 1 June 2012, IHT Yatirimlari does not have any associate.

1.2.1.6 IH Capital (Company No. 972593-U)

(i) History and business

IH Capital was incorporated in Malaysia under the Malaysian Companies Act on 22 December 2011 as a private company limited by shares and commenced its business on 22 December 2011.

The principal activity of IH Capital is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of IH Capital is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of IH Capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of IH Capital since its incorporation on 22 December 2011 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, IH Capital is a wholly-owned subsidiary of IHH.

(iv) Subsidiary and associate

As at 1 June 2012, IH Capital does not have any subsidiary or associate.

1.2.2 Subsidiaries of IHHL

1.2.2.1 Parkway Pantai (Company No. 201106772W)

(i) History and business

Parkway Pantai was incorporated in Singapore under the Singapore Companies Act on 21 March 2011 as a public company limited by shares and commenced its business on 21 March 2011.

The principal activity of Parkway Pantai is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Pantai is SGD3,350,231,267.00 comprising 3,350,231,267 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

The changes in the issued and paid-up share capital of Parkway Pantai for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
21.03.2011	1	Cash, at SGD1.00 per share	Issued on incorporation	1.00
11.07.2011	2,824,804,266	Other than cash, at SGD1.00 per share	Capitalisation of a loan from IHHL	2,824,804,267.00
13.07.2011	525,427,000	Cash, at SGD1.00 per share	Provision of a shareholder's loan to Pantai Irama and Pantai	3,350,231,267.00

(iii) Shareholder

As at 1 June 2012, Parkway Pantai is a wholly-owned subsidiary of IHHL.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Irama*, Parkway HK and Parkway are subsidiaries of Parkway Pantai, details of which are set out in 1.2.6.1 to 1.2.6.2 of this Appendix respectively. Parkway Pantai does not have any associate.

Note:

* *All the shares in Pantai Irama are subject to the share charge dated 10 May 2011 entered into between Parkway Pantai and Oversea-Chinese Banking Corporation Limited, as security for financing purposes in connection with a SGD1.85 billion facility which is due in 2013. See "Use of Proceeds" for the proposed repayment of the bank borrowings from the proceeds of the Public Issue.*

1.2.3 Wholly-owned subsidiaries of IMU Health

1.2.3.1 IMU Education (Company No. 237397-W)

(i) History and business

IMU Education was incorporated in Malaysia under the Malaysian Companies Act on 11 April 1992 as a private company limited by shares and commenced its business on 11 April 1992.

The principal activities of IMU Education are to establish and carry on the business of managing educational institutions, colleges, schools and other centres of learning, research and education. IMU Education owns and operates IMU and the clinical schools in (i) Seremban, Negeri Sembilan, (ii) Kuala Pilah, Negeri Sembilan, and (iii) Batu Pahat, Johor.

(ii) Share capital

As at 1 June 2012, the authorised share capital of IMU Education is RM10,000,000.00 comprising 9,998,000 ordinary shares of RM1.00 each; 1,000 class A redeemable preference shares of RM1.00 each; and 1,000 class B redeemable preference shares of RM1.00 each. The issued and paid-up share capital of IMU Education is RM8,700,002.00 comprising 8,700,002 ordinary shares of RM1.00 each. As at 1 June 2012, there are no redeemable preference shareholders.

The changes in the issued and paid-up share capital of IMU Education for the past three years preceding 1 June 2012 are as follows:

Date of allotment/ redemption	No. of shares	Par value	Consideration	Purpose of issue/ redemption	Cumulative issued and paid-up share capital
		RM			RM
Class B redeemable preference shares					
22.06.2009	1,000	1.00	Cash, RM1.00 per share	For dividend payment	8,702,002.00
25.11.2009	(1,000)	1.00	Redemption, at RM1.00 per share	Redemption of Class B redeemable preference shares	8,701,002.00
Class A redeemable preference shares					
22.06.2009	1,000	1.00	Cash, at RM1.00 per share	For dividend payment	8,701,002.00
31.12.2009	(1,000)	1.00	Redemption, at RM1.00 per share	Redemption of Class A redeemable preference shares	8,700,002.00

(iii) Shareholder

As at 1 June 2012, IMU Education is a wholly-owned subsidiary of IMU Health.

(iv) Subsidiary and associate

As at 1 June 2012, IMU Education does not have any subsidiary or associate.

1.2.3.2 IMU Healthcare (Company No. 782112-X)

(i) History and business

IMU Healthcare was incorporated in Malaysia under the Malaysian Companies Act on 24 July 2007 as a private company limited by shares.

IMU Healthcare is currently dormant.

(ii) Share capital

As at 1 June 2012, the authorised share capital of IMU Healthcare is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of IMU Healthcare is RM2.00 comprising two Ordinary Shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of IMU Healthcare since its incorporation on 24 July 2007 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, IMU Healthcare is a wholly-owned subsidiary of IMU Health.

(iv) Subsidiary and associate

As at 1 June 2012, IMU Healthcare does not have any subsidiary or associate.

1.2.4 Subsidiary of IHH Bharat

1.2.4.1 IHH Mauritius (Company No. 096006)

(i) History and business

IHH Mauritius was incorporated in the Republic of Mauritius under the Section 24 of the Companies Act, 2001 of Mauritius on 18 June 2010 as a private company limited by shares and commenced its business on 28 June 2010.

The principal activity of IHH Mauritius is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of IHH Mauritius is USD160,089,950.00 comprising 160,089,950 ordinary shares of USD1.00 each.

Note:

* *Under the Companies Act, 2001, there is no requirement for a Mauritius company to have an authorised share capital.*

The changes in the issued and paid-up share capital of IHH Mauritius for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		USD			USD
Ordinary shares					
18.06.2010	1	1.00	Cash, at USD1.00 per share	Subscriber's share	1.00
27.05.2011	117,238,891	1.00	Cash, at USD1.00 per share	Capital increase	117,238,892.00
17.10.2011	42,851,058	1.00	Cash, at USD1.00 per share	Capital increase	160,089,950.00

(iii) Shareholder

As at 1 June 2012, IHH Mauritius is a wholly-owned subsidiary of IHH Bharat.

(iv) Subsidiary and associate

As at 1 June 2012, IHH Mauritius does not have any subsidiary or associate.

1.2.5 Subsidiary of IHT Yatirimlari

1.2.5.1 IHH Turkey (Company No. 971458-U)

(i) History and business

IHH Turkey was incorporated in Malaysia under the Malaysian Companies Act on 13 December 2011 as a private company limited by shares and commenced its business on 13 December 2011.

The principal activity of IHH Turkey is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of IHH Turkey is RM5,000,000,000.00 comprising 5,000,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of IHH Turkey is RM2,476,142,657.00 comprising 2,476,142,657 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of IHH Turkey for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Ordinary shares					
13.12.2011	2	1.00	Cash, at RM1.00 per share	Subscribers' shares	2.00
23.01.2012	619,185,149	1.00	Cash, at RM1.00 per share	Capital increase	619,185,151.00
23.01.2012	1,738,792,232	1.00	Other than cash, at RM1.00 per share	In consideration of IHH allotting the shares to the vendors pursuant to the Deed for the Sale and Purchase of a majority holding in Acibadem Holding dated 23 December 2011	2,357,977,383.00
08.02.2012	43,051,341	1.00	Cash, at RM1.00 per share	Capital increase	2,401,028,724.00
01.06.2012	75,113,933	1.00	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	2,476,142,657.00

(iii) Shareholder

As at 1 June 2012, IHH Turkey is IHT Yatirimlari's 93.84%-owned subsidiary whilst Symphony owns 6.16% in IHH Turkey. See "Statutory and Other General Information-Share Capital" for details on the Symphony Conversion.

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Holding is a 60.0%-owned subsidiary of IHH Turkey, details of which are set out in Section 1.2.7.1 of this Appendix. As at 1 June 2012, IHH Turkey does not have any associate.

1.2.6 Subsidiaries of Parkway Pantai

1.2.6.1 Pantai Irama (Company No. 667940-D)

(i) History and business

Pantai Irama was incorporated in Malaysia under the Malaysian Companies Act on 30 September 2004 as a private company limited by shares and commenced its business on 17 August 2006.

The principal activity of Pantai Irama is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Irama is RM2,000,000,000.00 comprising 2,000,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Irama is RM922,235,901.00 comprising 922,235,901 ordinary shares of RM1.00 each.*

Note:

* *All the shares in Pantai Irama are subject to the share charge dated 10 May 2011 entered into between Parkway Pantai and Oversea-Chinese Banking Corporation Limited, as security for financing purposes in connection with a SGD1.85 billion facility which is due in 2013. See "Use of Proceeds" for the proposed repayment of the bank borrowings from the proceeds of the Public Issue.*

The changes in the issued and paid-up share capital of Pantai Irama for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Ordinary shares					
30.08.2010	894,448,923	1.00	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	895,448,923.00
27.01.2012	26,786,978	1.00	Cash, at RM1.00 per share	Capital increase	922,235,901.00

(iii) Shareholder

As at 1 June 2012, Pantai Irama is a wholly-owned subsidiary of Parkway Pantai.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai is a wholly-owned subsidiary of Pantai Irama, details of which are set out in Section 1.2.8.1 of this Appendix. As at 1 June 2012, Pantai Irama does not have any associate.

1.2.6.2 Parkway (Company No. 197400320R)

(i) History and business

Parkway was incorporated in Singapore under the Singapore Companies Act on 27 February 1974 as a public company limited by shares and commenced its business on 29 April 1974.

The principal activity of Parkway is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway is SGD1,170,761,281.73 comprising 1,140,195,537 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

The changes in the issued and paid-up share capital of Parkway for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
14.01.2009	25,000	Cash, at SGD0.9763 per share	Exercise of option granted under the Parkway Share Option Scheme 2001 (**"PSOS 2001"**)	1,154,573,520.24
25.05.2009	12,500	Cash, at SGD0.9763 per share	Exercise of option granted under the PSOS 2001	1,154,585,723.99
20.10.2009	18,750	Cash, at SGD0.9763 per share	Exercise of option granted under the PSOS 2001	1,154,604,029.62

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
17.11.2009	100,000	Cash, at SGD0.9763 per share	Exercise of option granted under the PSOS 2001	1,154,701,659.62
16.12.2009	25,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	1,154,741,497.12
23.03.2010	17,000	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	1,154,773,411.22
29.03.2010	5,000	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	138,808	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	1,155,136,133.48
01.04.2010	15,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	15,000	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	78,250	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	1,155,387,380.85
07.04.2010	18,750	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	12,750	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	1,155,441,194.55
09.04.2010	105,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	1,155,708,472.05
19.04.2010	25,000	Cash, at SGD1.8773 per share	Exercise of option granted under PSOS 2001	
	250,000	Cash, at SGD1.8926 per share	Exercise of option granted under the PSOS 2001	
	22,250	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	1,156,285,191.92
22.04.2010	48,000	Cash, at SGD2.5455 per share	Exercise of option granted under PSOS 2001	1,156,407,375.92

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
29.04.2010	15,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	1,156,431,278.42
07.05.2010	250,000	Cash, at SGD1.8926 per share	Exercise of option granted under PSOS 2001	1,156,904,428.42
11.05.2010	38,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	1,157,001,157.42
24.05.2010	33,500	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	1,157,064,046.97
25.05.2010	75,000	Cash, at SGD1.6207 per share	Exercise of option granted under the PSOS 2001	
	25,000	Cash, at SGD1.8625 per share	Exercise of option granted under the PSOS 2001	
	30,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	1,157,308,526.97
03.06.2010	109,750	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	120,250	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	107,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	80,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,158,262,175.41
10.06.2010	147,750	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	50,000	Cash, at SGD1.6207 per share	Exercise of option granted under the PSOS 2001	
	50,000	Cash, at SGD1.8625 per share	Exercise of option granted under the PSOS 2001	
	94,500	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
	75,000	Cash, at SGD2.5177 per share	Exercise of option granted under PSOS 2001	
	324,750	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	50,000	Cash, at SGD3.3381 per share	Exercise of option granted under PSOS 2001	
	62,500	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,160,250,819.75
15.06.2010	37,500	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	120,000	Cash, at SGD1.6207 per share	Exercise of option granted under the PSOS 2001	
	200,000	Cash, at SGD1.8625 per share	Exercise of option granted under the PSOS 2001	
	121,500	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	600,000	Cash, at SGD2.09 per share	Exercise of option granted under the PSOS 2001	
	700,000	Cash, at SGD2.5177 per share	Exercise of option granted under the PSOS 2001	
	440,500	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	150,000	Cash, at SGD3.16 per share	Exercise of option granted under the PSOS 2001	
	400,000	Cash, at SGD3.3381 per share	Exercise of option granted under the PSOS 2001	
	87,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,167,357,779.40

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
21.06.2010	32,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	10,000	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	114,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	87,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,167,972,068.65
25.06.2010	25,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	125,500	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	60,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	37,500	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,168,531,791.05
02.07.2010	5,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	9,500	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	30,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	2,189,070	None	Vesting of a share award under the Parkway Performance Share Plan (**"PPSP"**)	1,168,633,957.90
08.07.2010	103,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	77,250	Cash, at SGD1.8773 per share	Exercise of option granted under the PSOS 2001	
	109,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
	24,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,169,304,763.73
13.07.2010	792,625	None	Vesting of a share award under the PPSP	1,169,304,763.73
15.07.2010	23,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	45,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,169,521,174.73
22.07.2010	241,000	Cash, at SGD2.5455 per share	Exercise of option granted under the PSOS 2001	
	150,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,170,660,855.23
29.07.2010	30,000	Cash, at SGD1.5935 per share	Exercise of option granted under the PSOS 2001	
	15,000	Cash, at SGD3.5081 per share	Exercise of option granted under the PSOS 2001	1,170,761,281.73

(iii) Shareholder

As at 1 June 2012, Parkway is a wholly-owned subsidiary of Parkway Pantai.[*#]

Notes:

* *All the shares in Parkway have been charged to Oversea-Chinese Banking Corporation Limited, as security agent, as security for financing purposes in connection with a SGD1.85 billion facility which is due in 2013. Oversea-Chinese Bank Nominees Private Limited, as nominee of the security agent, holds the legal interest in the shares while Parkway Pantai holds the beneficial interest in the shares. See "Use of Proceeds" for the proposed repayment of the bank borrowings from the proceeds of the Public Issue.*

\# *Based on the information available to our Group as at 1 June 2012.*

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Hospitals, Parkway Healthcare, Parkway Trust Management, Parkway Investments, Parkway Novena Holdings, Gleneagles Management, Gleneagles JPMC, M&P Investments, Gleneagles Medical Holdings, Medi-Rad, Parkway Shenton, Parkway Lab, Parkway College, iXchange, Shenton Insurance, Parkway Novena, Gleneagles CRC and Parkway Irrawaddy, Parkway HK are subsidiaries of Parkway, whilst Kyami is an associate of Parkway, details of which are set out in Sections 1.2.9.1 to 1.2.9.18, 1.2.10.1 and 1.2.10.2 of this Appendix.

1.2.6.3 Parkway HK (Company No. 1616051)

(i) Shareholder

As at 1 June 2012, Parkway HK is a 50.0%-owned subsidiary of Parkway Pantai, whilst Parkway owns the remaining 50.0% in Parkway HK. For further details of Parkway HK, please see Section 1.2.10.1 of this Appendix.

1.2.7 Subsidiary of IHH Turkey

1.2.7.1 Acibadem Holding (Company No. 634970)

(i) History and business

Acibadem Holding was incorporated in Istanbul, Turkey under the TCC on 7 August 2007 as a private joint stock company and commenced its business on 7 August 2007.

The principal activity of Acibadem Holding is as a holding company to hold shares of Almond (Turkey).

(ii) Share capital*

As at 1 June 2012, the issued share capital of Acibadem Holding is TL839,946,831.00 comprising 839,946,831 shares of TL1.00 each. 209,986,708 of the shares in the share capital are Group A registered shares while the remaining 629,960,123 shares are Group B registered shares.

The changes in the issued and paid-up share capital of Acibadem Holding for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
03.09.2010	207,693,858 Comprising of 103,836,929 A Group shares and 103,836,929 B Group shares	1.00	Cash, at TL1.00 per share	Capital increase for the acquisition of Acibadem shares by its wholly-owned subsidiary Almond (Turkey)	668,000,000.00
25.01.2012	36,085,765	1.00	Cash, at TL3.49 per share	Capital increase due to the acquisition of Acibadem Proje and APlus shares	704,085,765.00

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
11.05.2012	135,861,066 Comprising of 33,965,266 A Group shares and 101,895,800 B Group shares	1.00	Cash, at TL1.00 per share	Cash injection for participation in mandatory tender offer of publicly held Acibadem Shares	839,946,831.00

(iii) Shareholder*

As at 1 June 2012, Acibadem Holding is a 60.0%-owned subsidiary of IHH Turkey, whilst Bagan Lalang owns 15.0% in Acibadem Holding. IHH Turkey and Bagan Lalang are Group B shareholders of Acibadem Holding. The rest of the shareholders hold Group A shares, namely Mehmet Ali Aydinlar owns 23.0% in Acibadem Holding and Hatice Seher Aydinlar (wife of Mehmet Ali Aydinlar) owns 2.0% in Acibadem Holding, whilst Etem Erhan Aydinlar (brother of Mehmet Ali Aydinlar) and Zeynep Aydinlar Erogut (daughter of Mehmet Ali Aydinlar) owns 1 Group A share each.

Holders of Group A and Group B shares are entitled to nominate board members pro rata to their respective shareholding, provided that the holders of Group A shares are entitled to nominate at least two board members for appointment by the general assembly as long as the Group A shares representing at least 5.0% of the share capital are held by Mehmet Ali Aydinlar, Hatice Seher Aydinlar, their relatives up to the second degree holding shares in Acibadem Holding and their legal heirs, and the remaining board members will be elected among nominees appointed by holders of Group B shares. Each of Group A and B shares grant their holders a single voting right per share at the general assembly.

Note:

* *The TCC requires at least 5 shareholders for the incorporation and valid existing of a joint stock company. However, the New TCC allows the establishment of a single shareholder joint stock company.*

(iv) Subsidiary and associate

As at 1 June 2012, Almond (Turkey), APlus and Acibadem Proje are subsidiaries of Acibadem Holding, details of which are set out in Sections 1.2.11.1 to 1.2.11.3 of this Appendix respectively. As at 1 June 2012, Acibadem Holding does not have any associate.

1.2.8 Subsidiary of Pantai Irama

1.2.8.1 Pantai (Company No. 11832-K)

(i) History and business

Pantai was incorporated in Malaysia under the Malaysian Companies Act on 10 March 1972 as a private company limited by shares and commenced its business on 1 February 1974. Pantai was converted to a public company on 20 December 1986.

Pantai was previously publicly listed on Bursa Securities prior to its delisting on 9 January 2007.

The principal activity of Pantai is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai is RM900,000,000.00 comprising 895,000,000 ordinary shares of RM1.00 each and 500,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai is RM478,358,979.00 comprising 477,282,979 ordinary shares of RM1.00 each and 107,600,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Pantai for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
	RM			RM	
Redeemable preference shares					
01.08.2011	90,000,000	0.01	Other than cash, at RM1,00 per share	Capitalisation of amount owing to shareholder	451,396,001.00
23.12.2011	17,600,000	0.01	Other than cash, at RM1,00 per share	Capitalisation of amount owing to shareholder	451,572,001.00
Ordinary shares					
30.01.2012	26,786,978	1.00	Cash, at RM1.00 per share	Capital increase	478,358,979.00

(iii) Shareholder

As at 1 June 2012, Pantai Irama holds 100% of the ordinary shares and the redeemable preference shares of Pantai.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Hospitals, Gleneagles Malaysia, Pantai Resources, Pantai Management and Pantai Diagnostics are subsidiaries of Pantai, details of which are set out in Sections 1.2.12.1 to 1.2.12.5 of this Appendix respectively. As at 1 June 2012, Pantai does not have any associate.

1.2.9 Subsidiaries of Parkway

1.2.9.1 Parkway Hospitals (Company No. 200409811Z)

(i) History and business

Parkway Hospitals was incorporated in Singapore under the Singapore Companies Act on 4 August 2004 as a private company limited by shares and commenced its business on 4 August 2004.

The principal activities of Parkway Hospitals are private hospitals ownership and management. Parkway Hospitals holds the license for Gleneagles Hospital, Mount Elizabeth Hospital and Parkway East Hospital.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Hospitals is SGD100,000,000.00 comprising 100,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Hospitals for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Hospitals is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Promotions and MENA Services are the subsidiaries of Parkway Hospitals, details of which are set out in Sections 1.2.13.1 and 1.2.13.2 of this Appendix respectively. As at 1 June 2012, Parkway Hospitals does not have any associate.

1.2.9.2 Parkway Healthcare (Company No. 199303778C)

(i) History and business

Parkway Healthcare was incorporated in Singapore under the Singapore Companies Act on 12 June 1993 as a private company limited by shares and commenced its business on 12 June 1993.

The principal activities of Parkway Healthcare are as a holding company and provision of management and consultancy services. Parkway Healthcare has a joint venture with Koncentric Investments Ltd to operate Gleneagles Khubchandani Hospitals, which is currently under development.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Healthcare is SGD188,423,323.00 comprising 110,078,000 non-cumulative redeemable preference shares and 78,345,323 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Healthcare for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Healthcare is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Healthtech, Mount Elizabeth Healthcare, Gleneagles International, Medical Resources International, Parkway Shanghai, Gleneagles Shanghai, Parkway Healthcare Mauritius, Khubchandani Hospitals*, Parkway Education and Swiss Zone are subsidiaries of Parkway Healthcare, details of which are set out in Sections 1.2.14.1 to 1.2.14.10 of this Appendix respectively. As at 1 June 2012, Parkway Healthcare does not have any associate.

Note:

* *Khubchandani Hospitals is treated as a subsidiary in the financial statements of our Group on the basis that the Group, by virtue of the existence of currently exercisable potential voting rights, has the ability to control the financing and operating decisions of Khubchandani Hospitals.*

1.2.9.3 Parkway Trust Management (Company No. 200706697Z)

(i) History and business

Parkway Trust Management was incorporated in Singapore under the Singapore Companies Act as a private company limited by shares on 19 April 2007 and commenced its business on 19 April 2007. Parkway Trust Management is currently a public company limited by shares.

The principal activity of Parkway Trust Management is the provision of management services to PLife REIT.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Trust Management is SGD1,000,000.00 comprising 1,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Trust Management for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Trust Management is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Trust Management does not have any subsidiary or associate.

1.2.9.4 Parkway Investments (Company No. 200712617K)

(i) History and business

Parkway Investments was incorporated in Singapore under the Singapore Companies Act on 11 July 2007 as a private company limited by shares and commenced its business on 11 July 2007.

The principal activity of Parkway Investments is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Investments is SGD10,000,000.00 comprising 10,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Investments for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Investments is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Technologies, Mount Elizabeth Medical, Gleneagles Medical Centre and Gleneagles Pharmacy are the subsidiaries of Parkway Investments, whilst PLife REIT is an associate of Parkway Investments, details of which are set out in Sections 1.2.15.1 to 1.2.15.4 and 1.2.16.1 of this Appendix respectively.

1.2.9.5 Parkway Novena Holdings (Company No. 200802712R)

(i) History and business

Parkway Novena Holdings was incorporated in Singapore under the Singapore Companies Act on 6 February 2008 as a private company limited by shares.

Parkway Novena Holdings is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Novena Holdings is SGD1.00 comprising one ordinary share.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Novena Holdings for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Novena Holdings is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Novena Holdings does not have any subsidiary or associate.

1.2.9.6 Gleneagles Management (Company No. 198904110D)

(i) History and business

Gleneagles Management was incorporated in Singapore under the Singapore Companies Act on 26 September 1989 as a private company limited by shares and commenced its business on 26 September 1989.

The principal activity of Gleneagles Management is the provision of advisory, administrative, management and consultancy services to healthcare facilities.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Management is SGD100.00 comprising 100 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles Management for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Management is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Management does not have any subsidiary or associate.

1.2.9.7 Gleneagles JPMC (Company No. AGO/RC/5508)

(i) History and business

Gleneagles JPMC was incorporated in Brunei Darussalam under the Brunei Darussalam Companies Act, Chapter 39 on 15 July 2002 as a private limited liability company.

The principal activities of Gleneagles JPMC to the provision of cardiac services, health screening and emergency services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Gleneagles JPMC is 10,000,000 ordinary shares of BND1.00 each. The issued and paid share capital of Gleneagles JPMC is BND100,000.00 comprising 100,000 ordinary shares of BND1.00 each.

There has been no change to the issued and paid-up share capital of Gleneagles JPMC for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles JPMC is a 75.0%-owned subsidiary of Parkway, whilst Jerudong Park Medical Centre Sdn Bhd owns the remaining 25.0% in Gleneagles JPMC.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles JPMC does not have any subsidiary or associate.

1.2.9.8 M&P Investments (Company No. 198103191K)

(i) History and business

M&P Investments was incorporated in Singapore under the Singapore Companies Act on 7 July 1981 as a private company limited by shares and commenced its business on 7 July 1981.

The principal activity of M&P Investments is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of M&P Investments is SGD2.00 comprising two ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of M&P Investments for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, M&P Investments is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway M&A* is an associate of M&P Investments, details of which are set out in Section 1.2.18.1 of this Appendix. M&P Investments does not have any subsidiaries as at 1 June 2012.

Note:

* *Parkway M&A is treated as a long term investment as the Group is unable to exert significant influence on the operating and financing decisions.*

1.2.9.9 Gleneagles Medical Holdings (Company No. 195800014G)

(i) History and business

Gleneagles Medical Holdings was incorporated in Singapore under the laws of Singapore on 16 January 1958 as a limited company and commenced its business on 20 February 1958. Gleneagles Medical Holdings is currently a public company limited by shares.

The principal activity of Gleneagles Medical Holdings is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Medical Holdings is SGD3,844,952.60 comprising 9,215,082 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles Medical Holdings for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Medical Holdings is a wholly-owned subsidiary of Parkway.#

Note:

\# *Based on the information available to our Group as at 1 June 2012.*

(iv) Subsidiary and associate

As at 1 June 2012, Asia Renal Care, Asia Renal Care (Katong) and PT Tritunggal are the associates of Gleneagles Medical Holdings, details of which are set out in Sections 1.2.19.1 to 1.2.19.3 of this Appendix respectively. As at 1 June 2012, Gleneagles Medical Holdings does not have any subsidiary.

1.2.9.10 Medi-Rad (Company No. 198203228R)

(i) History and business

Medi-Rad was incorporated in Singapore under the Singapore Companies Act on 30 July 1982 as a private company limited by shares and commenced its business on 30 July 1982. Medi-Rad is currently a public company limited by shares. Medi-Rad was delisted from the Stock Exchange of Singapore Dealing and Automatic Quotation System in 2002.

The principal activity of Medi-Rad is the operation of radiology clinics.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Medi-Rad is SGD13,757,336.94 comprising 168,620,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Medi-Rad for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Medi-Rad is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Radiology Consultants is a subsidiary of Medi-Rad, whilst Positron Tracers is an associate of Medi-Rad, details of which are set out in Sections 1.2.20.1 and 1.2.21.1 of this Appendix respectively.

1.2.9.11 Parkway Shenton (Company No. 199509118D)

(i) History and business

Parkway Shenton was incorporated in Singapore under the Singapore Companies Act on 23 December 1995 as a private company limited by shares and commenced its business on 23 December 1995.

The principal activities of Parkway Shenton are as a holding company, the operation of a network of clinics and the provision of comprehensive medical and surgical advisory services.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Shenton is SGD2,000,000.00 comprising 2,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

The changes in the issued and paid-up share capital of Parkway Shenton for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
18.08.2009	1,000,000	Cash, at SGD1.00 per share	Increase in paid-up capital	2,000,000.00

(iii) Shareholder

As at 1 June 2012, Parkway Shenton is a wholly-owned subsidiary of Parkway.

(iv) **Subsidiary and associate**

As at 1 June 2012, Nippon Medical, Shenton Family and Parkway Shenton International are the subsidiaries of Parkway Shenton, whilst Hale Medical Clinic is a joint venture of Parkway Shenton, details of which are set out in Sections 1.2.22.1, 1.2.22.2, 1.2.22.3 and 1.2.23.1 of this Appendix respectively. As at 1 June 2012, Parkway Shenton does not have any associate.

1.2.9.12 Parkway Lab (Company No. 198302251E)

(i) **History and business**

Parkway Lab was incorporated in Singapore under the Singapore Companies Act on 18 May 1983 as a private company limited by shares and commenced its business on 18 May 1983. Parkway Lab is currently a public company limited by shares. Parkway Lab was delisted from the Stock Exchange of Singapore Dealing and Automatic Quotation System in 2002.

The principal activity of Parkway Lab is the provision of comprehensive diagnostic laboratory services.

(ii) **Share capital***

As at 1 June 2012, the issued and paid-up share capital of Parkway Lab is SGD21,733,588.50 comprising 230,400,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Lab for the past three years preceding 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, Parkway Lab is a wholly-owned subsidiary of Parkway.

(iv) **Subsidiary and associate**

As at 1 June 2012, Parkway Lab does not have any subsidiary or associate.

1.2.9.13 Parkway College (Company No. 200800722R)

(i) **History and business**

Parkway College was incorporated in Singapore under the Singapore Companies Act on 9 January 2008 as a private company limited by shares and commenced its business on 9 January 2008.

The principal activity of Parkway College is the provision of courses in nursing and allied health. Parkway College is registered as a private education institution in Singapore.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway College is SGD1,700,000.00 comprising 1,700,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

The changes in the issued and paid-up share capital of Parkway College for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
27.01.2010	1,699,999	Other than cash, at SGD1.00 per share	Capitalisation of inter-company balances	1,700,000.00

(iii) Shareholder

As at 1 June 2012, Parkway College is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway College does not have any subsidiary or associate.

1.2.9.14 iXchange (Company No. 199400513R)

(i) History and business

iXchange was incorporated in Singapore under the Singapore Companies Act on 22 January 1994 as a private company limited by shares and commenced its business on 22 January 1994.

The principal activity of iXchange is acting as an agent and administrator for managed care and related services.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of iXchange is SGD6,400,000.00 comprising 6,400,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of iXchange for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, iXchange is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, iXchange does not have any subsidiary or associate.

1.2.9.15 Shenton Insurance (Company No. 200501737H)

(i) History and business

Shenton Insurance was incorporated in Singapore under the Singapore Companies Act on 4 February 2005 as a private company limited by shares and commenced its business on 4 February 2005.

The principal activities of Shenton Insurance are the underwriting of accident and healthcare insurance policies.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Shenton Insurance is SGD13,000,000.00 comprising 13,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

The changes in the issued and paid-up share capital of Shenton Insurance for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
23.12.2011	3,000,000	Cash, at SGD1.00 per share	To meet the MAS capital adequacy ratio requirements pursuant to the Insurance (Valuation and Capital) Regulations 2004	13,000,000.00

(iii) Shareholder

As at 1 June 2012, Shenton Insurance is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

Shenton Insurance does not have any subsidiary or associate as at 1 June 2012.

1.2.9.16 Parkway Novena (Company No. 200802717K)

(i) History and business

Parkway Novena was incorporated in Singapore under the Singapore Companies Act on 6 February 2008 as a private company limited by shares and commenced its business on 6 February 2008.

The principal activity of Parkway Novena is hospital construction and development.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Novena is SGD1.00 comprising one ordinary share.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change in the issued and paid-up share capital of Parkway Novena for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Novena is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

Parkway Novena does not have any subsidiary or associate as at 1 June 2012.

1.2.9.17 Gleneagles CRC (Company No. 199906490G)

(i) History and business

Gleneagles CRC was incorporated in Singapore under the Singapore Companies Act on 21 October 1999 as a private company limited by shares and commenced its business on 21 October 1999.

The principal activity of Gleneagles CRC is the operation of a clinical research centre.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles CRC is SGD7,191,827.00 comprising 1,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

The changes in the issued and paid-up share capital of Gleneagles CRC for the past three years preceding 1 June 2012 are as follows:

Date of allotment/ reduction	No. of shares	Consideration	Purpose of issue/ reduction	Cumulative issued and paid-up share capital
				SGD
Ordinary shares				
18.01.2010	7,830,123	Other than cash, at SGD10,245,113.00	Capitalisation of inter-company loans from Parkway and Gleneagles Medical Holdings	10,245,115.00
02.03.2010	7,320,125	Cancellation of SGD9,553,288.00 of paid-up share capital	Reduction of paid-up share capital represented by the accumulated losses of Gleneagles CRC	691,827.00
22.03.2010	4,900,000	Cash, at SGD6,500,000.00	Injection of capital by Mitsui into Gleneagles CRC	7,191,827.00

(iii) Shareholder

As at 1 June 2012, 51.0% of the shares of Gleneagles CRC is held by Parkway while the remaining 49.0% is held by Mitsui.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Clinical Research, Gleneagles CRC (Thailand)*, Gleneagles CRC (China) and Gleneagles CRC (Australia), are subsidiaries of Gleneagles CRC, details of which are set out in Sections 1.2.24.1 to 1.2.24.4 of this Appendix respectively. Gleneagles CRC does not have any associate as at 1 June 2012.

Note:

* *Gleneagles CRC (Thailand) is treated as a wholly-owned subsidiary in the financial statements of the Group on the basis that the Group controls the entity and is entitled to all its profits.*

1.2.9.18 Parkway Irrawaddy (Company No. 200802724K)

(i) History and business

Parkway Irrawaddy was incorporated in Singapore under the Singapore Companies Act on 6 February 2008 as a private company limited by shares and commenced its business on 6 February 2008.

The principal activity of Parkway Irrawaddy is medical centre construction and development.

(ii) **Share capital***

As at 1 June 2012, the issued and paid-up share capital of Parkway Irrawaddy is SGD1.00 comprising 1 ordinary share.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Irrawaddy for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Irrawaddy is a wholly-owned subsidiary of Parkway.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Irrawaddy does not have any subsidiary or associate.

1.2.10 Associate of Parkway

1.2.10.1 Parkway HK (Company No. 1616051)

(i) History and business

Parkway HK was incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) on 14 June 2011 as a company limited by shares and commenced its business on 14 June 2011.

The principal activity of Parkway HK is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Parkway HK is HKD1,000,000.00 comprising 1,000,000 ordinary shares of HKD1.00 each. The issued and paid-up share capital of Parkway HK is HKD2.00 comprising two ordinary shares of HKD1.00 each.

There has been no change to the issued and paid-up share capital of Parkway HK since its incorporation on 14 June 2011 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway HK is a 50.0%-owned associate of Parkway, whilst Parkway Pantai owns the remaining 50.0% in Parkway HK.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Healthcare HK is a subsidiary of Parkway HK, details of which are set out in Section 1.2.17.1 of this Appendix.

1.2.10.2 Kyami (Company No. A.C.N. 061 386 801)

(i) History and business

Kyami was incorporated in Australia under the laws of Australia on 18 August 1993 as a private company limited by shares and commenced its business on 18 August 1993.

The principal activity of Kyami is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Kyami is AUD50,000,000.00 comprising 50,000,000 shares of AUD1.00 each. The issued and paid-up share capital of Kyami is AUD200,000.00 comprising 200,000 "A" class shares of AUD1.00 each.

(iii) Shareholder

As at 1 June 2012, Kyami is a 30.0%-owned associate of Parkway, whilst Tan & Tan Developments Berhad owns 40.0% in Kyami, and Singapore Warehouse Company (Private) Ltd, Myer Pacific Corporation Pty Ltd and Gitec Investments Limited each own 10.0% in Kyami.

1.2.11 Subsidiaries of Acibadem Holding

1.2.11.1 Almond (Turkey) (Company No. 634242)

(i) History and business

Almond (Turkey) was incorporated in Istanbul, Turkey pursuant to TCC on 30 July 2007 as a private joint stock company and commenced its business on 30 July 2007.

The principal activity of Almond (Turkey) is as a holding company to hold Acibadem shares.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Almond (Turkey) is TL690,000,000.00 comprising 690,000,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of Almond (Turkey) for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued share capital
		TL			TL
Ordinary shares					
18.02.2010	689,900,000	1.00	Cash at TL1.00 per share, not fully paid-up	Capital increase for the acquisition of Acibadem shares	690,000,000.00

(iii) **Shareholder***

As at 1 June 2012, Almond (Turkey) is a 99.99%-owned subsidiary of Acibadem Holding, whilst Mehmet Ali Aydinlar, Hatice Seher Aydinlar, Walnut Holding Cooperatie U.A and Almond (Turkey) Cooperatie U.A own one share each.

Note:

* *The TCC requires at least 5 shareholders for the incorporation and valid existing of a joint stock company. However, the New TCC allows the establishment of a single shareholder joint stock company.*

(iv) **Subsidiary and associate**

As at 1 June 2012, Acibadem is a 97.30%-owned subsidiary of Almond (Turkey), details of which are set out in Section 1.2.25.1 of this Appendix. As at 1 June 2012, Almond (Turkey) does not have any associate.

1.2.11.2 APlus (Company No. 358943)

(i) **History and business**

APlus was incorporated in Istanbul, Turkey pursuant to TCC on 23 December 1996 as a private joint stock company and commenced its business in 2006.

The principal activity of APlus is provision of catering and cleaning services mainly to healthcare institutions.

(ii) **Share capital**

As at 1 June 2012, the issued and paid-up share capital of APlus is TL1,300,000.00 comprising 1,300,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of APlus for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
30.04.2010	800,000	1.00	Cash, at TL1.00 per share	Cash injection	1,300,000.00

(iii) **Shareholders***

As at 1 June 2012, APlus is a 99.99%-owned subsidiary of Acibadem Holding, whilst Mehmet Ali Aydinlar, Hatice Seher Aydinlar, Etem Erhan Aydinlar and Zeynep Aydinlar Erogut own one share each.

Note:

* *The TCC requires at least 5 shareholders for the incorporation and valid existing of a joint stock company. However, the New TCC allows the establishment of a single shareholder joint stock company.*

(iv) **Subsidiary and associate**

As at 1 June 2012, APlus does not have any subsidiary or associate.

1.2.11.3 Acibadem Proje (Company No. 528822)

(i) **History and business**

Acibadem Proje was incorporated in Istanbul, Turkey pursuant to TCC on 20 July 2004 as a private joint stock company and commenced its business on 20 July 2004.

The principal activity of Acibadem Proje is supervising and managing the construction of healthcare facilities.

(ii) **Share capital**

As at 1 June 2012, the issued and paid-up share capital of Acibadem Proje is TL1,500,000.00 comprising 1,500,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of Acibadem Proje for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
31.12.2009	1,450,000	1.00	Cash, at TL1.00, per share	Cash injection	1,500,000.00

(iii) **Shareholders***

As at 1 June 2012, Acibadem Proje is a 99.99%-owned subsidiary of Acibadem Holding, whilst Mehmet Ali Aydinlar, Ahmet Sedat Artukoglu, Ahmet Temel Baltaoglu and Husniye Guldem Domac own one share each.

Note:

* *The TCC requires at least 5 shareholders for the incorporation and valid existing of a joint stock company. However, the New TCC allows the establishment of a single shareholder joint stock company.*

(iv) **Subsidiary and associate**

As at 1 June 2012, Acibadem Proje does not have any subsidiary or associate.

1.2.12 Wholly-owned subsidiaries of Pantai

1.2.12.1 Pantai Hospitals (Company No. 466313-V)

(i) History and business

Pantai Hospitals was incorporated in Malaysia under the Malaysian Companies Act on 25 July 1998 as a private company limited by shares and commenced its business on 30 November 1998.

The principal activities of Pantai Hospitals are as a holding company and provision of management and consultation services to hospitals and medical centres.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Hospitals is RM10,000,000.00 comprising 500,000 ordinary shares of RM1.00 each and 950,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Hospitals is RM6,831,800.00 comprising 300,000 ordinary shares of RM1.00 each and 650,480,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Pantai Hospitals for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Redeemable preference shares					
01.08.2011	395,006,581	0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	6,797,000.00
23.12.2011	3,480,000	0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	6,831,800.00
04.04.12	(2,700,000)	0.01	Redemption at RM1.00 per share	Redemption of redeemable preference shares	6,504,800.00

(iii) Shareholder

As at 1 June 2012, Pantai holds 100% of the ordinary shares and the redeemable preference shares of Pantai Hospitals.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Medical Centre, Cheras Medical Centre, Pantai Klang, Syarikat Tunas, Paloh Medical Centre, Pantai Ayer Keroh, Pantai Indah, Pantai Sungai Petani, Pantai Manjung, Pantai Johor and Pantai Screening are wholly-owned subsidiaries of Pantai Hospitals, details of which are set out in Sections 1.2.26.1 to 1.2.26.12 of this Appendix respectively.

Gleneagles KL is Pantai Hospitals' 70.0%-owned subsidiary, whilst Gleneagles Malaysia owns the remaining 30.0% in Gleneagles KL, details of which are set out in Section 1.2.26.9 of this Appendix.

PT Pantai is Pantai Hospitals' 50.0%-owned subsidiary, whilst Pantai Resources owns the remaining 50.0% in PT Pantai, details of which are set out in Section 1.2.26.14 of this Appendix.

KL Medical Centre is Pantai Hospitals' 51.0%-owned subsidiary, details of which are set out in Section 1.2.26.13 of this Appendix. As at 1 June 2012, Pantai Hospitals does not have any associate.

1.2.12.2 Gleneagles Malaysia (Company No. 186110-H)

(i) History and business

Gleneagles Malaysia was incorporated in Malaysia under the Malaysian Companies Act on 29 August 1989 as a private company limited by shares and commenced its business on 25 September 1989.

The principal activity of Gleneagles Malaysia is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Gleneagles Malaysia is RM10,000,000.00 comprising 8,500,000 ordinary shares of RM1.00 each and 150,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Gleneagles Malaysia is RM3,108,500.00 comprising 2,000,000 ordinary shares of RM1.00 each and 110,850,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Gleneagles Malaysia for the past three years preceding 1 June 2012 are as follows:

Date of allotment/ redemption	No. of shares	Par value	Consideration	Purpose of issue/ redemption	Cumulative issued and paid-up share capital
		RM			**RM**
Redeemable preference shares					
18.07.2011	(32,400,000)	0.01	Redemption, at RM1.00 per share	Redemption of redeemable preference shares	2,065,500.00
17.08.2011	(4,500,000)	0.01	Redemption, at RM1.00 per share	Redemption of redeemable preference shares	2,020,500.00
01.11.2011	(2,050,000)	0.01	Redemption, at RM1.00 per share	Redemption of redeemable preference shares	2,000,000.00
23.12.2011	110,850,000	0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	3,108,500.00

(iii) Shareholder

As at 1 June 2012, Pantai holds 100% of the ordinary shares and the redeemable preference shares of Gleneagles Malaysia.

(iv) Subsidiary and associate

As at 1 June 2012, GEH Management is a wholly-owned subsidiary of Gleneagles Malaysia, details of which are set out in Section 1.2.27.2 of this Appendix respectively. Pulau Pinang Clinic is 70.0%-owned subsidiary of Gleneagles Malaysia, details of which are set out in Section 1.2.27.1 of this Appendix respectively. Gleneagles KL is 30.0%-owned associate of Gleneagles Malaysia, whilst Pantai Hospitals owns the remaining 70.0% in Gleneagles KL, details of which are set out in Section 1.2.28.1 of this Appendix. Gleneagles Medical Centre KL is a 30.0%-owned associate of Gleneagles Malaysia, details of which are set out in Section 1.2.28.2 of this Appendix.

1.2.12.3 Pantai Resources (Company No. 559654-U)

(i) History and business

Pantai Resources was incorporated in Malaysia under the Malaysian Companies Act on 24 September 2001 as a private company limited by shares and commenced its business in April 2002.

The principal activity of Pantai Resources is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Resources is RM10,000,000.00 comprising 500,000 ordinary shares of RM1.00 each and 950,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Resources is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Pantai Resources for the past three years preceding 1 June 2012 are as follows:

Date of allotment/ redemption	No. of shares	Par value	Consideration	Purpose of issue/ redemption	Cumulative issued and paid-up share capital
		RM			RM
Redeemable preference shares					
26.11.2010	(660,431,139)	0.01	Redemption, at RM1.00 per share	Redemption of redeemable preference shares, by offsetting the amount owing by Pantai to Pantai Resources	100,000.00

(iii) Shareholder

As at 1 June 2012, Pantai Resources is a wholly-owned subsidiary of Pantai.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Premier Pathology, Pantai Education*, Pantai Integrated Rehab, Credit Enterprise and Mount Elizabeth Services are wholly-owned subsidiaries of Pantai Resources, details of which are set out in Sections 1.2.29.1 to 1.2.29.4 and 1.2.29.6 of this Appendix respectively. PT Pantai is 50.0%-owned subsidiary of Pantai Resources, whilst Pantai Hospitals owns the remaining 50.0% in PT Pantai, details of which are set out in Section 1.2.29.5 of this Appendix. Twin Towers Healthcare is a 70.0%-owned subsidiary of Pantai Resources, details of which are set out in Section 1.2.29.7 of this Appendix. As at 1 June 2012, Pantai Resources does not have any associate.

Note:

* *IMU Health has agreed to acquire Pantai Education from Pantai Resources as part of the consolidation of IHH's Malaysian education business. IMU Health and Pantai Resources have executed a Share Sale Agreement on 3 April 2012 for the acquisition.*

1.2.12.4 Pantai Management (Company No. 558212-W)

(i) History and business

Pantai Management was incorporated in Malaysia under the Malaysian Companies Act on 6 September 2001 as a private company limited by shares and commenced its business on 1 January 2002.

The principal activities of Pantai Management are provision of administration support, training, research and development services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Management is RM500,000.00 comprising 200,000 ordinary shares of RM1.00 each and 30,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Management is RM100,002.00 comprising two ordinary shares of RM1.00 each and 10,000,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Pantai Management for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Redeemable preference shares					
01.08.2011	10,000,000	0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	100,002.00

(iii) Shareholder

As at 1 June 2012, Pantai holds 100% of the ordinary shares and redeemable preference shares of Pantai Management.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Management does not have any subsidiary or associate.

1.2.12.5 Pantai Diagnostics (Company No. 578870-V)

(i) History and business

Pantai Diagnostics was incorporated in Malaysia under the Malaysian Companies Act on 3 May 2002 as a private company limited by shares and commenced its business on 4 November 2003.

The principal activity of Pantai Diagnostics is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Diagnostics is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Diagnostics is RM2.00 comprising two ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai Diagnostics since its incorporation on 3 May 2002 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Diagnostics is a wholly-owned subsidiary of Pantai.

(iv) Subsidiary and associate

As at 1 June 2012, PT Pantai Bethany is a subsidiary of Pantai Diagnostics, details of which is set out in Section 1.2.30.1 of this Appendix. As at 1 June 2012, Pantai Diagnostics does not have any associate.

1.2.13 Subsidiaries of Parkway Hospitals

1.2.13.1 Parkway Promotions (Company No. 198203801C)

(i) History and business

Parkway Promotions was incorporated in Singapore under the Singapore Companies Act on 8 September 1982 as a private company limited by shares and commenced its business on 8 September 1982.

The principal activity of Parkway Promotions is acting as promoters and organisers of healthcare events.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Promotions is SGD10,000.00 comprising 10,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Promotions for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Promotions is a wholly-owned subsidiary of Parkway Hospitals.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Promotions does not have any subsidiary or associate.

1.2.13.2 MENA Services (Company No. 198500576D)

(i) History and business

MENA Services was incorporated in Singapore under the Singapore Companies Act on 12 March 1985 as a private company limited by shares and commenced its business on 12 March 1985.

The principal activity of MENA Services is acting as a nursing agency.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of MENA Services is SGD2.00 comprising 2 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of MENA Services for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, MENA Services is a wholly-owned subsidiary of Parkway Hospitals.

(iv) Subsidiary and associate

As at 1 June 2012, MENA Services does not have any subsidiary or associate.

1.2.14 Subsidiaries of Parkway Healthcare

1.2.14.1 Parkway Healthtech (Company No. 200000906N)

(i) History and business

Parkway Healthtech was incorporated in Singapore under the Singapore Companies Act on 2 February 2000 as a private company limited by shares and commenced its business on 2 February 2000.

The principal activity of Parkway Healthtech is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Healthtech is SGD2.00 comprising two ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Healthtech for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Healthtech is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Goldlink Investments and Drayson Investments are the subsidiaries of Parkway Healthtech, details of which are set out in Sections 1.2.31.1 and 1.2.31.2 of this Appendix respectively. As at 1 June 2012, Parkway Healthtech does not have any associate.

1.2.14.2 Mount Elizabeth Healthcare (Company No. 198500801D)

(i) History and business

Mount Elizabeth Healthcare was incorporated in Singapore under the Singapore Companies Act on 6 April 1985 as a private company limited by shares. Mount Elizabeth Healthcare is currently a public company limited by shares.

Mount Elizabeth Healthcare is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Mount Elizabeth Healthcare is SGD37,000,000.00 comprising 37,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Mount Elizabeth Healthcare for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Mount Elizabeth Healthcare is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Mount Elizabeth Healthcare does not have any subsidiary or associate.

1.2.14.3 Gleneagles International (Company No. 198902719R)

(i) History and business

Gleneagles International was incorporated in Singapore under the Singapore Companies Act on 4 July 1989 as a private company limited by shares and commenced its business on 4 July 1989.

The principal activity of Gleneagles International is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles International is SGD23,000,000.00 comprising 23,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles International for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles International is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Development and Gleneagles UK are the subsidiaries of Gleneagles International, details of which are set out in Sections 1.2.32.1 and 1.2.32.2 of this Appendix respectively. As at 1 June 2012, Gleneagles International does not have any associate.

1.2.14.4 Medical Resources International (Company No. 199507342M)

(i) History and business

Medical Resources International was incorporated in Singapore under the Singapore Companies Act on 16 October 1995 as a private company limited by shares and commenced its business on 16 October 1995.

The principal activity of Medical Resources International is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Medical Resources International is SGD90.00 comprising 90 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Medical Resources International for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Medical Resources International is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Rui Xin, Shanghai Xin Rui, Shanghai Rui Hong and Shanghai Gleneagles are subsidiaries of Medical Resources International, details of which are set out in Sections 1.2.33.1 to 1.2.33.4 of this Appendix respectively. As at 1 June 2012, Medical Resources International does not have any associate.

1.2.14.5 Parkway Shanghai (Company No. 310000400559166)

(i) History and business

Parkway Shanghai was incorporated in Shanghai under PRC Law on 22 January 2008 as a wholly foreign owned limited liability company and commenced its business on 22 January 2008.

The principal activities of Parkway Shanghai are provision of hospital management service, consulting and training service on hospital management.

(ii) Total investment and registered capital

As at 1 June 2012, total investment of Parkway Shanghai is USD1,400,000.00 and the registered capital of Parkway Shanghai is USD1,000,000.00. The paid-up capital of Parkway Shanghai is USD1,000,000.00.

There has been no change to the registered and paid-up capital of Parkway Shanghai for the past three years.

(iii) Shareholder

As at 1 June 2012, Parkway Shanghai is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, we manage Shanghai Hui Xing Jin Pu, a wholly-owned subsidiary of Shanghai Hui Xing, through certain contractual arrangements with the parent company of Shanghai Hui Xing. The Group does not account for either Shanghai Hui Xing or Shanghai Hui Xing Jin Pu as a subsidiary or associate.

Each of the two shareholders of Shanghai Shu Kang has executed a power of attorney pursuant to which Parkway Shanghai is entitled to exercise the voting rights on 100% equity interests in Shanghai Shu Kang, details of which are set out in Section 1.2.34.1 of this Appendix.

Other than the above, as at 1 June 2012, Parkway Shanghai does not have other subsidiary or associate.

1.2.14.6 Gleneagles Shanghai (Company No. QZHZFZD040875)

(i) History and business

Gleneagles Shanghai was incorporated in Shanghai under PRC Law on 3 April 2006 as a sino-foreign contractual joint venture and commenced its business on 3 April 2006.

The principal activities of Gleneagles Shanghai are providing medical services.

(ii) Total investment and registered capital

As at 1 June 2012, the total investment of Gleneagles Shanghai is USD8,000,000.00 and the registered capital of Gleneagles Shanghai is USD4,000,000.00. The paid-up capital of Gleneagles Shanghai is USD4,000,000.00.

There has been no change to the registered and paid-up capital of Gleneagles Shanghai for the past three years.

(iii) Shareholder

Parkway Healthcare contributed 100.0% of the registered capital of Gleneagles Shanghai. As at 1 June 2012, 70.0% of the profit of Gleneagles Shanghai shall be distributed to Parkway Healthcare.

(iv) **Subsidiary and associate**

As at 1 June 2012, Gleneagles Shanghai does not have any subsidiary or associate.

1.2.14.7 Parkway Healthcare Mauritius (Company No. 42669)

(i) **History and business**

Parkway Healthcare Mauritius was incorporated in Mauritius under Mauritius law on 12 August 2002 as a private company limited by shares and commenced its business on 12 August 2002.

The principal activity of Parkway Healthcare Mauritius is as a holding company.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Parkway Healthcare Mauritius is SGD10,000,000.00 comprising 10,000,000 ordinary shares of SGD1.00 each. The issued and paid-up share capital of Parkway Healthcare Mauritius is SGD2.00 comprising two ordinary shares of SGD1.00 each.

There has been no change to the issued and paid-up share capital of Parkway Healthcare Mauritius for the past three years preceding 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, Parkway Healthcare Mauritius is a wholly-owned subsidiary of Parkway Healthcare.

(iv) **Subsidiary and associate**

As at 1 June 2012, Apollo PET is a joint venture of Parkway Healthcare Mauritius, details of which are set out in Section 1.2.35.1 of this Appendix. As at 1 June 2012, of Parkway Healthcare Mauritius does not have any associate.

1.2.14.8 Khubchandani Hospitals (Company No. U85110MH2006PTC161832)

(i) **History and business**

Khubchandani Hospitals was incorporated in India under the (Indian) Companies Act, 1956 on 15 May 2006 as a private company and commenced its business on 15 May 2006.

The principal activity of Khubchandani Hospitals is to acquire, establish, run and maintain hospitals.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Khubchandani Hospitals is Rs. 1,100,000,000.00 comprising 110,000,000 ordinary shares of Rs. 10.00

each. The issued and paid-up share capital of Khubchandani Hospitals is Rs. 80,000,000.00 comprising 8,000,000 ordinary shares of Rs. 10.00 each.

There has been no change to the issued and paid-up share capital of Khubchandani Hospitals for the past three years preceding 1 June 2012.

(iii) Shareholder*

As at 1 June 2012, Khubchandani Hospitals is a 50.0%-owned subsidiary of Parkway Healthcare, whilst Koncentric Investments Limited owns the remaining 50.0% in Khubchandani Hospitals.

Note:

* *Khubchandani Hospitals is treated as a subsidiary in the financial statements of our Group on the basis that the Group, by virtue of the existence of currently exercisable potential voting rights, has the ability to control the financing and operating decisions of Khubchandani Hospitals.*

(iv) Subsidiary and associate

As at 1 June 2012, Khuchandani Hospitals does not have any subsidiary or associate.

1.2.14.9 Parkway Education (Company No. 200723244M)

(i) History and business

Parkway Education was incorporated in Singapore under the Singapore Companies Act on 18 December 2007 as a private company limited by shares.

Parkway Education is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Education is SGD1.00 comprising one ordinary share.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Education for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Education is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Education does not have any subsidiary or associate.

1.2.14.10 Swiss Zone (Company No. 708864-H)

(i) History and business

Swiss Zone was incorporated in Malaysia under the Malaysian Companies Act on 7 September 2005 as a private company limited by shares.

Swiss Zone is currently dormant.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Swiss Zone is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Swiss Zone is RM2.00 comprising two ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Swiss Zone for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Swiss Zone is a wholly-owned subsidiary of Parkway Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Swiss Zone does not have any subsidiary or associate.

1.2.15 Subsidiaries of Parkway Investments

1.2.15.1 Gleneagles Technologies (Company No. 199507902H)

(i) History and business

Gleneagles Technologies was incorporated in Singapore under the Singapore Companies Act on 8 November 1995 as a private company limited by shares and commenced its business on 8 November 1995.

The principal activities of Gleneagles Technologies are the provision of consultancy services, equipment planning, procurement, testing and commissioning of medical equipment, hospital and healthcare facilities and management of a healthcare facility.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Technologies is SGD2.00 comprising 2 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles Technologies for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Technologies is a wholly-owned subsidiary of Parkway Investments.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Technologies does not have any subsidiary or associate.

1.2.15.2 Mount Elizabeth Medical (Company No. 197601873H)

(i) History and business

Mount Elizabeth Medical was incorporated in Singapore under the Singapore Companies Act on 16 September 1976 as a private company limited by shares and commenced its business on 16 September 1976. Mount Elizabeth Medical is currently a public company limited by shares.

The principal activity of Mount Elizabeth Medical is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Mount Elizabeth Medical is SGD150,000,000.00 comprising 150,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Mount Elizabeth Medical for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Mount Elizabeth Medical is a wholly-owned subsidiary of Parkway Investments.

(iv) Subsidiary and associate

As at 1 June 2012, East Shore Medical and Mount Elizabeth Ophthalmic are subsidiaries of Mount Elizabeth Medical, details of which are set out in Sections 1.2.36.1 and 1.2.36.2 of this Appendix respectively. As at 1 June 2012, Mount Elizabeth Medical does not have any associate.

1.2.15.3 Gleneagles Medical Centre (Company No. 198804764N)

(i) History and business

Gleneagles Medical Centre was incorporated in Singapore under the Singapore Companies Act on 29 December 1988 as a private company limited by shares. Gleneagles Medical Centre is currently a public company limited by shares.

Gleneagles Medical Centre is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Medical Centre is SGD15,120,002.00 comprising 15,000,002 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles Medical Centre for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Medical Centre is a wholly-owned subsidiary of Parkway Investments.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Medical Centre does not have any subsidiary or associate.

1.2.15.4 Gleneagles Pharmacy (Company No. 199102480Z)

(i) History and business

Gleneagles Pharmacy was incorporated in Singapore under the Singapore Companies Act on 29 May 1991 as a private company limited by shares.

Gleneagles Pharmacy is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Pharmacy is SGD3.00 comprising 3 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles Pharmacy for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Pharmacy is a wholly-owned subsidiary of Parkway Investments.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Pharmacy does not have any subsidiary or associate.

1.2.16 Associate of Parkway Investments

1.2.16.1 PLife REIT

(i) History and business

PLife REIT is a real estate investment trust established in Singapore as a stand-alone unit trust fund constituted by the trust deed which was entered into on 12 July 2007 between HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT and Parkway Trust Management, as manager of PLife REIT.

PLife REIT is currently listed on the Main Board of the SGX-ST.

(ii) Share capital

As at 1 March 2012, the number of units of PLife REIT in issue is 604,970,414*.

Note:

* *According to the 2011 Annual Report of PLife REIT*

(iii) Shareholder

As at 1 March 2012, 0.04% of the units of PLife REIT are held by IHHL, 0.52% of the units of PLife REIT are held by Parkway Trust Management and 35.25% of the units of PLife REIT are held by Parkway Investments.

1.2.17 Subsidiary of Parkway HK

1.2.17.1 Parkway Healthcare HK (Company No. 1591868)

(i) History and business

Parkway Healthcare HK was incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) on 21 April 2011 as a private company limited by shares and commenced its business on 21 April 2011.

The principal activity of Parkway Healthcare HK is the operation of a medical centre.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Parkway Healthcare HK is HKD200,000.00 comprising 200,000 ordinary shares of HKD1.00 each. The issued and paid-up share capital of Parkway Healthcare HK is HKD100,003.00 comprising 100,003 ordinary shares of HKD1.00 each.

The changes in the issued and paid-up share capital of Parkway Healthcare HK since its incorporation on 21 April 2011 up to 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		HKD			HKD
Ordinary shares					
21.04.2011	1	1.00	Cash, at HKD1.00	Subscriber's share	1.00
04.07.2011	94,999	1.00	Cash, at HKD3,810,000.00	Increase in paid-up capital	95,000.00
04.07.2011	5,000	1.00	Cash, at HKD5,000.00	Increase in paid-up capital	100,000.00
03.10.2011	1	1.00	Cash, at HKD3,561,000.00	Increase in paid-up capital	100,001.00
03.01.2012	1	1.00	Cash, at HKD3,608,520.00	Increase in paid-up capital	100,002.00
03.04.2012	1	1.00	Cash, at HKD3,699,000.00	Increase in paid-up capital	100,003.00

(iii) Shareholder

As at 1 June 2012, Parkway Healthcare HK is a 95.0%-owned subsidiary of Parkway HK, whilst MediOne (Hong Kong) Limited owns the remaining 5.0% in Parkway Healthcare HK.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Healthcare HK does not have any subsidiary or associate.

1.2.18 Associate of M&P Investments

1.2.18.1 Parkway M&A (Company No. 10842)

(i) History and business

Parkway M&A was incorporated in the British Virgin Islands under the laws of International Business Companies Ordinance of the Territory of the British Virgin Islands on 7 November 1988 as a private company limited by shares and commenced its business on 7 November 1988.

The principal activity of Parkway M&A is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Parkway M&A is USD4,500,000.00 comprising 4,500,000 ordinary shares of USD1.00 each. The issued and paid-up share capital of Parkway M&A is USD4,500,000.00 comprising 4,500,000 ordinary shares of USD1.00 each.

(iii) Shareholder*

As at 1 June 2012, Parkway M&A is a 38.89%-owned associate of M&P Investments, whilst Richmond Limited owns 22.22% in Parkway M&A, and Lee Hing Investment Company Limited owns 38.89% in Parkway M&A.

Note:

* *Parkway M&A is treated as a long term investment as the Group is unable to exert significant influence on the operating and financing decisions.*

1.2.19 Associates of Gleneagles Medical Holdings

1.2.19.1 Asia Renal Care (Company No. 198702266G)

(i) History and business

Asia Renal Care was incorporated in Singapore under the Singapore Companies Act on 30 July 1987 as a private company limited by shares and commenced its business on 30 July 1987.

The principal activity of Asia Renal Care is the provision of specialised medical services (including day surgical centres).

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Asia Renal Care is SGD50,000.00 comprising 50,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

(iii) Shareholder

As at 1 June 2012, 20.0% of the shares of Asia Renal Care is held by Gleneagles Medical Holdings, 60.0% of the shares of Asia Renal Care is held by Asia Renal Care (S) Pte Ltd, 4.0% of the shares of Asia Renal Care is held by Ku Gordon and 16.0% of the shares of Asia Renal Care is held by Lye Wai Choong.

1.2.19.2 Asia Renal Care (Katong) (Company No. 198701076N)

(i) History and business

Asia Renal Care (Katong) was incorporated in Singapore under the Singapore Companies Act on 18 April 1987 as a private company limited by shares and commenced its business on 18 April 1987.

The principal activity of Asia Renal Care (Katong) is the provision of specialised medical services (including day surgical centres).

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Asia Renal Care (Katong) is SGD50,002.00 comprising 50,002 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

(iii) Shareholder

As at 1 June 2012, approximately 20.0% of the shares of Asia Renal Care (Katong) is held by Gleneagles Medical Holdings, approximately 70.0% of the shares of Asia Renal Care (Katong) is held by Asia Renal Care (S) Pte Ltd and approximately 10.0% of the shares of Asia Renal Care (Katong) is held by Beatrice Chen Tsung Mong.

1.2.19.3 PT Tritunggal

(i) History and business

PT Tritunggal was incorporated in Surabaya, Indonesia under the laws of the Republic of Indonesia on 10 October 1994 as a limited company and commenced its business after that.

The principal activity of PT Tritunggal is the provision of medical diagnostic services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of PT Tritunggal is Rp2,917,500,000.00 comprising 25,000 shares of Rp116,700.00 each. The issued and paid-up share capital of PT Tritunggal is Rp2,917,500,000.00 comprising 25,000 ordinary shares of Rp116,700.00 each.

(iii) Shareholder

As at 1 June 2012, PT Tritunggal is a 30.0%-owned associate of Gleneagles Medical Holdings, whilst PT Lippo Karawaci Tbk owns 20.0% in PT Tritunggal and PT Tritunggal Sentra Medika own the remaining 50.0%.

1.2.20 Subsidiary of Medi-Rad

1.2.20.1 Radiology Consultants (Company No. 199000501G)

(i) History and business

Radiology Consultants was incorporated in Singapore under the Singapore Companies Act on 1 February 1990 as a private company limited by shares and commenced its business on 1 February 1990.

The principal activities of Radiology Consultants are the provision of radiology consultancy and interpretative services.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Radiology Consultants is SGD2.00 comprising 2 ordinary shares.

There has been no change to the issued and paid-up share capital of Radiology Consultants for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Radiology Consultants is a wholly-owned subsidiary of Medi-Rad.

(iv) Subsidiary and associate

As at 1 June 2012, Radiology Consultants does not have any subsidiary or associate.

1.2.21 Associate of Medi-Rad

1.2.21.1 Positron Tracers (Company No. 200202520R)

(i) History and business

Positron Tracers was incorporated in Singapore under the Singapore Companies Act on 27 March 2002 as a private company limited by shares and commenced its business on 27 March 2002.

The principal activities of Positron Tracers are the ownership and operation of cyclotron for production of radioactive tracers.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Positron Tracers is SGD550,000.00 comprising 550,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

(iii) Shareholder

As at 1 June 2012, 33.0% of the shares of Positron Tracers are held by Medi-Rad, 33.0% of the shares of Positron Tracers are held by AsiaMedic Limited and 34.0% of the shares of Positron Tracers are held by Aescapulus Holdings Private Limited.

1.2.22 Subsidiaries of Parkway Shenton

1.2.22.1 Nippon Medical (Company No. 199802600M)

(i) History and business

Nippon Medical was incorporated in Singapore under the Singapore Companies Act on 28 May 1998 as a private company limited by shares and commenced its business on 28 May 1998.

The principal activity of Nippon Medical is operation of clinics.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Nippon Medical is SGD500,000.00 comprising 500,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Nippon Medical for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, 70.0% of the shares of Nippon Medical are held by Parkway Shenton while the remaining 30.0% is held by Nippon Meden Pte. Ltd.

(iv) Subsidiary and associate

As at 1 June 2012, Nippon Medical does not have any subsidiary or associate.

1.2.22.2 Shenton Family (Company No. 199002178G)

(i) History and business

Shenton Family was incorporated in Singapore under the Singapore Companies Act on 8 May 1990 as a private company limited by shares and commenced its business on 8 May 1990.

The principal activities of Shenton Family are to provide, establish and carry on the business of clinics.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Shenton Family is SGD2.00 comprising 2 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Shenton Family for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Shenton Family is a wholly-owned subsidiary of Parkway Shenton.

(iv) Subsidiary and associate

As at 1 June 2012, Shenton Family Bukit Gombak, Shenton Family Serangoon, Shenton Family Bedok Reservoir, Shenton Family Jurong East, Shenton Family Tampines, Shenton Family Yishun, Shenton Family Ang Mo Kio, Shenton Family Duxton, Shenton Family Clementi and Shenton Family Towner are joint ventures of Shenton Family, details of which are set out in Sections 1.2.37.1 to 1.2.37.10 of this Appendix respectively. Shenton Family does not have any subsidiary or associate.

1.2.22.3 Parkway Shenton International (Company No. 200312058K)

(i) History and business

Parkway Shenton International was incorporated in Singapore under the Singapore Companies Act on 28 November 2003 as a private company limited by shares and commenced its business on 28 November 2003.

The principal activity of Parkway Shenton International is as a holding company.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Parkway Shenton International is SGD2.00 comprising 2 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Parkway Shenton International for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Shenton International is a wholly-owned subsidiary of Parkway Shenton.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Shenton Vietnam is a subsidiary of Parkway Shenton International, details of which are set out in Section 1.2.38.1 of this Appendix. As at 1 June 2012, Parkway Shenton International does not have any associate.

1.2.23 Associate of Parkway Shenton

1.2.23.1 Hale Medical Clinic (Company No. 199502976Z)

(i) History and business

Hale Medical Clinic was incorporated in Singapore under the Singapore Companies Act on 28 April 1995 as a private company limited by shares and commenced its business on 28 April 1995.

The principal activity of Hale Medical Clinic is the operation of a medical clinic.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Hale Medical Clinic is SGD350,010.00 comprising 350,010 ordinary shares.

(iii) Shareholder

As at 1 June 2012, 50.0% of the shares of Hale Medical Clinic are held by Parkway Shenton, approximately 32.0% of the shares of Hale Medical Clinic are held by The Hale Medical Group Pte Ltd and approximately 18.0% of the shares of Hale Medical Clinic are held by Gainall Private Limited.

1.2.24 Subsidiaries of Gleneagles CRC

1.2.24.1 Gleneagles Clinical Research (Company No. 200402019R)

(i) History and business

Gleneagles Clinical Research was incorporated in Singapore under the Singapore Companies Act on 23 February 2004 as a private company limited by shares and commenced its business on 23 February 2004.

The principal activity of Gleneagles Clinical Research is the operation of a clinical research centre.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Clinical Research is SGD50,000.00 comprising 50,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change in the issued and paid-up share capital of Gleneagles Clinical Research for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Clinical Research is a wholly-owned subsidiary of Gleneagles CRC.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Clinical Research does not have any subsidiary or associate.

1.2.24.2 Gleneagles CRC (Thailand) (Company No. 10854500452)

(i) History and business

Gleneagles CRC (Thailand) was incorporated in Thailand under the laws of Thailand on 19 April 2002 as a private company limited by shares and commenced its business on 19 April 2002.

The principal activity of Gleneagles CRC (Thailand) is medical and pharmaceutical technology consulting & clinical trial services.

(ii) Share capital

As at 1 June 2012, the registered capital of Gleneagles CRC (Thailand) is Baht1,000,000.00 comprising 200,000 shares of Baht5.00 each. The issued and paid-up share capital of Gleneagles CRC (Thailand) is Baht750,000.00 comprising 200,000 shares of Baht5.00 each, partially paid up to Baht3.75 per share.

There has been no change to the issued and paid-up share capital of Gleneagles CRC (Thailand) for the past three years preceding 1 June 2012.

(iii) Shareholder*

As at 1 June 2012, Mr Payungrat Charuengdej holds 102,000 preference shares in Gleneagles CRC (Thailand) and Gleneagles CRC holds 97,999 ordinary shares in Gleneagles CRC (Thailand) with the remaining 1 ordinary share being held by a nominee of Gleneagles CRC.

Note:

* *Gleneagles CRC (Thailand) is treated as a wholly-owned subsidiary in the financial statements of the Group on the basis that the Group controls the entity and is entitled to all its profits.*

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles CRC (Thailand) does not have any subsidiary or associate.

1.2.24.3 Gleneagles CRC (China) (Wholly-Owned Beijing No. 016713)

(i) History and business

Gleneagles CRC (China) was incorporated in PRC under the laws of China on 19 February 2002 as a wholly foreign owned entity and commenced its business on 19 February 2002.

The principal activity of Gleneagles CRC (China) is clinical research service.

(ii) Share capital

As at 1 June 2012, the registered capital of Gleneagles CRC (China) is USD100,000.00. The issued and paid-up share capital of Gleneagles CRC (China) is USD100,000.00.

There has been no change to the issued and paid-up share capital of Gleneagles CRC (China) for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles CRC (China) is a wholly-owned subsidiary of Gleneagles CRC Pte Ltd.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles CRC (China) does not have any subsidiary or associate.

1.2.24.4 Gleneagles CRC (Australia) (Company No. ACN 121 474 182)

(i) History and business

Gleneagles CRC (Australia) was incorporated in Australia under the laws of Australia on 29 August 2006 as a company limited by shares and commenced its business on 29 August 2006.

The principal activity of Gleneagles CRC (Australia) is clinical research service.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles CRC (Australia) is AUD3.00 divided into 3 ordinary shares at AUD1.00 each.

Note:

* *Under the Company Law Review Act 1998, there is no requirement to have an authorised share capital. Under the Corporations Act 2011, there is no requirement to have a par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles CRC (Australia) for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles CRC (Australia) is a wholly-owned subsidiary of Gleneagles CRC.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles CRC (Australia) does not have any subsidiary or associate.

1.2.25 Subsidiary of Almond (Turkey)

1.2.25.1 Acibadem (Company No. 262819)

(i) History and business

Acibadem was incorporated in Istanbul, Turkey pursuant to TCC on 19 February 1990 as a private joint stock company and commenced its business on 19 February 1990. Acibadem conducted its initial public offering on 31 May 2000 and currently Acibadem is registered with CMB and its shares are listed currently in the ISE. The board of directors of Acibadem has resolved to delist Acibadem from the ISE, which is conditional upon the approval of the general assembly of shareholders as well as the approval of relevant regulators.

The principal activity of Acibadem is provision of medical, surgical and hospital services. Acibadem holds the licenses for all the hospitals operated by the Acibadem Group in Turkey, such as Acibadem Adana Hospital, Acibadem Bakirkoy Hospital, Acibadem Bursa Hospital, Acibadem Eskisehir Hospital, Acibadem Fulya Hospital, Acibadem Kadikoy Hospital, Acibadem Kayseri Hospital, Acibadem Kocaeli Hospital, Acibadem Kozyatagi Hospital, Acibadem Maslak Hospital.

(ii) Share capital

As at 1 June 2012, the registered capital ceiling of Acibadem is TL250,000,000.00 and the issued and paid-up share capital of Acibadem is TL100,000,000.00 comprising 100,000,000 shares of TL1.00 each.

According to Article 23 of the articles of association of Acibadem, Group A shares grant its holder 100 votes per share each, whereas Group B shares have a single vote in the general assembly meetings. Thus, 4,249,973 Group A shares have 424,997,300 voting rights, whereas the Group B shares have 95,750,027 voting rights in the general assembly meetings. However, the number of voting rights granted per share may be restricted with the enactment of the New TCC.

Holders of A group shares are also entitled to nominate four board members and B group shares are entitled to nominate the remaining board member for appointment by the general assembly.

There has been no change to the issued and paid-up share capital of Acibadem for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Acibadem is a 97.30%-owned* subsidiary of Almond (Turkey), holding both Group A and Group B shares, whilst the remaining Group B shares are owned by Mehmet Ali Aydinlar, Hatice Seher Aydinlar, Yunus Erguz, Armagan Ozel, F.S. Gunhan Ugurlu and other individuals as well as the public which owns approximately 1.26%.

Note:

* *Acibadem is a 97.33%-owned subsidiary of Almond (Turkey) as at 9 April 2012.*

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Poliklinik and Yeni Saglik are 99.99%-owned subsidiaries of Acibadem, details of which are set out in Section 1.2.39.1 and 1.2.39.5 of this Appendix. International Hospital is a 90.0%-owned subsidiary of Acibadem, Acibadem Mobil is a 17.77%-owned subsidiary of Acibadem, Jinemed Saglik* is a 65.0%-owned subsidiary of Acibadem, Acibadem Labmed is a 50.0%-owned subsidiary of Acibadem, Acibadem Sistina is a 50.32%-owned subsidiary of Acibadem, Acibadem Sistina Medikal is a 50.0%-owned subsidiary of Acibadem and Acibadem Orta is a 75.0%-owned subsidiary of Acibadem, details of which are set out in Sections 1.2.39.2, 1.2.39.4 and 1.2.39.6 to 1.2.39.9 of this Appendix respectively. As at 1 June 2012, Acibadem does not have any associate.

Note:

* *As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Group. In January 2012, Acibadem and the shareholders of Jinemed Saglik executed a "share purchase agreement" according to which, 65.0% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction; however, the share transfer has not yet been completed. Jinemed Hospital and Jinemed Medical Center is included in the pro forma financial information of the Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed within 2012.*

1.2.26 Subsidiaries of Pantai Hospitals

1.2.26.1 Pantai Medical Centre (Company No. 73056-D)

(i) History and business

Pantai Medical Centre was incorporated in Malaysia under the Malaysian Companies Act on 15 July 1981 as a private company limited by shares and commenced its business on 8 August 1998.

The principal activities of Pantai Medical Centre are provision of medical, surgical and hospital services. Pantai Medical Centre holds the license for Pantai Hospital Kuala Lumpur.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Medical Centre is RM10,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each and 500,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Medical Centre is RM6,891,000.00 comprising 5,000,000 ordinary shares of RM1.00 each and 189,100,000 redeemable preference shares of RM0.01 each.

There has been no change to the issued and paid-up share capital of Pantai Medical Centre for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Hospitals owns 100% of the ordinary shares and the redeemable preference shares of Pantai Medical Centre.

(iv) Subsidiary and associate

As at 1 June 2012, Angiography, Magnetom Imaging and PMC Radio-Surgery are wholly-owned subsidiaries of Pantai Medical Centre, details of which are set out in Sections 1.2.40.1, 1.2.40.2 and 1.2.40.3 of this Appendix respectively. Pantai-Arc Dialysis is 51.0%-owned subsidiary of Pantai Medical Centre, details of which are set out in Section 1.2.40.4 of this Appendix respectively. As at 1 June 2012, Pantai Medical Centre does not have any associate.

1.2.26.2 Cheras Medical Centre (Company No. 227140-P)

(i) History and business

Cheras Medical Centre was incorporated in Malaysia under the Malaysian Companies Act on 18 October 1991 as a private company limited by shares and commenced its business on 26 June 1994.

The principal activities of Cheras Medical Centre are provision of medical, surgical and hospital services. Cheras Medical Centre holds the license for Pantai Hospital Cheras.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Cheras Medical Centre is RM10,000,000.00 comprising 9,500,000 ordinary shares of RM1.00 each and 50,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Cheras Medical Centre is RM6,254,002.00 comprising 6,000,002 ordinary shares of RM1.00 each and 25,400,000 redeemable preference shares of RM0.01 each.

There has been no change to the issued and paid-up share capital of Cheras Medical Centre for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Hospitals holds 100% of the ordinary shares and the redeemable preference shares of Cheras Medical Centre.

(iv) Subsidiary and associate

As at 1 June 2012, Cheras Medical Centre does not have any subsidiary or associate.

1.2.26.3 Pantai Klang (Company No. 56706-K)

(i) History and business

Pantai Klang was incorporated in Malaysia under the Malaysian Companies Act on 31 March 1980 as a private company limited by shares and commenced its business on 19 January 1981.

The principal activities of Pantai Klang are provision of medical, surgical and hospital services. Pantai Klang holds the license for Pantai Hospital Klang.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Klang is RM5,000,000.00 comprising 4,500,000 ordinary shares of RM1.00 each and 50,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Klang is RM1,105,000.00 comprising 825,000 ordinary shares of RM1.00 each and 28,000,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Pantai Klang for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Redeemable preference shares					
01.03.2011	28,000,000	RM0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	1,105,000.00

(iii) Shareholder

As at 1 June 2012, Pantai Hospitals holds 100% of the ordinary shares and redeemable preference shares of Pantai Klang.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Klang does not have any subsidiary or associate.

1.2.26.4 Syarikat Tunas (Company No. 241297-H)

(i) History and business

Syarikat Tunas was incorporated in Malaysia under the Malaysian Companies Act on 27 May 1992 as a private company limited by shares and commenced its business on 15 May 1997.

The principal activities of Syarikat Tunas are provision of medical, surgical and hospital services. Syarikat Tunas holds the licence for Pantai Hospital Penang.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Syarikat Tunas is RM50,000,000.00 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Syarikat Tunas is RM24,000,000.00 comprising 24,000,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Syarikat Tunas for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Syarikat Tunas is 80.70%-owned subsidiary of Pantai Hospitals, whilst Geh Sim Wah Sdn Bhd owns 11.58% and Koperasi Tunas Muda Sungai Ara Berhad owns 7.72%.

(iv) Subsidiary and associate

As at 1 June 2012, Syarikat Tunas does not have any subsidiary or associate.

1.2.26.5 Paloh Medical Centre (Company No. 214811-P)

(i) History and business

Paloh Medical Centre was incorporated in Malaysia under the Malaysian Companies Act on 29 March 1991 as a private company limited by shares and commenced its business on 10 April 1996.

The principal activities of Paloh Medical Centre are provision of medical, surgical and hospital services. Paloh Medical Centre holds the license for Pantai Hospital Ipoh.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Paloh Medical Centre is RM50,000,000.00 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Paloh Medical Centre is RM35,792,120.00 comprising 35,792,120 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Paloh Medical Centre for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Paloh Medical Centre is 77.79%-owned subsidiary of Pantai Hospitals, whilst Dato' Beh Chun Chuan owns 17.81% and Yayasan Perak owns 4.40%.

(iv) Subsidiary and associate

As at 1 June 2012, Paloh Medical Centre does not have any subsidiary or associate.

1.2.26.6 Pantai Ayer Keroh (Company No. 6527-H)

(i) History and business

Pantai Ayer Keroh was incorporated in Malaysia under the Malaysian Companies Act on 24 February 1966 as a private company limited by shares and commenced its business on 24 February 1966.

The principal activities of Pantai Ayer Keroh are provision of medical, surgical and hospital services. Pantai Ayer Keroh holds the license for Pantai Hospital Ayer Keroh and Pantai Hospital Batu Pahat.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Ayer Keroh is RM50,000,000.00 comprising 49,500,000 ordinary shares of RM1.00 each and 50,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Ayer Keroh is RM30,535,569.00 comprising 30,270,569 ordinary shares of RM1.00 each and 26,500,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Pantai Ayer Keroh for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Redeemable preference shares					
01.03.2011	26,500,000	0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	30,535,569.00

(iii) Shareholder

As at 1 June 2012, Pantai Hospitals holds 100% of the ordinary shares and redeemable preference shares of Pantai Ayer Keroh.

(iv) Subsidiary and associate

As at 1 June 2012, HPAK Cancer and HPAK Lithotripsy are wholly-owned subsidiaries of Pantai Ayer Keroh, details of which are set out in Sections 1.2.41.1 and 1.2.41.2 of this Appendix respectively. As at 1 June 2012, Pantai Ayer Keroh does not have any associate.

1.2.26.7 Pantai Indah (Company No. 578148-T)

(i) History and business

Pantai Indah was incorporated in Malaysia under the Malaysian Companies Act on 23 April 2002 as a private company limited by shares and commenced its business in 2003.

The principal activities of Pantai Indah are provision of medical, surgical and hospital services. Pantai Indah holds the license for Pantai Hospital Ampang.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Indah is RM10,000,000.00 comprising 9,000,000 ordinary shares of RM1.00 each and 100,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Indah is RM5,650,000.00 comprising 5,000,000 ordinary shares of RM1.00 each and 65,000,000 redeemable preference shares of RM0.01 each.

There has been no change to the issued and paid-up share capital of Pantai Indah for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Hospitals holds 100% of the ordinary shares in Pantai Indah and Pantai hold 100% of the redeemable preference shares in Pantai Indah.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Indah does not have any subsidiary or associate.

1.2.26.8 Pantai Sungai Petani (Company No. 426082-W)

(i) History and business

Pantai Sungai Petani was incorporated in Malaysia under the Malaysian Companies Act on 3 April 1997 as a private company limited by shares and commenced its business on 3 April 1997.

The principal activities of Pantai Sungai Petani are provision of medical, surgical and hospital services. Pantai Sungai Petani holds the license for Pantai Hospital Sungai Petani.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Pantai Sungai Petani is RM5,000,000.00 comprising 4,500,000 ordinary shares of RM1.00 each and 50,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of Pantai Sungai Petani is RM2,120,000.00 comprising 2,000,000 ordinary shares of RM1.00 each and 12,000,000 redeemable preference shares of RM0.01 each.

The changes in the issued and paid-up share capital of Pantai Sungai Petani for the past three years preceding 1 June 2012 are as follows:

Date of allotment	**No. of shares**	**Par value**	**Consideration**	**Purpose of issue**	**Cumulative issued and paid-up share capital**
		RM			**RM**
Redeemable preference shares					
01.03.2011	12,000,000	0.01	Other than cash, at RM1.00 per share	Capitalisation of amount owing to shareholder	2,120,000.00

(iii) **Shareholder**

As at 1 June 2012, Pantai Hospitals holds 100% of the ordinary shares and the redeemable preference shares of Pantai Sungai Petani.

(iv) **Subsidiary and associate**

As at 1 June 2012, Pantai Sungai Petani does not have any subsidiary or associate.

1.2.26.9 Gleneagles KL (Company No. 198498-T)

(i) **History and business**

Gleneagles KL was incorporated in Malaysia under the Malaysian Companies Act on 28 May 1990 as a private company limited by shares and commenced its business in 1996.

The principal activities of Gleneagles KL are provision of medical, surgical and hospital services. Gleneagles KL holds the license for Gleneagles Intan Medical Centre.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Gleneagles KL is RM50,000,000.00 comprising 47,500,000 ordinary shares of RM1.00 each and 50,000,000 redeemable preference shares of RM0.05 each. The issued and paid-up share capital of Gleneagles KL is RM22,400,000.00 comprising 21,125,000 ordinary shares of RM1.00 each and 25,500,000 redeemable preference shares of RM0.05 each.

There has been no change to the issued and paid-up share capital of Gleneagles KL for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Hospitals holds 70.0% of the ordinary shares and the redeemable preference shares of Gleneagles KL whilst Gleneagles Malaysia holds the remaining 30.0% of the ordinary shares and the redeemable preference shares of Gleneagles KL.

(iv) Subsidiary and associate

As at 1 June 2012, Oncology Centre (KL) is a wholly-owned subsidiary of Gleneagles KL, details of which are set out in Section 1.2.42.1 of this Appendix. As at 1 June 2012, Gleneagles KL does not have any associate.

1.2.26.10 Pantai Manjung (Company No. 915640-A)

(i) History and business

Pantai Manjung was incorporated in Malaysia under the Malaysian Companies Act on 23 September 2010 as a private company limited by shares.

Pantai Manjung has not commenced operations since the date of its incorporation. The intended principal activities are provision of medical, surgical and hospital services. Pantai Manjung holds the license to establish Pantai Hospital Manjung.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Manjung is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Manjung is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai Manjung since its incorporation on 23 September 2010 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Manjung is a wholly-owned subsidiary of Pantai Hospitals.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Manjung does not have any subsidiary or associate.

1.2.26.11 Pantai Johor (Company No. 895452-V)

(i) History and business

Pantai Johor was incorporated in Malaysia under the Malaysian Companies Act on 26 March 2010 as a private company limited by shares.

Pantai Johor has not commenced operations since the date of its incorporation. The intended principal activities are provision of medical, surgical and hospital services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Johor is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Johor is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai Johor since its incorporation on 26 March 2010 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Johor is a wholly-owned subsidiary of Pantai Hospitals.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Johor does not have any subsidiary or associate.

1.2.26.12 Pantai Screening (Company No. 658336-M)

(i) History and business

Pantai Screening was incorporated in Malaysia under the Malaysian Companies Act on 5 July 2004 as a private company limited by shares and commenced its business on 1 February 2009.

The principal activities of Pantai Screening are managers and administrator for health screening services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Screening is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Screening is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai Screening since its incorporation on 5 July 2004 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Screening is a wholly-owned subsidiary of Pantai Hospitals.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Screening does not have any subsidiary or associate.

1.2.26.13 KL Medical Centre (Company No. 460269-A)

(i) History and business

KL Medical Centre was incorporated in Malaysia under the Malaysian Companies Act on 1 April 1998 as a private company limited by shares.

KL Medical Centre has ceased its operations since May 1999 and is currently dormant.

(ii) Share capital

As at 1 June 2012, the authorised share capital of KL Medical Centre is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of KL Medical Centre is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of KL Medical Centre for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, KL Medical Centre is a 51%-owned subsidiary of Pantai Hospitals, whilst Dr. Mohamed Noortheen Ahamed Mustafa owns 48.99% and Mohamed Sultan Hj Sickander owns 0.0004%.

(iv) Subsidiary and associate

As at 1 June 2012, KL Medical Centre does not have any subsidiary or associate.

1.2.26.14 PT Pantai

(i) History and business

PT Pantai was incorporated in Republic of Indonesia under the laws of Republic of Indonesia on 10 August 2005 as a limited liability company and commenced its business on 28 September 2005.

The principal activity of PT Pantai is provision of healthcare consulting services in Indonesia.

(ii) Share capital

As at 1 June 2012, the authorised share capital of PT Pantai is USD100,000.00 comprising 1,000 shares of USD100.00 each. The issued and paid-up share capital of PT Pantai is USD100,000.00 comprising 1,000 shares of USD100.00 each.

There has been no change to the issued and paid-up share capital of PT Pantai since its incorporation on 10 August 2005 up to 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, PT Pantai is a 50.0%-owned subsidiary of Pantai Hospitals, whilst Pantai Resources owns the remaining 50.0% in PT Pantai.

(iv) **Subsidiary and associate**

As at 1 June 2012, PT Pantai does not have any subsidiary or associate.

1.2.27 Subsidiaries of Gleneagles Malaysia

1.2.27.1 Pulau Pinang Clinic (Company No. 10387-K)

(i) **History and business**

Pulau Pinang Clinic was incorporated in Malaysia under the Malaysian Companies Act on 12 February 1971 as a private company limited by shares and commenced its business on 12 February 1971.

The principal activities of Pulau Pinang Clinic is rendering of hospital services. Pulau Pinang Clinic holds the license for Gleneagles Medical Centre, Penang.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Pulau Pinang Clinic is RM50,000,000.00 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pulau Pinang Clinic is RM24,337,500.00 comprising 24,337,500 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pulau Pinang Clinic for the past three years preceding 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, Pulau Pinang Clinic is a 70.0%-owned subsidiary of Gleneagles Malaysia, whilst the remaining 30.0% share capital are owned by 35 parties, with none holding more than 3.0%.

(iv) **Subsidiary and associate**

As at 1 June 2012, Pulau Pinang Clinic does not have any subsidiary or associate.

1.2.27.2 GEH Management (Company No. 793786-T)

(i) **History and business**

GEH Management was incorporated in Malaysia under the Malaysian Companies Act on 31 October 2007 as a private company limited by shares and commenced its business on 31 October 2007.

The principal activities of GEH Management are provision of advisory, administrative, management and consultancy services to healthcare facilities.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of GEH Management is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of GEH Management is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of GEH Management since its incorporation on 31 October 2007 up to 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, GEH Management is a wholly-owned subsidiary of Gleneagles Malaysia.

(iv) **Subsidiary and associate**

As at 1 June 2012, GEH Management does not have any subsidiary or associate.

1.2.28 Associate of Gleneagles Malaysia

1.2.28.1 Gleneagles KL (Company No. 198498-T)

(i) **History and business**

Gleneagles KL was incorporated in Malaysia under the Malaysian Companies Act on 28 May 1990 as a private company limited by shares and commenced its business in 1996.

The principal activities of Gleneagles KL are provision of medical, surgical and hospital services. Gleneagles KL holds the license for Gleneagles Intan Medical Centre.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Gleneagles KL is RM50,000,000.00 comprising 47,500,000 ordinary shares of RM1.00 each and 50,000,000 redeemable preference shares of RM0.05 each. The issued and paid-up share capital of Gleneagles KL is RM22,400,000.00 comprising 21,125,000 ordinary shares of RM1.00 each and 25,500,000 redeemable preference shares of RM0.05 each.

There has been no change to the issued and paid-up share capital of Gleneagles KL for the past three years preceding 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, Gleneagles KL is a 30.0%-owned associate of Gleneagles Malaysia, whilst Pantai Hospitals owns the remaining 70.0% in Gleneagles KL. For further details on Gleneagles Malaysia, please see Section 1.2.13.2 of this Appendix.

1.2.28.2 Gleneagles Medical Centre KL (Company No. 198497-H)

(i) History and business

Gleneagles Medical Centre KL was incorporated in Malaysia under the Malaysian Companies Act on 28 May 1990 as a private company limited by shares and commenced its business on 28 May 1990.

The principal activities of Gleneagles Medical Centre KL are development and investment in medical centres.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Gleneagles Medical Centre KL is RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Gleneagles Medical Centre KL is RM7,000,000.00 comprising 7,000,000 ordinary shares of RM1.00 each.

(iii) Shareholder

As at 1 June 2012, Gleneagles Medical Centre KL is a 30.0%-owned associate of Gleneagles Malaysia, whilst Insas Berhad owns 20.0%, Tan & Tan Developments Berhad owns 30.0% and PNB Equity Resource Corporation Sdn Berhad owns 20.0%.

(iv) Subsidiary and associate

As at 1 June 2012, Gleneagles Medical Centre KL does not have any subsidiary or associate.

1.2.29 Subsidiaries of Pantai Resources

1.2.29.1 Pantai Premier Pathology (Company No. 438067-X)

(i) History and business

Pantai Premier Pathology was incorporated in Malaysia under the Malaysian Companies Act on 4 July 1997 as a private company limited by shares and commenced its business in December 1997.

The principal activity of Pantai Premier Pathology is provision of medical laboratory services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Premier Pathology is RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Premier Pathology is RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai Premier Pathology for the past three years preceding 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, Pantai Premier Pathology is a wholly-owned subsidiary of Pantai Resources.

(iv) **Subsidiary and associate**

As at 1 June 2012, Pantai Premier Pathology does not have any subsidiary or associate.

1.2.29.2 Pantai Education (Company No. 431251-W)

(i) **History and business**

Pantai Education was incorporated in Malaysia under the Malaysian Companies Act on 14 May 1997 as a private company limited by shares and commenced its business on 1 August 1998.

The principal activities of Pantai Education are provision of educational programmes and training courses for healthcare and related fields.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of Pantai Education is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Education is RM400,000.00 comprising 400,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Pantai Education for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		RM			RM
Ordinary shares					
20.05.2009	200,000	1.00	Cash, at RM1.00 per share	Capital increase	400,000.00

(iii) **Shareholder***

As at 1 June 2012, Pantai Education is a wholly-owned subsidiary of Pantai Resources.

Note:

* *IMU Health has agreed to acquire Pantai Education from Pantai Resources as part of the consolidation of IHH's Malaysian education business. IMU Health and Pantai Resources have executed a Share Sale Agreement on 3 April 2012 for the acquisition.*

(iv) **Subsidiary and associate**

As at 1 June 2012, Pantai Education does not have any subsidiary or associate.

1.2.29.3 Pantai Integrated Rehab (Company No. 525179-V)

(i) History and business

Pantai Integrated Rehab was incorporated in Malaysia under the Malaysian Companies Act on 4 September 2000 as a private company limited by shares and commenced its business on 1 March 2001.

The principal activity of Pantai Integrated Rehab is provision of rehabilitation services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai Integrated Rehab is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai Integrated Rehab is RM200,000.00 comprising 200,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai Integrated Rehab for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai Integrated Rehab is a 85.0%-owned subsidiary of Pantai Resources, whilst Pearson Sports Physio (M) Sdn Bhd owns the remaining 15.0%.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai Integrated Rehab does not have any subsidiary or associate.

1.2.29.4 Credit Enterprise (Company No. 26724-D)

(i) History and business

Credit Enterprise was incorporated in Malaysia under the Malaysian Companies Act on 24 March 1976 as a private company limited by shares.

Credit Enterprise is currently dormant.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Credit Enterprise is RM200,000.00 comprising 200,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Credit Enterprise is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Credit Enterprise for the past three years preceding 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, Credit Enterprise is a wholly-owned subsidiary of Pantai Resources.

(iv) **Subsidiary and associate**

As at 1 June 2012, Credit Enterprise does not have any subsidiary or associate.

1.2.29.5 PT Pantai

(i) **History and business**

PT Pantai was incorporated in Republic of Indonesia under the laws of Republic of Indonesia on 10 August 2005 as a limited liability company and commenced its business on 28 September 2005.

The principal activity of PT Pantai is the provision of healthcare consulting services in Indonesia.

(ii) **Share capital**

As at 1 June 2012, the authorised share capital of PT Pantai is USD100,000.00 comprising 1,000 shares of USD100.00 each. The issued and paid-up share capital of PT Pantai is USD100,000.00 comprising 1,000 shares of USD100.00 each.

There has been no change to the issued and paid-up share capital of PT Pantai since its incorporation on 10 August 2005 up to 1 June 2012.

(iii) **Shareholder**

As at 1 June 2012, PT Pantai is a 50.0%-owned subsidiary of Pantai Hospitals, whilst Pantai Resources owns the remaining 50.0%.

(iv) **Subsidiary and associate**

As at 1 June 2012, PT Pantai does not have any subsidiary or associate.

1.2.29.6 Mount Elizabeth Services (Company No. 212418-W)

(i) **History and business**

Mount Elizabeth Services was incorporated in Malaysia under the Malaysian Companies Act on 11 February 1991 as a private company limited by shares and commenced its business on 11 February 1991.

The principal activity of Mount Elizabeth Services is provision of laboratory services to hospitals and clinics.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Mount Elizabeth Services is RM25,000.00 comprising 25,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Mount Elizabeth Services is RM2.00 comprising two ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Mount Elizabeth Services since its incorporation on 11 February 1991 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Mount Elizabeth Services is a wholly-owned subsidiary of Pantai Resources.

(iv) Subsidiary and associate

As at 1 June 2012, Orifolio Options is a wholly-owned subsidiary of Mount Elizabeth Services, details of which are set out in Section 1.2.43.1 of this Appendix.

1.2.29.7 Twin Towers Healthcare (Company No. 774405-V)

(i) History and business

Twin Towers Healthcare was incorporated in Malaysia under the Malaysian Companies Act on 23 May 2007 as a private company limited by shares and commenced its business on 4 July 2007.

The principal activities of Twin Towers Healthcare are as a holding company and provision of management services to its subsidiary.

(ii) Share capital

As at 1 June 2012, the authorised share capital of RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Twin Towers Healthcare for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Twin Towers Healthcare is a 70.0%-owned subsidiary of Pantai Resources, whilst Dato Arubugam A/L Suppiah owns 18.0%, Datuk Dr. Zainal Abidin Bin Abdul Hamid owns 9.0% and Tan Sri Datuk Dr. Ampikaipakan A/L S. Kandiah owns 3.0%.

(iv) Subsidiary and associate

As at 1 June 2012, Twin Towers Medical Centre is a wholly-owned subsidiary of Twin Towers Healthcare, details of which are set out in Section 1.2.44.1 of this Appendix.

1.2.30 Subsidiary of Pantai Diagnostics

1.2.30.1 PT Pantai Bethany

(i) History and business

PT Pantai Bethany was incorporated in Republic of Indonesia under the laws of Republic of Indonesia on 17 January 2009 as a limited liability company and commenced its operation in August 2009.

The principal activities of PT Pantai Bethany are the provision of medical diagnostics laboratory testing and analytical services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of PT Pantai Bethany is USD1,200,000.00 comprising 1,200 shares of USD1,000.00 each. The issued and paid-up share capital of PT Pantai Bethany is USD300,000.00 comprising 300 shares of USD1,000.00 each.

There has been no change to the issued and paid-up share capital of PT Pantai Bethany since its incorporation on 17 January 2009 up to 1 June 2012.

(iii) Shareholder*

As at 1 June 2012, PT Pantai Bethany is a 65.0%-owned subsidiary of Pantai Diagnostics, whilst PT Bethany Karya Medika Internasional owns the remaining 35.0% in PT Pantai Bethany.

Note:

* *In 27 April 2012, Pantai Diagnostic, Mr. Aswin Tanuseputra, PT Bethany Karya Medika Internasional and PT Pantai Bethany, executed a Conditional Sale and Purchase Agreement according to which, Pantai Diagnostic shall sell its shares constituting 65.0% of the issued and paid up capital in PT Pantai Bethany to Mr. Aswin Tanuseputra. However the share transfer has not yet been executed as at 1 June 2012. The share transfer is expected to be executed within 2012.*

(iv) Subsidiary and associate

As at 1 June 2012, PT Pantai Bethany does not have any subsidiary or associate.

1.2.31 Subsidiaries of Parkway Healthtech

1.2.31.1 Goldlink Investments (Company No. 200201947Z)

(i) History and business

Goldlink Investments was incorporated in Singapore under the Singapore Companies Act on 12 March 2002 as a private company limited by shares.

Goldlink Investments is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Goldlink Investments is SGD2.00 comprising two ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Goldlink Investments for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Goldlink Investments is a wholly-owned subsidiary of Parkway Healthtech.

(iv) Subsidiary and associate

As at 1 June 2012, Goldlink Investments does not have any subsidiary or associate.

1.2.31.2 Drayson Investments (Company No. 200201945W)

(i) History and business

Drayson Investments was incorporated in Singapore under the Singapore Companies Act on 12 March 2002 as a private company limited by shares.

Drayson Investments is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Drayson Investments is SGD2.00 comprising two ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Drayson Investments for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Drayson Investments is a wholly-owned subsidiary of Parkway Healthtech.

(iv) Subsidiary and associate

As at 1 June 2012, Drayson Investments does not have any subsidiary or associate.

1.2.32 Subsidiaries of Gleneagles International

1.2.32.1 Gleneagles Development (Company No. 199102466Z)

(i) History and business

Gleneagles Development was incorporated in Singapore under the Singapore Companies Act on 29 May 1991 as a private company limited by shares and commenced its business on 29 May 1991.

The principal activities of Gleneagles Development are developing and managing turnkey hospital projects and as a holding company. Gleneagles Development has a joint venture with Apollo Hospitals Enterprise Ltd to operate Apollo Gleneagles Hospital.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Gleneagles Development is SGD2.00 comprising two ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Gleneagles Development for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles Development is a wholly-owned subsidiary of Gleneagles International.

(iv) Subsidiary and associate

As at 1 June 2012, Apollo Gleneagles is a joint venture of Gleneagles Development, details of which are set out in Section 1.2.46.1 of this Appendix, and Gleneagles Development does not have any subsidiary.

1.2.32.2 Gleneagles UK (Company No. 2835180)

(i) History and business

Gleneagles UK was incorporated in the UK under the Companies Act 1985 on 12 July 1993 as a private company limited by shares and commenced its business on 12 July 1993.

The principal activity of Gleneagles UK is as a holding company.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Gleneagles UK is GBP2,000.00 comprising 2,000 shares (600 "A" Shares and 1,400 "B" Shares) of GBP1.00 each. The issued and paid-up share capital of Gleneagles UK is GBP2,000.00 comprising 2,000 ordinary shares of GBP1.00 each.

There has been no change to the issued and paid-up share capital of Gleneagles UK for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Gleneagles UK is a 65.0%-owned subsidiary of Gleneagles International and the remaining 35.0% in Gleneagles UK are owned by minority shareholders.

(iv) Subsidiary and associate

As at 1 June 2012, The Heart Hospital is a wholly-owned subsidiary of Gleneagles UK, details of which are set out in Section 1.2.46.1 of this Appendix. As at 1 June 2012, Gleneagles UK does not have any associate.

1.2.33 Subsidiaries of Medical Resources International

1.2.33.1 Shanghai Rui Xin (Company No. 310000400138637)

(i) History and business

Shanghai Rui Xin was incorporated in Shanghai under PRC Law on 31 January 1996 as a sino foreign joint venture limited liability company and commenced its business on 31 January 1996.

The principal activities of Shanghai Rui Xin are providing medical services.

(ii) Total investment and registered capital

As at 1 June 2012, the total investment of Shanghai Rui Xin is USD5,000,000.00 and the registered capital of Shanghai Rui Xin is USD2,500,000.00. The paid-up capital of Shanghai Rui Xin is USD2,500,000.00.

There has been no change to the registered and paid-up capital of Shanghai Rui Xin for the past three years.

(iii) Shareholder

As at 1 June 2012, 70.0% of the equity interests of Shanghai Rui Xin are held by Medical Resources while the remaining 30.0% is held by Shanghai Alliance Investment Ltd and Shanghai Guangci Medicine High-Tech Co Ltd at 15.0% each.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Rui Xin entrusts Shanghai International Trust Co., Ltd to hold 70.0% equity interests of Shanghai Rui Pu and Shanghai Rui Xin is the beneficiary of such 70.0% equity interests of Shanghai Rui Pu, details of which are set out in Section 1.2.47.1 of this Appendix.

Other than the above, Shanghai Rui Pu is, for the purposes of Singapore Companies Act and Malaysian Companies Act, a subsidiary of Shanghai Rui Xin. As at 1 June 2012, Shanghai Rui Xin does not have any other subsidiary or associate.

1.2.33.2 Shanghai Xin Rui (Company No. 310000400350413)

(i) History and business

Shanghai Xin Rui was incorporated in Shanghai under PRC Law on 29 July 2003 as a sino foreign joint venture limited liability company and commenced its business on 29 July 2003.

The principal activities of Shanghai Xin Rui are providing medical services.

(ii) Total investment and registered capital

As at 1 June 2012, the total investment of Shanghai Xin Rui is RMB20,000,000.00 and the registered capital of Shanghai Xin Rui is RMB14,000,000.00. The paid-up capital of Shanghai Xin Rui is RMB14,000,000.00.

There has been no change to the registered and paid-up capital of Shanghai Xin Rui Healthcare Co Ltd for the past three years.

(iii) Shareholder

As at 1 June 2012, 70.0% of the equity interest of Shanghai Xin Rui is held by Medical Resources while the remaining 30.0% is held by Shanghai Alliance Investment Ltd and Rui Jing Hospital of Medical School of Shanghai Jiao Tong University at 15.0% each.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Xin Rui does not have any subsidiary or associate.

1.2.33.3 Shanghai Rui Hong (Company No. 310000400348638)

(i) History and business

Shanghai Rui Hong was incorporated in Shanghai under PRC Law on 11 July 2003 as a sino foreign joint venture limited liability company and commenced its business on 11 July 2003.

The principal activity of Shanghai Rui Hong is providing medical services.

(ii) Total investment and registered capital

As at 1 June 2012, the total investment of Shanghai Rui Hong is RMB20,000,000.00 and the registered capital of Shanghai Rui Hong is RMB14,000,000.00. The paid-up capital of Shanghai Rui Hong is RMB14,000,000.00.

There has been no change to the registered and paid-up capital of Shanghai Rui Hong for the past three years.

(iii) Shareholder

As at 1 June 2012, 70.0% of the equity interests of Shanghai Rui Hong is held by Medical Resources while the remaining 30.0% is held by Shanghai Alliance Investment Ltd and Rui Jing Hospital of Medical School of Shanghai Jiao Tong University at 15.0% each.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Rui Hong entrusts Shanghai International Group Assets Management Co. Ltd and Shanghai International Trust Co., Ltd to hold 100% equity interests of Shanghai Rui Xiang while Shanghai Rui Hong is the beneficiary of all equity interests of Shanghai Rui Xiang, details of which are set out in Section 1.2.48.1 of this Appendix.

Other than the above, Shanghai Rui Hong does not have any other subsidiary or associate as at 1 June 2012.

1.2.33.4 Shanghai Gleneagles (Company No. 310115400272551)

(i) History and business

Shanghai Gleneagles was incorporated in Shanghai under PRC Law on 21 September 2011 as a wholly foreign owned limited liability company and commenced its business on 21 September 2011.

The principal activities of Shanghai Gleneagles are provision of hospital management service, consulting on hospital management and hospital investment.

(ii) Total investment and registered capital

As at 1 June 2012, the total investment of Shanghai Gleneagles is USD1,400,000.00 and the registered capital of Shanghai Gleneagles is USD1,000,000.00. The paid-up capital of Shanghai Gleneagles is USD200,000.00.

There has been no change to the registered and paid-up capital of Shanghai Gleneagles since its incorporation.

(iii) Shareholder

As at 1 June 2012, Shanghai Gleneagles is a wholly-owned subsidiary of Medical Resources.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Gleneagles does not have any subsidiary or associate.

1.2.34 Subsidiaries of Parkway Shanghai

1.2.34.1 Shanghai Shu Kang (Company No. 310103000207385)

(i) History and business

Shanghai Shu Kang was incorporated in Shanghai under PRC Law on 17 September 2010 as a domestic limited liability company and commenced its business on 17 September 2010.

The principal activities of Shanghai Shu Kang are related to healthcare industry investment management and providing consulting services.

(ii) Registered capital

As at 1 June 2012, the registered capital of Shanghai Shu Kang is RMB30,000.00. The paid-up capital of Shanghai Shu Kang is RMB30,000.00.

There has been no change to the registered and paid-up capital of Shanghai Shu Kang since its incorporation.

(iii) Shareholder

As at 1 June 2012, the equity interests of Shanghai Shu Kang Hospital Investment Management Co Ltd is held equally by two nominees. Each of the nominees has executed a power of attorney pursuant to which Parkway Shanghai is entitled to exercise the voting rights in relation to all of their shareholdings in Shanghai Shu Kang.

(iv) Subsidiary and associate

As at 1 June 2012, Chengdu Rui Rong is the subsidiary of Shanghai Shu Kang while Shanghai Rui Pu is the associate of Shanghai Shu Kang, details of which are set out in Sections 1.2.49.1 and 1.2.50.1 of this Appendix respectively.

1.2.35 Joint venture of Parkway Healthcare Mauritius

1.2.35.1 Apollo PET (Company No. U85110TN2004PLC052796)

(i) History and business

Apollo PET was incorporated in India under the (Indian) Companies Act, 1956 on 24 March 2004 as a public company and thereafter obtained a new certificate of incorporation on 11 October 2006 as a private company and commenced its business on 20 April 2004.

The principal activity of Apollo PET is the operation of a PET-CT radio imaging centre.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Apollo PET is Rs.200,000,000 comprising 20,000,000 equity shares of Rs.10.00 each. The issued and paid-up share capital of Apollo PET is Rs.170,000,000 comprising 17,000,000 equity shares of Rs.10.00 each.

There has been no change to the issued and paid-up share capital of Apollo PET for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Apollo PET is a 50.0%-owned joint venture of Parkway-Healthcare Mauritius, whilst Apollo Hospitals owns the remaining 50.0% in Apollo PET.

1.2.36 Subsidiaries of Mount Elizabeth Medical

1.2.36.1 East Shore Medical (Company No. 197902757Z)

(i) History and business

East Shore Medical was incorporated in Singapore under the Singapore Companies Act on 15 September 1979 as a private company limited by shares.

East Shore Medical is currently dormant.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of East Shore Medical is SGD50,000,000.00 comprising 50,000,000 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of East Shore Medical for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, East Shore Medical is a wholly-owned subsidiary of Mount Elizabeth Medical.#

Note:

\# *Based on the information available to our Group as at 1 June 2012.*

(iv) Subsidiary and associate

As at 1 June 2012, East Shore Medical does not have any subsidiary or associate.

1.2.36.2 Mount Elizabeth Ophthalmic (Company No. 198702767K)

(i) History and business

Mount Elizabeth Ophthalmic was incorporated in Singapore under the Singapore Companies Act on 5 September 1987 as a private company limited by shares.

Mount Elizabeth Ophthalmic is currently in the process of undergoing members' voluntary liquidation.

(ii) Share capital*

As at 1 June 2012, the issued and paid-up share capital of Mount Elizabeth Ophthalmic is SGD704,002.00 comprising 704,002 ordinary shares.

Note:

* *Under the Singapore Companies Act, there is no requirement to have an authorised share capital and par value for shares.*

There has been no change to the issued and paid-up share capital of Mount Elizabeth Ophthalmic for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, approximately 66.48% of the shares of Mount Elizabeth Ophthalmic are held by Mount Elizabeth Medical. Each of Dr. Leong Seek Kee, Dr. Lim Kuang Hui, Dr. Low Cze Hong, Dr. Piyah Phongprapatana, Dr. Lee Chin Piaw and Dr. Cheah Way Mun holds approximately 5.11% of the shares of Mount Elizabeth Ophthalmic while each of Dr. Yow Choi Sin, Dr. Tan Soo Leng David, Dr. Khoo Chong Yew and Dr. Voon Gone Lin holds approximately 0.71% of the shares of Mount Elizabeth Ophthalmic.

(iv) Subsidiary and associate

As at 1 June 2012, Mount Elizabeth Ophthalmic does not have any subsidiary or associate.

1.2.37 Joint ventures of Shenton Family

1.2.37.1 Shenton Family Bukit Gombak

(i) History and business

Shenton Family, Dr. Alvin Lum Wai Mun and Dr. Wee Liang Yuen, George, the partners of Shenton Family Bukit Gombak, have carried out the business of a medical clinic in partnership with effect from 1 June 2000 pursuant to a partnership deed dated 18 August 2000 which was superceded by a partnership deed dated 31 October 2005 which was in turn amended by a deed of variation dated 30 December 2005.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership is held by Shenton Family, 25.0% of the shares of the partnership is held by Dr. Alvin Lum Wai Mun and 25.0% of the shares of the partnership is held by Dr. Wee Liang Yuen, George.

1.2.37.2 Shenton Family Serangoon

(i) History and business

Shenton Family and Gregory Leong Pte Ltd, the partners of Shenton Family Serangoon, have carried out the business of a medical clinic in partnership with effect from 1 January 2010 pursuant to a partnership deed dated 1 March 2010. Prior to this, Shenton Family and Dr. Gregory Leong Goh Han had carried out the business of the medical clinic in partnership since 17 July 2000.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership is held by Gregory Leong Pte Ltd.

1.2.37.3 Shenton Family Bedok Reservoir

(i) History and business

Shenton Family, Dr. Teoh Tsu Ping, Kieron and Dr. How Chong Jeng, the partners of Shenton Family Bedok Reservoir, have carried out the business of a medical clinic in partnership with effect from 16 November 2002 pursuant to a partnership deed dated 11 March 2004.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family, 25.0% of the shares of the partnership are held by Dr. Teoh Tsu Ping, Kieron and 25.0% of the shares of the partnership are held by Dr. How Chong Jeng.

1.2.37.4 Shenton Family Jurong East

(i) History and business

Shenton Family and Dr. Michael Ha, the partners of Shenton Family Jurong East, have carried out the business of a medical clinic in partnership with effect from 1 January 2003 pursuant to a partnership deed dated 27 January 2005.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership is held by Dr. Michael Ha.

1.2.37.5 Shenton Family Tampines

(i) History and business

Shenton Family and Dr. Lee See Chung, the partners of Shenton Family Tampines, have carried out the business of a medical clinic in partnership with effect from 1 January 2005 pursuant to a partnership deed dated 31 December 2004.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership is held by Dr. Lee See Chung.

1.2.37.6 Shenton Family Yishun

(i) History and business

Shenton Family and Dr. Seah Heap Yong, the partners of Shenton Family Yishun, have carried out the business of a medical clinic in partnership with effect from 16 October 2006 pursuant to a partnership deed dated 28 December 2006.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership is held by Dr. Seah Heap Yong.

1.2.37.7 Shenton Family Ang Mo Kio

(i) History and business

Shenton Family, Dr. Alvin Tan Swee Yen and Dr. Gregory Leong Goh Han, the partners of Shenton Family Ang Mo Kio, have carried out the business of a medical clinic in partnership with effect from 22 February 2010 pursuant to a partnership deed dated 1 March 2010.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family, 40.0% of the shares of the partnership are held by Dr. Alvin Tan Swee Yen and 10.0% of the shares of the partnership are held by Dr. Gregory Leong Goh Han.

1.2.37.8 Shenton Family Duxton

(i) History and business

Shenton Family and Phua & Family Medical Consultancy Pte. Ltd., the partners of Shenton Family Duxton, have carried out the business of a medical clinic in partnership with effect from 1 May 2012 pursuant to a partnership agreement dated 26 April 2012. Prior to this, Shenton Family and Dr. Phua Ling Yaw had carried out the business of the medical clinic in partnership since 16 March 2010.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership is held by Phua & Family Medical Consultancy Pte. Ltd.

1.2.37.9 Shenton Family Clementi

(i) History and business

Shenton Family and Dr. Jason So Teck Beng, the partners of Shenton Family Clementi, have carried out the business of a medical clinic in partnership with effect from 1 April 2010 pursuant to a partnership deed dated 24 May 2010.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership is held by Dr. Jason So Teck Beng.

1.2.37.10 Shenton Family Towner

(i) History and business

Shenton Family and Dr. Willix Pte. Ltd., the partners of Shenton Family Towner, have carried out the business of a medical clinic in partnership with effect from 1 April 2012 pursuant to a partnership agreement dated 30 March 2012. Prior to this, Shenton Family and Dr. Tan Wee Lin had carried out the business of the medical clinic in partnership since 25 August 2011.

(ii) Shareholder

As at 1 June 2012, 50.0% of the shares of the partnership are held by Shenton Family and the remaining 50.0% of the shares of the partnership are held by Dr. Willix Pte. Ltd.

1.2.38 Subsidiary of Parkway Shenton International

1.2.38.1 Parkway Shenton Vietnam (Company No. 1827)

(i) History and business

Parkway Shenton Vietnam was incorporated in Vietnam under the laws of Vietnam on 27 January 1997 as a foreign-invested joint venture company.

Parkway Shenton Vietnam is currently dormant.

(ii) Share capital

As at 1 June 2012, the total investment of Parkway Shenton Vietnam is USD11,000,000 and the legal capital is USD3,500,000.

There has been no change to the legal capital of Parkway Shenton Vietnam for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Parkway Shenton Vietnam is a wholly-owned subsidiary of Parkway Shenton International.

(iv) Subsidiary and associate

As at 1 June 2012, Parkway Shenton Vietnam does not have any subsidiary or associate.

1.2.39 Subsidiaries of Acibadem

1.2.39.1 Acibadem Poliklinik (Company No. 4784)

(i) History and business

Acibadem Poliklinik was incorporated in Istanbul, Turkey pursuant to TCC on 16 March 1993 as a private joint stock company and commenced its business on 16 March 1993.

The principal activity of Acibadem Poliklinik is provision of outpatient and surgical services. Acibadem Poliklinik holds the license for all the clinics and medical centres operated by Acibadem Group in Turkey except Levent Medical Centre, Konur Surgical Medical Center and Gemtip Medical Center.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Acibadem Poliklinik is TL8,000,000.00 comprising 8,000,000 shares of TL1.00 each.

There has been no change to the issued and paid-up share capital of Acibadem Poliklinik for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Acibadem Poliklinik is a 99.99%-owned subsidiary of Acibadem, whilst Mehmet Ali Aydinlar, Hatice Seher Aydinlar, Zeynep Aydinlar Erogut, Etem Erhan Aydinlar, Emin Gokalp Bas, Tahir Arslan, Ali Fuat Guven, Murat Yalcin Nak, Ibrahim Unsal, Armagan Ozel, Kamil Uluc Ayral, Mehmet Bas and Filiz Oktay own 1 share each.

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Mobil is a 82.22%-owned subsidiary of Acibadem Poliklinik and Konur Saglik is a 94.95%-owned subsidiary of Acibadem Poliklinik, details of which are set out in Section 1.2.51.1 and 1.2.51.2 of this Appendix. As at 1 June 2012, Acibadem Poliklinik does not have any associate.

1.2.39.2 Acibadem Labmed (Company No. 462047)

(i) History and business

Acibadem Labmed was incorporated in Istanbul, Turkey pursuant to TCC on 28 August 2001 as a private joint stock company and commenced its business on 28 August 2001.

The principal activity of Acibadem Labmed is provision of laboratory services and research and development activities.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Acibadem Labmed is TL3,000,000.00 comprising 3,000,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of Acibadem Labmed for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
03.12.2009	2,150,000	1.00	Cash, at TL1.00 per share	Cash injection	3,000,000.00

(iii) Shareholder*

As at 1 June 2012, amongst the Group B shareholders, Labmed Dortmund GmbH owns 45.0% in Acibadem Labmed, Arno Fraterman and Friedhelm Kissing own 2.5% in Acibadem Labmed each, whilst Acibadem holds 1 Group B share. Amongst the Group A shareholders, Acibadem owns 50.0% in Acibadem Labmed which corresponds to 1,499,997 Group A shares and Mehmet Ali Aydinlar, Hatice Seher Aydinlar and Ibrahim Unsal own 1 Group A share each.

Note:

* *Holders of A group shares are entitled to nominate three board members and B group shares are entitled to nominate the remaining two board members for appointment by the General Assembly.*

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Labmed does not have any subsidiary or associate.

1.2.39.3 International Hospital (Company No. 198735)

(i) History and business

International Hospital was incorporated in Istanbul, Turkey pursuant to TCC on 12 December 1983 as a private joint stock company and commenced its business on 12 December 1983.

The principal activity of International Hospital is provision of medical, surgical and hospital services. International Hospital holds the license for International Hospital.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of International Hospital is TL2,000,000.00 comprising 1,000,000 shares of TL2.00 each.

There has been no change to the issued and paid-up share capital of International Hospital for the past three years preceding 1 June 2012.

(iii) Shareholder*

As at 1 June 2012, International Hospital is a 90.0%-owned subsidiary of Acibadem, who is both a Group A and B shareholder. Said Haifawi owns 10.0% in International Hospital as a Group A shareholder and Mehmet Ali Aydinlar, Zeynep Aydinlar Erogut and Tahir Arslan each own 1 Group A share.

Note:

* *Holders of A group shares are entitled to nominate two board members and B group shares are entitled to nominate the two board members for appointment by the general assembly. The remaining board member is elected among those nominees determined by A group shareholders and approved by B group shareholders.*

(iv) Subsidiary and associate

As at 1 June 2012, International Hospital does not have any subsidiary or associate.

1.2.39.4 Acibadem Mobil (Company No. 671761)

(i) History and business

Acibadem Mobil was incorporated in Istanbul, Turkey pursuant to TCC on 7 July 2008 as a private joint stock company and commenced its business on 7 July 2008.

The principal activities of Acibadem Mobil are the provision of emergency, home and ambulatory care services.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Acibadem Mobil is TL4,500,000.00 comprising 4,500,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of Acibadem Mobil for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
09.04.2009	600,000	1.00	Cash, at TL1.00 per share	Cash injection	650,000.00
19.07.2010	350,000	1.00	Cash, at TL1.00 per share	Cash injection	1,000,000.00
21.01.2011	3,500,000	1.00	Cash, at TL1.00 per share	Cash injection	4,500,000.00

(iii) Shareholder

Acibadem Mobil is a 17.78%-owned subsidiary of Acibadem and Acibadem Poliklinik, which is a wholly-owned subsidiary of Acibadem, owns 82.22% in Acibadem Mobil, whilst Mehmet Ali Aydinlar, Hatice Seher Aydinlar and Zeynep Aydinlar Erogut each own 13 shares in Acibadem Mobil.

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Mobil does not have any subsidiary or associate.

1.2.39.5 Yeni Saglik (Company No. 431766)

(i) History and business

Yeni Saglik was incorporated in Istanbul, Turkey pursuant to TCC on 12 January 2000 as a private joint stock company and commenced its business on 1 June 2011.

The principal activities of Yeni Saglik are the provision of medical, surgical and hospital services. Yeni Saglik holds the license for Aile Hospital Bahcelievler and Aile Hospital Goztepe.

(ii) Share capital

As at 1 June 2012, the issued and paid up share capital of Yeni Saglik is TL20,000,000.00 comprising 20,000,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of Yeni Saglik for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
30.06.2010	60,000	1.00	Cash, at TL1.00 per share	Cash injection	110,000.00
20.12.2011	19,890,000	1.00	Cash, at TL1.00 per share	Cash injection	20,000,000.00

(iii) Shareholder*

As at 1 June 2012, Yeni Saglik is a 99.99%-owned subsidiary of Acibadem, whilst Mehmet Ali Aydinlar, Hatice Seher Aydinlar, Zeynep Aydinlar Erogut, Yalcin Nak and Birol Sumer own 1 share each.

Note:

* *The TCC requires at least 5 shareholders for the incorporation and valid existing of a joint stock company. However, the New TCC allows the establishment of a single shareholder joint stock company.*

(iv) Subsidiary and associate

As at 1 June 2012, Yeni Saglik does not have any subsidiary or associate.

1.2.39.6 Jinemed Saglik (Company No. 303859)

(i) History and business

Jinemed Saglik was incorporated in Istanbul, Turkey under TCC numbered 6762 on 23 September 1993 as a private joint stock company and commenced its business on 23 September 1993.

The principal activities of Jinemed Saglik are provision of medical, surgical and hospital services. Jinemed Saglik holds the license for Jinemed Hospital and Jinemed Medical Center.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Jinemed Saglik is TL6,600,000 comprising 4,000 ordinary shares of TL16,500.00 each.

The changes in the issued and paid-up share capital of Jinemed Saglik for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
13.04.2012	—(*)	16,500.00	Cash, at TL16,500.00 per share	Cash injection	Issued capital: 6,600,000 00 Paid-up capital: 6,593,682.89

Note:

* Please note that the capital increase dated April 13, 2012 was realised through the increase of the par value of each share. Thus no new shares were issued.

(iii) Shareholder

As at 1 June 2012, Jinemed Saglik is a 65%-owned subsidiary of Acibadem, whilst Fahri Teksen Camlibel owns the remaining 35% in Jinemed Saglik.*

Note:

* *As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Group. In January 2012, Acibadem and the shareholders of Jinemed Saglik executed a "share purchase agreement" according to which, 65.0% of the equity interest of Jinemed Saglik will be purchased by and transferred to Acibadem. On 8 March 2012, the Turkish Competition Authority granted clearance for this transaction; however, the share transfer has not yet been completed. Jinemed Hospital and Jinemed Medical Center is included in the pro forma financial information of the Group under "Discussion and Analysis of Pro Forma Financial Information". The share transfer is expected to be completed within 2012.*

(iv) Subsidiary and associate

As at 1 June 2012, Jinemed Saglik does not have any subsidiary or associate.

1.2.39.7 Acibadem Sistina (Company No. 6575641)

(i) History and business

Acibadem Sistina was incorporated in Skopje pursuant to Law on Healthcare and Law on Institutions on 7 April 2010 as a private institution and commenced its business on 7 April 2010.

The principal activity of Acibadem Sistina is provision of health care services to the citizens of Macedonia and the region. Acibadem Sistina holds the license for Acibadem Sistina Clinical Hospital.

(ii) Share capital*

As at 1 June 2012, the authorised share capital of Acibadem Sistina is MKD1,946,800.

Note:

* *Under the Law on Institutions in Macedonia, there is no requirement for a Macedonian Institution to have share numbers and par value for its shares.*

The changes in the issued and paid-up share capital of Acibadem Sistina for the past three years preceding 1 June 2012 are as follows:

Date of allotment	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
			MKD
07.04 2010	Other than cash (tangible assets with estimated value of 100,000 MKD)	Initial capital for establishment of the entity	100,000.00
14.07.2010	Cash at 1,846,800 MKD	Capital increase	1,946,800.00

(iii) Shareholder

As at 1 June 2012, Acibadem owns 50.32% and Orka Holding AD Skopje owns 49.67% in Acibadem Sistina and Nina Pijadeva-Mirkovska owns 0.01% in the share capital of Acibadem Sistina.

(iv) Subsidiary and associate

As at 1 June 2012, Sistina Kosovo and Specialist Ordination are subsidiaries of Acibadem Sistina, details of which are set out in Sections 1.2.53.2 and 1.2.53.1 of this Appendix. As at 1 June 2012, Acibadem Sistina does not have any associate.

1.2.39.8 Acibadem Sistina Medikal (Company No. 6729169)

(i) History and business

Acibadem Sistina Medikal was incorporated in Skopje under Companies Act on 31 August 2011 as a private company and commenced its business on 31 August 2011.

The principal activity of Acibadem Sistina Medikal is provision of medical equipment.

(ii) Share capital*

As at 1 June 2012, the authorised share capital of Acibadem Sistina Medikal is MKD310,000.

Note:

* *Under the Companies Law in Macedonia except when the company is registered as a joint stock company, there is no requirement for a Macedonian company to have share numbers and par value for its shares.*

There has been no change to the issued and paid-up share capital of Acibadem Sistina Medikal since its incorporation on 31 August 2011 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Acibadem owns 50.0% in Acibadem Sistina Medikal, whilst Orka Holding AD Skopje owns the remaining 50.0% in Acibadem Sistina Medikal.

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Sistina Medikal does not have any subsidiary or associate.

1.2.39.9 Acibadem Orta (Company No. 421811)

(i) History and business

Acibadem Orta was incorporated in Istanbul, Turkey pursuant to TCC on 9 June 1999 as a private joint stock company and commenced its business on 30 May 2012.

The principal activities of Acibadem Orta are construction and planning of healthcare facilities, provision of operation and management services to healthcare institutions and secondary logistic services such as catering cleaning, laundry services.

(ii) Share capital

As at 1 June 2012, the issued and paid up share capital of Acibadem Orta is TL500,000.00 comprising 500,000 shares of TL1.00 each.

There has been no change to the issued and paid-up share capital of Acibadem Orta for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012 Acibadem Orta is a 75.0%-owned subsidiary of Acibadem, whilst Acibadem Poliklinik owns 10.0%, Acibadem Mobil owns 5.0, Acibadem Proje owns 5.0% and APlus owns 4.998% in Acibadem Orta. Acibadem Labmed and Mehmet Ali Aydinlar own 5 shares each.

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Orta does not have any subsidiary or associate.

1.2.40 Subsidiaries of Pantai Medical Centre

1.2.40.1 Angiography (Company No. 103518-T)

(i) History and business

Angiography was incorporated in Malaysia under the Malaysian Companies Act on 29 June 1983 as a private company limited by shares and commenced its business in 1986.

The principal activity of Angiography is provision of cardiac catherisation services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Angiography is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Angiography is RM758,500.00 comprising 758,500 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Angiography for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Angiography is a wholly-owned subsidiary of Pantai Medical Centre.

(iv) Subsidiary and associate

As at 1 June 2012, Angiography does not have any subsidiary or associate.

1.2.40.2 Magnetom Imaging (Company No. 203987-H)

(i) History and business

Magnetom Imaging was incorporated in Malaysia under the Malaysian Companies Act on 8 September 1990 as a private company limited by shares and commenced its business on 1 February 1991.

The principal activities of Magnetom Imaging are provision of medical diagnostic services and other related ventures.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Magnetom Imaging is RM2,000,000.00 comprising 2,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Magnetom Imaging is RM1,590,156.00 comprising 1,590,156 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Magnetom Imaging for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Magnetom Imaging is a wholly-owned subsidiary of Pantai Medical Centre.

(iv) Subsidiary and associate

As at 1 June 2012, Magnetom Imaging does not have any subsidiary or associate.

1.2.40.3 PMC Radio-Surgery (Company No. 386694-H)

(i) History and business

PMC Radio-Surgery was incorporated in Malaysia under the Malaysian Companies Act on 9 May 1996 as a private company limited by shares and commenced its business on 9 May 1996.

The principal activity of PMC Radio-Surgery is provision of radiotherapy services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of PMC Radio-Surgery is RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of PMC Radio-Surgery is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of PMC Radio-Surgery since its incorporation on 9 May 1996 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, PMC Radio-Surgery is a wholly-owned subsidiary of Pantai Medical Centre.

(iv) Subsidiary and associate

As at 1 June 2012, PMC Radio-Surgery does not have any subsidiary or associate.

1.2.40.4 Pantai-Arc Dialysis (Company No. 522340-H)

(i) History and business

Pantai-Arc Dialysis was incorporated in Malaysia under the Malaysian Companies Act on 1 August 2000 as a private company limited by shares and commenced its business in 2008.

The principal activity of Pantai-Arc Dialysis is provision of haemodialysis services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Pantai-Arc Dialysis is RM2,000,000.00 comprising 2,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Pantai-Arc Dialysis is RM1,315,760.00 comprising 1,315,760 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Pantai-Arc Dialysis for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Pantai-Arc Dialysis is a 51.0%-owned subsidiary of Pantai Medical Centre, whilst Asia Renal Care Asia Pacific Holdings Limited owns 20.0%, Dr. Satwant Singh Gill owns 14.5% and Dr. Tan Wee Ming owns 14.5%.

(iv) Subsidiary and associate

As at 1 June 2012, Pantai-Arc Dialysis does not have any subsidiary or associate.

1.2.41 Subsidiaries of Pantai Ayer Keroh

1.2.41.1 HPAK Cancer (Company No. 545400-K)

(i) History and business

HPAK Cancer was incorporated in Malaysia under the Malaysian Companies Act on 19 April 2001 as a private company limited by shares and commenced its business on 1 July 2002.

The principal activity of HPAK Cancer is provision of medical services for cancer diseases.

(ii) Share capital

As at 1 June 2012, the authorised share capital of HPAK Cancer is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of HPAK Cancer is RM666,669.00 comprising 666,669 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of HPAK Cancer for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, HPAK Cancer is a wholly-owned subsidiary of Pantai Ayer Keroh.

(iv) Subsidiary and associate

As at 1 June 2012, HPAK Cancer does not have any subsidiary or associate.

1.2.41.2 HPAK Lithotripsy (Company No. 499723-M)

(i) History and business

HPAK Lithotripsy was incorporated in Malaysia under the Malaysian Companies Act on 24 November 1999 as a private company limited by shares and commenced its business in 2002.

The principal activity of HPAK Lithotripsy is provision of lithotriptor services.

(ii) Share capital

As at 1 June 2012, the authorised share capital of HPAK Lithotripsy is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of HPAK Lithotripsy is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of HPAK Lithotripsy for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, HPAK Lithotripsy is a wholly-owned subsidiary of Pantai Ayer Keroh.

(iv) Subsidiary and associate

As at 1 June 2012, HPAK Lithotripsy does not have any subsidiary or associate.

1.2.42 Subsidiary of Gleneagles KL

1.2.42.1 Oncology Centre (KL) (Company No. 394942-H)

(i) History and business

Oncology Centre (KL) was incorporated in Malaysia under the Malaysian Companies Act on 20 July 1996 as a private company limited by shares and commenced its business in 1998.

The principal activity of Oncology Centre (KL) is provision of comprehensive professional oncological service inclusive of diagnostic, radiotherapy and chemotherapy treatment.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Oncology Centre (KL) is RM25,000,000.00 comprising 24,700,000 ordinary shares of RM1.00 each and 6,000,000 redeemable preference shares of RM0.05 each. The issued and paid-up share capital of Oncology Centre (KL) is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Oncology Centre (KL) for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Oncology Centre (KL) is a wholly-owned subsidiary of Gleneagles KL.

(iv) Subsidiary and associate

As at 1 June 2012, Oncology Centre (KL) does not have any subsidiary or associate.

1.2.43 Subsidiary of Mount Elizabeth Services

1.2.43.1 Orifolio Options (Company No. 438082-H)

(i) History and business

Orifolio Options was incorporated in Malaysia under the Malaysian Companies Act on 4 July 1997 as a private company limited by shares and commenced its business in 1999.

The principal activity of Orifolio Options is letting of property and general trading.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Orifolio Options is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Orifolio Options is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of Orifolio Options since its incorporation on 4 July 1997 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Orifolio Options is a wholly-owned subsidiary of Mount Elizabeth Services.

(iv) Subsidiary and associate

As at 1 June 2012, Orifolio Options does not have any subsidiary or associate.

1.2.44 Subsidiary of Twin Towers Healthcare

1.2.44.1 Twin Towers Medical Centre (Company No. 417262-P)

(i) History and business

Twin Towers Medical Centre was incorporated in Malaysia under the Malaysian Companies Act on 17 January 1997 as a private company limited by shares and commenced its business on 16 November 1998.

The principal activity of Twin Towers Medical Centre is operating an outpatient and daycare medical centre.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Twin Towers Medical Centre is RM10,000,000.00 comprising 8,999,999 ordinary shares of RM1.00 each, 1 Special Preference Share and 1,000,000 Class "A" redeemable cumulative preference shares of RM1.00 each. The issued and paid-up share capital of Twin Towers Medical Centre is RM4,000,000.00 comprising 4,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Twin Towers Medical Centre for the past three years preceding 1 June 2012 are as follows:

Date of allotment/ redemption	No. of shares	Par value	Consideration	Purpose of issue/ redemption	Cumulative issued and paid-up share capital
		RM			RM
Class "A" Cumulative Redeemable Preference shares					
17.01.2012	(205,000)	1.00	Cash, at RM1.00 per share	Redemption of Class "A" cumulative redeemable preference shares	4,000,000

(iii) Shareholder

As at 1 June 2012, Twin Towers Medical Centre is a wholly-owned subsidiary of Twin Towers Healthcare.

(iv) Subsidiary and associate

As at 1 June 2012, Twin Towers Medical Centre does not have any subsidiary or associate.

1.2.45 Joint venture of Gleneagles Development

1.2.45.1 Apollo Gleneagles (Company No. U33112WB1988PLC045223)

(i) History and business

Apollo Gleneagles was incorporated in India under the (Indian) Companies Act, 1956 on 19 September 1988 as a public company and commenced its business on 14 October 1988.

The principal activity of Apollo Gleneagles is to acquire, establish, run and maintain hospitals.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Apollo Gleneagles is Rs.1,200,000,000.00 comprising 120,000,000 shares of Rs.10 each. The issued and paid-up share capital of Apollo Gleneagles is Rs.1,093,513,940.00 comprising 109,351,394 equity shares of Rs.10.00 each.

There has been no change to the issued and paid-up share capital of Apollo Gleneagles for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Apollo Gleneagles is 50.0%-owned joint venture by Gleneagles Development, whilst Apollo Hospitals and other nominees own the remaining 50.0% in Apollo Gleneagles.

1.2.46 Subsidiary of Gleneagles UK

1.2.46.1 The Heart Hospital (Company No. 2979311)

(i) History and business

The Heart Hospital was incorporated in the UK under the Companies Act 1985 on 14 October 1994 as a private company limited by shares.

The Heart Hospital is currently under company voluntary arrangement.

(ii) Share capital

As at 1 June 2012, the authorised share capital of The Heart Hospital is GBP1,000.00 comprising 1,000 ordinary shares of GBP1.00 each. The issued and paid-up share capital of The Heart Hospital is GBP2.00 comprising two ordinary shares of GBP1.00 each.

There has been no change to the issued and paid-up share capital of The Heart Hospital for the past three years preceding 1 June 2012.

(iii) Shareholder

As at 1 June 2012, The Heart Hospital is a wholly-owned subsidiary of Gleneagles UK.

(iv) Subsidiary and associate

As at 1 June 2012, The Heart Hospital does not have any subsidiary or associate.

1.2.47 Subsidiary of Shanghai Rui Xin

1.2.47.1 Shanghai Rui Pu (Company No. 310115000905187)

(i) History and business

Shanghai Rui Pu was incorporated in Shanghai under PRC Law on 27 July 2005 as a domestic joint venture limited liability company and commenced its business on 27 July 2005.

The principal activities of Shanghai Rui Pu are providing medical services including preventative medicine, internal medicine, general surgery, obstetrics and gynaecology, paediatrics, ophthalmology, stomatology, laboratory and radiology.

(ii) Registered capital

As at 1 June 2012, the registered capital of Shanghai Rui Pu is RMB1,500,000.00. The paid-up capital of Shanghai Rui Pu is RMB1,500,000.00.

There has been no change to the registered and paid-up capital of Shanghai Rui Pu for the past three years.

(iii) Shareholder

As at 1 June 2012, 70.0% of the equity interests of Shanghai Rui Pu is held by Shanghai International Trust Co., Ltd held on trust on behalf of Shanghai Rui Xin while the remaining 30.0% is held by Shanghai Shu Kang.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Rui Pu does not have any subsidiary or associate.

1.2.48 Subsidiary of Shanghai Rui Hong

1.2.48.1 Shanghai Rui Xiang (Company No. 310105000287634)

(i) History and business

Shanghai Rui Xiang was incorporated in Shanghai under PRC Law on 16 August 2005 as a domestic joint venture limited liability company and commenced its business on 16 August 2005.

The principal activity of Shanghai Rui Xiang is providing medical services.

(ii) Registered capital

As at 1 June 2012, the registered capital of Shanghai Rui Xiang is RMB5,000,000.00. The paid-up capital of Shanghai Rui Xiang is RMB5,000,000.00.

There has been no change to the registered and paid-up capital of Shanghai Rui Xiang for the past three years.

(iii) Shareholder

As at 1 June 2012, 98% of the equity interests of Shanghai Rui Xiang are held by Shanghai International Trust Co., Ltd on trust on behalf of Shanghai Rui Hong, while the remaining 2% is held by Shanghai International Group Assets Management Co Ltd on behalf of Shanghai Rui Hong.

(iv) Subsidiary and associate

As at 1 June 2012, Shanghai Rui Xiang does not have any subsidiary or associate.

1.2.49 Subsidiary of Shanghai Shu Kang

1.2.49.1 Chengdu Rui Rong (Company No. 510109000181106)

(i) History and business

Chengdu Rui Rong was incorporated in Chengdu under PRC Law on 9 May 2011 as a domestic limited liability company and commenced its business on 9 May 2011.

The principal activity of Chengdu Rui Rong is providing medical services.

(ii) Registered capital

As at 1 June 2012, the registered capital of Chengdu Rui Rong is RMB5,000,000.00. The paid-up capital of Chengdu Rui Rong is RMB5,000,000.00.

There has been no change to the registered and paid-up capital of Chengdu Rui Rong since its incorporation.

(iii) **Shareholder**

As at 1 June 2012, Chengdu Rui Rong is a wholly-owned subsidiary of Shanghai Shu Kang.

(iv) **Subsidiary and associate**

As at 1 June 2012, Chengdu Rui Rong does not have any subsidiary or associate.

1.2.50 Associate of Shanghai Shu Kang

1.2.50.1 Shanghai Rui Pu (Company No. 310115000905187)

(i) **Shareholder**

As at 1 June 2012, 70.0% of the equity interests of Shanghai Rui Pu is held by Shanghai International Trust Co., Ltd held on trust on behalf of Shanghai Rui Xin while the remaining 30.0% is held by Shanghai Shu Kang. For further details on Shanghai Rui Pu, please see Section 1.2.47.1 of this Appendix.

1.2.51 Subsidiaries of Acibadem Poliklinik

1.2.51.1 Acibadem Mobil (Company No. 671761)

(i) **History and business**

Acibadem Mobil was incorporated in Istanbul, Turkey pursuant to TCC on 7 July 2008 as a private joint stock company and commenced its business on 7 July 2008.

The principal activities of Acibadem Mobil are the provision of emergency, home and ambulatory care services.

(ii) **Share capital**

As at 1 June 2012, the issued and paid-up share capital of Acibadem Mobil is TL4,500,000.00 comprising 4,500,000 shares of TL1.00 each.

The changes in the issued and paid-up share capital of Acibadem Mobil for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
09.04.2009	600,000	1.00	Cash, at TL1.00 per share	Cash injection	650,000.00
19.07.2010	350,000	1.00	Cash, at TL1.00 per share	Cash injection	1,000,000.00
21.01.2011	3,500,000	1.00	Cash, at TL1.00 per share	Cash injection	4,500,000.00

(iii) Shareholder

Acibadem Mobil is a 82.22%-owned subsidiary of Acibadem Poliklinik and Acibadem owns 17.78%, whilst Mehmet Ali Aydinlar, Hatice Seher Aydinlar and Zeynep Aydinlar Erogut each own 13 shares in Acibadem Mobil.

(iv) Subsidiary and associate

As at 1 June 2012, Acibadem Mobil does not have any subsidiary or associate.

1.2.51.2 Konur Saglik (Company No. 54501)

(i) History and business

Konur Saglik was incorporated in Bursa, Turkey pursuant to TCC on 13 August 2003 as a private joint stock company and commenced its business on 13 August 2003.

The principal activity of Konur Saglik is provision of emergency, outpatient and surgical services. Konur Saglik holds the license for Konur Surgical Medical Center.

(ii) Share capital

As at 1 June 2012, the issued and paid-up share capital of Konur Saglik is TL1,590,000.00 comprising 6,360 shares of TL250.00 each.

The changes in the issued and paid-up share capital of Konur Saglik for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
08.06.2009	1,090,000	250.00	TL250.00	Cash injection	1,140,000.00
02.03.2010	450,000	250.00	TL250.00	Cash injection	1,590,000.00

(iii) Shareholder*

As at 1 June 2012, Konur Saglik is a 94.25%-owned# subsidiary of Acibadem Poliklinik, Omer BuhSem owns 5.00%, Suleyman Toker owns 2.50%, whilst Etem Erhan Aydinlar, Ibrahim Unsal and Emin Gokalp Bas each own 1 share.

Notes:

* *The TCC requires at least 5 shareholders for the incorporation and valid existing of a joint stock company. However, the New TCC allows the establishment of a single shareholder joint stock company.*

\# *As of 2 March 2012, Suleyman Toker transferred his shareholding in Konur Saglik to Acibadem Poliklinik, as a result of which the shareholding of Acibadem Poliklinik increased to 95.0%.*

(iv) Subsidiary and associate

As at 1 June 2012, Gemtip Ozel is a 58.0%-owned subsidiary of Konur Saglik, details of which are as set out in Section 1.2.53.1 of this Appendix. As at 1 June 2012, Konur Saglik does not have any associate.

1.2.52 Subsidiaries of Acibadem Sistina

1.2.52.1 Specialist Ordination (Company No. 6668453)

(i) History and business

Specialist Ordination was incorporated in Macedonia under Law on Healthcare and Law on Institutions on 29 December 2010 as a private institution and commenced its business on 29 December 2010.

The principal activity of Specialist Ordination is performing regular checkups of the employees of different companies which are required by the law.

(ii) Share capital*

As at 1 June 2012, the authorised share capital of Specialist Ordination is MKD19,840.00.

Note:

* *Under the Law on Institutions in Macedonia, there is no requirement for a Macedonian Institution to have share numbers and par value for its shares.*

There has been no change to the issued and paid-up share capital of the Specialist Ordination since its incorporation on 29 December 2010 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Specialist Ordination is a 99.5%-owned subsidiary of Acibadem Sistina and Nina Pijadeva-Mirkovska holds 0.5% in the share capital of Specialist Ordination.

(iv) Subsidiary and associate

As at 1 June 2012, Specialist Ordination does not any subsidiary or associate.

1.2.52.2 Sistina Kosovo (Company No. 70684667)

(i) History and business

Sistina Kosovo was incorporated in Kosovo under Law on Business Organisations on 23 July 2010 as a foreign company and commenced its business on 23 July 2010.

The principal activities of Sistina Kosovo are performing non-medical activities such as patient's referrals, patient administrative assistance and patient's documents preparation.

(ii) Share capital

As at 1 June 2012, the authorised share capital of Sistina Kosovo is Euro2,600.00.

There has been no change to the issued and paid-up share capital of Sistina Kosovo since its incorporation on 23 July 2010 up to 1 June 2012.

(iii) Shareholder

As at 1 June 2012, Sistina Kosovo is a 100% owned subsidiary of Acibadem Sistina.

(iv) Subsidiary and associate

As at 1 June 2012, Sistina Kosovo does not have any subsidiary or associate.

1.2.53 Subsidiary of Konur Saglik (Company No. 4746)

1.2.53.1 Gemtip Ozel

(i) History and business

Gemtip Ozel was incorporated in Gemlik, Turkey pursuant to TCC on 11 January 2011 as a private limited liability company and commenced its business on 11 January 2011.

The principal activity of Gemtip Ozel is provision of outpatient services. Gemtip Ozel holds the license for Gemtip Medical Center.

(ii) Share capital

As at 1 June 2012, the issued share capital of Gemtip Ozel is TL250,000.00 comprising 10,000 shares of TL25.00 each. The paid up share capital of Gemtip Ozel is TL81,250.00.

The changes in the issued and paid-up share capital of Gemtip Ozel for the past three years preceding 1 June 2012 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Purpose of issue	Cumulative issued and paid-up share capital
		TL			TL
02.12.2011	9,000	25.00	TL25.00	Cash	Issued capital: 250,000.00 Paid-up capital: 81,250.00

(iii) Shareholder

As at 1 June 2012, Gemtip Ozel is a 58.0%-owned subsidiary of Konur Saglik, whilst Omer Artar owns 16.0% in Gemtip Ozel, Ender Ucar owns 16.0% in Gemtip Ozel and Ayse Akit own 10.0% in Gemtip Ozel.

(iv) Subsidiary and associate

As at 1 June 2012, Gemtip Ozel does not have any subsidiary or associate.

1.3 Others

We manage Shanghai Hui Xing Jin Pu (which is wholly-owned by Shanghai Hui Xing) through certain contractual arrangements with the parent company of Shanghai Hui Xing. Shanghai Hui Xing Jin Pu is a wholly-owned subsidiary of Shanghai Hui Xing and does not have any associates. Although Shanghai Hui Xing and Shanghai Hui Xing Jin Pu fall within the definition of "subsidiary" for the purposes of Singapore Companies Act and Malaysian Companies Act by virtue of our contractual arrangements with the parent company of Shanghai Hui Xing, they are not, for the purposes of relevant accounting rules, treated as subsidiaries or associates of our Company.

APPENDIX E:
COMPARISON OF MALAYSIA CORPORATE LAW WITH SINGAPORE CORPORATE LAW

The Malaysian and Singaporean corporate law is only applicable to companies which are incorporated in the respective country.

	Malaysia Corporate Law	Singapore Corporate Law
1.	**Power of Directors to Allot and Issue Shares**	
	Section 132D: Approval of company required for issue of shares by directors	Section 161: Approval of company required for issue of shares by directors
	The provision requiring approval of company for issue of shares by directors in the Malaysian Companies Act is the same as in Singapore except that in Malaysia the directors of a company shall not be required to obtain the prior approval of the company in a general meeting to issue shares where the said shares are to be issued as consideration or part consideration for the acquisition of shares by the company and members of the company have been notified of the intention to issue the said shares at least 14 days before the date of the issue of the said shares.	The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the articles of association of that company. However, notwithstanding anything to the contrary in the memorandum or articles of association of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, or the share issue is void under the Singapore Companies Act. Such approval need not be specific but may be general and, once given, will only continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.
2.	**Power of Directors to Dispose of the Company's or its Subsidiaries' Assets**	
	Section 131B: Functions and powers of the board	Section 157A: Powers of directors
	The Malaysian Companies Act provides that the business and affairs of a company must be managed by, or under the direction of, the board of directors. The board of directors has all the powers necessary for managing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in the Malaysian Companies Act or in the memorandum of articles of association of the company.	The Singapore Companies Act provides that the business of a company is to be managed by or under the direction of the directors. The directors may exercise all the powers of a company except any power that the Singapore Companies Act or the memorandum and articles of association of the company require the company to exercise in a general meeting.

Section 132C: Approval of company required for disposal by directors of company's undertaking or property

The Malaysian Companies Act provides that notwithstanding anything contained in the memorandum or articles of association of a company, the directors shall not carry into effect any arrangement or transaction for the acquisition of an undertaking or property of a substantial value or the disposal of a substantial portion of the company's undertaking or property unless the arrangement or transaction has been approved by the company in a general meeting.

In the case of a company where all or any of its shares are listed for quotation on the official list of a Stock Exchange, the term 'substantial value' or 'substantial portion' shall mean the same value prescribed by the provisions in the listing requirements of the Stock Exchange.

In the case of any company other than a company where all or any of its shares are listed for quotation on the official list of a Stock Exchange, an undertaking or property shall be considered to be of a substantial value and a portion of the company's undertaking or property shall be considered to be a substantial portion if (a) its value exceeds twenty-five per centum of the total assets of the company; (b) the net profits (after deducting all charges except taxation and excluding extraordinary items) attributed to it amounts to more than twenty-five per centum of the total net profit of the company; or (c) its value exceeds twenty-five per centum of the issued share capital of the company, whichever is the highest.

Where an arrangement or transaction is carried into effect in contravention of the Malaysian Companies Act, the arrangement or transaction shall be void except in favour of any person dealing with the company for valuable consideration and without actual notice of the contravention.

Section 160: Approval of company required for disposal by directors of company's undertaking or property

Under the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property, notwithstanding anything in a company's memorandum or articles of association.

3. Loans to Directors

Section 133: Loans to directors

The prohibition on loans to directors and the exemptions are the same as in Singapore except that in Malaysia a licensed financial institution cannot provide a loan or guarantee to its director or that of its related company because this is prohibited by Section 62 of the Malaysian Banking and Financial Institution Act.

Section 162: Loans to directors

A company (other than an exempt private company) is prohibited from making a loan to a director of the company or a director of a related company (and to the spouse or natural, step or adopted children of any such director), and from giving a guarantee or providing any security in connection with such a loan, except in the following circumstances:

(i) (subject to, *inter alia*, the approval of the company in a general meeting) the provision of funds to such a director to meet expenditure incurred or to be incurred for the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company;

(ii) (subject to, *inter alia*, the approval of the company in a general meeting) a loan to a director in full-time employment of the company or a related company for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by that director; however, not more than one such loan may be outstanding from the director at any one time;

(iii) any loan to a director in full-time employment of the company or a related company pursuant to an employee loan scheme approved in a general meeting, provided the loan is in accordance with that scheme; and

(iv) a loan made in the ordinary course of business by a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the MAS.

For these purposes, a related company of a company means its holding company, its subsidiary and a subsidiary of its holding company.

Section 133A: Prohibition of loans to persons connected with directors

The prohibitions of loans to persons connected with directors of the lending company is more extensive than the Singapore equivalent in that:–

(i) the Malaysian provisions not only prohibit loans to family members of the director but also extend to a body corporate which is associated with that director, a trustee of a trust in which the director or his family is a beneficiary or a partner of that director or a partner of a person connected with that director;

(ii) loans to corporations who are accustomed or obliged to act in accordance with the wishes of that director is also prohibited;

(iii) a body corporate is deemed to be a person connected with that director if that director and persons connected to him are entitled to exercise not less than 15.0% of the voting rights of the body corporate (as compared to 20.0% in Singapore).

Section 163: Prohibition of loans to persons connected with directors of lending company

A company (the "**first mentioned company**") (other than an exempt private company) is also prohibited from making loans to connected persons or entering into any guarantee or providing any security in connection with a loan made to connected persons by a third party. Connected persons of the first mentioned company include companies in which the director(s) of the first mentioned company, individually or collectively, have an interest in 20.0% or more (as determined in accordance with the Singapore Companies Act). This prohibition does not apply to:

(i) anything done by a company where the other company is its subsidiary, holding company or a subsidiary of its holding company; or

(ii) a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.

4. Giving of Financial Assistance to Purchase the Issuer's or its Holding Company's Shares

Section 67: Dealing by a company in its own shares, etc

The general principles as decided by both Malaysian and Singapore Courts on the prohibition of the giving of financial assistance by a company for the purchase of its own shares are similar for Malaysia and Singapore. However, the Malaysian provision on financial assistance is substantially different from the Singapore provision in that Malaysia totally prohibits the giving of financial assistance whereas in Singapore, a company may be given financial assistance by the following methods:

(i) where the total amount of the financial assistance will not exceed 10.0% of the aggregate of the total paid up capital of the company and the reserves of the company;

(ii) where the board and general meeting resolve that the company should give the financial assistance in accordance with the procedure laid down in the Singapore provision;

(iii) the company, by special resolution resolves to give financial assistance in accordance with the procedure laid down in the Singapore provision.

The Malaysian Companies Act provides that as otherwise provided, no company shall give, whether directly or indirectly and whether by means of a loan, guarantee or the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or, where the company is a subsidiary, in its holding company or in any way purchase, deal in or lend money on its own shares.

Some of the exceptions include the following:–

(a) where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business;

Section 76: Company financing dealing in its shares, etc

Generally, a company is prohibited from giving financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition of that company's shares or shares in its holding company.

Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, and the release of a debt or obligation. Certain transactions are specifically provided by the Singapore Companies Act not to be prohibited. These include the payment of a dividend in good faith and in the ordinary course of commercial dealing, the payment by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act, the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares or units of shares in the company, and the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments.

The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (i) where the amount of financial assistance does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; and (ii) where the financial assistance is approved unanimously by the shareholders of the company, provided that certain conditions and procedures under the Singapore Companies Act are also complied with.

(b) the provision by a company, in accordance with any scheme for the time being in force, of money for the purchase of or subscription for fully-paid shares in the company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the company or a subsidiary of the company, including any director holding a salaried employment or office in the company or a subsidiary of the company; or

(c) the giving of financial assistance by a company to persons, other than directors, bona fide in the employment of the company or of a subsidiary of the company with a view to enabling those persons to purchase fully-paid shares in the company or its holding company to be held by themselves by way of beneficial ownership.

Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.

5. Disclosure of Interest in Contracts with the Issuer

(a) Section 131: Disclosure of interests in contracts, property, officers, etc

The position in Malaysia with respect to the disclosure of interests in contracts, property, offices, etc is the same as in Singapore except that the equivalent provision in the Malaysian Companies Act specifically provides that a breach of the Malaysian provision renders the contract voidable at the instance of the company except if it is in favour of any person dealing with the company for any valuable consideration and without actual notice of the contravention.

(b) Section 131A: Interested director not to participate or vote

Section 131A of the Malaysian Companies Act prohibits a director of a public company or of a subsidiary of a public company who is in any way, whether directly or indirectly interested in a contract entered into or proposed to be entered into by the company unless that interest is one that need not be disclosed in Section 131, from participating in the deliberation or voting on the contract or proposed contract.

Section 156: Disclosure of interests in transactions, property, officers, etc

The Singapore Companies Act provides that, where a director of a company is directly or indirectly interested in a transaction or proposed transaction with that company, such a director must, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of directors of the company.

The Singapore Companies Act also provides that every director of a company who holds any office or possesses any property whereby whether directly or indirectly duties or interests might be created in conflict with his duties or interests as director shall declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict.

For these purposes, an interest of a member of a director’s family (this includes his spouse, natural, step or adopted children) is treated as an interest of that director.

6. Remuneration

Malaysia has no equivalent provision to Section 169 of the Singapore Companies Act.

A director of a company does not have an implied right to remuneration for his services. He is only entitled to remuneration if it is provided for in the articles of the company or by the shareholders at properly convened general meeting.

Under the Main Market Listing Requirements, it is a requirement that in listed companies:

(a) the fees for non-executive directors and salaries of executive directors must be a fixed sum and cannot be commission based or a percentage of profits or turnover; and

(b) the directors' remuneration may be increased only upon it being approved by a resolution at a general meeting, where notice of the proposed increase has been given.

Section 169: Provision and improvement of director's emoluments

The Singapore Companies Act provides that a company shall not provide emoluments or improve emoluments for a director in respect of his office unless the provision has been approved by a resolution that is not related to other matters, and any resolution passed in breach of this provision is void.

For these purposes, the term **"emoluments"** in relation to a director includes fees and percentages, expenses allowance in so far as those sums are charged to income tax in Singapore, contributions paid under a pension scheme, and any benefits received otherwise than in cash in respect of his services as a director

7. Number, Qualification and Appointment of Directors

Section 122: Directors

Under the Malaysian Companies Act, every company shall have at least two directors, who each have his principal or only place of residence within Malaysia. No person other than a natural person of full age (18 years) and of sound mind shall be a director of a company. In determining the number of directors, an alternate or substitute director would not be included.

Section 145: Directors

Under the Singapore Companies Act, every company must have at least one director who is ordinarily resident in Singapore. Where the company has only one member, that sole director may also be the sole member of the company.

No person other than a natural person who has attained the age of 18 years and who is otherwise of full legal capacity can be a director of a company.

Section 124: Qualification of director

Every director, who is by the articles required to hold a specified share qualification and who is not already qualified, shall obtain his qualification within two months after his appointment or such shorter period as is fixed by the articles.

Section 147: Qualification of director

Every director, who is by the articles of association required to hold a specified share qualification and who is not already qualified, must obtain his qualification within two months after his appointment or such shorter period as is fixed by the articles of association.

Section 129: Age limit for directors

No person of or over the age of 70 years shall be appointed or act as a director of a public company or of a subsidiary of a public company unless by a resolution of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given, passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company, be appointed or reappointed as a director of that company to hold office until the next annual general meeting of the company or be authorised to continue in office as a director until the next annual general meeting of the company.

At a general meeting of a public company, a motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

Subject to the provisions of the Malaysian Companies Act, the articles of association of a company may also empower the board of directors to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors.

Section 153: Age limit for directors

In the case of a public company, the appointment of directors at a general meeting must generally be voted on individually. In addition, no person of or over the age of 70 years shall be appointed as a director of a public company or of a subsidiary of a public company, unless he has been appointed, reappointed or authorised to continue in office as a director by an ordinary resolution passed at an annual general meeting of the company until the next general meeting of the company.

Subject to the provisions of the Singapore Companies Act, the articles of association of a company may also empower the board of directors to appoint any directors to fill a casual vacancy or an additional director.

Audit Committee

Section 167A: System of internal control

Malaysia has no equivalent provision to Section 201B of the Singapore Companies Act. However, under Section 167A of the Malaysian Companies Act, subject to the listing requirements for listed companies, the directors of a public company or a subsidiary of a public company shall have in place a system of internal control that will provide a reasonable assurance that:–

(a) assets of the company are safeguarded against loss from unauthorised use or disposition; and

Audit Committee

Section 201B: Audit committees

Under the Section 201B of the Singapore Companies Act, every company that is incorporated in Singapore and listed, is required to have an audit committee.

Such an audit committee shall be appointed by the directors from among their number and shall be composed of three or more members of whom a majority shall not be:

(i) executive directors of the company or any related corporation;

(b) all transactions are properly authorised and that they are recorded as necessary to enable the preparation of true and fair profit and loss account and balance sheets and to give a proper account of the assets.

Under the Main Market Listing Requirements, it is the duty of the board of directors of a listed company to set up an audit committee. The audit committee must be appointed from amongst its directors which fulfils the following requirements:–

(a) it must be composed of no fewer than 3 members;

(b) must be non-executive directors, with a majority of them being independent directors; and

(c) at least one member of the audit committee:–

  (i) must be a member of the Malaysian Institute of Accountants; or

  (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience; and –

    (aa) must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

    (bb) must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

  (iii) fulfils such other requirements as prescribed or approved by the Exchange.

(ii) a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an executive director of the company or of any related corporation; or

(iii) any person having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee.

The guidelines set out under the Code of Corporate Governance 2012 (the "Singapore Code") which would apply to corporations listed on the SGX-ST require an audit committee to be established. Under these guidelines:

(i) The audit committee should comprise at least three directors, the majority of whom, including the audit committee chairman, should be independent. All the members of the audit committee should be non-executive directors. The board of directors should disclose in the Company's Annual Report, the names of the members of the audit committee and the key terms of reference of the audit committee, explaining its role and the authority delegated to it by the board of directors.

(ii) The board of directors should ensure that the members of the audit committee are appropriately qualified to discharge their responsibilities. At least two members, including the audit committee chairman, should have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement.

(iii) The audit committee should have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Singapore Code also requires the board of directors to ensure that the management maintains a sound system of risk management and internal controls to safegard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the board of directors is willing to take in achieving its strategic objectives.

8. Disqualification of Directors

Section 125: Undischarged bankrupts acting as directors

Under the Malaysian Companies Act, a person may not act as a director of any corporation if he is an undischarged bankrupt unless he has the leave of the Malaysian courts.

Section 148: Restriction on undischarged bankrupt being director or manager

Under the Singapore Companies Act, a person may not act as a director of any corporation if he is an undischarged bankrupt unless he has the leave of the Singapore courts or the written permission of the Official Assignee appointed under the Bankruptcy Act, Chapter 20 of Singapore, to do so.

Section 130A: Disqualification of directors of insolvent companies

A person may also be disqualified from acting as a director by the Malaysian courts for a period not exceeding five years if that a person (i) is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or subsequently) and was insolvent at that time; and (ii) is or has been a director of such other company which has gone into liquidation within five years of the date on which the first-mentioned company went into liquidation; and that his conduct as director of any of those companies makes him unfit to be concerned in the management of a company.

A person may also be disqualified by the articles of the company to act as directors.

Section 149: Disqualification of unfit directors of insolvent companies

A person may be disqualified from acting as a director of a company by the Singapore courts for a period not exceeding five years if (a) he is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or within three years of his ceasing to be a director) and was insolvent at that time and (b) his conduct makes him unfit to be a director of a company.

A person may, subject to certain exceptions, also be disqualified from acting as a director by the Singapore courts for a period of three years if he is a director of a company which is ordered to be wound up by the Singapore courts on the ground that it is being used for purposes against national security or interest.

Section 130: Power to restrain certain persons from managing companies

Under the Malaysian Companies Act, where a person is convicted whether within or outside Malaysia (i) of any offence in connection with the promotion formation or management of a corporation; (ii) of any offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more; or (iii) of any offence under Section 132 or 303 of the Malaysia Companies Act; that person is prohibited from acting as director without the leave of the court within a period of five years after his conviction or, if he is sentenced to imprisonment, after his release from prison.

Section 154: Disqualification to act as director on conviction of certain offences

He could also be disqualified on other grounds, such as conviction of any offence (whether in Singapore or elsewhere) involving fraud or dishonesty which is punishable with imprisonment for three months or more, or because of persistent default in relation to delivery of documents to the Registrar of Companies appointed under the Singapore Companies Act.

9. Resignation of Directors

Generally, the manner in which a director can resign from his office is provided in the articles of association of the company.

Section 122(b)

The Malaysian Companies Act specifically provides that a director of a company shall not resign or vacate his office if, by his resignation or vacation from office, the number of directors of the company is reduced below the minimum number required and any purported resignation or vacation of office in contravention of the Malaysian Companies Act shall be deemed to be invalid.

Section 145(5)

Under the Singapore Companies Act, a director of a company cannot resign or vacate his office unless there is remaining in the company at least one director who is ordinarily resident in Singapore, and any purported resignation or vacation of office in breach of this provision is deemed to be invalid.

Subject to the provisions of the Singapore Companies Act, the articles of association of a company may provide that a director's resignation is effective by giving written notice to the company.

10. Removal of Directors

Section 128

The position in Malaysia is similar to the position in Singapore.

Section 152

A director of a public company may be removed before the expiration of his period of office by an ordinary resolution (which requires special notice to be given in accordance with the provisions of the Singapore Companies Act) of the shareholders, notwithstanding anything in the memorandum or articles of association of that company or in any agreement between that company and the director, but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove him shall not take effect until his successor has been appointed.

11. Mergers and Similar Arrangements

Section 178: Provisions for facilitating reconstruction and amalgamation of companies

The provision for facilitating reconstruction and amalgamation of companies pursuant to a compromise or arrangement are the same for Malaysia and Singapore.

There is no equivalent provision in Malaysia for voluntary amalgamation under Section 215A to J of the Singapore Companies Act.

Section 212: Approval of compromise or arrangement by Court

The Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order that the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to companies incorporated in Singapore.

Section 215A to J

The Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating company must make a solvency statement in relation to both the amalgamating company and the amalgamated company.

12. Appraisal Rights

The Malaysia Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.

The Singapore Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.

13. Shareholders' Suits and Protection of Minority Shareholders

Section 181: Remedy in cases of oppression

The provision on remedies available in the case of oppression of any member or debenture holder of a company is the same for Malaysia as in Singapore except that the Singapore provision gives express statutory authority to the Court to authorise civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs.

Section 216: Personal remedies in cases of oppression or injustice

A member or a holder of a debenture of a company may apply to the Singapore courts for an order under Section 216 of the Singapore Companies Act to remedy situations where:

(i) a company's affairs are being conducted or the powers of the company's directors are being exercised in a manner oppressive to, or in disregard of the interests of one or more of the members, shareholders or holders of debentures of the company, including the applicant; or

(ii) a company has done an act, or threatens to do an act, or the members or holders of debentures have passed some resolution, or propose to pass some resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the company's members or holders of debentures, including the applicant.

Singapore courts have wide discretion as to the relief they may grant under such application, including, *inter alia*, directing or prohibiting any act or cancelling or varying any transaction or resolution, providing that the company be wound up, or authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs.

Section 181A: Proceedings on behalf of Company

Section 181A of the Malaysia Companies Act also provides that a qualified complainant may, with the leave of the Court, bring, intervene in or defend an action on behalf of the company and in such circumstances, the proceedings shall be brought in the company's name. However, the Malaysian provision is slightly different from the Singapore provision in that it allows a director and a former member to be a complainant. However, the Singapore provision allows any person whom the court deems fit to be a complainant.

Section 216A: Derivative or representative actions

In addition, a member of a company who is seeking relief for damage done to the company may bring a common law derivative action in certain circumstances against the persons who have done wrong to the company. Further, section 216A of the Singapore Companies Act prescribes a procedure to bring a statutory derivative action. The statutory procedure is available to, *inter alia*, a member of a company not listed on the SGX-ST, any other person who, in the discretion of the court, is a proper person to make an application under Section 216A of the Singapore Companies Act.

14. Shareholders' Action by Written Consent

Section 152A: Resolution signed by all members deemed to be duly passed at meeting

Notwithstanding anything to the contrary in the Malaysian Companies Act or the articles of the company, a shareholders' resolution in writing signed by or on behalf of all the shareholders shall be treated as a resolution duly passed at a general meeting of the company. This applies to both private and public companies.

Section 184A: Passing of resolution by written means

Notwithstanding any other provision of the Singapore Companies Act, a private company may pass any resolution by written means (save for any resolution to dispense with the holding of annual general meetings or any resolution which special notice is required) in accordance with the provisions of the Singapore Companies Act. There is no corresponding provision in the Singapore Companies Act which applies to a public company.

15. Shareholders' Proposals

Section 151: Circulation of members resolution

The Malaysian Companies Act has a provision for circulation of members' resolutions equivalent to that of the Singapore provision.

Section 183: Circulation of members resolution

Under the Singapore Companies Act, (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than SGD500, may requisition the company to give to members notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting, and circulate to members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Section 144: Convening of extraordinary general meeting in requisition

The Malaysian Companies Act has an equivalent provision for the convening of extraordinary general meeting on requisition.

Section 176: Conveying of extraordinary general meeting on requisition

Members holding not less than 10.0% of the paid up capital of a company, or in the case of a company not having a share capital, of members representing not less than 10.0% of the total voting rights of all members having a right to vote at general meetings, may requisition for an extraordinary general meeting in accordance with the provisions of the Singapore Companies Act. The directors must convene the meeting to be held as soon as practicable, but in any case not later than two months after the receipt by the company of the requisition.

Section 145: Calling of meeting

Further, the Malaysian Companies Act also provides that two or more members holding not less than 10.0% of the issued share capital or, if the company has not a share capital, not less than 5.0% in number of the members of the company or such lesser number as is provided by the articles may call a meeting of the company.

Section 177: Calling of Meeting

Two or more members holding not less than 10.0% of the company issued share capital may also call a meeting of the company in accordance with the provisions of the Singapore Companies Act.

16. Winding Up and Dissolution

Winding Up

The Malaysian Companies Act, 1965 has equivalent provisions for the winding up of a company as in Singapore except that there is some slight variation in proof and ranking of claims which are not material.

Winding Up

The winding up of a company may be done in the following ways:

(i) members' voluntary winding up;

(ii) creditors' voluntary winding up;

(iii) court compulsory winding up; and

(iv) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

The type of winding up depends, *inter alia*, on whether the company is solvent or insolvent.

	Dissolution	Dissolution
	Malaysia has provisions equivalent to Singapore for dissolution of companies.	A company may be dissolved: (i) through the process of liquidation pursuant to the winding up of the company; (ii) in a merger or amalgamation of two companies where the court may order the dissolution of one after its assets and liabilities have been transferred to the other; or (iii) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.
17.	**Variation of Rights of Shares**	
	Section 65: Rights of holders of classes of share	Section 74: Rights of holders of classes of share
	Malaysia has a similar provision for rights of holders of classes of share as in Singapore except that the threshold to apply to court to have the variation or abrogation of the rights cancelled is 10.0% of the issued shares of that class instead of 5.0% for Singapore.	Under the Singapore Companies Act, if a provision is made in the memorandum or articles of association of a company for authorising the variation or abrogation of the rights attached to any class of shares in the company and in pursuance of that provision such rights are at any time varied or abrogated, the holders of not less in aggregate than 5.0% of the issued shares of that class may apply to the Singapore courts to have the variation or abrogation cancelled in accordance with the Singapore Companies Act. The Singapore courts may, if satisfied that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, and shall if not so satisfied, confirm it.
18.	**Amendments to Memorandum of Association and Articles of Association**	
	Section 21 and Section 28: General provisions as to the alteration of memorandum	Section 26 and 26A: General provisions as to the alteration of memorandum

The Malaysia Companies Act provides that the memorandum of association of a company may be altered or deleted by way of special resolution to the extent and in the manner provided by the Malaysia Companies Act but not otherwise. Thus class rights can still be entrenched. It is different from the Singapore provision in that Singapore allows for entrenchment of certain provisions in the memorandum.

In addition, where a company proposes to alter its memorandum with respect to the objects of the company, it shall give by post 21 days' written notice specifying the intention to propose the resolution as a special resolution and to submit it for passing to a meeting of the company to be held on a day specified in the notice.

Subject to the Malaysia Companies Act and to any conditions in the company's memorandum, a company may by special resolution alter or add to its articles and any alteration or addition so made in the articles shall, on and from the date of the special resolution or such later date as is specified in the resolution, be as valid as if originally contained therein and be subject in like manner to alteration by special resolution.

Unless otherwise provided in the Singapore Companies Act, a company's memorandum of association may be altered by way of special resolution, except that any entrenching provision in the memorandum and any provision contained in the memorandum before 1 April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree.

For these purposes, the term "**entrenching provision**" means a provision of the memorandum or articles of association of a company to the effect that other specified provisions of the memorandum or articles (a) may not be altered in the manner provided by the Singapore Companies Act, or (b) may not be so altered except by a resolution passed by a specified majority greater than 75.0%, or where other specified conditions are met.

Subject to the Singapore Companies Act and to any conditions in its memorandum, a company's articles of association may be altered by way of special resolution except that any entrenching provision in the articles of association may be removed or altered only if all members of the company agree.

Any alteration to the articles of association takes effect on and from the date of the special resolution approving such alteration or such later date as is specified in the resolution.

19. Directors' Fiduciary Duties

Section 132: As to the duty and liability of officers

Malaysia has enacted the duties and liabilities of directors and officers under existing common law into Section 132 of the Malaysia Companies Act. The section is declaratory of the duties of directors and officers to act honestly and in good faith at common law. These statutory duties are:

(1) to exercise business judgment in good faith and for proper purpose;

(2) to rely on information provided by others on reasonable grounds after making an independent assessment of the information;

(3) to be responsible for actions or persons to whom he may have delegated his duties;

(4) not to make improper use of the company's property, position or corporate opportunity; and

(5) not to compete with the company.

Section 157: As to the duty and liability of officers

Every director by virtue of his office occupies a fiduciary position with respect to the company. A director is not permitted to place himself in a situation where his interests conflict with his duties.

Duties are imposed upon any person who becomes a director of a company and breaches of these duties may lead to criminal or civil liabilities. Such duties are governed by statute and common law.

Such duties include (without limitation) duties of care and skill and duties to act in good faith in the best interest of the company, as well as the statutory duty under the Singapore Companies Act to act honestly and to use reasonable diligence in the discharge of the duties of his office at all times.

20. Conversion

Section 26: Change from public to private and from private to public company

The Malaysia Companies Act provides that a public company with a share capital may be converted into a private company and similarly a private company may be converted into a public company by way of passing a special resolution to that effect. An unlimited company may be converted to a limited company by passing a special resolution.

Section 31: Change from public to private company and change from private to public company

The Singapore Companies Act provides that a private company may be converted to a public company and *vice versa* by, *inter alia*, passing a special resolution. A limited company could be converted into an unlimited company and *vice versa* by complying with the provisions in the Singapore Companies Act.

21. Member's Rights

Section 148: Member's rights at meetings

The Malaysian Companies Act provides that subject to certain exceptions, every member of a company shall, notwithstanding any provision in the memorandum or articles of association, have a right to attend any general meeting of the company and to speak and vote on any resolution before the meeting. The exceptions are where, by the articles:

(i) a member is prevented from voting unless all calls or other sums personally payable by him in respect of shares in the company have been paid; or

(ii) the right of holders of preference shares to attend and vote may be suspended upon such conditions as may be specified therein.

Section 180: Member's rights at meetings

The Singapore Companies Act provides that subject to certain exceptions, every member of a company shall, notwithstanding any provision in the memorandum or articles of association, have a right to attend any general meeting of the company and to speak and vote on any resolution before the meeting. The exceptions are where, by the articles:

(i) a member shall not be entitled to vote unless all calls or other sums personally payable by him in respect of shares in the company have been paid; or

(ii) the right of holders of preference shares to vote may be suspended upon such conditions as may be specified therein.

22. Right to Appoint a Proxy

Section 149: Proxies

There is no common law right on the part of a member to appoint and vote by proxy in a company meeting. The articles of association of most companies normally accord their members the right to be represented at general meetings and to vote through proxy. Such a right is recognised and confirmed by the Malaysian Companies Act which allows a member of a company entitled to attend and vote at a meeting to appoint another person, or persons (whether a member or not) as his proxy to attend and vote instead of him. Further, a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting. Unless the articles of association otherwise provide, the right of a member in appointing a proxy is subject to the following conditions:

(i) that a proxy shall not be entitled to vote except on a poll;

(ii) that if a proxy is not a member of the company, he must either be an advocate, an approved company auditor or a person approved by the Registrar in a particular case;

(iii) that a member cannot appoint more than two proxies to attend and vote at the same meeting; and

(iv) that where two proxies are appointed, the member appointing them must specify the proportions of his holdings to be represented by each proxy.

Section 149 also provides that unless the articles of association otherwise provide, a member shall not be entitled to appoint a non-member as his proxy unless he non-member is an advocate, an approved company auditor or a person approved by the Registrar in a particular case.

Section 181: Proxies

The Singapore Companies Act provides that a member of a company entitled to attend and vote at a meeting shall be entitled to appoint another person or persons (whether a member or not) as his proxy to attend and vote instead of him. Further, a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting. Unless the articles of association otherwise provide, the right of a member in appointing a proxy is subject to the following conditions:

(i) that a proxy shall not be entitled to vote except on a poll;

(ii) that a member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting; and

(iii) that where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

APPENDIX F:
SUMMARY OF HEALTHCARE AND OTHER REGULATIONS IN SINGAPORE, MALAYSIA, TURKEY, THE PRC AND INDIA

SINGAPORE HEALTHCARE LAWS

Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore (the "PHMC Act")

Private hospitals, medical clinics, clinical laboratories and healthcare establishments in Singapore are regulated by the PHMC Act and relevant subsidiary legislations, primarily the Private Hospitals and Medical Clinics Regulations 2003 (the "**Private Hospitals Regulation**") and the Private Hospitals and Medical Clinics (Publicity) Regulations. All our Singapore hospitals namely the Gleneagles Hospital, Mount Elizabeth Hospital and Parkway East Hospital are private hospitals as defined under the PHMC Act.

The PHMC Act requires that a licence be obtained before any premises or conveyance is used as private hospitals, medical clinics, clinical laboratories and healthcare establishments.

All our private hospitals, medical clinics, clinical laboratories and healthcare establishments in Singapore hold licenses issued by the MOH Singapore which are subject to the provisions of the PHMC Act, the Private Hospital Regulations and any directions or guidelines as may be given or issued from time to time by the Director of Medical Services ("**DMS**").

The PHMC Act and PHMC Regulations provide for, *inter alia*, the factors that determine when a license may be issued or refused, persons who may manage, *inter alia*, private hospitals and their duties, the suspension or revocation of licenses, the establishment of quality assurance committees by the licensees of private hospitals or healthcare establishments and the powers of the DMS.

In determining whether to issue or refuse to issue a license, the DMS shall have regard to, *inter alia*, the following:

(a) the character and fitness of the applicant to be issued with a license or, where the applicant is a body corporate, the character and fitness of the members of the board of directors or committee or board of trustees or other governing body of the body corporate;

(b) the ability of the applicant to operate and maintain a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be, in accordance with the prescribed standards;

(c) the suitability of the premises or conveyance (including the facilities and equipment therein) to be licensed for use as a private hospital, medical clinic, clinical laboratory or healthcare establishment (as the case may be); and

(d) the adequacy of the nursing and other staff that are to be employed at the premises or conveyance to be licensed.

The licence may be granted for a period of two years and is renewable at the discretion of the DMS and subject to such restrictions and conditions as the DMS may think fit. The licence may also be suspended or revoked if there is amongst others, a breach of any of the provisions of the PHMC Act.

Any changes in the appointment of any person as the manager or deputy manager of a Licensee of a private hospital, medical clinic or clinical laboratory or any intention by a licensee to cease operation or to let, sell or in any way dispose of a private hospital, medical clinic or clinical laboratory shall require notification to be made to the DMS.

In addition, the Licensee of a private hospital, medical clinic or healthcare establishment is required to keep and maintain proper medical records. In this regard, such Licensees are required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification.

Under the PHMC Regulation, every manager of a private hospital shall ensure that every patient be informed on or before his admission to the private hospital, of the estimated total charges which are likely to be incurred in respect of his hospitalisation and treatment. In addition, the Private Hospital and Medical Clinics Guidelines 1993 also requires all medical and dental clinics to make available to patients, prior to consultation, information on charges which are likely to be incurred for consultation, investigation and treatment.

Private Hospitals

A licensed private hospital under the PHMC Act must, according to the tenor of the licence, be of one of the following kinds:

(a) a maternity hospital;

(b) a medical hospital;

(c) a surgical hospital;

(d) a psychiatric hospital;

(e) a convalescent hospital;

(f) a children's hospital;

(g) a hospital licensed for any two or more of the abovementioned purposes; or

(h) such other kind of hospital as the Minister of Health may, by notification in the *Gazette,* specify;

The Licensee must obtain prior written approval from the DMS if the Licensee intends to increase the number of beds exceeding 10% of the maximum number of beds for which the private hospital is licensed.

The Licensee must comply with specific regulations relating to intensive care units, anesthesia services, blood services, dietetic services, emergency services, medical services, radiology services and other services provided in the private hospital.

Medical Registration Act, Chapter 174 of Singapore (the "Medical Registration Act")

The Medical Registration Act provides for, *inter alia*, the establishment of the Singapore Medical Council and the registration of medical practitioners in Singapore.

Some of the important functions of the Singapore Medical Council are:

(a) to keep and maintain registers of registered medical practitioners;

(b) to approve or reject applications for registration under the Medical Registration Act or to approve any such application subject to such restrictions as it may think fit;

(c) to issue practising certificates to registered medical practitioners;

(d) to make recommendations to the appropriate authorities for the training and education of registered medical practitioners; and

(e) to determine and regulate the conduct and ethics of registered medical practitioners.

No person shall practise as a medical practitioner unless he is registered under the Medical Registration Act and has a valid practicing certificate. Any person who is not so qualified and, *inter alia*, (a) practices medicine (b) wilfully and falsely pretends to be a duly qualified medical practitioner (c) practices medicine or any branch of medicine, under the style or title of physician, surgeon, doctor (d) advertises or holds himself out as a medical practitioner, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD100,000 or to imprisonment for a term not exceeding 12 months or to both. In the case of a second or subsequent conviction, to a fine not exceeding SGD20,000 or to imprisonment for a term not exceeding two years or to both.

Ancillary laws and regulations

The publicity of healthcare institutions is regulated under the Private Hospitals and Medical Clinics (Publicity) Regulations 2004. The licensee of a healthcare institution shall ensure that any publicity of the services of the healthcare institution conducted by him or any other person on his behalf in Singapore complies with certain requirements. Such requirements include:

(a) the information contained in the publicity being factually accurate and capable of being substantiated, and must not be exaggerated, false, misleading or deceptive,

(b) the publicity must not be offensive, ostentatious or in bad taste such as to undermine the honour and dignity of the medical, dental or nursing profession;

(c) the publicity must not contain any information that implies that the healthcare institution can obtain results from treatment not achievable by other healthcare institutions or create an unjustified expectation from the treatment provided; or compares and contrasts the quality of the services of the healthcare institution with those provided by other healthcare institutions or deprecate the services of other healthcare institutions;

(d) the publicity must not contain any laudatory statements (including statements of prominence or uniqueness) or superlatives to describe the services of the healthcare institution;

(e) the information contained in the publicity must not contain any testimonial or endorsement of the services, including the services of any employee of the healthcare institution; and

(f) the publicity must not provide information to the public in such a manner as to amount to soliciting or encouraging the use of the services provided by or at any healthcare institution.

The operation of healthcare business in Singapore is also subject to other ancillary laws and regulations, including:

(a) The Medicines Act, Chapter 176 of Singapore, which stipulates, *inter alia*, general provisions for the manufacturing of and dealing in medicinal products, the considerations of the licensing authority for granting licenses, including wholesale dealer's licenses, regulation of pharmacies, the labelling of medicines, the packaging of medicines and the content of materials advertising and/or promoting the sale of medical products;

(b) The Radiation Protection Act, Chapter 262 of Singapore which regulates, *inter alia*, the import, export, manufacture, sale, disposal, transport, storage, use and possession of radioactive materials and irradiating apparatus;

(c) The Poisons Act, Chapter 234 of Singapore, which requires that a licence be obtained before a person may import, possess for sale, sell or offer for sale any poison;

(d) The Health Products Act, Chapter 122D of Singapore, which regulates the manufacture, import, supply, presentation and advertisement of health products and of active ingredients used in the manufacture of health products;

(e) The Sale of Drugs Act, Chapter 282 of Singapore, which ensures that consumers are supplied with the quantity and quality of drugs demanded by them, explicitly or implicitly

(f) The Nurses and Midwives Act, Chapter 209 of Singapore, which provides for the registration and enrolment of nurses and for matters connected herewith;

(g) The Pharmacists Registration Act, Chapter 230 of Singapore, which stipulates the qualification requirements and application processes for registration, and regulates the practice of pharmacy in Singapore;

(h) The Human Organ Transplant Act, Chapter 131A of Singapore, which sets out the provisions for the removal of organs for transplantation, including the removal of organ after death and organ transplants from living donors; and

(i) The Infectious Diseases Act, Chapter 137 of Singapore, which governs the quarantine and the prevention of infectious diseases.

SINGAPORE LAWS AND REGULATIONS RELATING TO INSURANCE

Shenton Insurance Pte Ltd, our wholly-owned subsidiary, is a registered direct insurer under the Insurance Act and is regulated by the MAS under the Insurance Act in respect of general insurance business. The MAS regulates and supervises registered insurers in Singapore. The insurance regulatory framework consists mainly of the Insurance Act and its related regulations, as well as the relevant notices, guidelines, circulars and practice notes issued by the MAS. The MAS has issued several consultation papers with proposals to make amendments to certain aspects of the insurance regulatory framework (including the Insurance Act), which, if implemented, may affect the contents of this section. This section sets out a broad overview of the main regulations applicable to registered insurers in the conduct of their insurance business, and does not address the regulatory framework applicable to insurance intermediaries (whether or not agents or employees of registered insurers) whether in respect of life or non-life policies.

Under the Insurance Act, the MAS has, among other things, the power to impose conditions on a registered insurer and may add to, vary or revoke any existing conditions of registration. In addition, the MAS may issue such directions as it may consider necessary for carrying into effect the objects of the Insurance Act and may also issue such directions to an insurer as it may consider necessary where it is satisfied that the affairs of the insurer are being conducted in a manner likely to be detrimental to the public interest or the interests of the policy owners or prejudicial to the interests of the insurer. The MAS is also empowered to cancel the registration of an insurer on certain grounds.

Under the Insurance (Valuation and Capital) Regulations 2004, a registered insurer is required at all times to maintain a minimum level of paid-up ordinary share capital. A registered insurer incorporated in Singapore must obtain the prior written approval of the MAS to reduce its paid-up ordinary share capital or redeem any preference share. Further, a registered insurer which is incorporated in Singapore is required to notify the MAS of its intention to issue any preference share or certain instruments prior to the date of issue of the preference share or instrument.

A registered insurer is also required at all times to satisfy its capital adequacy requirement, which is that its financial resources must not be less than the greater of:

(a) the sum of:

(i) the aggregate of the total risk requirement of all insurance funds established and maintained by the insurer under the Insurance Act; and

(ii) where the insurer is incorporated in Singapore, the total risk requirement arising from the assets and liabilities of the insurer that do not belong to any insurance fund established and maintained under the Insurance Act (including assets and liabilities of any of the insurer's branches located outside Singapore); or

(b) a minimum amount of SGD5 million.

A registered insurer is required to immediately notify the MAS when it becomes aware that it has failed, or is likely to fail, to comply with the capital adequacy requirement described above, or that a financial resources warning event (as defined in the Insurance Act) has occurred or is likely to occur. The MAS has the authority to direct that the insurer satisfy capital adequacy requirements other than those that the insurer is required to maintain under the relevant section of the Insurance Act if the MAS considers it appropriate. The MAS also has the power to impose directions on the insurer, and direct the insurer to carry on its business in such manner and on such conditions as specified by the MAS in the event that it is notified of any failure or likely failure, or is aware of any inability, of the insurer to comply with the capital adequacy requirement described above.

Unless otherwise exempted, every direct insurer registered to carry on general business under the Insurance Act (other than a captive insurer or specialist insurer) is required to be a member of the Policy Owners' Protection Scheme. The Policy Owners' Protection Scheme has been established for the purposes of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries in respect of the insured policies issued by members of the Policy Owners' Protection Scheme and for securing the continuity of insurance for insured policy owners as far as reasonably practicable. Every member of the Policy Owners' Protection Scheme is required to pay a levy for any premium year or part thereof in respect of the insured policies issued by that member. In addition, every member of the Policy Owners' Protection Scheme has to comply with various requirements relating to, among other things, the provision of information, submission of returns, maintenance of a register of insured policies and (with effect from 1 January 2012) disclosure requirements for insured policies.

A registered direct insurer in Singapore is required to comply with the Insurance Act and its related regulations, as well as the relevant notices, guidelines, circulars and practice notes issued by the MAS including:

(a) MAS Notice 104, "Use of Derivatives for Investment of Insurance Fund Assets", which provides, among other things, that insurers are only permitted to enter into or effect derivative transactions for the purposes of hedging and efficient portfolio management. In addition, insurers are prohibited from taking uncovered positions in derivatives;

(b) MAS Notice 105, "Appointment of Custodian and Fund Manager", which requires, amongst other things, a registered insurer to file with the MAS a list of all assets of all insurance funds established and maintained under the Insurance Act by the insurer where documents evidencing titles are kept by custodians, to exercise due care and diligence when appointing overseas custodians, and to notify the MAS prior to the appointment or revocation of an appointment of a fund manager;

(c) Every registered insurer is required to establish and maintain a separate insurance fund for each class of insurance business carried on by the insurer that (i) relates to Singapore policies and (ii) relates to offshore policies. MAS Notice 101, "Maintenance of Insurance Funds" and the MAS Guidelines on Implementation of Insurance Fund Concept provide guidance and requirements on, among other things, the establishment and maintenance of insurance funds and the segregation of the assets of registered insurers in Singapore as required under the Insurance Act. The Insurance Act also prescribes requirements relating to, among other things, withdrawals from the insurance funds, and insurance funds comprising wholly or partly of participating policies;

(d) MAS Notice 114, "Reinsurance Management", which sets forth, among other things, the mandatory requirement for direct insurers to submit annual returns pertaining to their outward reinsurance arrangements and exposures as well as guiding principles on oversight of reinsurance management and the determination of significant risk transfer. In addition, the MAS Guidelines on Risk Management Practices for Insurance Business - Core Activities provide further guidance on risk management practices in general, relating to, among other things, reinsurance management;

(e) MAS Notice 211, "Minimum and Best Practice Training and Competency Standards for Direct General Insurers" which generally requires direct general insurers to only enter into insurance contracts arranged by agents or staff with the requisite registration and qualifications and to ensure that staff of certain agents who sell or provide sales advice on the insurers' products are adequately trained and that front-end operatives meet the qualification requirements before they are allowed to provide sales advice on or sell general insurance products or handle claims. The MAS Guidelines on Market Conduct Standards and Service Standards for Direct General Insurers set out the standards of conduct expected of direct general insurers as product providers of insurance policies;

(f) MAS Notice 117, "Training and Competency Requirement: Health Insurance Module", which states that in respect of health insurance products, direct insurers must ensure, among other things, that any individual employed by them or who acts as their insurance agent or appointed representative passes the specified examination requirements;

(g) MAS Notice 120, "Disclosure and Advisory Process Requirements for Accident and Health Insurance Products" which sets out both mandatory requirements and best practice standards on the disclosure of information and provision of advice to insureds for accident and health policies and life policies that provide accident and health benefits; and

(h) Insurance (Accounts and Statements) Regulations 2004, which sets forth various reporting requirements and prescribes the form in which the relevant statements of account and other statements of a registered insurer are to be made;

(i) Guidelines on Corporate Governance for Banks, Financial Holding Companies and Direct Insurers which are Incorporated in Singapore, which provide guidance on best practices that certain financial institutions, including direct insurers that are incorporated in Singapore, should strive to achieve in relation to their corporate governance.

Various industry codes of practice also apply to insurers, including the General Insurance Association of Singapore. In addition, there are rules in the Insurance Act and the relevant regulations, notices, guidelines and circulars relating to the granting of loans, advances and credit facilities by insurers, which insurers have to comply with if they conduct such activities.

Change in substantial shareholders, effective control or control

A person who wishes to enter into:

(a) any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would become a substantial shareholder of that insurer (that is, a person who holds 5% or more of the voting power of the insurer);

(b) any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would obtain effective control of that insurer (that is, the person alone or acting together with any associate(s) would (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the insurer; or (ii) control, directly or indirectly, 20% or more of the voting power of the insurer); or

(c) any arrangement in relation to any registered insurer that is incorporated in Singapore by virtue of which he would obtain control of the insurer (that is, the person alone or acting together with any associate(s) would be in a position to determine the policy of the insurer),

is required to first notify the MAS of his intention to enter into the agreement or arrangement, as the case may be, and obtain the MAS' approval.

SINGAPORE LAWS AND REGULATIONS RELATING TO REIT MANAGEMENT

A real estate investment trust ("**REIT**") is constituted by way of a trust deed made between the manager of a REIT (the "**REIT Manager**") and the trustee of a REIT (the "**Trustee**"). A REIT is a collective investment scheme under the Securities and Futures Act, and is listed on the Main Board of the SGX-ST.

Parkway Trust Management, our wholly-owned subsidiary, is the manager of PLife REIT and carries out the business of REIT management in Singapore to the extent that they manage real estate held by Parkway Life REIT, whether directly or via property holding entities.

On 1 August 2008, the Securities and Futures Act was amended to include REIT management as a regulated activity. As a result, the REIT Manager is now required to hold a capital markets services licence ("**CMS Licence**") under Section 82 of the Securities and Futures Act. The licensing framework and process for persons carrying out the business of REIT management is largely similar to that for persons conducting other regulated activities under the Securities and Futures Act. As the REIT Managers are corporations, their representatives (as defined in the Securities and Futures Act) would also be required to hold representative licences under Section 83 of the Securities and Futures Act.

The Securities and Futures (Licensing and Conduct of Business) Regulations and the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations sets out the capital requirements and licence fees for REIT managers. The REIT Manager, as a holder of a CMS Licence, and its licensed representatives are required to know and understand the provisions under the Securities and Futures Act including the Securities and Futures (Licensing and Conduct of Business) Regulations and the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations.

In addition, pursuant to Section 97A of the Securities and Futures Act, the prior approval of the MAS is required for any person to enter into any arrangement (which includes any formal or informal understanding) in relation to shares in a CMS Licence holder, if that arrangement, if carried out, would allow such person to obtain effective control of the CMS Licence holder. A person is regarded as obtaining effective control by virtue of an arrangement if the person alone or acting together with any connected person would, if the arrangement is carried out: (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the CMS Licence holder; or (ii) control, directly or indirectly, 20% or more of the voting power in the CMS Licence holder. Two corporations are "connected persons" if one has control over not less than 20% of the voting power in the other.

MALAYSIAN HEALTHCARE LAWS AND REGULATIONS

Private hospitals

Private hospitals in Malaysia are closely regulated by the Director General of Health ("**Director General**") under the purview of the MOH Malaysia in accordance with the Private Healthcare Facilities and Services Act 1998 (the "**PHFS Act**") and its relevant regulations. The 11 hospitals currently operated in Malaysia under the "Pantai" and "Gleneagles" brand names are private hospitals as defined under the PHFS Act.

The PHFS Act requires that approval from the Director General be obtained for the establishment and maintenance of any private hospital. Thereafter a license is required for the operation and provision of the same. In deciding whether or not to grant approval to establish and maintain the private healthcare facility the Director General shall have regard to the following:

(a) if the applicant is capable of providing adequate healthcare facilities or services;

(b) if the applicant is capable of providing adequate and efficient management and administration for the proper conduct of the private healthcare facility or service;

(c) where the applicant is a sole proprietor, if he has not been convicted of an offence involving fraud or dishonesty or is not an undischarged bankrupt;

(d) no one who has been convicted of an offence involving fraud or dishonesty or who is an undischarged bankrupt-

  (i) is a member of the board of directors, or is a person responsible for the body corporate, if the application is made by a body corporate; or

  (ii) is a partner, if the application is made by a partnership; or

  (iii) is an office bearer of a society, if the application is made by a society.

The operative license may be issued to a sole proprietor who is a medical practitioner, a partnership which consists of at least one partner who is a registered medical practitioner or a body corporate whose board of directors consists of at least one person who is a registered medical practitioner. The duration of the license to operate and provide private hospitals will be for a period of two years from the date of issuance. Any person who fails to register will be liable to a fine or imprisonment, and any person who fails to renew the license within six months before its expiration will be subject to a fine. The license may also be suspended or revoked if there is a breach of any of the provisions of the PHFS Act or the terms and conditions imposed on the license. According to the PHFS Act, the approval to establish and maintain and the license to operate and provide private hospitals shall not be transferred without prior written approval of the Director General.

Prior written consent from the Director General is required for any structural or functional extension or alteration of a private hospital. Structural or functional extension or alteration includes the expansion of hospital premises, the increase of capacity of beds, and the addition of any new related healthcare services. In addition, the licensee shall notify the Director General within 14 days from the occurrence of any change of the person in charge of the private healthcare facility or service to which his or its license or certificate of registration relates to.

Further, the Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations 2006 ("**Private Hospital Regulations**") imposes a duty on the licensee or person in charge of a private hospital to have an appropriate patient medical records system comprising facilities and procedures for maintaining such patient medical records and be responsible for safeguarding the information on the patients' medical records against loss, tampering or use by unauthorised persons. Any infringement of this obligation would render the person committing the offence liable on conviction to a fine or imprisonment.

The Private Hospital Regulations also provides a fee schedule on the maximum chargeable fees for medical examination, medical procedures and consultation fees in a private hospital. Other services and administrative charges such as bed charges, food and medical supplies are unregulated and vary for each private hospital.

In Malaysia, the MSQH governs the national accreditation process for healthcare facilities and services. MSQH grants accreditation to hospitals which meet the standards and safety aspects in healthcare provision and quality assurance. Though the accreditation of a hospital is not mandatory in Malaysia, it promotes high standards and professional practice of the same. It is also a standard practice in Malaysia for the Director General to inspect hospitals premises from time to time.

Private medical clinics and private dental clinics

It is mandatory to register private medical clinics and private dental clinics in Malaysia in accordance with the PHFS Act and the Private Healthcare Facilities and Services (Private Medical Clinics or Private Dental Clinics) Regulations 2006 (the "**Private Clinics Regulations**"). The certificate of registration to operate a private medical clinic and a private dental clinic may only be issued to a registered medical practitioner. Failure of the medical practitioner to register the clinic will subject him or her to fines or imprisonment. Any variation to the terms and conditions as well as to the particulars of the certificate of registration requires prior written approval from the Director General. The PHFS Act and Private Clinics Regulations cover all aspects of the running of a clinic including the charges and fees for medical services and the requirements of sufficient equipment and facilities. The Private Clinics Regulations also provides a fee schedule on the maximum charges for medical examination, medical procedures and consultation fees in a private medical clinic or private dental clinic. Any infringement of the provisions under the PHFS Act and Private Clinics Regulations and terms and conditions on the registration approval may potentially result in the revocation or suspension of the certificate of registration.

Medical practitioners

Medical practitioners are required to register with the Malaysian Medical Council ("**MMC**") in order to practise medicine in Malaysia pursuant to the Medical Act 1971 (the "**Medical Act**"). The Medical Act also mandates the medical practitioners to apply for an Annual Practicing Certificate. All medical practitioners are expected to abide by the Code of Professional Conduct issued by the MMC which sets out the minimum standards of conduct by medical practitioners. Infringement of the minimum standards may subject the practitioners to a disciplinary proceeding where he or she can be reprimanded, suspended, fined or struck off from the register.

Ancillary laws and regulations

Private healthcare operation in Malaysia is also subject to other ancillary laws and regulations which include, amongst others, the following:

(a) The Medicines (Advertisement and Sale) Act 1956, the Medicine Advertisement and the Advertising Guidelines for Healthcare Facilities and Services (Private Hospitals, Clinics, Radiology Clinics and Medical Laboratories) that govern the advertisement or dissemination of information to the general public in relation to healthcare matters. Information in any advertisement must be accurate and able to be verified by the Medicine Advertisements Board. The public must not be misled with exaggerated, false or deceptive information on the services offered by healthcare operators.

(b) Approvals, permits, and licenses are also required for the premises, facilities and use of equipment of private hospitals which include, among others:

    (i) the certificate of fitness to occupy building by the local authority;

    (ii) fire certificate by the Fire Department in accordance with the Fire Services Act 1998 and Fire Services (Fire Certificate) Regulations 2011;

(iii) certificate of fitness for autoclaves, steam boilers, unfired pressure vessels and lifts by the Department of Occupational Safety and Health pursuant to the Factories and Machinery Act 1967; and

(iv) the license to store and use radio-ionising apparatus by the Atomic Energy Licensing Board issued under the Atomic Energy Licensing Act 1984.

(c) The Poisons Act 1952 which requires pharmacist handling medicine in a private hospital to have a valid license to import, store and deal with the permitted poisons.

(d) The Environmental Quality (Scheduled Wastes) Regulations, 2005 administered by the Department of Environment as authorised under the Environmental Quality Act 1974 which controls clinical waste arising from medical, nursing, dental or similar practices.

(e) The Prevention and Control of Infectious Diseases Act 1988, which regulates the surveillance and disease control and prevention activities.

TURKISH HEALTHCARE LAWS AND REGULATIONS

Private hospitals

The main piece of legislation regulating the procedures for establishing and operating private hospitals in Turkey is the Turkish Hospital Regulation. The Turkish Hospital Regulation sets out the licensing procedures to open and commence operations of a hospital facility. This licensing process includes the application to obtain the pre-approval certificate, hospital opening certificate and the hospital operation certificate.

The pre-approval certificate confirms that the architectural design of the building (to be constructed or already existing) is suitable for the operation of a hospital in accordance with the relevant provisions of the Turkish Hospital Regulation and must be obtained before the construction of a hospital building or in case of any material amendment to a hospital building.

Additionally, the construction permit and the building use permit must be obtained to prove that there are no scientific deficiencies for medical centre or policlinic operation and/or use. The operations of a private hospital operating without these permits may be suspended by the MOH Turkey.

Following the pre-approval certificate, the applicant must obtain a hospital opening certificate from the MOH Turkey issued in the name of the hospital's owner and proving that the hospital's building and management have met the requirements under the Turkish Hospital Regulation. In order to obtain the hospital opening certificate, among others, (i) the original petition setting out daily fees for hospital services (prepared by authorised hospital staff and indicating the number of beds in the hospital); (ii) a health commission report determining daily fees based on market conditions; (iii) a doctor's report regarding the hospital's specialty services; (iv) a medical waste report issued in accordance with the regulation on medical waste; and (v) an internal services manual must be submitted to the MOH Turkey for its comments or approval thereto. The hospital opening certificate must be obtained within three years of obtaining the pre-approval certificate. Otherwise, the pre-approval certificate will be rendered invalid.

The main and final license for the commencement of patient reception and treatment is the hospital operation certificate. The hospital operation certificate must be obtained within six months of obtaining the hospital opening certificate. Otherwise, the hospital opening certificate will be rendered invalid.

The private hospitals must have at least one radiology, biochemistry and/or microbiology laboratory. Other laboratory services, *i.e.*, hematology, pathology and genetic laboratory services may be outsourced from third parties. The private hospitals shall obtain the prior approval of the MOH Turkey for each laboratory service that it provides in its hospital facility. The private hospitals must also obtain an opening permit from the MOH Turkey for each of these special treatment units and meet the special requirements (*i.e.* personnel qualifications) set forth under the relevant specific legislations.

The MOH Turkey sets forth specific qualification standards for the medical equipment, elevators, generators, ambulance services and certain other hospital services and requires the hospitals to obtain permits evidencing that such standards are met.

The Turkish Hospital Regulation imposes certain restrictions on the statements, announcements and advertisements of the hospitals. The private hospitals may make announcements and presentations concerning the scope of their services and details of their opening. Additionally, hospitals may provide information or make presentations to protect and promote progress of health services, provided that the information relayed has been scientifically proven and is not exaggerated or misleading. The Turkish Hospital Regulation also prohibits lease or transfer of any parts of hospital buildings to a third party, except for services that a hospital is required to provide under the Hospital Regulation.

The MOH Turkey performs routine inspections every six months to monitor compliance of hospital operations with health legislations. Failure to cure any violation of the Turkish Hospital Regulation within the grace period provided may result in suspension of activities or revocation of the hospital operation certificate. The MOH Turkey may suspend the operations of the private hospital and/or revoke its operation permit, if, among others:

(a) any change in the address of the private hospital is not notified to the MOH Turkey and reflected to the operation license;

(b) the owner of the private hospital whose name appears on the operation license changes and such change is not notified to the MOH Turkey;

(c) a doctor who is also working in public hospital or providing treatment services in university hospital is employed;

(d) any health personnel, including but not limited to the responsible manager or deputy responsible manager, works in the hospital without the working permit obtained from the MOH Turkey;

(e) treatment services are being provided in a building for which pre-approval certificate is not obtained or in a unit without prior approval of the MOH Turkey; and

(f) treatment fees are requested and obtained from an emergency patient.

Medical centres and policlinics

The Turkish Clinic Regulation sets forth a provision that all shareholders of a medical centre or a policlinic must either be doctors or companies whose shareholders are all doctors and may suspend the operations of a medical centre or policlinic, temporarily or permanently which are not in compliance with such requirement. The operation certificate must be obtained from the MOH Turkey in order to open and commence operations in a medical centre or policlinic. The medical centres or policlinics that have commenced their operations before 2008 were required to obtain a compliance certificate. These medical centres or policlinics are obliged to adapt pursuant to certain requirements in order to obtain an operation certificate until 31 December 2013, including, without limitation, enhancement in physical condition of the medical centre or policlinic facility such as lightning of examination rooms, inclusion of changing rooms, widening of corridors and improvement of patient waiting rooms and restrooms. The medical centres and policlinics shall also obtain surgical operations license and surgical operation responsible doctor licenses in order to commence such operations. These permits are issued for an indefinite term and remain valid unless the operation certificate or surgical operation license is revoked or the medical centre's relationship with the responsible doctor is terminated. Otherwise, the operations of the relevant medical centre or policlinic will be suspended until the missing license is obtained from the MOH Turkey.

Additionally, a construction permit and a building use permit must be obtained for the medical centres and policlinics under Article 30 of the Turkish Zoning Law No. 3194 to prove that there are no scientific deficiencies for medical centre or policlinic operation and/or use. The operations of a medical centre or policlinic operating without such permits will be suspended by the MOH Turkey.

The Clinic Regulation also imposes restrictions on the statements, announcements and advertisements of medical centres and policlinics that are similar with the restrictions under the Turkish Hospital Regulation.

The MOH Turkey also performs routine inspections every four months on the medical centres and policlinics. Failure to cure any violation of the Clinic Regulation within the grace period provided may result in suspension of activities or revocation of the hospital operation certificate. The MOH Turkey may suspend the operations of a medical centre or policlinic and/or revoke its operation permit, if, among others:

(a) a doctor who is also working in public hospital or providing treatment services in university hospital is employed;

(b) any health personnel, including but not limited to the responsible manager, works in the medical centre or policlinic without the working permit obtained from the MOH Turkey;

(c) treatment services are being provided in a building for which pre-approval certificate is not obtained or in a unit without prior approval of the MOH Turkey; and

(d) treatment fees are requested and obtained from an emergency patient.

Planning of healthcare sector

The Turkish Hospital Regulation and the Turkish Clinic Regulation introduced new procedures for the 'planning' of the health sector by a commission established by the MOH Turkey in 2002. The planning commission will be the main body which determines the land on which a hospital shall be established and the operational framework of the hospital (such as number of staff to be employed, medical services units that shall exist in each hospital, etc.) in relation with the MOH Turkey's planning procedure.

Upon such enactment, the MOH Turkey suspended the issuance of health licenses including hospital/outpatient clinic licenses, special unit permits for new applicants and approvals for applications to increase capacity in or transfer health personnel to hospitals/outpatient clinics until the planning commission becomes fully effective.

The MOH Turkey's planning procedure includes a tender process in which applicants wishing to open and operate a hospital/clinic must participate. These applicants must also undertake that they will not transfer ownership or operational rights of the hospital/outpatient clinic to a third party. The MOH Turkey has not held any tenders or published a guideline or any other regulations in relation with the tender process.

The planning commission is not yet completely active; however, it started to operate as a decisive organ with respect to certain matters such as capacity increase or transfer of health institutions etc.

SGK legislation

The private healthcare institutions may enter into the agreement with the SGK (the "**SGK Agreement**") and choose to provide health services to SGK patients in its all units (full-contracted) or in a limited number of units (partially contracted). The partially contracted private healthcare institutions provide cardiovascular surgery, cardiology, medical oncology, radiation oncology, organ and tissue transplantation, gama/knife/cyber knife examinations and emergency services, to the extent they operate the relevant units. The hospitals operated by Acibadem Group companies, except for Fulya Hospital have executed the SGK Agreement.

The SGK is the regulatory organ that determines treatment fees and daily patient limits for the contractor private hospitals. The contractor private healthcare institutions are entitled to request an additional payment from the individuals in addition to the treatment fees determined by the SGK.

The SGK classifies the full-contracted private health institutions in five groups based on the thresholds to be charged in addition to the pre-determined SGK treatment fees. Accordingly, these institutions may charge 30%, 45%, 60%, 75% or 90% additional treatment fee on top of the SGK prescribed charges (tariff). These thresholds used to range between 30% and 70% until recently. On 17 March 2012, the Council of Ministers published a decision increasing this upper threshold of 70% to 90%. Among Acibadem hospitals, Acibadem Eskisehir Hospital, Acibadem Kayseri Hospital, Aile Hospital Bahcelievler and Aile Hospital Goztepe (which was operational until April 2012 and is currently undertaking structural reinforcement of the hospital building, which is leased) that are qualified to request 70% additional fees will be able to charge up to 90% additional fees to the SGK patients.

The partially contracted healthcare institutions may request additional payment capped at 30% of the treatment fees determined by the SGK. The Council of Ministers may publish further amendments to the relevant legislation to regulate other thresholds as well as fee caps for partially contracted hospital. The contractor private healthcare institutions may also request payment from the individuals for exceptional hotel services (e.g. room services, luxury equipment in rooms, catering and etc.) provided that these fees do not exceed three times the amount determined by the SGK. Hotel services cannot be charged to the SGK. In addition to the fee caps, the SGK also settles daily SGK patient limits for the hospitals.

The SGK legislation prohibits additional payment request for the following treatments:

(a) cardiovascular surgical operations,

(b) oncology treatments (radiotherapy, chemotherapy, and radio isotope treatments),

(c) organ, tissue or stem cell transplant,

(d) emergency treatments,

(e) intensive care unit services,

(f) burn treatments,

(g) treatments for infants,

(h) birth related anomaly treatments, and

(i) haemodialysis treatments.

Accordingly, the partially-contract healthcare institutions may request additional fee only for cardiology services.

The SGK is also authorised to impose penalties and/or terminate the SGK Agreement in case of breach of the SGK Agreement including exceeding the fee or patient thresholds. The SGK Agreement sets forth the wrongful acts that would lead to termination and the penalties applicable to each wrongful act. The receivables of the SGK from hospitals, including the penalties imposed by the SGK, will be reduced from the receivables of the hospitals from the SGK. If the receivables of the healthcare institutions do not recover their payment liabilities, the remaining amount will be deemed as public receivables pursuant to the SGK Law. Thus, their collection procedure is subject to the Law on the Collection Procedure of Public Receivables and such receivables would qualify as receivables with priority in a foreclosure proceeding.

Turkish Doctors Union Law and Medical Practices Law

Medical practitioners are required to register with the Turkish Doctors Union in order to practise medicine in any private health institution in Turkey. The Turkish Doctors Union Law and Medical Practices Law also mandate that the medical practitioners must obtain approval of the Turkish Doctors Union prior to their employment in a private healthcare institution. The medical practitioners cannot be employed in two private healthcare institutions at a time without prior consent of the Turkish Doctors Union. The medical practitioners who are in violation of these obligations may be subject to a monetary fine.

Regulation on the rights of patients

The patients of a private or public institution have protection against any illegal treatment or malpractice act or misuse of personal information as part of their human rights under the Turkish Constitutional Law and Turkish Civil Code. Further, the MOH Turkey regulates the obligations of health institutions to provide qualified health treatment and medical care in due standards, obtain consent of patients prior to certain treatments, keep good record and preserve confidentiality of patient information under the Regulation on the Rights of Patients. The patients are entitled to file a complaint or initiate a lawsuit for its pecuniary and non-pecuniary damages against a health institution in violation of patient rights thereunder.

Environmental legislation

The private healthcare institutions have obligations under the environmental legislation including the regulations on medical waste, hazardous wastes, solid waste and water pollution and they may be required to obtain the necessary permits (i.e., discharge of wastewater permit) under the relevant environmental regulation or enter into waste collection agreements with the relevant municipality or authorised private companies in order to store medical waste, hazardous waste and solid wastes produced therein or to have it collected. A breach of environment law may result in an administrative fine or, if the breach is not cured within the grace period provided, the facility may be wholly or partially, temporarily or permanently shut down. The Turkish Criminal Code and Civil Code set forth imprisonment or compensation penalties under certain conditions.

Ancillary laws and regulations

The operation of private healthcare institutions in Turkey are, *inter alia*, also subject to other ancillary laws and regulations, including:

(a) Organ and Tissue Transplantation Regulation which provides procedures for organ and tissue transplantation treatments;

(b) IVF Unit Regulation which provides for physical standards for IVF units, the licensing procedures and operational requirements;

(c) Medical Device Regulation which provides procedures and guidelines pertaining to the standards, design, production, supply, service, usage, classification and auditing of medical device and accessories;

(d) Cord Blood Bank Regulation which sets forth procedures for obtaining operation license and operating a cord blood bank; and

(e) Genetic Diseases Diagnosis Centre Regulation which sets forth procedures for obtaining operation license and operating a diagnosis centre for genetic diseases.

PRC HEALTHCARE LAWS AND REGULATIONS

General regulatory environment

China's healthcare industry is regulated by various government agencies, including the MOH. The MOH has branch offices across China that oversee the healthcare industry at the provincial and county levels, which branch offices, together with the MOH, referred to as the healthcare administrative authorities. The healthcare administrative authorities and other government agencies, such as the National Development and Reform Commission ("**NDRC**"), the State Food and Drug Administration ("**SFDA**"), the Ministry of Environmental Protection ("**MEP**"), and the Ministry of Commerce ("**MOFCOM**"), have promulgated rules and regulations relating to the procurement of large medical equipment, the pricing of medical services, the operation of radiotherapy equipment, the licensing and operation of medical institutions and the licensing of medical staff.

Regulation of medical institutions

Distinction between for-profit and non-profit medical institutions

Medical institutions in China can be divided into three main categories: public non-profit medical institutions, private non-profit medical institutions and for-profit medical institutions. Medical institutions falling under each category have differing registered business purposes and governing financial, tax, pricing and accounting standards than medical institutions falling under one of the other categories. Public non-profit medical institutions, including those owned by the government and military hospitals, are set up and operated to provide a public service and are eligible for financial subsidies from the government. In contrast, private non-profit medical institutions are not eligible for government financial subsidies. Both public and private non-profit medical institutions are required to set their medical service fees within a range stipulated by the relevant governmental price control authorities, to implement financial and accounting systems in accordance with standards promulgated by government authorities and to retain any profits for the continued development of such institutions. For-profit medical institutions are permitted to set prices for their medical services in accordance with the market, to implement financial and accounting systems in accordance with market practice for business enterprises and to distribute profits to their shareholders. Like private non-profit medical institutions, for-profit medical institutions are not entitled to government financial subsidies. All of the clinics in PRC are established as for-profit medical institutions.

Medical Institution Practicing License

Pursuant to the Regulation on Administration of Medical Institutions any organisation or individual that intends to establish a medical institution must obtain a medical institution practicing license from the relevant healthcare administrative authorities, which includes the procedure of application approval and registration.

In order to establish a medical institution, the approval from relevant healthcare administrative authorities should be applied and an approval letter for the establishment of medical institutions should be obtained before other application procedures from other relevant authorities. Medical institution with no bed or with less than 100 beds shall make the application with the local county-level healthcare administrative authorities, and medical institution with more than 100 beds and specialist medical institution shall make the application with the province-level healthcare administrative authorities. In determining whether to approve any application, the relevant healthcare administrative authorities are to consider whether the proposed medical institution comports with the population, medical resources, medical needs and geographic distribution of existing medical institutions in the regions for which such authorities are responsible as well as whether the proposed medical institution meets the basic medical standards set by the MOH. All of the clinics in PRC would each need to obtain such a medical institution practicing license. Pursuant to the Detailed Rules for the Implementation of Regulation on Administration of Medical Institutions any individual or organisation may not apply to establish a medical institution if:

(a) the applicant it is incapable to assume the civil liabilities independently;

(b) the individual is serving a sentence or incapable of assuming civil liabilities independently;

(c) the applicant is a medical personnel who is working in a medical institution, or has been discharged from his/her position because of sickness, or retains his/her position with a salary suspension;

(d) the applicant is a medical personnel who has committed a medical accident of higher than 2nd level in the last five years;

(e) the applicant is a medical personnel whose practice license has been revoked because of violation of laws, rules or regulations;

(f) the applicant is a legal representative or major person in charge of a medical institution of which the medical institution practice license has been revoked; or

(g) Any other conditions set by the health care administrative authorities of provinces, autonomous regions or municipalities.

After the relevant healthcare administrative authorities have approved the establishment of the proposed medical institution, such medical institution shall be registered at the aforesaid healthcare administrative authorities and obtain a Medical Institution Practicing License in order to operate and provide medical services.

A medical institution needs to satisfy the following conditions to obtain a license:

(a) An Approval Letter for the Establishment of Medical Institutions has been obtained.

(b) The medical institution meets the basic standards of medical institutions.

(c) The medical institution has appropriate name, organisation and premises.

(d) The medical institution has the funds, facilities, equipment and professional healthcare technical personnel suitable for its operation.

(e) There are corresponding internal rules and regulations of the medical institution.

(f) The medical institution is able to assume civil liabilities independently.

A medical institution will not be permitted to be registered and obtain the Medical Institution Practicing License if the medical institution is, amongst others, not in compliance with the approval it has obtained from the healthcare administrative authorities, it does not meet the basic standards for a medical institution or if the medical institution does not meet any other requirements stipulated by the healthcare administrative authorities of provinces, autonomous regions or municipalities.

The license, if granted, is not permitted to be transferred or lent. An application for change of information should be made if the medical institution intends to change any of its information, including without limitation the name, address, legal representative, or main responsible person. In case of any intention of closing the medical institution, it may make an application to cancel its license with the registration authorities and the license shall be withdrawn by the authorities.

The license of medical institution with less than 100 beds shall be checked and verified once a year by its registration authorities and shall be valid for a term of 5 years and the license of medical institution with more than 100 beds shall be checked and verified once every three years and shall be valid for a term of 15 years. The registration authorities shall suspend the medical institution's operation for a time period of one to six months if the medical institution is found not to meet the basic standards of medical institutions or other requirements. The license shall be cancelled if the medical institution is unable to pass the checking and verification after the suspension period.

Further, the Regulation of Medical Record Management in Healthcare Facilities 2002 ("**Medical Record Management Regulation**") imposes a duty on the healthcare facilities to have an appropriate patient medical records system comprising specialised department or full-time/part-time staff for maintaining and managing such patient medical records and be responsible for safeguarding the information on the patients' medical records against loss, tampering or use by unauthorised persons.

Registration of doctors

Doctors in China must obtain a doctor practitioner or assistant doctor practitioner license. Currently, each doctor is required to practise in the medical institution specified in such doctor's registration. If a doctor intends to change such doctor's practice location, including but not limited to moving to or from a non-profit medical institution or to or from a for-profit medical institution, practice classification, practice scope or other registered matters, such doctor is required to apply for such change with the relevant healthcare administrative authorities. However, with the approval of the medical institution with which a doctor is affiliated, such doctor may, within such doctor's scope of practice, undertake outside consultations, including diagnostic and treatment activities, for patients of another medical institution.

Pricing of medical services

Medical services fees generated through the use of both large medical equipment at non-profit medical institutions and military hospitals are subject to the pricing guidelines of the relevant provincial or regional price control authorities and healthcare administrative authorities. The pricing guidance sets forth the range of medical services fees that can be charged by non-profit medical institutions and military hospitals. For-profit medical institutions are not subject to such pricing restrictions and are entitled to set medical services fees based on their cost structures, market demand and other factors. According to the *Implementation Plan for the Recent Priorities of the Health Care System Reform (2009-2011)*, the Chinese government is aiming to reduce the examination fees for large medical equipment. In addition, the Chinese government is also aiming to reduce the treatment fees for large medical equipment.

Ancillary laws and regulations

The operation of healthcare business in the PRC is also subject to various other laws and regulations including:

(a) the Medical Equipment Supervision and Administration Regulation stipulates that clinics must each obtain a medical equipment operating enterprise permit from the relevant provincial drug supervision and administration agency for the operation of the different classes of medical equipment. Each such permit is valid for a term of five years and, prior to expiration, must be reviewed by and an extension of its term must be obtained from the relevant authorities;

(b) the Regulation on Radioisotope and Radiation Equipment Safety and Protection provide that organisations that produce, sell or use radioactive materials or devices in the PRC are required to obtain radiation safety permits from the relevant national or provincial environmental protection authorities. Each such radiation safety permit is valid for a term of five years and, prior to expiration, must be reviewed by and an extension of its term must be obtained from the relevant authorities;

(c) the Rules on Procurement and Use of Large Medical Equipment provide for quotas for large medical equipment are set by the MOH and the NDRC or the relevant provincial healthcare administrative authorities, and hospitals must obtain a large medical equipment procurement license prior to the procurement of any such equipment that is covered by the rules on procurement. Large medical equipment is defined as any medical equipment valued at over RMB5.0 million or listed in the medical equipment administration catalogue of the MOH;

(d) the Regulatory Rules on Radiotherapy govern medical institutions that engage in radiotherapy. These rules require such medical institutions to possess qualifications sufficient for radiotherapy work, which include having adequate facilities for housing radiotherapy equipment as well as having qualified, properly trained personnel. Medical institutions that operate medical equipment containing radioactive materials are also required to obtain a radiation safety permit; and

(e) the Regulatory Rules on Radiotherapy also provides that medical institutions that engage in the operation of medical equipment that contains radioactive materials or emits radiation during operation are required to obtain a radiation worker permit from the competent healthcare administrative authorities for each medical technician who operates such equipment.

INDIAN HEALTHCARE LAWS AND REGULATIONS

Clinical establishments (including hospitals, medical institutions, nursing homes, clinical laboratories and medical clinics) in India are regulated by various central, state, local government and municipal laws, regulations and rules. These laws, regulations and rules set out the licensing and regulatory regime applicable to clinical establishments and also mandate certain minimum standards that must be complied with in relation to the operation and maintenance of clinical establishments. These standards include sanitary and safety standards, conformity with conditions of allotment of land and provision of ongoing information in respect of matters such as (i) the availability and functioning of various medical instruments, (ii) available space for accommodating patients, (iii) details of operation theatres, and (iv) sanitation facilities. Depending on the relevant state in which the clinical establishment is located, the punishment for failure to comply with applicable laws, regulations and rules or to obtain the required registration and licenses is the imposition of mandatory fines as well as criminal conviction and imprisonment.

Laws and regulations governing fee structures for hospitals and clinics are specific to every state in India. Under these regulations, the relevant government authority has the power to specify the maximum fees and charges that can be imposed by a private hospital for provision of medical services for a specified number or percentage of beds in the hospital, as determined by the government authority. For instance, the approval granted by the Commissioner of the Municipal Corporation of Greater Mumbai for the building development of the proposed Khubchandani Hospital states that it is mandatory that 15% of beds in hospital be charged at the rate being charged by the Municipal Corporation of Greater Mumbai at municipal hospitals.

The West Bengal Clinical Establishments Act, 1950

The West Bengal Clinical Establishments Act, 1950 and the West Bengal Clinical Establishment Rules, 2003 (together, the "**WB Regulations**") apply to hospitals in Kolkata. Every clinical establishment must obtain a licence (and comply with conditions for the grant of a licence) under the WB Regulations, including the following:

(a) The clinical establishment should be kept in a sanitary and hygienic condition;

(b) The clinical establishment should submit reports to the relevant authority within prescribed timeframes;

(c) The clinical establishment must not refuse admission to any patient suffering from acquired immune deficiency disease syndrome; and

(d) All emergency patients must be given emergency medical care without consideration of the financial ability of the patient to pay medical fees and the patients must be then forwarded to the nearest government hospital along with the necessary medical records. However, the patient/patient party are responsible for paying the medical fees of the clinical establishment.

A licence is granted under the WB Regulations for one or three years and must be renewed prior to its expiry. Non-compliance with licensing conditions can result in revocation of the licence, and the state government is entitled to depute officers to randomly inspect a clinical establishment to determine compliance with the conditions of its licence.

A licence granted to a clinical establishment is non-transferable. Any proposed expansion in a clinical establishment should be pre-approved. The clinical establishment must maintain specified records for a period of three years or, in the event of any proceeding, till the disposal of such proceedings. A failure to maintain the necessary records is punishable with imprisonment for up to six months and with fine of up to Rs.1,000. A subsequent offence is punishable with imprisonment for up to two years or with fine which may extend to Rs.2,000 or with both.

The Bombay Nursing Homes Registration Act, 1949

The Bombay Nursing Homes Registration Act, 1949 and the Maharashtra Nursing Homes Registration Rules, 1973 (together, the "**Maharashtra Regulations**") apply to hospitals in Mumbai. A nursing home must be registered under the Maharashtra Regulations, which permit the cancellation of such registration on certain grounds including the following:

1. the person carrying on the nursing home is not a fit person to carry on or to be employed at a nursing home;

2. the nursing home is not under the management of a qualified medical practitioner or a qualified nurse, or there is not an approved proportion of qualified nurses;

3. the nursing home is not fit to be used for a nursing home for reasons connected with location, construction, accommodation, staffing or equipment; and

4. That the registered holder has been convicted of an offence under the Maharashtra Regulations or that any other person has been convicted of such an offence in respect of that nursing home.

The registration of a nursing home must be renewed by 31 March of every year. Any transfer of the ownership or management of nursing home must be jointly communicated by the transferor and the transferee to the local supervising authority and the transferee must make an application for registration in accordance with the Maharashtra Regulations.

The nursing home must also maintain registers of patients and daily records of health of patients. Non-maintenance of the registers is punishable by fine of up to Rs. 50 per day and, in the case of a continuing contravention, an additional fine of Rs.15 for every day that the contravention continues.

The Indian Medical Council Act, 1956 (the "Medical Council Act")

The Medical Council of India has been reconstituted under the Medical Council Act and is required to maintain a register of medical practitioners, containing the names of all persons who are for the time being enrolled as medical practitioners on any state medical register and who possess medical qualifications recognised under the Medical Council Act. Various relevant state government enactments provide for the constitution of state medical councils and the maintenance of state medical registers. Only medical practitioners enrolled on a state medical register are entitled to do the following (a) hold office as physician or surgeon or any other office (by whatever designation called) in the government or in any institution maintained by a local or other authority; (b) practise medicine in any state of India; (c) sign or authenticate a medical or fitness certificate or any other certificate required by any law to be signed or authenticated by a duly qualified medical practitioner; or, (d) give evidence at any inquest or in any court of law as an expert on any matter relating to medicine. The Medical Council Act also requires any person to obtain permission for establishment of new medical college, new course of study etc. No medical college in India is permitted to open a new or higher course of study or training or increase its admission capacity in any course of study or training, except with the prior permission of the central government. The Indian Medical Council also has the power to withdraw any recognition granted to a medical college under the Medical Council Act.

Any person who practices medicine in India without being registered as a medical practitioner with a state medical council will be punishable with imprisonment for a term of one year or a fine of up to Rs.1,000, or with both.

Ancillary laws and regulations

The operation of healthcare business in India is also subject to various other laws and regulations, including:

(a) the Drugs and Cosmetics Act, 1940 which (i) regulates the import, manufacture, distribution and sale of drugs for the proper protection of drugs and medicines; (ii) prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated, spurious or harmful; and (iii) specifies the requirement of a license for the manufacture, sale or distribution of any drug or cosmetic and imposes various record keeping and other requirements;

(b) the Atomic Energy Act, 1962 and the Atomic Energy (Radiation Protection) Rules, 2004, which (i) regulate matters relating to the acquisition, production, possession, use, disposal, export or import of any prescribed equipment, or substance, that can be a source of atomic energy, (ii) specify provisions relating to radiation installations, such as restrictions, regulatory constraints, safety standards and codes, employment rules and employee responsibilities, and (iii) prescribe requirements for radiation surveillance, health surveillance and inspections;

(c) the Radiation Protection Rules, 1971, the Radiation Surveillance Protection Rules 1971, the Radiation Surveillance Procedures for Medical Applications Of Radiation GSR — 388, 1989 and the Code No. AERB/SCIMED-2 (REV-I) dated 5 October 2001 which (i) stipulate that no person is permitted to use any radioactive material for any purpose, in any location and in any quantity, without a license; (ii) require the appointment of a safety officer for the implementation of a radiation protection programme; (iii) outline the objectives of a radiation surveillance programme, licensing and safety requirements, working conditions in a medical radiation installation, disposal procedures for radioactive effluents, protection and medical surveillance requirements; and (iv) stipulate various licensing and operating requirements applicable to all medical X-ray machines;

(d) the Indian Nursing Council Act, 1947, and various state laws relating thereto, which provide for the registration and enrolment of nurses and midwives and for matters connected herewith;

(e) the Pharmacy Act, 1948, which stipulates the qualification requirements and application processes for registration, and regulates the practice of pharmacy in India;

(f) the Bio-Medical Waste (Management and Handling) Rules, 1998, which (i) apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form, (ii) regulate the mode of treatment and disposal of bio-medical waste, (iii) mandate that every occupier of an institution generating, collecting, transporting, treating, disposing and/or handling bio-medical waste must (aa) be duly authorised, (bb) take steps to ensure that such waste is handled without any adverse effect to human health or the environment, and (cc) maintain records related to any form of handling of bio-medical waste and submit an annual report to the prescribed authority;

(g) the Transplantation of Human Organs Act, 1994 which provides for the regulation of removal, storage and transplantation of human organs for therapeutic purposes and for the prevention of commercial dealings in human organs and for matters incidental thereto. No hospital can provide services relating to the removal, storage or transplantation of any human organ for therapeutic purposes unless such hospital is duly registered under the Transplantation of Human Organs Act;

(h) the Medical Termination of Pregnancy Act, 1971 which (i) regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds; (ii) stipulates the requirements to be satisfied by a registered medical practitioner and the clinical establishments before an abortion can be carried out; (iii) requires private hospitals and clinics to obtain government authorisation to provide medical termination of pregnancy services; and (iv) has rules framed pursuant to the Act that require private clinics to have the requisite infrastructure and instruments and satisfy safety and hygiene requirements;

(i) the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 which regulates the use of pre-natal diagnostic techniques for the purposes of pre-natal sex determination and makes it mandatory for all clinical establishments utilising ultrasound machines to register with the appropriate authority, failing which penal actions could be taken against them;

(j) the Environmental Protection Act, 1986, which is an umbrella legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws;

(k) the Air (Prevention & Control of Pollution) Act, 1981 and The Water (Prevention & Control of Pollution) Act, 1974, which deal with licensing and operating requirements in relation to the control of air and water pollution;

(l) the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008, which apply to the handling of hazardous waste and specify the procedure for importing, exporting, handling, recycling, processing, reusing, treatment, storage and disposal of hazardous waste; and

(m) the Consumer Protection Act, 1986 which, *inter alia*, applies to professional negligence of service providers such as hospitals and doctors and provides for compensation to affected patients and patients' families.

This page has been intentionally left blank.

APPENDIX G:
SUMMARY OF REGULATIONS GOVERNING OUR EDUCATION BUSINESS IN SINGAPORE AND MALAYSIA

SINGAPORE PRIVATE EDUCATION LAWS AND REGULATIONS

The Private Education Act, Chapter 247(A) of Singapore (the "**PE Act**") was enacted in October 2009 to establish and incorporate the Council for Private Education ("**CPE**") and to provide for its functions, duties and powers for the regulation and accreditation of private education institutions in Singapore.

Under the PE Act, the CPE implements and administers two schemes, a mandatory Enhanced Registration Framework ("**ERF**") and a voluntary quality assurance scheme called EduTrust. The ERF, as set out under the PE Act and the Private Education Regulations, spells out the mandatory registration requirements and legislative obligations which all private education institutions, operating in and from Singapore, must meet.

All private education institutions in Singapore are required to register with the CPE under the ERF. These institutions fall under the following three categories:

(a) Private education institutions offering education leading to the award of a diploma or degree, or full-time post-secondary education leading to the award of a certificate;

(b) Private education institutions offering full-time preparatory courses for entrance/placement tests for joining the Ministry of Education's ("**MOE**") mainstream schools, or for external examinations; and

(c) Foreign System Schools offering fulltime primary or secondary education wholly or substantially, in accordance with an international curriculum.

The PE Act and the Private Education Regulations, stipulate, *inter alia*, operational requirements and restrictions for the operation of private education institutions, including the following:

(a) the change of (A) name of a private education institution, or (B) name of any premises or school of, or any education provided by, a private education institution to a new name, shall require the approval of the CPE;

(b) the change in the registered premises of a private education institution shall require the permission of the CPE;

(c) (A) the change in the ownership, control or management of a private education institution (including any change in the academic board or the examination board of a private education institution), (B) the conviction of any manager of a private education institution of any offence punishable with imprisonment, and (C) the institution of any legal proceedings against the private education institution, shall be notified to the CPE; and

(d) the issue or publication, knowingly or recklessly, of any advertisement relating to a private education institution which is false or misleading in a material particular is prohibited.

The EduTrust certification scheme is an voluntary quality assurance scheme which allows private education institutions to differentiate themselves by achieving certification awards that correspond to higher and more comprehensive standards in key areas of management, corporate governance and administration, academic processes, student protection and support services.

MALAYSIAN PRIVATE HIGHER EDUCATION LAWS AND REGULATIONS

Private Universities and Colleges

Private higher education is heavily regulated by the MOHE in accordance with the Private Higher Educational Institutions Act 1996 ("**PHEI Act**"), the Universities and University Colleges Act 1971 and accompanying regulations. These laws and regulations govern, among others, the establishment, maintenance, administration, registration, management, supervision and quality of the education industry in Malaysia. The operation of IMU and Pantai colleges in Malaysia are subject to these laws and regulations which comprise many operational aspects including matters relating to governance and management, facilities and programme resources, academic and professional appointments, the curriculum as well as the admission policy.

Once the application for registration of the establishment and operation of a private university or college is approved by MOHE, it is subject to renewal for every five (5) years. Application for renewal of the existing certificate of registration must be submitted at least six (6) months prior to the expiry of the certificate of registration. MOHE has the discretion to accept or reject the renewal of registration subject to the compliance of the terms and conditions of the registration. Any breach of the provisions under the PHEI Act will result in fines or imprisonment of the relevant person and the registration may be cancelled.

Further, the PHEI Act also sets out the requirement of obtaining prior approval from the Registrar General should there be any changes or alterations in relation to the universities or colleges which includes changes or alteration to:

(a) the name, issued and paid up capital, composition of the board of directors and constituent documents of the company who own the universities or colleges;

(b) registered premise of the universities or colleges;

(c) matters in relation to the chief executive of the universities or colleges.

Private university and college operators also have to continuously seek approvals from the relevant government agencies such as the Ministry of Home Affairs, Inland Revenue Board of Malaysia, Employees Provident Fund and Social Security Organisation for various ancillary approvals to support the institutions' operation which range from university and colleges premise licenses, advertisement licenses, teaching permits, employment of expatriate approvals, recruitment of international students, and corporate taxpayer and employer registration.

Programme studies

Prior approval from MOHE is required before a private higher education operator can conduct a programme of study at its respective universities and colleges. The accreditation of programme studies from MQA has been made mandatory by Ministry of Education. Accreditation will be granted if the institution strictly adhere to the high standards and policies set by the relevant professional bodies and government regulatory agencies in particular on the requirements set by the MQA in the Malaysian Qualifications Framework ("**MQF**").

In order to obtain or maintain full accreditation of the programme studies offered and conducted at the university or college, the private universities or colleges operator need to comply with the conditions and standards set by the MQA. The conditions and standards vary for each programme studies which includes material conditions on:

(a) quota for each programme studies;

(b) minimum students entrance requirements;

(c) infrastructure and facilities required for the programme study.

Further, private universities or colleges have to undergo monitoring exercise for the accredited programme for every three (3) years by MQA. The duration of such exercise may vary for programmes under the professional bodies. This periodic monitoring is essential to guarantee the maintenance of quality and continuous enhancement of each of the accredited programmes. Failure to comply with the terms and conditions provided by the MQA would amount to suspension or revocation of the accreditation status granted.

Programme studies such as nursing and pharmacy are subject to specific requirements set by the individual governing bodies such as the Malaysian Nursing Board and Pharmacy Board. These requirements can include compliance with specific recruitment policies and procedures for appointment of academic staff, and curriculum content.

[The rest of this page has been intentionally left blank]

This page has been intentionally left blank.

APPENDIX H:
SUMMARY OF LAWS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT IN SINGAPORE, TURKEY, THE PRC AND INDIA

THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT BY A SINGAPORE COMPANY TO A FOREIGN PARENT UNDER SINGAPORE LAWS

Foreign exchange control legislation in the form of the Exchange Control Act, Chapter 99 of Singapore, exists in Singapore but the applicability of the said Act has been suspended since 1 June 1978 pursuant to the MAS's Notice 754 dated 25 May 1978. Hence, solely as a matter of Singapore law, there is no approval required in Singapore for any payment, remittance or capital transfer by a Singapore-incorporated company, out of Singapore.

Notwithstanding the above, pursuant to Section 48C of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act, Chapter 65A of Singapore, persons who intend to move into or out of Singapore physical currency or bearer negotiable instruments the total value of which exceeds a prescribed amount (or its equivalent in a foreign currency) are required to complete a prescribed form referred to as the "Physical Currency and Bearer Negotiable Instruments Report (Traveller) form" (the "**NP727 form**") and submit the NP727 form to an immigration officer upon arrival in Singapore or on departure from Singapore. Personal details such as full name, date of birth, permanent address as well as information on the physical currency or bearer negotiable instruments are to be set out in the NP727 form.

Capital Maintenance Rules

Any repatriation of capital by a company incorporated in Singapore needs to be viewed in light of the capital maintenance rules in Singapore. As a general rule, a company is required to maintain its capital and not return any assets to its members while it is a going concern, save for dividends paid out of available profits. This is intended to protect creditors of the company, who in providing credit to the company for its business operations, should not be made to bear the risk that the company will return any of its capital to its members. The Singapore Companies Act, provides for certain exceptions to the general rule and accordingly, in addition to the payment of dividends, a distribution of the company's assets while it is a going concern can be effected through certain prescribed methods:

(a) a capital reduction;

(b) a share buyback; or

(c) any combination of the above.

These are considered below.

Dividends

A company may, in general meeting or by resolution of its members by written means, in accordance with its articles of association declare final dividends to its shareholders. Directors may also declare final dividends, if permitted to do so under the company's articles of association. The declaration of final dividends is subject to the following: (a) specific provisions of the company's articles of association providing for or restricting the same; (b) the amount shall not exceed the amount recommended by the directors of the company; and (c) under Section 403 of the Singapore Companies Act, no dividends shall be payable to shareholders except out of profits. Additional restrictions in relation to the declaration of dividends are prescribed by the Singapore Companies Act:

(a) subject to paragraph (b) below, any profits of a company applied towards the purchase or acquisition of its own shares in accordance with Sections 76B to 76G of the Singapore Companies Act (i.e. provisions in respect of share buybacks) shall not be payable as dividends to shareholders;

(b) the restriction described in paragraph (i) above shall not apply to any part of the proceeds received by the company as consideration for the sale or disposal of treasury shares which the company has applied towards the profits of the company; and

(c) any gains derived by the company from the sale or disposal of treasury shares shall not be payable as dividends to shareholders.

Directors of a company may also be given the power to pay interim dividends under the articles of association of the company. Unlike the declaration of a final dividend, declaration of an interim dividend does not create a debt. An interim dividend may be revoked any time before payment. However, an interim dividend is wholly provisional and anticipates the profits to be disclosed in the final accounts. Accordingly, if at the end of the accounting period, no profits are disclosed, the interim dividends cannot be paid.

If a dividend (including an interim dividend) is paid when there are no profits available or in contravention of the above, every director or manager of the company who wilfully paid or permitted the payment of the dividend is guilty of an offence.

Capital Reduction

A private company limited by shares may, either with or without an order of court, reduce its share capital according to the provisions set out in Division 3A of the Companies Act. Section 78A(1) of the Singapore Companies Act provides that a company may, unless such power is excluded or restricted under its memorandum or articles of association, reduce its share capital in any way and, in particular, do all or any of the following:

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) cancel any paid-up share capital which is lost or unrepresented by available assets; or

(c) return to shareholders any paid-up share capital which is more than it needs.

Capital Reduction without an order of court

In respect of a capital reduction without an order of court, in addition to passing a special resolution on capital reduction, the company has to, *inter alia*, meet the solvency requirements specified under the Singapore Companies Act.

Briefly, in order to meet the solvency requirements, all the directors of the company must make a solvency statement to the effect that they have formed the opinion that:

(a) as at the date of the statement, there is no ground on which a company could then be found to be unable to pay its debts;

(b) assuming it is intended to wind up the company within 12 months following the date of the statement, the company will be able to pay its debts in full within the period of 12 months beginning with the commencement of winding up;

(c) assuming it is not intended to wind up the company within 12 months following the date of the statement, the company will be able to pay its debts as they fall due during the 12 months immediately following the date of the statement; and

(d) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed capital reduction, become less than the value of its liabilities (including contingent liabilities).

The company need not meet the solvency requirements described in the preceding two paragraphs above in respect of a capital reduction if the reduction of share capital is a result of the cancellation of any paid-up share capital which is lost or unrepresented by available assets.

Capital Reduction pursuant to an order of court

The Singapore Companies Act provides an alternative method for a company limited by shares to reduce share capital without the requirement for a solvency statement. To do so, the company has to make an application to court pursuant to Section 78G(1) of the Singapore Companies Act for share capital to be reduced by a special resolution that is approved by an order of the court.

It should be noted that certain diminutions of capital are exempt from the procedures described above in the preceding four paragraphs for capital reduction without or with an order of court. Subject to the company's articles of association permitting such alteration of capital, reductions of capital that are so exempted include the following:

(a) the cancellation of shares which at the date of the passing of the resolution in that behalf have not been taken up or which have been forfeited (Section 71(1)(e) of the Singapore Companies Act);

(b) the application of capital in providing for the redemption of redeemable preference shares, which redemption shall not be taken as reducing the amount of share capital of the company (Section 70 of the Singapore Companies Act);

(c) the cancellation of shares that were purchased by the company pursuant to an order of court in relation to the giving of financial assistance by a company (Section 76(13)(b)(A) of the Singapore Companies Act);

(d) the buyback of shares pursuant to an order of the Singapore courts as a remedy in cases of oppression or injustice (Section 216(2)(d) of the Singapore Companies Act); and

(e) the application of capital of the company to purchase or acquire the company's shares, pursuant to a share buyback in accordance with the Singapore Companies Act. The buybacks under the Singapore Companies Act for unlisted Singapore-incorporated companies are described below.

Share Buyback

Unless provided for under the Singapore Companies Act, a company is prohibited from acquiring its own shares or shares in its holding company. Hence, under the Singapore Companies Act, an unlisted Singapore-incorporated company may buyback its own shares:

(a) in accordance with an equal access scheme authorised in advance by general meeting of the company (Section 76C of the Singapore Companies Act);

(b) in accordance with an agreement for a selective off-market purchase authorised in advance by special resolution where persons whose shares are to be acquired have abstained from voting (Section 76D of the Singapore Companies Act); or

(c) under a contingent purchase contract authorised in advance by a special resolution of the company (Section 76DA of the Singapore Companies Act).

The share buyback is subject to various conditions pursuant to the relevant sections of the Singapore Companies Act, such as the following:

(a) the company must expressly be permitted to do so under its articles of association;

(b) the total number of ordinary shares purchased or acquired by the company during the relevant period (as defined in the Singapore Companies Act) does not exceed ten per cent. of the total number of ordinary shares of the company in that class; and

(c) payment may be made out of the company's capital or profits so long as the company is solvent or will remain solvent after the buyback.

As can be seen from the above and as a general note, the payment of any dividends or return of capital to shareholders may only be made at a time when the company is solvent, and furthermore, such payments should not result in the company being insolvent. Otherwise, there is a risk that the payments or returns made may be challenged and be subject to a claw-back, on the basis that such payments or returns amounted to transactions at an undervalue and/or were unfair preferences of persons to whom payments or returns were made.

Withholding Tax

Under the Income Tax Act, Chapter 134 of Singapore, there is no withholding tax on the payment of dividends by a Singapore-incorporated company. There is also no withholding tax on any payment made to shareholders of a Singapore-incorporated company pursuant to a capital reduction or a buyback of shares by the Singapore-incorporated company.

Solvency Requirements

Payments made at a time when the company is insolvent or becomes insolvent by reason of the payment or made after insolvency proceedings have been commenced are susceptible to clawbacks. For instance, if there are payments made at a time when the company is insolvent or the company becomes insolvent by reason of the payments, there is a risk that the payments made may be clawed back as an unfair preference or transaction at an undervalue where the company is subsequently wound up or placed under judicial management.

TURKISH LAW AND REGULATIONS ON THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT BY A TURKISH COMPANY TO A FOREIGN PARENT UNDER TURKISH LAWS

The main regulations on the repatriation of capital, remittance of profit and foreign exchange controls in Turkey are:

(a) Government Decree no. 32 on the Protection of the Value of the Turkish Currency ("**Decree 32**");

(b) Communiqué on the Decree no. 32 numbered 2008-32/34 ("**Communiqué on Decree 32**");

(c) Circular numbered 1-M issued by Central Bank ("**1-M Circular**");

(d) Circular on Invisible Transactions issued by the Central Bank; and

(e) the Circular on Capital Movements issued by the Central Bank, all of which are amended from time to time.

Until the promulgation of Decrees 28, and 30 on the Protection of the Value of the Turkish Currency in 1983, which granted Turkish citizens limited rights to hold and trade foreign currencies, Turkish exchange regulations strictly controlled exchange movements.

A non-resident person may freely repatriate dividends received and proceeds of their sale in respect of such shares, which is discussed in detail below.

Foreign Exchange Controls

Pursuant to Article 1 of the Law on the Protection of the Value of Turkish Currency no. 1567, the Council of Ministers is authorised to regulate sale, purchase, importation and exportation of foreign exchange, shares, bonds (among others) in order for the protection of Turkish currency by Governmental Decrees each titled "Protection of Turkish Currency" and published in the Official Gazette.

Remittance of Profit from the Sale of Shares

Article 12 of Decree 32 permits the remittance of profit arising from activities and transactions by foreign investors in Turkey. Accordingly, foreign investors are authorised to remit net profit, dividend (to be further discussed below) sales considerations to be paid with regard to sales, liquidation, indemnification, agreements pertaining to license, management and similar agreements abroad via Turkish banks. Turkish banks conducting such transactions are obliged to disclose the profit remittance to the Directorate of Payment Balances General Directorate of Statistics.

Decree 32 further provides that non-residents may purchase and sell shares of Turkish companies traded on capital markets and money markets provided that such transactions are effected through a bank or broker authorised under applicable legislation and the relevant gains and the purchase price are transferred via a bank licensed in Turkey.

Distribution of Dividends

General Description for Distribution of Dividends under Turkish Law

In accordance with the relevant regulations of the Turkish Commercial Code no. 6762 ("**TCC**") and other applicable legislation and the relevant provisions of the articles of association of the relevant joint-stock company, the distribution of profits and the payment of any annual dividend in respect of the preceding financial year will be recommended by the board of directors each year for approval by the shareholders at the annual shareholders' meeting, which must be held within three months following the end of the preceding financial year. Each share which is duly paid entitles its holder to a pro rata share of any dividends distributed upon a shareholders' resolution in this respect, unless otherwise permitted by the applicable legislation and the articles of association of the relevant joint-stock company.

As per TCC, net profit of a Turkish company is calculated and dividends are distributed in accordance with the articles of association of the relevant company after deducting all expenses, depreciation and similar payments, taxes and the previous year's losses, if any, from the revenue determined at the end of the fiscal period and setting aside legally required reserves.

Unless and until the statutory funds and other financial obligations required by law are set aside, the company cannot resolve (i) to set aside any reserve, (ii) to transfer a dividend to the next year or (iii) to make distributions to the members of the board of directors, managers, employees and foundations or similar institutions established for various purposes.

According to the requirements of the Capital Markets Board ("**CMB**"), public companies are required to distribute dividends by the end of the fifth month following the end of the preceding financial year. Under the current dividend rules of the CMB, they are required to state the first dividend ratio in their articles of association and this ratio must not be less than 20% of the net income of the company. Listed companies have the option to distribute dividends in the form of cash or bonus shares (or a combination thereof), or to retain all or part of the earnings for the relevant financial year as retained earnings, subject to the limitations discussed thereof. However, according to the CMB rules, if a public company determines not to distribute first dividends, then the minimum amount must be set aside as a special reserve.

Additionally, the CMB has the discretion to require public companies to distribute dividends. Accordingly, the CMB determines annually the mandatory minimum rate of dividends to be distributed by companies listed on the Istanbul Stock Exchange. For the profits of the years 2011, 2010 and 2009; the CMB did not impose mandatory minimum rates of dividends to be distributed by companies listed on the Istanbul Stock Exchange. This rate is set as a percentage of distributable profits based on each company's financial statements prepared in accordance with applicable CMB regulations.

Pursuant to the Capital Markets Law numbered 2499, public companies may distribute interim dividends.

No dividends or additional interim dividends may be distributed until the interim dividends of the previous year are completely set off and the articles of association of the relevant company allows such distribution.

Under Turkish law, the statute of limitations in respect of dividend payments including annual and interim dividends is five years following the date of the shareholders' meeting that approved the distribution or any other date to be resolved at such shareholders' meeting, after which time uncollected dividends are transferred to the Treasury.

Remittance of Dividend from Turkey to foreign shareholders

A non-resident person may freely repatriate dividends received provided that such dividends received are transferred through Turkish banks.

Share Buyback

The TCC provides a rigid prohibition for joint stock companies to acquire ownership of or a pledge on their own shares. Pursuant to the TCC, any agreement with respect to joint stock companies' acquisition of or acceptance of a right of pledge on their shares, and any share buyback transactions conducted within the said scope shall be invalid. The relevant provisions of the TCC provide a limited number of cases where a joint stock company is allowed to buyback its shares on a temporary basis. These exceptions are such as share buyback transactions executed in connection with a capital reduction by the company; acquisition of the shares by way of succession within the scope of the acquisition of an asset or a commercial enterprise together with its assets and liabilities or any share buyback transactions executed within the scope of activities of the company.

On 10 August 2011, the CMB resolved the new principles governing share buyback transactions of companies listed on the Istanbul Stock Exchange by introducing a similar structure to the legal framework envisaged in the new Turkish Commercial Code numbered 6102, which shall take effect on 1 July 2012. Regardless of the enactment of the new Turkish Commercial Code, the relevant resolution of the CMB has immediately entered into force, paving the way for ISE listed companies to conduct the share buyback transactions.

In order to commence the share buyback, the listed companies require authorisation from the general assembly with a share buyback programme including information on the purpose of the purchase, fund allocated for such purpose and the source of such fund, the term of such authorisation which can be at most 18 months and certain other matters. On the other hand, in the existence of "reasonable grounds", the board of directors of the listed company can initiate the share buyback transactions without a separate authorisation from the general assembly. These transactions are subject to certain limitations e.g. share buyback transactions can only be commenced on exchange, share buyback can be executed up to 10% of the issued capital of the relevant listed company, the price of the on-exchange purchase order cannot exceed the existing orders or the price of the last realised transaction.

A new share buyback system will be introduced to Turkish companies with the enactment of the new Turkish Commercial Code numbered 6102, which shall take effect on 1 July 2012.

Capital Reduction

The TCC provides that the capital of a joint-stock company incorporated in Turkey can be ordinarily decreased either (i) by decreasing the number of shares of such company which can be achieved by combining or eliminating shares, or (ii) by decreasing the nominal value of all shares. Exceptionally, the capital of a company may also be decreased for compensating the losses reflected in the financial statements or for obtaining funding from the shareholders by simultaneously decreasing and increasing the capital.

In Turkey, the ordinary capital reduction method explained above is triggered with a board resolution of the relevant company in relation to the capital decrease and an application to the commercial court for the appointment of an expert committee which will report that the company will have sufficient assets to meet the claims of all of its creditors after reduction of its capital. Following issuance of the expert committee report allowing the capital decrease, the approval of the general assembly of shareholders is required for such capital decrease. Once the general assembly of shareholders is duly convened and a resolution regarding an amendment to the articles of association of the company with respect to the capital decrease is approved, the company is obliged to make three announcements in the trade registry gazette and invite its creditors to claim their receivables or request security for these claims from the company within two months following the third announcement to be made. Additionally, the company shall notify its creditors whose addresses are known to the company of the capital decrease procedure. The actual decrease of the capital can only take place after the term given to the creditors is completed and the declared due claims are either paid or secured. Once such steps are duly completed, the actual decrease of the capital can be implemented by the board of directors and the relevant documentation shall be submitted to the trade registry.

CHINA LAW AND REGULATIONS ON THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT BY A PRC COMPANY TO A FOREIGN PARENT UNDER PRC LAWS

Foreign Currency Exchange

Pursuant to the Foreign Exchange Administration Regulation promulgated on 29 January 1996, as amended on 14 January 1997 and 5 August 2008, and various regulations issued by the State Administration of Foreign Exchange ("**SAFE**") and other relevant PRC government authorities, the Renminbi is freely convertible only with respect to current account items, such as trade-related receipts and payments, interest and dividends. Capital account items, such as direct equity investments, loans and repatriations of investments, require the prior approval of the SAFE or its local branches for conversion of Renminbi into foreign currency, such as U.S. Dollar, and remittance of the foreign currency outside the PRC. Foreign exchange transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE and other relevant PRC governmental authorities, or their competent local branches.

Renminbi converted from the foreign currency-denominated capital of a foreign-invested company only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments within the PRC unless specifically provided for otherwise in its business scope. In addition, the SAFE strengthened its oversight of the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign-invested company. The use of such Renminbi may not be changed without SAFE's approval and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used for purposes within the company's approved business scope. Violations of SAFE Circular No. 142 may result in severe penalties, including substantial fines.

Dividend Distributions

Pursuant to various regulations issued by the SAFE and other relevant PRC government authorities, the PRC government imposes restrictions on the convertibility of Renminbi into foreign currencies and, in certain cases, on the remittance of currency out of China. All PRC incorporated companies must allocate at least 10.0% of its after-tax profits to a statutory common reserve fund. When the accumulated amount of the statutory common reserve fund exceeds 50.0% of the registered capital of such subsidiary, no further allocation is required. Funds allocated to a statutory common reserve fund may not be distributed to equity owners as cash dividends. Furthermore, PRC incorporated companies may allocate a portion of its after-tax profits, as determined by its ultimate decision-making body, to its staff welfare and bonus funds, which allocated portion may not be distributed as cash dividends.

Regulation on Taxation

On March 16, 2007, the National People's Congress, the PRC legislature, passed the new Enterprise Income Tax Law, ("**new EIT Law**") which became effective on January 1, 2008. On December 6, 2007, the State Council approved and promulgated the Implementation Rules of PRC Enterprise Income Tax Law, which took effect simultaneously with the new EIT Law.

The new EIT Law applies a uniform 25% Enterprise Income Tax rate to both foreign-invested enterprises and domestic enterprises and eliminates many of the preferential tax policies afforded to foreign investors. Furthermore, dividends out of post-2007 earnings paid by a foreign-invested enterprise to a non-resident shareholder are now subject to a withholding tax of 10%, which may be reduced under any applicable bi-lateral tax treaty between the PRC and the jurisdiction where the non-resident shareholder resides. An applicant seeking a preferential withholding tax rate under a bilateral tax treaty must apply to the competent PRC tax authorities for recognition of eligibility for such treaty benefits. The PRC tax authorities will evaluate whether an applicant for treaty benefits with respect to dividends, interest and royalties qualifies as a "beneficial owner" on a case-by-case basis, and must follow the "substance over form" principle and an applicant that does not carry out substantial business activities, an agent or a conduit company, will not be regarded as a "beneficial owner" and therefore cannot enjoy treaty benefits.

In addition, under the new EIT Law, foreign shareholders could become subject to a 10% income tax on any gains they realised from the transfer of their shares, if such gains are regarded as income derived from sources within the PRC, and the enterprise in which their shares invested is considered a "tax resident enterprise" in the PRC. Once a non-PRC company is deemed to be a PRC tax resident by following the "place of effective management" concept and any dividend distributions from such company are regarded as income derived from sources within the PRC, PRC withholding income tax may be imposed and applied to dividend distributions from the deemed PRC tax resident to its foreign shareholders, and dividends distributed by its PRC subsidiaries to such deemed PRC tax resident would be exempted from PRC tax if certain requirements are met.

Transfer of Shares in the Foreign Invested Enterprises ("FIE")

A foreign investor can cash out on its investment through a sale of its equity to another investor. This can occur either by selling its equity in a FIE to another foreign investor or to a Chinese investor (Chinese government approval is required in both circumstances). If the sale is to another foreign investor, of course the foreign purchaser will have foreign currency and can directly remit those funds offshore to the seller. If the purchaser is a domestic investor without foreign currency, Chinese law also permits this purchaser to convert its RMB purchase price into foreign currency and remit them to the foreign seller, as long as the transfer has been approved by the Ministry of Commerce ("**MOFCOM**") or its local counterparts.

Buyback or reduction in capital

In general, registered capital may not be reduced during the life of a FIE without amending its articles of association, which requires approval by the relevant government approval authorities. (There is a limited exception in the case of cooperative joint ventures.) It is this limitation, combined with the requirement that only profits out of retained earnings may be distributed, which potentially can trap cash in an FIE until it is dissolved. By itself, this basic framework would not be unduly burdensome if investors could choose both the amount of the total investment to contribute as registered capital (i.e., the degree of leverage) and the timetable for funding such contribution. However, Chinese law does not permit such flexibility in either of these areas.

Liquidation Rights

Normally, registered capital of a FIE cannot be reduced during the term of the venture. Liquidation of a FIE requires approval by its original approval authority. Once the FIE is liquidated and its creditors are paid off, then any remaining liquidation assets can be distributed to the investors and, in the case of foreign investors, repatriated abroad.

INDIAN LAW AND REGULATIONS ON THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

Repatriation and remittance of capital and profits from an Indian incorporated company to a non-resident shareholder is governed by the Foreign Exchange Management Act, 1999 (as amended from time to time) and the rules, regulations, circulars and notifications (together the "**FEMA**") issued thereunder by the Reserve Bank of India (the "**RBI**") as well as the press notes and circulars issued by the Department of Industrial Policy and Promotion as consolidated in the Circular 2 of 2011 dated 30 September 2011 (as restated from time to time) (the "**Consolidated FDI Policy**"). Under Indian law, such remittance and repatriation is permitted in certain specified circumstances subject to compliance with prescribed procedural and documentation requirements.

Remittance/repatriation of proceeds by an India incorporated company to its non-resident shareholder

Under Indian law, a non-resident shareholder is permitted to repatriate and/or remit outside India the following:

(i) sale proceeds of shares received by a non-resident shareholder;

(ii) amounts received on a buyback of shares or upon reduction of capital by the Indian company;

(iii) amounts received by upon a distribution of capital following a winding up of the Indian company; and

(iv) dividends received by a non-resident shareholder from the Indian company.

Transfer of Securities acquired under the Foreign Direct Regime ("FDI") regime

A non-resident shareholder is permitted to transfer the securities of an Indian company acquired by him under the FDI regime in accordance with the FEMA and the Consolidated FDI Policy, without the prior permission of the RBI, subject to certain conditions. For example, RBI has granted general permission to the following types of transfers of Indian securities by non-residents:

(i) A non-resident, (not being a non-resident Indian individual ("**NRI**") or overseas corporate body, in which NRIs hold at least 60% of the ownership/beneficial interest), may sell or gift securities to another non-resident (except an NRI);

(ii) A non-resident may sell securities to an Indian resident under a private arrangement (i.e. not on Indian stock exchanges), subject to compliance with certain conditions such as adherence to pricing guidelines stipulated in FEMA and reporting requirements;

(iii) A non-resident may sell securities of an Indian listed company on Indian stock exchanges through a stock broker or merchant banker;

(iv) An NRI may sell or gift securities to another NRI; and

(v) A non-resident may gift securities to an Indian resident.

Any transfer between non-residents and NRIs of securities acquired under the FDI regime requires prior RBI approval. The proceeds of such transfers are permitted to be remitted outside India by a non-resident holder of securities subject to compliance with certain specified documentary and procedural requirements.

Buyback or reduction in capital

An Indian company is permitted to reduce its capital pursuant to section 100 of the (Indian) Companies Act, 1956 in accordance with a scheme of reduction which is approved by at least 75% of its shareholders and sanctioned by the High Court of the state in which the company is incorporated.

An Indian company can purchase its own shares or other specified securities pursuant to section 77A of the (Indian) Companies Act, 1956, out of its free reserves, the securities premium account, the proceeds of the issue of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

(a) the buyback should be authorised by the articles of association of the Indian company;

(b) a special resolution has been passed by postal ballot authorising the buyback (this condition is not applicable if the buyback is for less than 10% of the total paid-up equity capital and free reserves of the Indian company and such buyback has been authorised by the Indian company's board);

(c) the consideration for the buyback cannot exceed 25% of the total paid-up capital and free reserves of the Indian company and not more than 25% of the total paid-up equity capital of the Indian company can be bought back in a financial year;

(d) all the shares or other specified securities for buyback are fully paid-up;

(e) the debt owed by the Indian company is not more than twice the capital and free reserves after such buyback; and

(f) where the Indian company is listed, the buyback is in accordance with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Every buyback has to be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be, authorising the buyback. The buyback of securities can be from existing security holders on a proportionate basis or from odd lots, or, in the case of listed companies, from the open market, or by purchasing securities issued to the employees of the company pursuant to a scheme of stock option or sweat equity.

An Indian company is prohibited from purchasing its own shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies (other than a purchase of shares in accordance with a scheme for the purchase or subscription of shares by trustees of, or for shares to be held by or for the benefit of employees of, the company). An India company is also prohibited from purchasing its own shares if it is in default in (i) the repayment of any public deposit taken by it or interest thereon, (ii) redeeming debentures or preference shares, (iii) payment of dividend to a shareholder, or (iv) repayment of any term loan or interest payable thereon to any financial institution or bank or in complying with certain other provisions of the (Indian) Companies Act, 1956.

Under the FEMA, a non-resident is permitted to transfer shares of an Indian company to the Indian company in a buyback and participate in a reduction of capital scheme of the Indian company without any prior permission. Any proceeds received by a non-resident shareholder as a result of a buyback or reduction of capital are permitted to be remitted outside India by the non-resident shareholder subject to compliance with documentary and procedural requirements stipulated by the RBI.

Liquidation Rights

In the winding up of an Indian company, the equity shareholders are entitled to be repaid the amount of capital paid up or credited as paid up on their shares (or a proportion) out of, and to the extent of, the surplus assets of the Indian company remaining after making payments that enjoy a preference or priority under the (Indian) Companies Act, 1956. These are payments due from the Indian company to creditors, employees, certain government authorities (in relation to unpaid taxes) and to the holder of any other shares which enjoy a preference over equity shares in a winding up.

Under the FEMA, a non-resident shareholder of an Indian company is permitted to remit winding-up proceeds received by it in the winding-up of the Indian company subject to payment of applicable taxes and compliance with documentary and procedural requirements stipulated by the RBI.

Dividends

Under Indian law, an Indian company is permitted to pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the annual general meeting of shareholders. Under the (Indian) Companies Act, 1956, unless the board of directors of an Indian company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down under the (Indian) Companies Act, 1956, no dividend can be declared or paid by an Indian company for any fiscal year except out of the profits of the Indian company calculated in accordance with the provisions of the (Indian) Companies Act, 1956, or out of the profits of the Indian company for any previous fiscal year(s) arrived at as laid down by the (Indian) Companies Act, 1956. The Indian company must deduct dividend distribution tax at the prescribed rate before paying any dividend to shareholders.

Under the FEMA, a non-resident shareholder of an Indian company can repatriate cash dividends received by it subject to compliance with documentary and procedural requirements stipulated by the RBI.

This page has been intentionally left blank.

APPENDIX I: SUMMARY OF FOREIGN INVESTMENT REGULATIONS IN SINGAPORE, TURKEY, THE PRC AND INDIA

FOREIGN INVESTMENT REGULATIONS IN SINGAPORE

There are no foreign investment regulations under Singapore law with regard to the IHH Group's Singapore businesses in healthcare, private education, insurance and as a REIT manager.

FOREIGN INVESTMENT REGULATIONS IN TURKEY

Foreign investments regime in Turkey is mainly regulated by Law on Direct Foreign Investments no. 4875 ("**Foreign Investments Law**") and the Regulation on the Application of Law no. 4875 ("**Foreign Investments Regulation**") which are amended from time to time.

Pursuant to Foreign Investments Law, (i) off-exchange share acquisitions and (ii) on-exchange share acquisitions where the investor purchases at least 10% or more of the shares or voting rights of a company constitutes, among other transactions listed thereof, as foreign investment. Accordingly, the participation of IHH Turkey and Bagan Lalang to the capital of Acibadem Holding constitutes a foreign investment under Foreign Investments Law. Incorporation of new companies or opening of branches by foreign investors (legal entities established in accordance with laws of foreign countries, international organisations, foreign citizens and non-resident Turkish citizens) are also qualified as foreign investment.

The Foreign Investments Law introduced the new regime applicable to foreign investments in Turkey and accordingly, there are no approvals or permits required for direct foreign investments (excluding certain exceptions) and the system is currently notification-based. Thus, foreign investors are now subject to the same requirements as a domestic investor when investing in a Turkish company, except for the acquisitions of real property.

In addition to indicating that foreign investors can freely engage in direct foreign investments in Turkey and that such foreign investors will be subject to equal treatment with domestic investors, the Foreign Investments Law also repeat that such foreign investors can freely transfer the dividend, net profit, dividend sales considerations to be paid with regard to sales, liquidation, indemnification, agreements pertaining to license, management and similar agreements abroad via Turkish banks.

Real Estate

On 6 October 2010, the Government enacted a regulation on acquisition of real estate and establishment of rights *in rem* in Turkey by companies with foreign shareholders which restricts and/or controls the acquisition of real estate by Turkish companies having foreign shareholders. Accordingly, due to the participation of IHH Turkey and Bagan Lalang (and previously the participation of Abraaj) in the capital of Acibadem Holding, it qualifies as a "company with foreign shareholders".

A company with foreign participation, such as Acibadem Holding, seeking to acquire title to or a right *in rem* in relation to an immovable property in Turkey is required to notify and obtain the approval of the relevant governorship in Turkey which may require a series of evaluations by and procedural steps with Turkish authorities.

Healthcare Regulations

Turkish foreign investment legislation does not provide any specific regulations in relation to foreign investments in private healthcare sector.

FOREIGN INVESTMENT REGULATIONS IN THE PRC

Foreign Invested Medical Institution Restrictions

Ministry of Health ("**MOH**") and Ministry of Commerce ("**MOFCOM**") promulgated Interim Measures for the Administration of Sino-foreign Equity Joint and Cooperative Joint Medical Institutions (referred to as the "**JV Regulations**") which permit foreign investors to establish equity joint venture or cooperative joint venture medical institutions in PRC with local Chinese partners, subject to certain restrictions, *inter alia*:

(i) a maximum foreign equity ownership of less than 70%;

(ii) a minimum RMB20.0 million capital requirement for each medical institution; and

(iii) "chain licensing" is currently not available for foreign invested medical institutions. Each individual clinic or hospital must be established by qualified investor and a Sino-foreign equity/cooperative joint venture medical institution is not permitted to establish a branch or subsidiary.

The 2011 Revision of the Catalogue of Industries for Guiding Foreign Investment in the PRC has removed "healthcare" from restricted industries category and it is now falling into the permitted category. In November of 2010, the PRC State Council, National Development and Reform Commission, and Ministry of Health and other PRC ministries jointly issued the Opinions on Encouraging and Guiding non-State-owned Capitals to Establish Medical Institutions ("Circular 58"), which encourages foreign investment in the PRC healthcare industry and intends to relieve foreign investment shareholding restriction. Although Circular 58 is in place, relevant implementation rules have not been promulgated in the municipals.

Mergers and Acquisitions of Domestic Enterprises by Foreign Investors

On 8 August 2006, six PRC regulatory agencies, jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, (the "**M&A Rules**"). According to the M&A Rules, mergers and acquisitions of domestic enterprises by foreign investors must be reviewed and approved by the MOFCOM or its local branches. Particularly, the M&A Rules require special purpose offshore companies formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals to obtain the approval of the China Securities Regulatory Commission ("**CSRC**") prior to publicly listing their securities on an overseas stock exchange. The regulation also establishes more complex procedures for acquisitions conducted by foreign investors that could make it more difficult for domestic enterprises to grow through acquisitions.

FOREIGN INVESTMENT REGULATIONS IN INDIA

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act, 1999 and the rules, regulations, circulars and notifications (together the "**FEMA**") issued thereunder by the Reserve Bank of India (the "**RBI**") as well as the press notes and circulars issued by the Department of Industrial Policy and Promotion ("**DIPP**") (the "**Consolidated FDI Policy**"). The Indian Government, pursuant to its liberalisation policy, set up the Foreign Investment Promotion Board (the "**FIPB**") to regulate, together with the RBI, all foreign investment into India. A person resident outside India (i.e. a non-resident) is permitted to transfer any security held in an Indian company only in accordance with the terms and conditions specified in the FEMA and the Consolidated FDI Policy.

Foreign Direct Investment

In 1991, the Indian Government formulated the Industrial Policy which contains the policies relating to foreign direct investment ("**FDI**") in equity shares, fully and compulsorily convertible debentures and preference shares in Indian companies engaged in various sectors.

FDI is entirely prohibited in certain sectors (such as lottery, multi brand retail, real estate). Certain types of FDI, including the following investments, require the prior permission of the FIPB, whilst other types of FDI are under the "automatic route" (i.e. do not require FIPB approval):

(i) FDI in specified sectors for which industrial licensing is compulsory;

(ii) FDI in specified sectors not under the "automatic route" (such as airlines and tea sector);

(iii) In sectors under the "automatic route" where the proposed FDI is in excess of the limit for FDI set out in the Consolidated FDI Policy; and

(iv) FDI of more than 24.0% in the equity capital of units manufacturing items reserved for small scale industries.

The Indian Government has indicated that in all cases where FDI is allowed under the "automatic route", the RBI will be the primary agency for the purposes of monitoring and regulating such foreign investment. Subject to certain conditions, FDI in most sectors is permitted under the "automatic route". These conditions include compliance with (i) sector specific limits on foreign investment/FDI in the share capital of the investee company; (ii) minimum pricing requirements; (iii) reporting and documentation requirements; and (iv) ownership restrictions based on the nature of the foreign investor.

FDI in Hospitals

Up to 100% FDI is permitted in the hospital/healthcare sector under the "automatic route" and as such does not require FIPB approval.

This page has been intentionally left blank.

APPENDIX J:
SUMMARY OF RELEVANT BNM RULES ON INVESTMENT IN FOREIGN CURRENCY ASSETS

SUMMARY OF BNM RULES ON INVESTMENT IN FOREIGN CURRENCY ASSETS

The transfer of shares from CDS to CDP is regarded as an investment in foreign currency assets that would require shareholders to comply with the Malaysian Foreign Exchange Administration Rules (**"Foreign Exchange Rules"**) by BNM. Shareholders who wish to transfer their Shares from Bursa Securities for trading on the SGX-ST at any time after the IPO, are reminded to comply with Foreign Exchange Rules and thus may be required to seek the prior approval of BNM. There is no restriction for a non-resident of Malaysia (for the purpose of the Foreign Exchange Rules) to subscribe for or purchase securities in Malaysia.

The prevailing rules on investment in foreign currency assets (which include shares denominated in foreign currency) as follows:

Source of Funds	**Investment in Foreign Currency Assets**

Investment funded through conversion of ringgit into foreign currency.	• Residents without domestic ringgit credit facilities are allowed to convert any amount of ringgit for investment.
	• Residents with domestic ringgit credit facilities are allowed to convert ringgit for investment subject to the following limits:
	    • Individual: Up to RM1,000,000.00 equivalent in aggregate per calendar year.
	    • Company: Up to RM50,000,000.00 equivalent in aggregate per calendar year on a corporate group basis.

Investment using own existing foreign currency funds placed onshore or offshore.	• Residents with or without domestic ringgit credit facilities are allowed to use any amount of foreign currency funds.
Investment funded by proceeds from listing of shares through initial public offerings onshore and offshore.	• Residents with or without domestic ringgit credit facilities are allowed to use the full amount of the proceeds.

This page has been intentionally left blank.

APPENDIX K:
BYE LAWS GOVERNING THE LTIP AND EPP

IHH HEALTHCARE BERHAD

(formerly known as Integrated Healthcare Holdings Berhad)
(Incorporated in Malaysia)
(Company No. 901914-V)

2011 EQUITY PARTICIPATION PLAN
BYE LAWS

TABLE OF CONTENTS

2011 EQUITY PARTICIPATION PLAN
BYE LAWS

1. NAME OF THE PLAN

The plan shall be called the "2011 Equity Participation Plan" (the "**Plan**").

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings —

"Adoption Date"	:	means 25 March 2011 coinciding with the date this Plan is adopted by the Company.
"Applicable Laws"	:	means requirements relating to the Plan or equivalent scheme under applicable Malaysian company and securities laws, the listing requirements, rules and regulations of Bursa Securities, any guidelines prescribed by any Malaysian regulatory authority having jurisdiction for the time being to regulate equity participation plans and the applicable laws of any other country or jurisdiction where Options are granted under the Plan, as such laws, rules, regulations, requirements and guidelines shall be in place from time to time.
"Authorised Nominee"	:	has the meaning ascribed thereto in the Central Depositories Act.
"Board"	:	means the board of directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Clause 21 of these Bye Laws, such committee (or subcommittee).
"Bursa Depository"	:	means the Bursa Malaysia Depository Sdn Bhd.
"Bursa Securities"	:	means Bursa Malaysia Securities Berhad.
"Central Depositories Act"	:	means the Malaysian Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.
"Companies Act"	:	means the Malaysian Companies Act 1965, as amended from time to time and any re-enactment thereof.
"Company"	:	means IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) (Company No. 901914-V).
"Depositor"	:	means the holder of a Securities Account.
"Duration of the Plan"	:	means the duration of the Plan as defined in Clause 23 of these Bye Laws and includes any extension or renewal thereof.
"Employee"	:	means a person employed by the Company or a Group Company and any director (executive and non-executive) of the Company or a Group Company.

"Entitled Persons"	:	means such persons whom the Board determines will contribute to the growth of the Group Company comprising the Employees of the Group Company as the Board may select at its discretion and who meet the criteria of eligibility to participate in the Plan.
"Exercise Date"	:	has the meaning as ascribed to it in Clause 10.2 of these Bye Laws.
"Exercise Notice"	:	has the meaning as ascribed to it in Clause 10.2 of these Bye Laws.
"Exercise Period"	:	has the meaning as ascribed to it in Clause 10.1 of these Bye Laws.
"Exercise Price"	:	has the meaning as ascribed to it in Clause 11 of these Bye Laws.
"Group Company"	:	means any one of the Company or the Participating Subsidiaries as the Board may determine at its discretion from time to time. The term "Group Companies" means any two or more of them.
"Listing"	:	means the initial public offering of the shares of the Company.
"Market Day"	:	means any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities.
"Maximum Limit"	:	has the meaning as ascribed to it in Clause 5.1 of these Bye Laws.
"Offer Date"	:	means, in relation to an Option, the date of the written offer thereof to an Entitled Person in accordance with the provisions of this Plan.
"Option Price"	:	means the consideration to the grant of the Option calculated at the rate of either: (a) One cent (RM0.01) for each Option granted by the Company at any time from the Adoption Date until the date immediately preceding the date of Listing; or (b) Zero point five per cent (0.5%) of the Exercise Price at the time of the Offer Date for each Option granted by the Company at any time on or after the date of Listing.
"Option Termination Date"	:	means, in relation to an Option, the date from which that Option terminates, expires, lapses and/or otherwise ceases to be of any force and effect in accordance with this Plan.
"Option"	:	means a conditional right to subscribe for a Share upon exercise of that Option granted pursuant to Clause 8 of this Plan.
"Participants"	:	means the Entitled Persons who have been selected by the Board to participate in the Plan in accordance with these Bye Laws and who have accepted an offer for the grant of the Option under the Plan.
"Participating Subsidiaries"	:	means such subsidiaries of the Company as defined in Section 5 of the Companies Act, not being dormant companies, which are at any time and from time to time nominated by the Board to participate in the Plan in accordance with Clause 4 of these Bye Laws.
"Performance Targets"	:	has the meaning as ascribed to it in Clause 9 of these Bye Laws.
"persons connected"	:	has the same meaning as that in paragraph 1.01 of the Main Market Listing Requirements of Bursa Securities.

"Plan"	:	means the 2011 Equity Participation Plan of the Company, as amended from time to time.
"Pre-Listing Period"	:	means the period of five (5) years from 31 March 2011 or such other longer period as the Board may decide at its discretion.
"Previous Company"	:	has the meaning ascribed to it in Clause 24.1 of these Bye Laws.
"RM" or "Ringgit Malaysia"	:	means the lawful currency of Malaysia.
"Rules of Bursa Depository"	:	means the rules of Bursa Depository and any appendices thereto, as amended from time to time.
"Secretary"	:	means any person or persons appointed to perform the duties of the Secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.
"Securities Account"	:	means an account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealings in securities by the Depositor as permitted under the Central Depositories Act and/or Rules of Bursa Depository.
"Shares"	:	means ordinary shares of par value RM1.00 (or such other sum as may be adjusted in accordance with Applicable Law and the constituent documents of the Company) each in the capital of the Company. The Board shall have the discretion to determine whether the share is a newly allotted and issued share, or existing share whether the share is held as treasury share or held by an existing member of the Company.
"Substantial shareholder"	:	has the meaning ascribed thereto in Section 69D of the Companies Act.

2.2 **Interpretation**

In this Plan unless the context requires otherwise —

2.2.1 a reference to a statutory provisions shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and or any relevant regulatory authority (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and or any relevant regulatory authority);

2.2.2 a reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of this Plan so far as such modifications or re-enactment applies or is capable of applying to any Option and accepted within the Duration of the Plan and shall also include any past statutory provision (as from to time modifies or re-enacted) which such provision has directly or indirectly replaced;

2.2.3 words importing the singular meaning, where the context so admits, include the plural meaning as vice versa;

2.2.4 words of masculine gender include the feminine and neuter genders and all such words shall be construed interchangeably in that manner;

2.2.5 any liberty or power which may be exercised or any determination which may be made hereunder by the Board may be exercised in the Board's discretion;

2.2.6 a reference to the term "discretion" vested in the Board in the Plan shall confer the right to the possession, use and exercise of the said discretion in an absolute and unconditional manner;

2.2.7 the headings in this Plan are for convenience only and shall not be taken into account in the interpretation of this Plan; and

2.2.8 if an event is to occur on a stipulated day which is not a Market Day, then stipulated day will be taken to be first Market Day after that day.

3. OBJECTIVES OF THE PLAN

The primary objective of the Plan is to give selected Employees, whom the Board determines will contribute to the growth of the Group Company, an opportunity to participate in the equity of the Company. The Plan seeks to retain key executives of the Group Company and to draw their commitment by incentivising them through equity participation. The Plan also aims to align the interest of the Entitled Participants with that of the principal shareholder of the Company. The Plan is also designed to be a key attraction to potential executives to join the Group Company.

4. ELIGIBILITY AND PARTICIPATION

4.1 Any Employee who has been selected by the Board at its discretion, whom the Board expects will contribute to the growth of the Group Company, shall be eligible to participate in the Plan if, as at the Offer Date, the Employee —

4.1.1 has attained the age of eighteen (18) years;

4.1.2 is in the full-time employment and payroll of a Group Company including contract employees or in the case of a director, is on the board of directors of a Group Company;

4.1.3 falls within such other categories and criteria that the Board may from time to time at its absolute discretion determine,

PROVIDED ALWAYS THAT the selection of any Entitled Person for participation in the Plan shall be at the discretion of the Board (save that no offer shall be made to a director of the Company or a person connected to a major shareholder/director of the Company unless such offer shall have first been approved by the shareholders of the Company in general meeting), and the decision of the Board shall be final and binding.

4.2 Eligibility under the Plan does not confer on an Entitled Person a claim or right to participate in or any rights whatsoever under the Plan and an Entitled Person does not acquire or have any rights over or in connection with the Options or the Shares comprised herein unless an Offer has been made by the Board to the Entitled Person and the Entitled Person has accepted the Offer in accordance with the terms of the Plan.

4.3 Where an Entitled Person is both an employee and a director of a Group Company, such Entitled Person shall only be eligible to participate in the Plan in such category or categories of Entitled Person as determined by the Board. Unless otherwise determined by the Board at its discretion, no Entitled Person of a Group Company shall at any time participate in more than one (1) scheme or plan relating to share option implemented by a Group Company.

4.4 The Board may, at its discretion and subject to Applicable Laws, nominate any subsidiary of the Company to be a Participating Subsidiary at any time and from time to time PROVIDED THAT the

Board shall not nominate any corporation, which is dormant to a Participating Subsidiary. A corporation shall cease to be a Participating Subsidiary when such corporation ceases to be subsidiary of the Company. Additionally, the Board may at its discretion revoke or suspend the participation of any Participating Subsidiary in the Plan at any time and from time to time, whereupon the Entitled Persons who are Employees or directors of such corporation shall thenceforth cease to be entitled to receive an offer under the Plan provided that any Option already granted and vested shall not be affected by such revocation or suspension, unless specifically provided elsewhere in these Bye Laws.

5. LIMITATIONS UNDER THE PLAN

5.1 Subject to the Applicable Laws, the total number of Shares which may be issued under the Options granted pursuant to this Plan shall not exceed in aggregate five per cent 5% of the Company's issued and paid up share capital at any time during the existence of the Plan ("Maximum Limit"). Notwithstanding the foregoing, in the event the maximum number of Shares comprised in the Options (including Shares that have been issued under the Plan) exceeds the Maximum Limit during the Duration of the Plan either as a result of the Company purchasing its own Shares, or undertaking any other corporate proposals and thereby resulting in the total number of Shares to be issued under the Plan exceeding the Maximum Limit, the Options granted prior to the adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with these Bye Laws. However, in such a situation, the Board shall not make any further offers until such time that the number of Shares under the subsisting Options (including Shares that have been issued under the Plan) falls below the Maximum Limit.

5.2 Subject to the Applicable Laws, the aggregate number of Entitled Persons who are entitled to participate in the Plan and the maximum number of Options that may be granted to each Entitled Person shall be determined at the sole discretion of the Board. Notwithstanding the foregoing, directors and senior management of the Company shall not participate in the deliberation or discussion of their own allocation of Options.

5.3 Subject to the Applicable Laws, the total number of Shares which may be issued under Options granted under this Plan to a Participant who either singly or collectively with persons connected with him owns twenty per cent (20%) or more of the issued and paid up capital of the Company shall not exceed in aggregate ten per cent (10%) of the total number of Shares to be issued under the Plan.

5.4 The Company shall at all times keep available sufficient unissued Shares or Shares which are held as treasury shares to satisfy all outstanding Options, which may be exercisable, in whole or in part, from time to time, throughout the Duration of the Plan in accordance with these Bye Laws.

6. SHARE OPTIONS

6.1 Subject to such adjustment as may be determined by the Board in accordance with these Bye Laws, one (1) Option gives a conditional right to the Participant to receive one (1) Share, upon exercise of the Option and subject to the payment of the Exercise Price. The right is conditional upon Listing.

6.2 If the Listing does not take place within the Pre-Listing Period, the Plan shall become null and void and be of no further force and effect. Thereafter, all Options which have been granted and/or vested in the Participant shall lapse and the Option Price paid by the Participants in respect of the Options shall be forfeited absolutely by the Company and the Participants shall not be entitled to any compensation whatsoever PROVIDED THAT if the Company has met all the requirements for Listing as prescribed under relevant laws and guidelines issued by the relevant authorities but the shareholder of the Company decides not to proceed with the Listing within the Pre-Listing Period, all Option Price paid by the Participants shall be refunded by the Company to such Participants free of interest within a reasonable period upon expiry of the Pre-Listing Period PROVIDED FURTHER THAT if two or more Participants holding collectively more than 50% of the Options submit to the Board a written opinion that is supported by the views of at least two (2) international investment banks confirming that a successful listing can be achieved within the Pre-Listing Period in Malaysia or Singapore with an offering of at least twenty-five per cent (25%) of the issued and paid-up share capital of the Company at the material time at the price that would translate into at least ten per cent (10%) internal rate of return based on Ringgit Malaysia Two (RM2.00) per share, the Company shall, addition to the said refund, pay to such Participants the difference between the market value of the shares which will be based on the average of the price determined separately by the two (2) international investment banks as approved by the Board and the Exercise Price within a reasonable period upon receiving such written opinion or at the same time such refund is made, whichever is later.

7. RIGHTS IN SHARES

7.1 Shares issued or transferred upon the exercise of an Option will be subjected to all the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing issued Shares provided that if there is any right to participate in any rights or bonus issue, allotment, dividends or distributions the Shares shall rank pari passu with the then existing Shares only if the relevant entitlement date precedes the date of the issue or transfer of the Shares.

7.2 No Participant shall be entitled to exercise any voting rights in respect of any Shares nor to receive any notice of general meetings of the Company unless the Shares have been credited into the Securities Account of the Participant pursuant to the exercise of Options prior to the record date to receive notice of general meetings of the Company and to vote thereat.

8. GRANT OF OPTIONS

8.1 Subject to and in accordance with the provisions of this Plan, the Board may, within the Duration of the Plan, make offers to grant Options to Entitled Persons whom the Board may in its discretion select. An offer may be made upon such terms and conditions as the Board may decide from time to time. Notwithstanding the foregoing, the Board is entitled, at any time from the Adoption Date, to make a single offer to the Entitled Persons whom have been selected by the Board at its discretion.

8.2 The actual number of Options which may be offered to any Entitled Person shall be at the discretion of the Board provided that the number of Options so offered shall not be less than one thousand (1,000) Options and not more than the maximum number of Options that may be allocated to such Entitled Person pursuant to Applicable Laws and shall be in multiples of one thousand (1,000) Options.

8.3 The Board may, from time to time as the Board may determine in its discretion after the first offer is made pursuant to Clause 8.1, make subsequent offer to such Entitled Persons whom have accepted the previous offer provided that the maximum number of Options that may be allocated to such Entitled Person pursuant to Applicable Laws has not been reached and provided further that such subsequent offer will not result in a breach of the limitation of the Plan under Clause 5.1. Notwithstanding the foregoing, the Board has the discretion not to make further offer regardless of the amount of the available Options that can be allocated to the Entitled Persons under the Plan.

8.4 No offer shall be made to any director of the Company who is an Entitled Person unless such offer and the respective allotment of Shares pursuant to subsequent exercise of Option have previously been approved by the shareholder of the Company in general meeting, unless such approval is no longer required under the Applicable Laws and/or the Memorandum and Articles of Association of the Company.

8.5 Each offer to grant Options shall be substantially in the form set out in Appendix A (subject to modification by the Board from time to time) (“Letter of Offer”).

8.6 The Letter of Offer shall specify that the aggregate Option Price payable upon acceptance of the offer as contained in the Letter of Offer shall be paid in four (4) equal yearly instalments whereby the first instalment (“First Instalment”) shall be due on the date the Options are granted or the date the offer is accepted, whichever is later, and the subsequent instalments shall be due on each anniversary of the date the First Instalment is due until the third (3rd) anniversary of date the First Instalment is due ("Instalment Date").

8.7 Each instalment of the Option Price must be paid by the Participant in cash on each Instalment Date. However, the Participant may by a written application to the Board, request the Company to set off any instalment amount, whether wholly or partly, from the cash bonus that has been declared or allocated and payable by the Company to such Participant; and where only a part of the instalment amount is settled through a set off from the cash bonus, the balance shall be paid in cash on the relevant instalment date.

8.8 Notwithstanding Clauses 8.6 and 8.7 of these Bye Laws, the Board may, upon written application of any Participant, consider at its discretion to approve any other payment frequency or method on case by case basis.

8.9 Notwithstanding anything to the contrary in these Bye Laws, if there is any inconsistency between the terms and conditions as stipulated in the Letter of Offer and the terms and conditions as stipulated in these Bye Laws, the terms and conditions as stipulated in the Letter of Offer shall prevail to the extent of inconsistency.

8.10 Unless otherwise provided in these Bye Laws, the Option Price shall not be refundable. If the Plan lapses or becomes null or void, the Option Price shall be absolutely forfeited by the Company to the extent of such Option Price that is already due to the Company.

8.11 An offer shall be valid for a period of thirty (30) days of receipt of the offer or such other period as the Board may prescribe on a case to case basis and at its discretion and shall be accepted within this prescribed period as the Entitled Person to whom the offer is made ("Offer Period"). Any offer made by the Board that has not been accepted yet, shall become null and void, of no effect and incapable of being accepted upon any of the of the following events occurring:

8.11.1 the offeree's death;

8.11.2 the offeree's being adjudged bankrupt;

8.11.3 the offeree being declared insane; or

8.11.4 any other circumstances prescribed by the Board from time to time which would render the offeree to be incapable of accepting the offer.

8.12 An Entitled Person who accepts an offer of Options must return, within the Offer Period, the duly completed Acceptance Form (substantially in the form as set out in Appendix B, subject to modification by the Board from time to time) accompanied by a payment to the Company of the First Instalment. Upon receipt of the Company receiving a valid Acceptance Form together with sufficient First Instalment, the Company shall grant the Options as accepted by the Participant in one (1) lump sum. Such grant of Options shall be vested in the Participant in accordance with Clause 8.14 of these Bye Laws.

8.13 If the offer of Options is not accepted by the Entitled Person in the manner aforesaid, such offer shall, upon the expiry of the Offer Period or any other longer period as the Board may prescribe, automatically lapse and shall be null and void and of no effect, and the Options may, at the absolute discretion of the Board may re-offered to other Entitled Persons.

8.14 The Options granted by the Board pursuant to Clause 8.12 of these Bye Laws will vest in the Participant over a four-year period, with two-thirds of the Options to be vested in equal proportions on a yearly basis on each anniversary of the date of grant over such four-year period and the remainder one-third to be vested in equal proportions on the same basis upon the Group Company meeting the Performance Targets for each grant. Within thirty (30) days of the vesting date, the Board shall issue to the Participant a certificate of Option in such form as may be determined by the Board PROVIDED THAT if the

Performance Target for any year is not met, the Options (i.e. such Options which have been granted but have not been vested) which are scheduled to be vested for that relevant year upon meeting the Performance Target shall lapse and the proportionate Option Price for such Options shall be forfeited absolutely by the Company and the Participant shall not be entitled to any compensation whatsoever. However, the Board shall have full discretion to vest such Option or any part thereof to the Participant in any manner that the Board may determine if the failure to meet the Performance Target is a result of or contributed by an event beyond the control of the Participant.

8.15 Subject to the Applicable Laws, the Company shall keep and maintain at its own expense a register of Participants and shall enter therein the name, address and maximum entitlement of Options of each Participant and the number of Options granted, the number of Options vested, the number of Options exercised, the date of offer, the date of acceptance, in respect of each Participant.

9. PERFORMANCE TARGETS

9.1 The Options are granted subject to objective performance targets or such other objective conditions of exercise as the Board may determine from time to time on yearly basis as notified to the Participants by 30 June every year ("Performance Targets").

9.2 The Performance Targets shall be based on the following criteria —

Growth in EBITDA/(Shareholder Funds + Net Debt)

Where —

EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Shareholder Funds	:	Total assets less total liabilities
Net Debt	:	Interest bearing debt less cash

9.3 The Performance Targets shall be based on the financial results of the Group Company up to 31 December for each year. Notwithstanding the foregoing, the Board is entitled to review and revise the Performance Targets at any time after 30 June each year. Any revision to the Performance Targets decided by the Board shall be binding on all Participants.

9.4 The allocation of Options must be verified by the audit committee of the Board or its equivalent committee as being in compliance with the criteria as provided in these Bye laws at the end of each financial year. The Company must a statement by this committee verifying such allocation is included in the annual report of the Company.

10. EXERCISE PERIOD

10.1 Unless otherwise determined by the Board and subject to —

10.1.1 the Options having vested in the Participant; and

10.1.2 the Listing occurring within the Pre-Listing Period,

an Option may be exercised at any time from the date falling six (6) months from the Listing until the expiry of the Duration of the Plan or such later date as the Board may determine in its sole discretion ("Exercise Period").

10.2 An Option that has been vested in a Participant may be exercised in full (and not part only) by the Participant at any time during the Exercise Period, such date to be referred to as the "Exercise Date". To exercise an Option, a Participant shall give written notice to the Company ("Exercise Notice") in the form set out in Appendix C subject to modification by the Board from time to time, specifying the number of Shares to be subscribed for and provide sufficient payment of the Exercise Price and shall further specify the number of the Securities Account of the Participant or of the Participant's Authorised Nominee and furnish any other documentation that may be required by the Company.

10.3 No Option shall be exercisable if the Option has not vested in a Participant or if the exercise thereof would violate any provision of Applicable Laws, nor shall any Option be exercisable after the expiry of the Duration of the Plan.

10.4 The Exercise Price shall be payable in cash which shall be remitted to the Company with the Exercise Notice or, at the discretion of the Board, by such other form of consideration or in such other manner as may be acceptable to the Company, and permitted under Applicable Laws and, without limitation to the generality of the foregoing, any grant may at the discretion of the Board provide (to the extent permitted by Applicable Laws) for deferred payment of the Exercise Price from the proceeds of sale through a broker on a date satisfactory to the Company of some or all of the Shares to which such exercise relates.

10.5 Except as otherwise determined by the Board, Options shall be exercisable during the Participant's lifetime only by the Participant or, in the event of the Participant's legal incapacity to do so, the Participant's guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under Applicable Laws and any required court supervision or, in the case of disability or death of the Participant, by his legal representative or his estate in accordance with Clause 16 of these Bye Laws.

10.6 Subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of Bursa Depository, the Company shall endeavor, within eight (8) Market Days of the receipt by the Company of the Exercise Notice and remittance from the Participant of sufficient Exercise Price or such other period as may be prescribed by Bursa Securities, allot and issue or transfer the relevant number of Shares, and if relevant, despatch a notice of allotment stating the number of Shares to be credited into the Securities Account of the Participant or the Participant's Authorised Nominee with a copy to the Participant, as the case may be, and if applicable, make an application for the quotation of the Shares. No physical share certificate(s) will be issued to the Participant.

10.7 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the issued share capital of the Company or any other corporate proposal (including but not limited to a capital reduction exercise), being undertaken whereby all of the issued share capital of the Company is to be acquired (or all of the issued share capital of the Company ends up in the hands of one or more sponsors of such proposal or their nominees), whether by way of a general offer or otherwise, the vesting of all Options that have been granted but not yet vested and not lapsed shall be accelerated on the date such take-over offer is made or, if such take-over offer is conditional, the date on which such take-over becomes or is declared unconditional provided the acceleration shall not effective until full Option Price payable for all such Options have been duly settled. Upon the acceleration, the Board shall use its best endeavours to procure that such take-over offer be extended to all Shares that may be issued/transferred pursuant to exercise of the Options that have been vested.

10.8 Subject to the discretion of the Board, in the event of any application being made to the court for approval of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a Plan of arrangement and/or arrangement and reconstruction of the Company under section 176 of the Companies Act, or its amalgamation with any other company or companies under section 178 of the Companies Act, a Participant may exercise all or any part of his Options that have been vested in him, are exercisable but remains unexercised, at any time commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme is approved ("Scheme Date") (or on any other date specified by the Board in its sole discretion). For the avoidance of doubt, any outstanding Options after the Scheme Date (or on any other date specified by the Board in its sole discretion) shall automatically lapse and shall then be null and void.

10.9 The Board, the Company shall not under any circumstances be held liable for any costs, expenses, charges and damages whatsoever and howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing or transferring the Shares or in procuring Bursa Securities to list the Shares for which the Participant has exercised in accordance with the terms and conditions of this Plan or for any error in any offer.

10.10 In the event a warning letter is issued to a Participant (which may or may not lead to the commencement of disciplinary proceedings), the Board shall have the right, at its discretion, to suspend the exercise of the Option for a period deemed appropriate and may further impose such terms and conditions on the suspension as the Board shall deem appropriate having regard to the nature of the warning issued to the Participant PROVIDED ALWAYS THAT if no disciplinary proceedings is brought against the Participant at the end of the suspension period, the Board shall reinstate the rights of such Participant to exercise his Option.

10.11 In the event that a Participant is subject to disciplinary proceedings (whether or not such disciplinary proceedings give rise to a dismissal or termination of service), the Board shall have the right, at its discretion, to suspend the Participant's Options pending the outcome of such disciplinary proceedings. The Board may impose such terms and conditions on the suspension as the Board shall deem appropriate having regard to the nature of the charges made or brought against the Participant PROVIDED ALWAYS THAT —

10.11.1 in the event that such Participant shall subsequently be found not guilty of the charges which gave rise to such disciplinary proceedings, the Board may at its absolutely discretion reinstate the rights of such Participant to exercise his Option;

10.11.2 in the event the disciplinary proceeding results in a recommendation for the dismissal or termination of service of such Participant, the Option shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Participant notwithstanding that such recommendation may be subsequently challenged by the Participant in any other forum; and

10.11.3 in the event the Participant is found guilty but no dismissal or termination of service is recommended, the Board shall have the right to determine at its discretion whether or not the Participant may continue to exercise his Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

11. EXERCISE PRICE

11.1 Subject to such adjustment as may be made in accordance with these Bye Laws and Applicable Laws, the Exercise Price for a Share comprised in each Option shall be determined by the Board as follows:

11.1.1 The Exercise Price of the Option granted by the Company at any time from the Adoption Date until the date immediately preceding the date of Listing shall be Ringgit Malaysia Two (RM2.00) only, which shall be increased by ten per cent (10%) over each subsequent twelve (12) months period based on compounded annual growth rate. For illustration, if the Exercise Price for the first twelve (12) months of the grant of the Option is Ringgit Malaysia Two (RM2.00), the Exercise Price for the subsequent twelve (12) months will be Ringgit Malaysia Two and Twenty cents (RM2.20) and the Exercise Price for the following twelve (12) months thereafter will be Ringgit Malaysia Two and Forty-Two cents (RM2.42); and

11.1.2 The Exercise Price of the Option granted by the Company at any time on or after the date of Listing shall be determined by the Board which shall be based on the five (5) day weighted average market price of the underlying shares at the time the Option is granted, with a discount of not more than ten per cent (10%).

11.2 Subject to the Applicable Laws, the Exercise Price shall be adjusted in such manner as the Board may determine at its discretion if dividends declared at the Company level exceeds three percent (3%) per annum.

12. RETENTION

The Shares allotted and issued or transferred to the Participant pursuant to the exercise of any Option under this Plan will not be subjected to any retention period. However, the Participant is encouraged to hold the Shares as a long-term investment and not for any speculative and/or realization of immediate gain.

13. TERMINATION

13.1 All unexercised Options held by the Participants shall lapse with immediate effect and cease to be exercisable if —

13.1.1 the employment or executive position of the Participants with the Group Company is terminated; or

13.1.2 in the case of Participant who is a director, the Participant is disqualified to be a director pursuant to the applicable law (other than by reason of death, disability or incapacity) or his office as a director of a Group Company is vacated where he is convicted of any seizable offence; or

13.1.3 the Participant resigns from his position within the Group Company. For the avoidance of doubt, a Participant shall not be treated as resigning from his position within the Group Company until he no longer holds any office or employment with the Company or any subsidiary company within the Group Company; or

13.1.4 the Company is liquidated; or

13.1.5 the Participant becomes a bankrupt.

13.2 The Board may approve in writing the vesting, exercise or partial exercise of the Options or any part thereof by the Participants whose service has been terminated from the Group Company upon such terms and conditions as may be set out by the Board in its discretion, if such termination occurs by reason of —

13.2.1 retirement on attaining the retirement age under the Company's retirement policy;

13.2.2 retirement before attaining the normal retirement age, but with consent of the Board;

13.2.3 redundancy;

13.2.4 ill-health, injury, physical or mental disability;

13.2.5 any other circumstances which are acceptable to the Board.

14. EXPIRY

Unless otherwise expended by the Company, all Options shall cease to be exercisable upon the expiry of the Exercise Period.

15. TRANSFER

The Option is personal to the Participant and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever save in accordance with these Bye Laws. The Participant shall not charge, pledge, lien or encumber the Option in any manner whatsoever. Any such assignment, transfer, disposal, charge, pledge, lien or encumbrance shall result in the automatic cancellation of the Option rendering the Option null and void.

16. TRANSMISSION

16.1 In the event of death of the Participant, the legal representative of the deceased Participant may, during the Exercise Period, exercise the Options which have vested in the deceased Participant under the Plan provided that the transmission of the Options from the deceased Participant to the legal representative of the deceased Participant must be approved by the Board within the period of six (6) months (or such other longer period as the Board may determine as its discretion) from the event of death.

16.2 Any Option which has yet to vest shall lapse upon death, unless the Board determines otherwise.

17. ADJUSTMENTS

17.1 The Board may make or provide for such adjustments in the Options, the Exercise Price and/or the number of Shares covered by outstanding Options as the Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Participants that would otherwise result from any of the following events —

17.1.1 occurrence of Listing whereby these Bye Laws are required to comply with the minimum requirements of Applicable Laws as are applicable at the time of Listing;

17.1.2 share dividend, share split, combination of shares, recapitalisation, rights issue, capital reduction or other change in the capital structure of the Company;

17.1.3 merger, consolidation, separation, reorganisation, partial or complete liquidation; or

17.1.4 other corporate transaction or event having an effect similar to any of the foregoing.

Moreover, in the event of any such transaction or event, the Board, in its discretion subject to Applicable Laws, may provide in substitution for any or all outstanding Options under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Options so replaced. Any adjustments made shall be confirmed in writing by the external auditor of the Company.

17.2 Notwithstanding anything to the contrary, the provisions of this Clause 17 shall not apply where the alteration in the capital structure of the Company arises from:

(a) the issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business, as part of initial public offering, or pursuant to a special issue;

(b) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;

(c) a private placement or restricted issue of new Shares or other securities by the Company;

(d) the implementation of a Share buyback arrangement by the Company under the Companies Act;

(e) any issue of warrants, convertible loan stocks or other instruments by the Listed Entity that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or

(f) any issue of new Shares upon the exercise of Options granted under this Plan.

18. CONFIDENTIALITY

The Participants shall treat as confidential and not disclose or use any information received or obtained as a result of participating in this Plan.

19. SHARE OPTION AGREEMENT

The Board may require that any Option be evidenced by a Share Option Agreement. The form of each Share Option Agreement shall be prescribed, and any Share Option Agreement evidencing an outstanding Option may with the concurrence of the affected Participant be amended by the Board, provided that the terms and conditions of each Share Option Agreement and amendment are not inconsistent with this Plan and that no amendment shall adversely affect the rights of the Participant with respect to any outstanding Option without the Participant's consent.

20. MULTIPLE JURISDICTIONS

In order to facilitate the making of any grant under this Plan, the Board may provide for such special terms for Options to Participants who are employed by a Group Company in any particular jurisdiction, or who are nationals of any particular jurisdiction, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency.

21. ADMINISTRATION

This Plan shall be administered by the Board, which may from time to time delegate all or any part of its authority under this Plan to a committee of not less than three of its members appointed by the Board. To the extent of any such delegation, references in this Plan to the Board shall also refer to the committee. A majority of the members of the committee shall constitute a quorum, and any action taken by a majority of the members of the committee who are present at any meeting of the committee at which a quorum is present, or any action of the committee that are unanimously approved by the members of the committee in writing, shall be the acts of the committee. The Board or committee shall have the authority to delegate responsibility and authority for the operation and administration of this Plan, appoint employees and officers of the Company to act on its behalf, and employ persons to assist in fulfilling their responsibilities under this Plan.

22. AMENDMENT

Subject to any approvals which may be required of the Bursa Securities and any other relevant authorities (if applicable), this Plan may be amended from time to time by the Board; provided, however, that any amendment which must be approved by the shareholders of the Company in order to comply with the Applicable Laws, shall not be effective unless and until such approval has been obtained. Presentation of this Plan or any amendment hereof for shareholders' approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans or schemes or otherwise without shareholders' approval. Furthermore, no amendment or alteration of this Plan shall be made which would impair the rights of a Participant with respect to any outstanding Option under this Plan without the Participant's consent.

23. DURATION OF THE PLAN

23.1 This Plan shall be effective from the Adoption Date until the expiry of five (5) years thereafter.

23.2 No Option shall be granted pursuant to this Plan after the expiry of five (5) years from the Adoption Date, and no Options granted within such period may extend beyond that.

23.3 Notwithstanding the provisions of Clauses 23.1 and 23.2, the Board shall be entitled to terminate the Plan prior to the expiry of the duration specified in Clause 23.1.

24. AWARDS IN SUBSTITUTION FOR AWARDS GRANTED BY OTHER COMPANIES

24.1 To the extent not otherwise provided in this Plan, Options may be granted under this Plan in substitution for awards held by (i) employees of a company which is not a Group Company but which subsequently becomes a Group Company ("Previous Company") as a result of the acquisition, merger or consolidation of the Previous Company by or with the Company or a Subsidiary; or (ii) employees of any substantial shareholder of the Company who had provided services to a Group Company as secondees of such substantial shareholder and who subsequently become employees of a Group Company.

24.2 The terms, provisions and benefits of the substitute awards so granted may vary from those set forth in or authorised by this Plan to such extent as the Board at the time of the grant may deem appropriate to conform, in whole or in part, to the terms, provisions and benefits of awards in substitution for which they are granted.

25. DIVESTMENT OF PARTICIPATING COMPANIES

25.1 If a Participant is in the employment of a Participating Subsidiary which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group Company resulting in a subsequent holding of 50% or less of the equity of that company by another Group Company, then such Participant:

25.1.1 subject to Clause 10 of these Bye Laws, will remain entitled to exercise all exercisable but unexercised Options which were granted to and vested in him under this Plan within such time period determined by the Board, failing which the right of such Participant to receive that number of the Shares or any part thereof granted under such exercisable but unexercised Options shall automatically lapse upon the expiration of the said time period and be null and void and of no further force and effect; and

25.1.2 shall not be eligible to any grant of further Options under this Plan.

25.2 For the avoidance of doubt, the foregoing provisions shall not limit the discretion of the Board to revoke or to suspend the participation of any Participating Subsidiary in the Plan in accordance with Clause 4.4 of these Bye Laws.

26. ACQUISITION OF SUBSIDIARIES

26.1 Notwithstanding anything to the contrary, but subject to Clause 24, in the case of an employee of a Previous Company, such an employee ("Affected Employee") —

26.1.1 will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share scheme or employee share option scheme in accordance with the bye laws of that Previous Company's employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Company, be eligible to participate for further rights or options under such Previous Company's employee share scheme or employee share option scheme unless permitted by the Board;

26.1.2 (subject to the approval of the Board) may be eligible to participate in this Plan only for remaining Duration of the Plan; and

26.1.3 if the Affected Employee had participated in the Previous Company's employee share scheme or employee share option scheme, the number of Shares to be offered to such Affected Employee under this Plan shall be determined by the Board.

27. LIQUIDATION

Upon the commencement of the winding-up proceedings of the Company, all unexercised or partially exercised Options shall lapse and be null and void and of no further force and effect, and this Plan shall terminate.

28. TERM OF EMPLOYMENT UNAFFECTED

This Plan shall not be construed as conferring upon the Participants any right with respect to continuation of employment by the Group Company, nor shall it interfere in any way with the right of the Group Company to terminate such employment at any time, with or without cause. The terms of employment of an Employee shall not be affected by the execution of this Plan. The Options granted under this Plan shall not form a part of the terms of employment of an Employee or entitle him to take into account the Options granted under this Plan in calculating any benefits or payment whatsoever or compensation or damages during the course of his employment or on the termination of his employment for any reason.

29. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in this Plan, if a situation of conflict should arise between this Plan and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall prevail at all times.

30. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to this Plan including but not limited to the fees, costs and expenses relating to the allotment and issue or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

31. INSPECTION OF AUDITED ACCOUNTS

All Entitled Persons are entitled to inspect the latest audited accounts of the Company at the office of the Plan Administrator, as may be designated by the Board from time to time, at Suite 17–01, Level 17, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur or such other address as may be notified by the Board from time to time, during normal office hours on Mondays to Fridays (public holidays excepted).

32. COMPENSATION

A Participant who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Plan which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful or unfair dismissal or other breach of contract or by way of compensation for loss of office.

33. OTHER SHARE OPTION PLAN

These Bye Laws apply only to this Plan and do not supersede, replace or affect any other Bye Laws of the Company which are in force for the purposes of any other share option plans or schemes.

34. TAXES

No later than the date as of which any amount first becomes includible in the gross income of an Participant for any applicable income tax purposes with respect to any Option under this Plan, the Participant shall pay to the Company, or make arrangements satisfactory to the Board regarding the payment of, any national or local taxes of any kind required by law to be withheld with respect to such amount. If so determined by the Board, the minimum required withholding obligations may be settled with Shares, including Shares that are part of the award that gives rise to the withholding requirement. The obligations of the Company under this Plan shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

35. NOTICE

35.1 Any notice under the Plan required to be given to or served upon the Board by an Entitled Person or a Participant or any correspondence to be made between an Entitled person or a Participant to the Board shall be given electronically or made in writing and sent to the registered office of the Company or such other office with the Board may be stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter.

35.2 Unless otherwise provided in these Bye Laws, any notice which under the Plan is required to be given to or served upon an Entitled Person or a Participant or any correspondence to be made with an Entitled Person or a Participant shall be deemed to be sufficiently given, served or made by hand, facsimile, electronic mail or registered letter addressed to the Entitled Person or a Participant at the place of employment or at the last facsimile number, electronic mail address or address known to the Company as being his facsimile number, electronic mail or address. Any notice served by hand, facsimile, electronic mail or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by facsimile or electronic mail is transmitted with a confirmed log print-out or record for the transmission indicating the date, time and transmission of all pages and if by registered letter would in the ordinary course of post be delivered.

35.3 Notwithstanding Clause 35.2 of these Bye Laws, where any notice is required to be given by the Company or the Board under these Bye Laws in relation to matters which may affect all the Entitled Persons or the Participants, as the case may be, the Company or the Board may give notice through an announcement to all employees of the Group Company to be made in such manner deemed appropriate by the Board. Upon the making of such an announcement, the notice to be made under Clause 35.2 or 35.3 of these Bye Laws shall be deemed to be sufficiently given, served or made to all affected Entitled Persons or Participants, as the case may be.

36. DISCLAIMER OF LIABILITY

36.1 No Entitled Person or Participant or legal representative shall bring any claim, action or proceedings against the Company or the Board or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of this Plan, as may be amended from time to time.

36.2 This Plan shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the Options themselves) against the Company or any Group Company, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any Group Company.

36.3 No Participant or his legal representative shall bring any claim, action or proceeding against the Company, any Group Company, the Board or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his/her rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these Bye Laws.

36.4 The Board or any other party shall in no event be liable to the Participant or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation on lost profits or savings, directly or indirectly arising from the breach or performance of these Bye Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolutely or otherwise, whether based on contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any Group Company, the Board or any other party has been advised of the possibility of such damage and even if the limited remedy provided for is found to fail of essential purpose.

37. DISPUTES

In the event of any dispute or difference shall arise between the Board and an Entitled Person or a Participant, as to any matter or thing of any nature arising hereunder, the Board shall determine shall dispute or difference by a written decision (without the obligation to give any reason therefore) given to the Entitled Person or the Participant, as the case may be. The said decision shall be final and binding on the parties unless the Entitled Person or the Participant, as the case may be, shall dispute the same by written notice to the Board within fourteen (14) days of receipt of the written decision, in which case such dispute or difference shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects provided that any director of the Company who is also in the Board shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bye Laws.

38. SEVERABILITY

Any term, condition, stipulation or provision in these Bye Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remainder thereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceability any other term, condition, stipulation or provision herein contained.

39. COMPUTATION OF TIME

Unless expressly provided, in computing time for the purpose of any provision set out in these Bye Laws —

39.1 where the act is required to be done within a specified period after or from a specified date, the period begins immediately after that date;

39.2 where the act is required to be done within or not less than a specified period before a specified date, the period ends immediately before that date;

39.3 where the act is required to be done a specified number of days before or after a specified date, at least that number of days must intervene between the day on which the act is done and that date;

39.4 where the last day of the period is a weekly holiday or a public holiday, the period shall include the next following day which is not a weekly holiday or public holiday;

39.5 where any act is directed to be done on a day which happens to be weekly holiday or public holiday, the act shall be done on the next following day which is not a weekly holiday or public holiday.

40. GOVERNING LAW

40.1 These Bye Laws shall be governed and construed in accordance with the laws of Malaysia and the Entitled Persons and the Participants shall submit to the non-exclusive jurisdiction of the High Courts of Malaya in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these Bye Laws.

40.2 Any proceeding or action shall be instituted or taken in Malaysia and the Entitled Person and/or the Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-conveniens or any other grounds.

[The rest of this page has been intentionally left blank]

APPENDIX A
Letter of Offer

Date: PRIVATE AND CONFIDENTIAL

To: *Name*
Designation
Address

Dear Sir/Madam,

OFFER FOR 2011 EQUITY PARTICIPATION PLAN

We are pleased to inform you that you have been nominated by the Board of Directors ("Board") of IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) ("Company") to participate in the Company's 2011 Equity Participation Plan ("Plan").

Accordingly, an offer is hereby made to grant you in total [*number of options*] options ("Options"), in consideration of the payment of a sum of RM0.01 for each Option ("Option Price"). The Options shall be subject to the terms of this letter and the Plan (as the same may from time to time be amended). You may refer to the following Plan Administrator appointed by the Board for a copy of the Bye Laws of the Plan and any other relevant information and documents relating to the Plan as may be determined from time to time by the Board:

<u>Plan Administrator</u>:

Name:
Designation:
Company:
Address:
Tel. No.:

The aggregate Option Price of [*the amount of Option Price*] shall be payable in 4 equal yearly instalments as stipulated in Table 1 below —

Table 1: Instalment Plan for Option Price

	Amount	**Instalment Date**
First Instalment	[●]	Upon acceptance of this offer
Second Instalment	[●]	[●]
Third Instalment	[●]	[●]
Fourth Instalment	[●]	[●]
Total	[●]	

PROVIDED THAT in the event of a take-over being made for the shares underlying the Options and the vesting of all Options that have been granted but not yet vested is accelerated on the date such take-over offer is made or, if such take-over offer is conditional, the date on which such take-over becomes or is declared unconditional; all instalments for the Option Price that are not yet due shall become immediately due and payable to the Company on the same date.

If you wish to accept this offer, please sign and return to the Plan Administrator at the above address, the enclosed Acceptance Form together with the payment of the total cash for the First Instalment of [*amount of First*

Instalment] by 4.00 pm Malaysian time on [●] being the closing date for acceptance of the Options, failing which this offer shall forthwith lapse. Upon your acceptance of this offer, the Options are deemed to have been granted to you as of the date of this letter. Subject to the acceleration event as stipulated in the Bye Laws of the Plan, the Options that have been granted shall be vested in you in accordance with the manner stipulated in Table 2 below —

Table 2: Vesting Dates

1	*2*	*3*	*4*
No.	Automatic Vesting* (no. of Options)	Conditional Vesting** (no. of Options)	Vesting Date
1.	[●]	[●]	[●]
2.	[●]	[●]	[●]
3.	[●]	[●]	[●]
4.	[●]	[●]	[●]
	[●]	[●]	

Notes:

* *Automatic vesting: the vesting of these Options is automatic on the stipulated Vesting Date and not conditional upon any performance target being met.*

** *Conditional vesting: the vesting of these Options on the stipulated Vesting Date is conditional upon the performance target determined by the Board of the Company at its discretion being met. If such performance target is not met, the Options that have been granted which would otherwise be vested in you shall automatically lapse and the proportionate Option Price for such Options that have lapsed shall be forfeited absolutely by the Company, unless otherwise determined by the Board of the Company at its discretion.*

It is important to note that your right to exercise any of the Options granted and vested in you is conditional upon the listing of either the Company on any stock exchange approved by the Board within the period of 5 years from 31 March 2011 or such other longer period as the Board may decide at its discretion ("Pre-Listing Period"). If the listing does not take place within the Pre-Listing Period, all Options which have been granted and/or vested shall lapse and the Option Price which has been paid shall be forfeited absolutely by the Company and you shall not be entitled to any compensation whatsoever PROVIDED THAT if the Company has met all the requirements for the listing as prescribed under relevant laws and guidelines issued by the relevant authorities but the shareholder of the Company decides not to proceed with the listing within the Pre-Listing Period, all Option Price which has been paid shall be refunded by the Company free of interest within a reasonable period upon expiry of the Pre-Listing Period.

Yours faithfully,

____

APPENDIX B
Acceptance Form

The Board of Directors
IHH HEALTHCARE BERHAD
(formerly known as Integrated Healthcare Holdings Berhad)

C/o The Plan Administrator
[Name and Address of Appointee]

ACCEPTANCE FOR 2011 EQUITY PARTICIPATION PLAN

I have read your letter of offer dated ____________ ("Letter of Offer") and agree to be bound by the terms of the 2011 Equity Participation Plan ("Plan") and the Letter of Offer. I hereby accept the offer for ____________ options and enclose a cheque for/cash*_________________, being the First Instalment of the Option Price as defined in the Letter of Offer. I hereby undertake to pay the subsequent instalments of the Option Price on each Instalment Date specified in the Letter of Offer.

I understand that I am not obliged to exercise the options.

I confirm that as at the date hereof, I am not less than 18 years old or an undischarged bankrupt.

I acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to participate in the Plan or accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in Block Letters

Name in Full : ____________________

Designation : ____________________

Address : ____________________

Nationality : ____________________

NRIC/Passport No : ____________________

Signature : ____________________

Date : ____________________

* *Delete accordingly*

APPENDIX C
Exercise Notice

The Board of Directors
IHH HEALTHCARE BERHAD
(formerly known as Integrated Healthcare Holdings Berhad)

C/o The Plan Administrator
[Name and Address of Appointee]

NOTICE OF EXERCISE OF OPTIONS UNDER 2011 EQUITY PARTICIPATION PLAN

Total number of Options that have been granted	**:**
Total number of Options that have been vested	:
Total number of Options that are being exercised now	:
Price per Share that is payable for the exercise	:

1. Pursuant to the Company's letter of offer under the Plan to me on the ________________, I hereby exercise Options to subscribe for ______________ Shares ("Subscription Shares") in the Company at RM____________ per Share.

   I/We request the Company to allot and issue or transfer the said Subscription Shares and credit the Subscription Shares as follows:–

   *(i) in my/our name and to my/our direct securities account number _________________________ with ________________________; or

   *(ii) in the name of ________________________, my/our nominee, and to my/our nominee's securities account number ________________________ with ________________________

   The particulars of the said nominee are as follows —

   aa. address :

   bb. registration number :

   cc. country of incorporation :

2. I/We enclose **cashier's order/bank draft no. ____________ for RM____________ by way of subscription for the said Subscription Shares.

3. I agree that the subscription for the said Subscription Shares is subject to the terms of the grant of the Options, the Plan (as amended from time to time) and the Memorandum and Articles of Association of the Company.

4. **(a) I declare that I am subscribing for the said Subscription Shares for myself and not as a nominee for any other person.

   OR

   **(b) I declare that the nominee named in paragraph 1(a)(ii) above (as the case may be) is subscribing for the said Subscription Shares as my nominee.

   OR

   **(c) I/We declare that I/we are subscribing for the Subscription Shares in my/our capacity as the legal representative(s) of [*specify name of deceased employee*].

Instructions:

* *Please fill up whichever is relevant.*

** *Delete whichever is irrelevant.*

Please print in Block Letters

Name in Full	:	______________________
Designation	:	______________________
Address	:	______________________
Nationality	:	______________________
NRIC/Passport No	:	______________________
Signature	:	______________________
Date	:	______________________

NB: In the case of an exercise of Options by legal representative(s), please provide information relating to such legal representative(s).

IHH HEALTHCARE BERHAD

(formerly known as Integrated Healthcare Holdings Berhad)

(Incorporated in Malaysia)

(Company No. 901914-V)

2011 LONG TERM INCENTIVE PLAN BYE LAWS

TABLE OF CONTENTS

2011 LONG TERM INCENTIVE PLAN
BYE LAWS

1. NAME OF THE PLAN

The plan shall be called the "2011 Long Term Incentive Plan" (the "**Plan**").

2. DEFINITIONS AND INTERPRETATION

2.1 DEFINITIONS

In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings —

"Adoption Date"	:	means 25 March 2011 coinciding with the date this Plan is adopted by the Company.
"Affected Employee"	:	has the meaning ascribed to it in Clause 26.1 of these Bye Laws.
"Applicable Laws"	:	means requirements relating to the Plan or equivalent scheme under applicable Malaysian company and securities laws, the listing requirements, rules and regulations of Bursa Securities, any guidelines prescribed by any Malaysian regulatory authority having jurisdiction for the time being to regulate long term incentive plans and the applicable laws of any other country or jurisdiction where LTIP Units are granted under the Plan, as such laws, rules, regulations, requirements and guidelines shall be in place from time to (time)
"Authorised Nominee"	:	has the meaning as ascribed thereto in the Central Depositories Act.
"Board"	:	means the board of directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Clause 21 of these Bye Laws, such committee (or subcommittee).
"Bursa Depository"	:	means the Bursa Malaysia Depository Sdn Bhd.
"Bursa Securities"	:	means Bursa Malaysia Securities Berhad.
"Central Depositories Act"	:	means the Malaysian Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.
"Companies Act"	:	means the Malaysian Companies Act 1965, as amended from time to time and any re-enactment thereof.
"Company"	:	means IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) (Company No. 901914-V).
"Surrender Notice"	:	has the meaning ascribed to it in Clause 11.1 of these Bye Laws.
"Depositor"	:	means the holder of a Securities Account.
"Duration of the Plan"	:	means the duration of the Plan as defined in Clause 23 of these Bye Laws and includes any extension or renewal thereof.

"Employee"	:	means a person employed by the Company or a Group Company.
"Group"	:	has the meaning ascribed to it in Clause 3 of these Bye Laws.
"Group Company"	:	means any one of the Company or the Participating Subsidiaries as the Board may determine at its discretion from time to time. The term "Group Companies" means any two or more of them.
"Group Company Board"	:	means the board of directors of a Group Company.
"Holding Company"	:	has the meaning as ascribed thereto in Section 5 of the Companies Act.
"Holding Period"	:	has the meaning as ascribed to it in Clause 7.1.2 of these Bye Laws.
"Listing"	:	means the initial public offering of the shares of the Company.
"LTIP Unit"	:	has the meaning as ascribed to it in Clause 6.1 of these Bye Laws.
"Market Day"	:	means any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities.
"Maximum Limit"	:	has the meaning as ascribed to it in Clause 5.1 of these Bye Laws;
"Participants"	:	means the Participants who have been selected by the Board to participate in the Plan in accordance with these Bye Laws.
"Participating Subsidiaries"	:	means such subsidiaries of the Company as defined in Section 5 of the Companies Act, not being dormant companies, which are at any time and from time to time nominated by the Board to participate in the Plan in accordance with Clause 4 of these Bye Laws.
"Performance Targets"	:	has the meaning as ascribed to it in Clause 10 of these Bye Laws.
"persons connected"	:	has the same meaning as that in paragraph 1.01 of the Main Market Listing Requirements of Bursa Securities.
"Plan"	:	means the 2011 Long Term Incentive Plan of the Company, as amended from time to time.
"Pre-Listing Period"	:	has the meaning as ascribed to it in Clause 7.1.1 of these Bye Laws.
"Previous Company"	:	has the meaning ascribed to it in Clause 24.1 of these Bye Laws.
"Redemption Amount"	:	means the redemption amount calculated based on the formula as set out in Clause 13.2 of these Bye Laws.
"Redemption Notice"	:	has the meaning ascribed to it in Clause 12.1 of these Bye Laws.
"RM" or "Ringgit Malaysia"	:	means the lawful currency of Malaysia.
"Rules of Bursa Depository"	:	means the rules of Bursa Depository and any appendices thereto, as amended from time to time.
"Secretary"	:	means any person or persons appointed to perform the duties of the Secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

"Securities Account"	:	means an account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealings in securities by the Depositor as permitted under the Central Depositories Act and/or Rules of Bursa Depository.
"Shares"	:	means ordinary shares of par value RM1.00 (or such other sum as may be adjusted in accordance with Applicable Law and the constituent documents of the Company) each in the capital of the Company. The Board shall have the discretion to determine whether the share is a newly allotted and issued share, or existing share whether the share is held as treasury share or held by an existing member of the Company.
"Substantial shareholder"	:	has the meaning as ascribed thereto in Section 69D of the Companies Act.

2.2 **Interpretation**

In this Plan unless the context requires otherwise —

2.2.1 a reference to a statutory provisions shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and or any relevant regulatory authority (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and or any relevant regulatory authority);

2.2.2 a reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of this Plan so far as such modifications or re-enactment applies or is capable of applying to any LTIP Unit and accepted within the Duration of the Plan and shall also include any past statutory provision (as from to time modifies or re-enacted) which such provision has directly or indirectly replaced;

2.2.3 words importing the singular meaning, where the context so admits, include the plural meaning as vice versa;

2.2.4 words of masculine gender include the feminine and neuter genders and all such words shall be construed interchangeably in that manner;

2.2.5 any liberty or power which may be exercised or any determination which may be made hereunder by the Board may be exercised in the Board's discretion;

2.2.6 a reference to the term "discretion" vested in the Board in the Plan shall confer the right to the possession, use and exercise of the said discretion in an absolute and unconditional manner;

2.2.7 the headings in this Plan are for convenience only and shall not be taken into account in the interpretation of this Plan; and

2.2.8 if an event is to occur on a stipulated day which is not a Market Day, then stipulated day will be taken to be first Market Day after that day.

3. OBJECTIVES OF THE PLAN

The Plan is an integral part of the Company's programme for Employees incentive compensation. The Plan will give Employees an opportunity to have a real and personal direct equity interest in the Company upon Listing or monetary compensation upon non- Listing. Ultimately, the Plan seeks to achieve the following positive objectives:–

(a) Driving and motivating key executives and employees of the companies within the Company's group of companies ("Group") including their respective directors (executive and non-executive) to work towards achieving the Company's business goals and objectives;

(b) Rewarding key executives and employees of the companies within the Group including their respective executive directors in recognition of their contributions to the operations and continued growth of the Group;

(c) Retaining key executives and employees of the companies within the Group including their respective executive directors by giving such eligible key executives, employees and executive directors a sense of ownership and belonging so that they are further motivated towards better performance through greater productivity and loyalty;

(d) Providing opportunity for the eligible key executives, employees and executive directors of the companies within the Group to participate directly in the Group's prospects and future growth as shareholders through direct equity participation; and

(e) Providing an incentive for the eligible key executives, employees and executive directors of the companies within the Group to participate actively in the operations of the Group and encourage them to contribute to the well-being of the Group.

4. ELIGIBILITY AND PARTICIPATION

4.1 Any Employee shall be eligible to participate in the Plan at the absolute discretion of the Board if the Employee —

4.1.1 has attained the age of eighteen (18) years;

4.1.2 is in the full-time employment and payroll of a Group Company including contract employees for at least six (6) months prior to any grant of LTIP Units;

4.1.3 falls within such other categories and criteria that the Board may from time to time at its absolute discretion determine,

PROVIDED ALWAYS THAT the selection of any Employee for participation in the Plan shall be at the discretion of the Board (save that no grant shall be made to a director of the Company or a person connected to a major shareholder/director of the Company unless such offer shall have first been approved by the shareholders of the Company in general meeting), and the decision of the Board shall be final and binding.

4.2 Eligibility under the Plan does not confer on an Employee a claim or right to participate in or any rights whatsoever under the Plan and a Participant does not acquire or have any rights over or in connection with the Options or the Shares comprised herein unless the Options have been granted by the Board to the Participants.

4.3 Where a Participant is both an employee and a director of a Group Company, such Participant shall only be eligible to participate in the Plan in such category or categories of Participant as determined by the

Board. Unless otherwise determined by the Board at its discretion, no Participant of a Group Company shall at any time participate in more than one (1) scheme or plan relating to share option implemented by a Group Company.

4.4 The Board may, at its discretion and subject to Applicable Laws, nominate any subsidiary of the Company or the Listed Entity to be a Participating Subsidiary at any time and from time to time PROVIDED THAT the Board shall not nominate any corporation, which is dormant to a Participating Subsidiary. A corporation shall cease to be a Participating Subsidiary when such corporation ceases to be subsidiary of the Company. Additionally, the Board may at its discretion revoke or suspend the participation of any Participating Subsidiary in the Plan at any time and from time to time, whereupon the Participants who are Employees or directors of such corporation shall thenceforth cease to be entitled to receive any grant of LTIP Units under the Plan provided that any LTIP Units already granted and vested shall not be affected by such revocation or suspension, unless specifically provided elsewhere in these Bye Laws.

5. LIMITATIONS UNDER THE PLAN

5.1 Subject to the Applicable Laws, the total number of Shares which may be issued under LTIP Units granted pursuant to this Plan shall not exceed in aggregate two per cent 2% of the Company's issued and paid up share capital at any time during the existence of the Plan ("Maximum Limit"). Notwithstanding the foregoing, in the event the maximum number of Shares comprised in the LTIP Units (including Shares that have been issued under the Plan) exceeds the Maximum Limit during the Duration of the Plan either as a result of the Company purchasing its own Shares, or undertaking any other corporate proposals and thereby resulting in the total number of Shares to be issued under the Plan exceeding the Maximum Limit, the LTIP Units granted prior to the adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with these Bye Laws. However, in such a situation, the Board shall not make any further offers until such time that the number of Shares under the subsisting LTIP Units (including Shares that have been issued under the Plan) falls below the Maximum Limit.

5.2 Subject to the Applicable Laws, the aggregate number of Participants who are entitled to participate in the Plan and the maximum number of LTIP Units that may be granted to each Participant shall be determined at the sole discretion of the Board. Notwithstanding the foregoing, directors and senior management of the Company shall not participate in the deliberation or discussion of their own allocation of LTIP Units.

5.3 Subject to the Applicable Laws, the total number of Shares which may be issued under LTIP Units granted under this Plan to a Participant who either singly or collectively with persons connected with him owns twenty per cent (20%) or more of the issued and paid up capital of the Company shall not exceed in aggregate ten per cent (10%) of the total number of Shares to be issued under the Plan.

6. LTIP UNIT

6.1 An LTIP Unit is a unit in the Plan which represents the entitlement of the holder, being a Participant, to such rights against the Company as provided under these Bye Laws.

6.2 The rights of the holder of an LTIP Unit are determined solely in accordance with the terms and conditions of the Plan.

6.3 For the avoidance of doubt, an LTIP Unit is not a debenture of the Company or a Share or an interest in a Share and does not give rise to any voting rights or rights to receive any dividends or benefits attaching to a Share.

6.4 (a) Each LTIP Unit issued by the Company at any time from the Adoption Date until 31 December 2011 is based on the value of Ringgit Malaysia Two (RM2.00) only.

(b) Each LTIP Unit issued by the Company at any time from 1 January 2012 is based on the value of Ringgit Malaysia Two and Fifty cents (RM2.50) only. This rate shall increase by ten per cent (10%) over each subsequent twelve (12) months period based on a compounded annual growth rate until the date immediately preceding the date of Listing.

(c) Each LTIP Unit issued by the Company at any time on or after the date of Listing is based on the value to be determined by the Board which shall be based on the five (5) day weighted average market price of the underlying shares at the time the LTIP Unit is issued, with a discount of not more than ten per cent (10%).

6.5 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the entire issued share capital of the Company or any Group Company by any person who is not a Group Company or any other corporate proposal (including but not limited to a capital reduction exercise), being undertaken whereby it is proposed that all of the issued share capital of the Company or any Group Company is to be acquired by any person who is not a Group Company (or all of the issued share capital of the Company or any Group Company ends up in the hands of one or more sponsors of such proposal or their nominees who are not Group Companies), whether by way of a general offer or otherwise, the vesting of all LTIP Units that have been granted to all Participants (in the case of take-over offer or corporate proposal affecting the Company), or to all Participants who are the employees of such Group Company or its subsidiaries only (in the case of take-over offer or corporate proposal affecting such Group Company), as the case may be, but not yet vested shall be accelerated on the date such take-over offer is made or, if such take-over offer is conditional, the date on which such take-over becomes or is declared to be unconditional. Upon such acceleration, the Board shall use its best endeavours to procure that —

6.5.1 such take-over offer, if made for the entire issued share capital of the Company, shall be extended to all Shares that may be issued/transferred pursuant to surrender of the LTIP Units that have been vested. Thereafter, the Company shall redeem all such LTIP Units at the same price as is paid in respect of the Shares;

6.5.2 if the take-over offer is made for the entire issued share capital of a Group Company and Listing has taken place, all LTIP Units held by all Participants who are the employees of such Group Company or its subsidiaries may be surrendered in accordance with Clause 11;

6.5.3 if the take-over offer is made for the entire issued share capital of a Group Company and the Listing has not taken place, all LTIP Units held by all Participants who are the employees of such Group Company or its subsidiaries shall be redeemed in accordance with Clause 12.

7. RIGHTS IN LTIP UNIT

7.1 Subject to the LTIP Unit having vested in a Participant, if —

7.1.1 Listing of the Company takes place within the period of three (3) years from the date of LTIP is adopted ("**Pre-Listing Period**"), the Participant shall surrender the LTIP Units held by him for the issuance and allotment of Shares to him as part of the Listing on the basis of one (1) Share for each LTIP Unit. The Participant shall be entitled to deal with the Shares in any manner whatsoever upon such Shares being credited into his Securities Account; or

7.1.2 Listing of the Company does not take place within the Pre-Listing Period, the Participant shall retain his vested LTIP Units for a period of up to eighteen (18) months from the expiry of the Pre-Listing Period ("**Holding Period**"), whereby —

(i) if listing of the Company takes place within the Holding Period, the Participant shall surrender the LTIP Units held by him for the issuance and allotment of Shares to him in the manner contemplated in paragraph 7.1.1 above, mutatis mutandis; or

(ii) if listing of the Company does not take place within the Holding Period, the Company shall redeem all LTIP Units vested in him in consideration of payment in cash at a marked-to-market value of the LTIP Units as at a pre- determined date each year,

PROVIDED THAT the Participant shall have the option to request the Company to redeem any LTIP Units vested in him/her at any time during the Holding Period in consideration of payment in cash calculated at a marked-to-market value of the LTIP Units as at the date the Pre-Listing Period expires; and

PROVIDED FURTHER THAT none of the rights stipulated above shall be exercisable by a Participant at any time during the Pre-Listing Period and the Company shall have no liabilities whatsoever to any Participant in respect of any of the LTIP Units granted to such Participant whether such LTIP Units have been vested during the Pre-Listing Period.

7.2 Shares issued or transferred upon surrender of the LTIP Units will be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing issued shares provided that if there is any right to participate in any rights or bonus issue, allotment, dividends or distributions, the Shares shall rank pari passu with the then existing shares only if the relevant entitlement date precedes the date of the issue or transfer of the Shares.

7.3 No Participant shall be entitled to exercise any voting rights in respect of any Shares nor to receive any notice of general meetings of the Company unless the Shares have been credited into the Securities Account of the Participant pursuant to the surrender LTIP Units prior to the record date to receive notice of general meetings of the Company and to vote thereat.

8. GRANT OF LTIP UNIT

8.1 Subject to and in accordance with the provisions of this Plan, the Board and/or Group Company Board may at any time allocate to a Participant such number of LTIP Units as may be determined by in the sole discretion of the Board and/or Group Company Board upon such Participant meeting the Performance Targets.

8.2 The actual number of LTIP Units which may be allocated and granted to any Participant shall be at the discretion of the Board and/or Group Company Board provided that the number of LTIP Units so allocated and granted shall not be less than one thousand (1,000) LTIP Units and not more than the maximum number of LTIP Units that may be allocated and granted to such Participant pursuant to Applicable Laws and shall be in multiples of one thousand (1,000) LTIP Units.

8.3 No allocation or grant shall be made to any director of the Company who is a Participant unless such allocation or grant and the respective allotment of Shares pursuant to subsequent surrender of LTIP Unit have previously been approved by the shareholder of the Company in a general meeting, unless such approval is no longer required under the Applicable Laws and/or the Memorandum and Articles of Association of the Company.

8.4 Each grant of LTIP Units shall be substantially in the form set out in Appendix A (subject to modification by the Board from time to time). Subject to Clause 8.7 of these Bye Laws, any grant is not subject to any formal acceptance by the Participant.

8.5 The LTIP Units granted in each year will vest in the Participant over a three year period, in equal proportions each year.

8.6 Subject to the Applicable Laws, the Company shall keep and maintain at its own expense a register of Participants and shall enter therein the name, address and maximum entitlement of LTIP Units of each Participant and the number of LTIP Units granted, the number of LTIP Units vested and the date of grant and vesting, in respect of each Participant. The Group Company shall keep and maintain at its own expense a register of Participants who are its employees containing the foregoing information.

8.7 In relation to employees of a Group Company, a Group Company is entitled to offer on behalf of the Company an alternative option to any segment of employees as may be determined by the Group Company Board (e.g. Assistant Vice President in Parkway Holdings Limited) which may be offered only once for the entire duration of the Plan, unless the Group Company Board decides otherwise, where he/she may opt to receive cash benefit equivalent to the rate as set out in Clause 6.4 of these Bye Laws. If he/she opts to receive cash benefit, such cash shall be remitted to him/her over a three year period, in equal proportions each year free of interest or profit (subject to such withholding and deduction of applicable taxes and payment to relevant authorities relating to provident fund or its equivalent) to him/her by way of telegraphic transfer of the amount payable to an account designated by him/her and notified to the Group Company. Notwithstanding the foregoing, the Group Company shall have the option of effecting the settlement, on behalf of the Company, via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to him/her (or his/her designated agents, as he/she may direct) at his/her address maintained with the Group Company at his/her own risk. For the avoidance of doubt, once the alternative option is accepted by him/her, he/she shall automatically receive cash benefit in lieu of LTIP Units allocated to him/her in the subsequent years regardless of the annual compensation package as determined by the Board for his/her position. However, if he/she is promoted to a higher position that entitles the holder of such position to participate in the Plan, his/her cash benefit that has not been vested and remitted to him/her shall be automatically converted into LTIP Units based on the same conditions as if he/she had not opted out from the Plan.

9. DELETED

10. PERFORMANCE TARGETS

10.1 The number of LTIP Units to be allocated granted shall be based on the Participant's annual compensation package as determined by the Board and/or Group Company Board and the Participant meeting the objective performance targets determined by the Board and/or Group Company Board for the previous year or any part thereof ("Performance Targets").

10.2 The Performance Targets may vary from one Participant to another Participant as the Board and/or Group Company Board may determine in its discretion. The Performance Targets for each year will be determined by the Board and/or Group Company Board by 30 June of that year.

10.3 If applicable, the Performance Targets shall be based on the financial results of the Group Company up to 31 December for each year. Notwithstanding the foregoing, the Board and/or Group Company Board is entitled to review and revise the Performance Targets at any time after 30 June each year. Any revision to the Performance Targets decided by the Board and/or Group Company Board shall be binding on all Participants.

10.4 The allocation of LTIP Units must be verified by the audit committee of the Board or its equivalent committee as being in compliance with the criteria as provided in these Bye laws at the end of each financial year. The Company must a statement by this committee verifying such allocation is included in the annual report of the Company.

11. SURRENDER OF LTIP UNIT

11.1 To surrender an LTIP Unit, a Participant shall give written notice to the Company ("Surrender Notice") in the form set out in Appendix B subject to modification as may be determined by the Board from time to time, specifying the number of Shares to be subscribed for and shall further specify the number of the Securities Account of the Participant or of the Participant's Authorised Nominee and furnish any other documentation that may be required by the Company. For the avoidance of doubt, the Surrender Notice is required for administrative purposes.

11.2 No LTIP Unit shall be surrendered if the LTIP Unit has not vested in a Participant or if the surrender thereof would violate any provision of Applicable Laws, nor shall any LTIP Unit be surrendered after the expiry of the Duration of the Plan.

11.3 Except as otherwise determined by the Board, LTIP Units shall be surrendered during the Participant's lifetime only by the Participant or, in the event of the Participant's legal incapacity to do so, the Participant's guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under Applicable Laws and any required court supervision or, in the case of disability or death of the Participant, by his legal representative or his estate in accordance with Clause 17 of these Bye Laws.

11.4 The Board and the Company shall not under any circumstances be held liable for any costs, expenses, charges and damages whatsoever and howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing or transferring the Shares or in procuring Bursa Securities to list the Shares for which the Participant has surrendered in accordance with these Bye Laws.

12. REDEMPTION OF LTIP UNIT

12.1 To redeem an LTIP Unit, a Participant shall give written notice to the Company ("Redemption Notice") in the form set out in Appendix C subject to modification as may be determined by the Board from time to time. For the avoidance of doubt, a Participant shall also submit the Redemption Notice for the redemption of all vested LTIP Units upon the expiry of the Holding Period. The Redemption Notice is required for administrative purposes.

12.2 No LTIP Unit shall be redeemed by the Company if the LTIP Unit has not vested in a Participant or if the redemption thereof would violate any provision of Applicable Laws, nor shall any LTIP Unit be redeemable after the expiry of the Duration of the Plan.

12.3 Except as otherwise determined by the Board, LTIP Units shall be redeemable during the Participant's lifetime only by the Participant or, in the event of the Participant's legal incapacity to do so, the Participant's guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under Applicable Laws and any required court supervision or, in the case of disability or death of the Participant, by his legal representative or his estate in accordance with Clause 17 of these Bye Laws.

12.4 The Board and the Company shall not under any circumstances be held liable for any costs, expenses, charges and damages whatsoever and howsoever arising in any event relating to the delay on the part of the Company in transferring the Redemption Amount for such LTIP Units which the Participant has redeemed in accordance with these Bye Laws.

13. SETTLEMENT

13.1 Subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of Bursa Depository, the Company shall, within 8 Market Days of its receipt of a relevant Surrender Notice —

(a) allot and issue such number of new Shares equivalent to the number of LTIP Units being surrendered to the Company and execute all relevant documents to effect such issuance of Shares and despatch a notice of allotment to the relevant Participant and if applicable, make an application for the quotation of the Shares. No physical share certificate(s) will be issued to the Participant; or

(b) transfer such number of Shares which are held by the Company as treasury shares.

13.2 The Company shall, within 8 Market Days of its receipt of a relevant Redemption Notice, pay the Redemption Amount (as defined below) for the LTIP Units (subject to such withholding or deduction of applicable taxes) to the Participant by way of telegraphic transfer of the amount payable to an account designated by the Participant and notified to the Group Company. Notwithstanding the foregoing, the Company shall have the option of effecting the settlement via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Participant (or his designated agents, as he may direct) at the Participant's address maintained with the Company at his own risk.

"Redemption Amount" means

$$A = B \times C$$

where:

A is the Redemption Amount to be paid to the Participant in connection with the relevant Redemption Notice;

B is equal to the marked-to-market price of the LTIP Units. The marked-to-market price shall be average of the price determined separately by two (2) international investment banks as approved by the Board. The marked-to-market price as approved by the Board shall be valid for a period of twelve (12) months. For the avoidance of doubt, the validity period of the marked-to-market price once it is approved by the Board will not affect the marked-to-market price of the LTIP Units as at the date the Pre-Listing Period expires as approved by the Board, which will be used for the redemption of the LTIP Units at any time during the Holding Period pursuant to Clause 7.1.2; and

C is equal to the number of LTIP Units that is the subject of the relevant Redemption Notice.

14. RETENTION

The Shares allotted and issued or transferred to the Participant pursuant to the surrender of any LTIP Unit under this Plan will not be subjected to any retention period. However, the Participant is encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of immediate gain.

15. TERMINATION

15.1 All LTIP Units granted but not yet vested in the Participant shall be cancelled with immediate effect and cease to be exercisable if —

15.1.1 the Group Company terminates the employment or executive position of the Participant with the Group Company or the executive directorship is removed; or

15.1.2 the Participant is disqualified to be an executive director pursuant to the applicable law (other than by reason of death, disability or incapacity) or his office as an executive director of the Group Company is vacated where he is convicted of any seizable offence; or

15.1.3 the Participant resigns from his position within the Group. For the avoidance of doubt, a Participant shall not be treated as resigning from his position within the Group until he no longer holds any office or employment with any subsidiary company within the Group; or

15.1.4 the Company is liquidated; or

15.1.5 the Participant becomes a bankrupt.

For the avoidance of doubt, any LTIP Units which have been granted and vested in the Participants prior to termination shall: (i) if any of the above events shall occur after Listing, be surrendered for the issuance and allotment of Shares in accordance with Clauses 11 and 13 of these Bye Laws; and (ii) if any of the above events occur during the Holding Period, be redeemed by the Company at the Redemption Amount in accordance with Clauses 12 and 13 of these Bye Laws. If any of the above events occurs during the Pre-Listing Period, all LTIP Units granted, regardless of whether such LTIP Units have been vested, shall be cancelled with immediate effect.

15.2 The Board and/or Group Company Board may approve in writing the vesting of the LTIP Units or any part thereof in the Participants whose service has been terminated from the Group upon such terms and conditions as may be set out by the Board and/or Group Company Board in its discretion, if such termination occurs by reason of —

15.2.1 retirement on attaining the retirement age under the Group Company's retirement policy;

15.2.2 retirement before attaining the normal retirement age, but with consent of the Group Company Board;

15.2.3 redundancy;

15.2.4 ill-health, injury, physical or mental disability; or

15.2.5 any other circumstances which are acceptable to the Board and/or Group Company Board.

For the avoidance of doubt, all such LTIP Units vested in accordance with this Clause 15.2 shall be surrendered or redeemed by the Company in accordance with these Bye Laws.

16. TRANSFER

The LTIP Unit is personal to the Participant and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever save in accordance with these Bye Laws. The Participant shall not charge, pledge, lien or encumber the LTIP Unit in any manner whatsoever. Any such assignment, transfer, disposal, charge, pledge, lien or encumbrance shall result in the automatic cancellation of the LTIP Unit rendering the LTIP Unit null and void.

17. TRANSMISSION

17.1 In the event of death of the Participant, the legal representative of the deceased Participant may be entitled to such rights under the LTIP Units which have vested in the deceased Participant under the Plan provided that the transmission of the LTIP Units from the deceased Participant to the legal representatives of the Participant must be approved by the Board within the period of six (6) months (or such other longer period as the Board may determine at its discretion) from the event of death.

17.2 Any LTIP Units which has yet to vest shall be automatically cancelled upon death, unless the Board and/or Group Company Board determines otherwise.

18. ADJUSTMENTS

18.1 The Board may make or provide for such adjustments in the LTIP Units and/or the number of Shares covered by outstanding LTIP Units as the Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Participants that would otherwise result from any of the following events —

18.1.1 occurrence of Listing whereby these Bye Laws are required to comply with the minimum requirements of Applicable Laws as are applicable at the time of Listing;

18.1.2 share dividend, share split, combination of shares, recapitalisation, rights issue, capital reduction or other change in the capital structure of the Company;

18.1.3 merger, consolidation, separation, reorganisation, partial or complete liquidation; or

18.1.4 other corporate transaction or event having an effect similar to any of the foregoing.

Moreover, in the event of any such transaction or event, the Board, in its discretion subject to Applicable Laws, may provide in substitution for any or all outstanding LTIP Units under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all LTIP Units so replaced. Any adjustments made shall be confirmed in writing by the external auditor of the Company.

18.2 Notwithstanding anything to the contrary, the provisions of this Clause 18 shall not apply where the alteration in the capital structure of the Company arises from:

(a) the issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business, as part of initial public offering, or pursuant to a special issue;

(b) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;

(c) a private placement or restricted issue of new Shares or other securities by the Company;

(d) the implementation of a Share buyback arrangement by the Company under the Companies Act;

(e) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or

(f) any issue of new Shares upon the surrender of LTIP Units granted under this Plan.

19. CONFIDENTIALITY

The Participants shall treat as confidential and not disclose or use any information received or obtained as a result of participating in this Plan.

20. MULTIPLE JURISDICTIONS

In order to facilitate the making of any grant under this Plan, the Board may provide for such special terms for LTIP Units to Participants who are employed by a Group Company in any particular jurisdiction, or who are nationals of any particular jurisdiction, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency.

21. ADMINISTRATION

21.1 This Plan shall be administered by the Board, which may from time to time delegate all or any part of its authority under this Plan to a committee of not less than three of its members appointed by the Board. To the extent of any such delegation, references in this Plan to the Board shall also refer to the committee. A majority of the members of the committee shall constitute a quorum, and any action taken by a majority of the members of the committee who are present at any meeting of the committee at which a quorum is present, or any action of the committee that are unanimously approved by the members of the committee in writing, shall be the acts of the committee. The Board or committee shall have the authority to delegate responsibility and authority for the operation and administration of this Plan, appoint employees and officers of the Company to act on its behalf, and employ persons to assist in fulfilling their responsibilities under this Plan. Notwithstanding the foregoing, the Board may delegate the management of the Plan to any Group Company Board subject to the limit of such number or value of LTIP Units as may be determined by the Board to be allocated to that Group Company.

21.2 In the event the Group Company has its own bye laws in administering the Plan or any equivalent plan within the Group Company and there are inconsistencies between these Bye Laws and the bye laws administered by the Group Company, these Bye Laws shall prevail to the extent of inconsistencies and the Group Company Board shall take the necessary steps to modify such inconsistent terms and conditions so that they are consistent with these Bye Laws. For the avoidance of doubt, this Clause will not affect the power of the board of that Group Company to delegate all or any part of its authority under its own bye laws to:

21.2.1 the board of any Holding Company of that Group Company; or

21.2.2 any committee of the board of any Holding Company of that Group Company.

22. AMENDMENT

Subject to any approvals which may be required of the Bursa Securities and any other relevant authorities (if applicable), this Plan may be amended from time to time by the Board; provided, however, that any amendment which must be approved by the shareholders of the Company in order to comply with the Applicable Laws, shall not be effective unless and until such approval has been obtained. Presentation of this Plan or any amendment hereof for shareholders' approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans or schemes or otherwise without shareholders' approval. Furthermore, no amendment or alteration of this Plan shall be made which would impair the rights of a Participant with respect to any outstanding LTIP Unit under this Plan without the Participant's consent.

23. DURATION OF THE PLAN

23.1 This Plan shall be effective from the Adoption Date until the expiry of ten (10) years thereafter.

23.2 No LTIP Unit shall be granted pursuant to this Plan after the expiry of ten (10) years from the Adoption Date, and no LTIP Units granted within such period may extend beyond that.

23.3 Notwithstanding the provisions of Clauses 23.1 and 23.2, the Board shall be entitled to terminate the Plan prior to the expiry of the duration specified in Clause 23.1.

24. AWARDS IN SUBSTITUTION FOR AWARDS GRANTED BY OTHER COMPANIES

24.1 To the extent not otherwise provided in this Plan, LTIP Units may be granted under this Plan in substitution for awards held by (i) employees of a company which is not a Group Company but which subsequently becomes a Group Company ("Previous Company") as a result of the acquisition, merger or consolidation of the Previous Company by or with the Company or a Subsidiary; or (ii) employees of any substantial shareholder of the Company who had provided services to a Group Company as secondees of such substantial shareholder and who subsequently become employees of a Group Company.

24.2 The terms, provisions and benefits of the substitute awards so granted may vary from those set forth in or authorised by this Plan to such extent as the Board at the time of the grant may deem appropriate to conform, in whole or in part, to the terms, provisions and benefits of awards in substitution for which they are granted.

25. DIVESTMENT OF PARTICIPATING COMPANIES

25.1 If a Participant is in the employment of a Participating Subsidiary which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group Company resulting in a subsequent holding of 50% or less of the equity of that company by another Group Company, then, unless Clause 6.5 applies to such disposal or divestment, such Participant:

25.1.1 subject to Clause 7 of these Bye Laws, will remain entitled to exercise his rights under the LTIP Units which were granted to and vested in him under this Plan within such time period determined by the Board, failing which the right of such Participant to exercise his rights under the LTIP Units shall automatically lapse upon the expiration of the said time period and be null and void and of no further force and effect; and

25.1.2 shall not be eligible to any grant of further LTIP Units under this Plan.

25.2 For the avoidance of doubt, the foregoing provisions shall not limit the discretion of the Board to revoke or to suspend the participation of any Participating Subsidiary in the Plan in accordance with Clause 4.4 of these Bye Laws.

26. ACQUISITION OF SUBSIDIARIES

26.1 Notwithstanding anything to the contrary, but subject to Clause 24, in the case of an employee of a Previous Company, such an employee ("Affected Employee") —

26.1.1 will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share scheme or employee share option scheme in accordance with the bye laws of that Previous Company's employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Company, be eligible to participate for further rights or options under such Previous Company's employee share scheme or employee share option scheme unless permitted by the Board;

26.1.2 (subject to the approval of the Board) may be eligible to participate in this Plan only for remaining Duration of the Plan; and

26.1.3 if the Affected Employee had participated in the Previous Company's employee share scheme or employee share option scheme, the number of Shares to be offered to such Affected Employee under this Plan shall be determined by the Board.

27. LIQUIDATION

Upon the commencement of the winding-up proceedings of the Company, all LTIP Units that have not been surrendered or redeemed shall lapse and be null and void and of no further force and effect, and this Plan shall terminate.

28. TERM OF EMPLOYMENT UNAFFECTED

This Plan shall not be construed as conferring upon the Participants any right with respect to continuation of employment by the Group Company, nor shall it interfere in any way with the right of the Group Company to terminate such employment at any time, with or without cause. The terms of employment of an Employee shall not be affected by the execution of this Plan. The LTIP Units granted under this Plan shall not form a part of the terms of employment of an Employee or entitle him to take into account the LTIP Units granted under this Plan in calculating any benefits or payment whatsoever or compensation or damages during the course of his employment or on the termination of his employment for any reason.

29. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in this Plan, if a situation of conflict should arise between this Plan and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall prevail at all times.

30. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to this Plan including but not limited to the fees, costs and expenses relating to the allotment and issue or transfer of the Shares pursuant to the surrender of any LTIP Unit shall be borne by the Company.

31. INSPECTION OF AUDITED ACCOUNTS

All Participants are entitled to inspect the latest audited accounts of the Company at the office of the Plan Administrator, as may be designated by the Board from time to time, at Suite 17-01, Level 17, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur or such other address as may be notified by the Board from time to time, during normal office hours on Mondays to Fridays (public holidays excepted).

32. COMPENSATION

A Participant who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Plan which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful or unfair dismissal or other breach of contract or by way of compensation for loss of office.

33. OTHER SHARE OPTION PLAN

These Bye Laws apply only to this Plan and do not supersede, replace or affect any other Bye Laws of the Company which are in force for the purposes of any other share option plans or schemes.

34. TAXES

No later than the date as of which any amount first becomes includible in the gross income of a Participant for any applicable income tax purposes with respect to any LTIP Unit under this Plan, the

Participant shall pay to the Company, or make arrangements satisfactory to the Board regarding the payment of, any national or local taxes of any kind required by law to be withheld with respect to such amount. If so determined by the Board, the minimum required withholding obligations may be settled with Shares, including Shares that are part of the award that gives rise to the withholding requirement. The obligations of the Company under this Plan shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

35. NOTICE

35.1 Any notice under the Plan required to be given to or served upon the Board by a Participant or any correspondence to be made between a Participant to the Board shall be given electronically or made in writing and sent to the registered office of the Company or such other office with the Board may be stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter.

35.2 Unless otherwise provided in these Bye Laws, any notice which under the Plan is required to be given to or served upon a Participant or any correspondence to be made with a Participant shall be deemed to be sufficiently given, served or made by hand, facsimile, electronic mail or registered letter addressed to the Participant at the place of employment or at the last facsimile number, electronic mail address or address known to the Company as being his facsimile number, electronic mail or address. Any notice served by hand, facsimile, electronic mail or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by facsimile or electronic mail is transmitted with a confirmed log print-out or record for the transmission indicating the date, time and transmission of all pages and if by registered letter would in the ordinary course of post be delivered.

35.3 Notwithstanding Clause 35.2 of these Bye Laws, where any notice is required to be given by the Company or the Board under these Bye Laws in relation to matters which may affect all the Participants, the Company or the Board may give notice through an announcement to all employees of the Group Company to be made in such manner deemed appropriate by the Board. Upon the making of such an announcement, the notice to be made under Clause 35.2 or 35.3 of these Bye Laws shall be deemed to be sufficiently given, served or made to all affected Participants.

36. DISCLAIMER OF LIABILITY

36.1 No Participant or legal representative shall bring any claim, action or proceedings against the Company or the Board or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his rights under his LTIP Unit or his LTIP Unit ceasing to be valid pursuant to the provisions of this Plan, as may be amended from time to time.

36.2 This Plan shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the LTIP Units themselves) against the Company or any Group Company, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any Group Company.

36.3 No Participant or his legal representative shall bring any claim, action or proceeding against the Company, any Group Company, the Board or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his/her rights under his LTIP Units or his LTIP Units ceasing to be valid pursuant to the provisions of these Bye Laws.

36.4 The Board or any other party shall in no event be liable to the Participant or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation on lost profits or savings, directly or indirectly arising from the breach or performance of these Bye Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolutely or otherwise, whether based on contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any Group Company, the Board or any other party has been advised of the possibility of such damage and even if the limited remedy provided for is found to fail of essential purpose.

37. DISPUTES

In the event of any dispute or difference shall arise between the Board and a Participant as to any matter or thing of any nature arising hereunder, the Board shall determine shall dispute or difference by a written decision (without the obligation to give any reason therefore) given to the Participant. The said decision shall be final and binding on the parties unless the Participant shall dispute the same by written notice to the Board within fourteen (14) days of receipt of the written decision, in which case such dispute or difference shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects provided that any director of the Company who is also in the Board shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bye Laws.

38. SEVERABILITY

Any term, condition, stipulation or provision in these Bye Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remainder thereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceability any other term, condition, stipulation or provision herein contained.

39. COMPUTATION OF TIME

Unless expressly provided, in computing time for the purpose of any provision set out in these Bye Laws —

39.1 where the act is required to be done within a specified period after or from a specified date, the period begins immediately after that date;

39.2 where the act is required to be done within or not less than a specified period before a specified date, the period ends immediately before that date;

39.3 where the act is required to be done a specified number of days before or after a specified date, at least that number of days must intervene between the day on which the act is done and that date;

39.4 where the last day of the period is a weekly holiday or a public holiday, the period shall include the next following day which is not a weekly holiday or public holiday;

39.5 where any act is directed to be done on a day which happens to be weekly holiday or public holiday, the act shall be done on the next following day which is not a weekly holiday or public holiday.

40. GOVERNING LAW

40.1 These Bye Laws shall be governed and construed in accordance with the laws of Malaysia and the Participants shall submit to the non-exclusive jurisdiction of the High Courts of Malaya in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these Bye Laws.

40.2 Any proceeding or action shall be instituted or taken in Malaysia and the Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non- conveniens or any other grounds.

APPENDIX A
Form of LTIP Units

IHH HEALTHCARE BERHAD

(formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Certificate No. : [ ]

No. of LTIP Units : [ ]

THIS IS TO CERTIFY THAT [ ]

is the holder of ______________________ units in the 2011 Long Term Incentive Plan ("LTIP Units") established by the Company pursuant to the terms and conditions of the Bye Laws dated 25 March 2011 as the same may be amended from time to time by the Directors of the Company as provided thereunder.

A copy of the Bye Laws is available for inspection at the principal place of business of the Company at Suite 17-01, Level 17, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur. The LTIP Units are granted subject to terms and conditions of the Bye Laws. The holder of LTIP Units is deemed to have notice of all the provisions of the Bye Laws. Subject to the limitations and terms and conditions of the Bye Laws, all LTIP Units evidenced by this certificate as granted on ______________________ shall vest in the holder named herein on the dates stipulated hereunder —

No.	No of LTIP Units	Vesting Date
1.		
2.		
3.		

IN WITNESS WHEREOF the Company has caused this certificate to be executed by its authorised signatory.

____

[*authorised signatory*]

Date of Issue: ________________________

APPENDIX B
Surrender Notice

SURRENDER NOTICE

PIN/STAPLE PHOTOCOPY OF IDENTITY CARD/ PASSPORT/ AND ORIGINAL LTIP UNITS CERTIFICATE(S)

THIS FORM IS STRICTLY FOR APPLICATION FOR THE SURRENDER OF UNITS IN THE 2011 LONG TERM INCENTIVE PLAN IN IHH HEALTHCARE BERHAD (FORMERLY KNOWN AS INTEGRATED HEALTHCARE HOLDINGS BERHAD) FOR THE ISSUANCE AND ALLOTMENT OF ORDINARY SHARES

IHH HEALTHCARE BERHAD

(formerly known as Integrated Healthcare Holdings Berhad)
(Company No.: 901914-V)
(Incorporated in Malaysia under the Companies Act, 1965)

SURRENDER OF THE UNITS IN THE 2011 LONG TERM INCENTIVE PLAN ("LTIP UNITS") FOR THE ISSUANCE AND ALLOTMENT OF ORDINARY SHARES OF PAR VALUE OF RM1.00 EACH IN IHH HEALTHCARE BERHAD (FORMERLY KNOWN AS INTEGRATED HEALTHCARE HOLDINGS BERHAD) ("IHH") PURSUANT TO TERMS AND CONDITIONS OF THE BYE LAWS FOR THE 2011 LONG TERM INCENTIVE PLAN

To: The Board of Directors
IHH HEALTHCARE BERHAD (formerly known as Integrated Healthcare Holdings Berhad)
Suite 17-01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Dear Sirs,

I hereby irrevocably apply to surrender all LTIP Units that I hold under the 2011 Long Term Incentive Plan (" **Plan"**) for the issuance and allotment of such number of ordinary shares of RM1.00 each in IHH ("**Shares**") pursuant to the terms and conditions of the Bye Laws. If applicable, I agree that fractional entitlements to the Shares pursuant to the surrender of the LTIP Units consequential to any adjustment of the LTIP Units will be dealt with in such manner as the Directors of IHH shall in their absolute discretion deem expedient and/or to be in the best interests of IHH.

I hereby surrender to you the original LTIP Units certificate(s), which represent(s) all LTIP Units that I hold under the Plan.

I hereby represent, warrant, acknowledge and agree that: (a) I am the legal holder of the LTIP Units that I hereby surrender; (b) all information furnished or to be furnished to you by me in connection with this form is accurate and complete. In the event any of such information has subsequently become inaccurate or incomplete, I shall notify you immediately; (c) you may rely upon my representations, warranties, acknowledgements and agreements set forth herein; (d) I will indemnify and hold IHH and its directors, officers, employees and agents (each an "**Indemnified Party**") harmless from and against any loss, liability, cost or expense (including reasonable fees and expenses of legal advisers), direct or indirect, incurred by an Indemnified Party arising from or in reliance upon any information given by me herein except, in each case, to the extent such loss, liability, cost or expense was incurred as a result of the Indemnified Party's own negligence, wilful default or fraud; and (e) all necessary actions have been taken for me to make these representations and warranties and to complete this form.

I agree to accept all the Shares allotted or transferred to me subject to the Memorandum and Articles of Association of IHH and the Rules of the Bursa Malaysia Depository Sdn Bhd (165570-W) ("**Bursa Depository**").

I authorise Bursa Depository to disclose information pertaining to my Central Depository System ("**CDS**") account as specified below to IHH for the purpose of crediting the Shares allotted or transferred to me into my CDS account. I authorise IHH to instruct Bursa Depository to credit the Shares allotted or transferred to me into my CDS account as specified below and I acknowledge that, if applicable, the notice of allotment of Shares will be posted to the correspondence address as specified below at my own risk.

I hereby irrevocably authorise the Directors of IHH to place my name on the Record of Depositors in the name of Bursa Malaysia Depository Nominees Sdn Bhd (240297-W) maintained by Bursa Depository which forms part of IHH's Register of Members in respect of the Shares allotted to me/us as aforesaid.

....
Signature of holder

TO BE COMPLETED IN FULL BY HOLDER IN BLOCK LETTERS
PLEASE TYPE OR WRITE CLEARLY IN BLACK OR BLUE INK. DO NOT USE RUBBER STAMP

NATIONAL REGISTRATION IDENTITY CARD NUMBER

Old ☐☐☐☐☐☐☐☐

New ☐☐☐☐☐☐ - ☐☐ - ☐☐☐☐

PASSPORT NUMBER (for non-Malaysian only)

....

FULL NAME OF HOLDER AS PER LTIP UNITS CERTIFICATE(S)

....

CORRESPONDENCE ADDRESS

....

....

....

TELEPHONE/CONTACT NUMBER

House ....

Office ....

Mobile ....

CDS ACCOUNT NUMBER

☐☐☐ - ☐☐☐ - ☐☐☐☐☐☐☐☐☐

NUMBER OF LTIP UNITS ON THE CERTIFICATE(S)

☐☐☐ , ☐☐☐ , ☐☐☐

GENERAL INFORMATION

1. No acknowledgement will be issued for the receipt of the duly completed form. However, if the form is in order (including the requisite payment, if any), IHH and/or its agent will undertake the following:

    (i) credit such number of Shares to your CDS account as specified in this form; and

    (ii) despatch the notice of allotment of such Shares to you by ordinary post at your own risk to the correspondence address as specified in this form,

    within the period as specified in the Bye Laws of the Plan or otherwise in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

2. Where this form is not properly completed, IHH will endeavour to contact you at the contact number as specified in this form, failing which this form (together with any accompanying documents) will be returned to you by ordinary post at your own risk to the correspondence address as specified in this form.

INSTRUCTION NOTES FOR COMPLETION OF SURRENDER NOTICE

You must personally sign this form.

1. Please note that it is your sole responsibility to satisfy yourself as to the full observance of the laws of the relevant jurisdiction where you reside and in Malaysia in connection to the surrender/redemption of the LTIP Units, including without limitation the following:

    (i) obtaining of any governmental, exchange control or other consents which may be required;

    (ii) compliance with the other necessary formalities needing to be observed; and

    (iii) payment of any costs relating to the transfer or other taxes or duties due in such jurisdiction.

    You will be responsible for payment of any transfer fees or other taxes or other requisite payments due in such jurisdiction in the event the Shares are issued to you. You shall fully indemnify and save harmless the Indemnified Party for any transfer fees or taxes or other requisite payments which you may be required to pay.

    If you receive a copy of this form in any jurisdiction other than Malaysia, you may not:

    (i) treat the same as constituting an invitation or offer to sell securities;

    (ii) use this form if, in the relevant jurisdiction, such an invitation or offer cannot lawfully be made to you; or

    (iii) use this form unlawfully by contravening any relevant registration or other legal requirements.

    In any of such circumstances, this form is sent for information only and any use and acceptance thereof may be invalid and disregarded.

2. This form must be submitted along with a photocopy of your identity card/passport and the original LTIP Units certificate(s).

3. Please type or write clearly in black or blue ink using BLOCK LETTERS. Forms defaced by erasures or any kind of correcting fluid may be rejected at the absolute discretion of IHH. Amendments must be clearly legible and should be countersigned by you.

4. Additional copies of this form may be obtained from the office of the Plan Administrator appointed by IHH which has been previously notified to you.

5. If you fail to comply with any of the terms and conditions pertaining to the surrender of the LTIP Units as set out in this form and the Bye Laws, IHH may at its discretion, disregard your application.

6. In completing this form, you must exercise all reasonable care and the details which you have provided in this form must be accurate and correct. Please note that IHH shall be entitled to rely on all information provided by you in completing this form for the purpose of crediting the Shares, and if applicable issuance of notices of allotment. You shall fully indemnify and save harmless each Indemnified Party for all costs, expenses and whatsoever liabilities that he/she/it may suffer by reason of relying on any wrong and misleading information provided by you in this form.

7. **PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THIS SURRENDER NOTICE TO THE PLAN ADMINISTRATOR.**

REDEMPTION NOTICE

PIN/STAPLE PHOTOCOPY OF IDENTITY CARD/ PASSPORT/ AND ORIGINAL LTIP UNITS CERTIFICATE(S)

THIS FORM IS STRICTLY FOR APPLICATION FOR THE REDEMPTION OF UNITS IN THE 2011 LONG TERM INCENTIVE PLAN IN IHH HEALTHCARE BERHAD (FORMERLY KNOWN AS INTEGRATED HEALTHCARE HOLDINGS BERHAD) AT MARKED-TO-MARKET PRICE FOR EVERY UNIT

IHH HEALTHCARE BERHAD

(formerly known as Integrated Healthcare Holdings Berhad)
(Company No.: 901914-V)
(Incorporated in Malaysia under the Companies Act, 1965)

REDEMPTION OF THE UNITS IN THE 2011 LONG TERM INCENTIVE PLAN ("LTIP UNITS") OF IHH HEALTHCARE BERHAD (FORMERLY KNOWN AS INTEGRATED HEALTHCARE HOLDINGS BERHAD) ("IHH") PURSUANT TO TERMS AND CONDITIONS OF THE BYE LAWS FOR THE 2011 LONG TERM INCENTIVE PLAN

To: The Board of Directors
IHH HEALTHCARE BERHAD (formerly known as Integrated Healthcare Holdings Berhad)
Suite 17-01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Dear Sirs,

I hereby irrevocably request you to redeem such number of LTIP Units ("**Redemption LTIP Units**") that I hold under the 2011 Long Term Incentive Plan ("**Plan"**) at marked-to-market price for each LTIP Unit to be determined and approved by the Directors of IHH in accordance with the Bye Laws.

I hereby surrender to you the original LTIP Units certificate(s), which represent(s) a number of LTIP Units that is equal to or higher than the Redemption LTIP Units.

I hereby represent, warrant, acknowledge and agree that: (a) I am the legal holder of the LTIP Units that I hereby surrender; (b) all information furnished or to be furnished to you by me in connection with this form is accurate and complete. In the event any of such information has subsequently become inaccurate or incomplete, I shall notify you immediately; (c) you may rely upon my representations, warranties, acknowledgements and agreements set forth herein; (d) I will indemnify and hold IHH and its directors, officers, employees and agents (each an "**Indemnified Party**") harmless from and against any loss, liability, cost or expense (including reasonable fees and expenses of legal advisers), direct or indirect, incurred by an Indemnified Party arising from or in reliance upon any information given by me herein except, in each case, to the extent such loss, liability, cost or expense was incurred as a result of the Indemnified Party's own negligence, wilful default or fraud; and (e) all necessary actions have been taken for me to make these representations and warranties and to complete this form.

*I agree that the payment for the redemption of the Redemption LTIP Units will be made by cheque or banker's draft or cashier's order to the name as specified below and I acknowledge that such payment and the revised/new LTIP Units certificate for my balance of LTIP Units (if any) will be posted by ordinary mail to the correspondence address as specified below at my/our own risk.

*I agree that the payment for the redemption of the Redemption LTIP Units will be made by telegraphic transfer to the bank account as specified below and I acknowledge that such payment and the revised/new LTIP Units certificate for my balance of LTIP Units (if any) will be posted to the correspondence address as specified below at my/our own risk.

Note:

** To delete where not applicable.*

....
Signature of holder

TO BE COMPLETED IN FULL BY HOLDER IN BLOCK LETTERS
PLEASE TYPE OR WRITE CLEARLY IN BLACK OR BLUE INK. DO NOT USE RUBBER STAMP

NATIONAL REGISTRATION IDENTITY CARD NUMBER

Old ☐☐☐☐☐☐☐☐

New ☐☐☐☐☐☐ - ☐☐ - ☐☐☐☐

PASSPORT NUMBER (for non-Malaysian only)

....

FULL NAME OF HOLDER AS PER LTIP UNITS CERTIFICATE(S)

....

CORRESPONDENCE ADDRESS

....
....
....

TELEPHONE/CONTACT NUMBER

House ....
Office ....
Mobile ....

BANK ACCOUNT NUMBER

☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

BANK'S NAME: ....

ACCT. HOLDER'S NAME: ....

NUMBER OF LTIP UNITS ON THE CERTIFICATE(S)

☐☐☐ , ☐☐☐ , ☐☐☐

NUMBER OF LTIP UNITS TO BE REDEEMED

☐☐☐ , ☐☐☐ , ☐☐☐

GENERAL INFORMATION

1. No acknowledgement will be issued for the receipt of the duly completed form. However, if the form is in order (including the requisite payment, if any), IHH and/or its agent will undertake the following:

   (i) despatch the revised/new LTIP Units certificate (if any) to you by ordinary post at your own risk to the correspondence address as specified in this form within the period as specified in the Bye Laws of the Plan or otherwise in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and

   (ii) remit the redemption amount calculated in accordance the Bye Laws of the Plan in the manner chosen by you in the Redemption Notice within the period as specified in the Bye Laws of the Plan or otherwise in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad,

2. Where this form is not properly completed, IHH will endeavour to contact you at the contact number as specified in this form, failing which this form (together with any accompanying documents) will be returned to you by ordinary post at your own risk to the correspondence address as specified in this form.

INSTRUCTION NOTES FOR COMPLETION OF REDEMPTION NOTICE

You must personally sign this form.

1. Please note that it is your sole responsibility to satisfy yourself as to the full observance of the laws of the relevant jurisdiction where you reside and in Malaysia in connection to the surrender/redemption of the LTIP Units, including without limitation the following:

   (i) obtaining of any governmental, exchange control or other consents which may be required;

   (ii) compliance with the other necessary formalities needing to be observed; and

   (iii) payment of any costs relating to the transfer or other taxes or duties due in such jurisdiction.

   You will be responsible for payment of any taxes or other requisite payments due in such jurisdiction in respect of the redemption amount. You shall fully indemnify and save harmless the Indemnified Party for any taxes or other requisite payments which you may be required to pay.

   If you receive a copy of this form in any jurisdiction other than Malaysia, you may not:

   (i) treat the same as constituting an invitation or offer to sell securities;

   (ii) use this form if, in the relevant jurisdiction, such an invitation or offer cannot lawfully be made to you; or

   (iii) use this form unlawfully by contravening any relevant registration or other legal requirements.

   In any of such circumstances, this form is sent for information only and any use and acceptance thereof may be invalid and disregarded.

2. This form must be submitted along with a photocopy of your identity card/passport and the original LTIP Units certificate(s).

3. Please type or write clearly in black or blue ink using BLOCK LETTERS. Forms defaced by erasures or any kind of correcting fluid may be rejected at the absolute discretion of IHH. Amendments must be clearly legible and should be countersigned by you.

4. Additional copies of this form may be obtained from the office of the Plan Administrator appointed by IHH which has been previously notified to you.

5. If you fail to comply with any of the terms and conditions pertaining to the redemption of the LTIP Units as set out in this form and the Bye Laws, IHH may at its discretion, disregard your application.

6. In completing this form, you must exercise all reasonable care and the details which you have provided in this form must be accurate and correct. Please note that IHH shall be entitled to rely on all information provided by you in completing this form for the remission the redemption amount. You shall fully indemnify and save harmless each Indemnified Party for all costs, expenses and whatsoever liabilities that he/she/it may suffer by reason of relying on any wrong and misleading information provided by you in this form.

7. **PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THIS REDEMPTION NOTICE TO THE PLAN ADMINISTRATOR.**

This page has been intentionally left blank.

APPENDIX L:
INDEPENDENT AUDITORS' REPORT ON
THE COMBINED FINANCIAL STATEMENTS

The Board of Directors
Integrated Healthcare Holdings Berhad
Suite 17-01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Dear Sirs

Independent Auditors' Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Integrated Healthcare Holdings Berhad (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the combined statements of financial position of the Group as at 31 December 2009, 2010 and 2011, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes, as set out in Appendix M.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and fair presentation of these combined financial statements in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements give a true and fair view of the combined financial position of the Group as at 31 December 2009, 2010 and 2011, and of its combined financial performance and its combined cash flows for the years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other matter

This report has been prepared for inclusion in the Prospectus of the Company in connection with the initial public offering of the shares of the Company and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants
Malaysia

Lee Yee Keng
Partner

18 April 2012

APPENDIX M:
AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

Integrated Healthcare Holdings Berhad

(Company No. 901914-V)
(Incorporated in Malaysia)

and its subsidiaries

Combined financial statements
for the financial years ended
31 December 2009, 2010 and 2011

Integrated Healthcare Holdings Berhad
(Company No. 901914-V)
(Incorporated in Malaysia)
and its subsidiaries

Combined statements of financial position as at 31 December 2009, 2010 and 2011

	Note	1.1.2009 RM000	31.12.2009 RM000	31.12.2010 RM000	31.12.2011 RM000
Non-current assets					
Property, plant and equipment	3	149,819	155,816	4,136,786	4,726,753
Intangible assets	4	887	1,038	1,768,611	1,618,598
Goodwill on consolidation	4	106,621	106,621	6,321,413	6,487,070
Interest in associates	5	2,109,821	2,193,304	820,471	862,273
Interest in joint ventures	6	—	4,517	5,642	28,009
Other financial assets	7	—	—	35,249	529,881
Deferred tax assets	8	—	—	28,308	24,279
Total non-current assets		2,367,148	2,461,296	13,116,480	14,276,863
Current assets					
Assets classified as held for sale	9	—	—	7,840	1,463
Development property	10	—	—	939,870	1,121,195
Inventories	11	—	—	74,968	78,784
Trade and other receivables	12	5,968	4,389	482,834	518,496
Tax recoverable		2,241	1,993	12,095	20,422
Other financial assets	7	18,449	—	—	27,066
Cash and cash equivalents	15	18,443	42,843	1,209,465	1,310,803
Total current assets		45,101	49,225	2,727,072	3,078,229
Total assets		2,412,249	2,510,521	15,843,552	17,355,092
Equity					
Equity and reserves attributable to owners of the company		2,217,502	2,313,343	2,936,394	9,861,827
Non-controlling interests	16	5,415	9,190	259,546	246,618
Total equity		2,222,917	2,322,533	3,195,940	10,108,445

The notes are an integral part of these financial statements.

Company No. 901914-V

Combined statements of financial position as at 31 December 2009, 2010 and 2011 (continued)

	Note	1.1.2009 RM000	31.12.2009 RM000	31.12.2010 RM000	31.12.2011 RM000
Non-current liabilities					
Bank borrowings	17	101,749	97,525	6,535,608	4,991,264
Employee benefits	18	—	—	25,142	15,544
Other payables		463	881	22,102	8,580
Deferred tax liabilities	8	16,409	17,506	456,749	446,127
Derivative liabilities	17	—	—	15,820	—
Total non-current liabilities		118,621	115,912	7,055,421	5,461,515
Current liabilities					
Bank overdrafts	17	—	—	10,549	584
Trade and other payables	19	65,383	54,379	5,257,408	1,576,158
Bank borrowings	17	3,880	14,224	164,971	46,500
Derivative liabilities	17	—	—	6,041	1,252
Employee benefits	18	—	943	42,485	41,935
Tax payable		1,448	2,530	110,737	118,703
Total current liabilities		70,711	72,076	5,592,191	1,785,132
Total liabilities		189,332	187,988	12,647,612	7,246,647
Total equity and liabilities		2,412,249	2,510,521	15,843,552	17,355,092

The notes are an integral part of these financial statements.

Integrated Healthcare Holdings Berhad
(Company No. 901914-V)
(Incorporated in Malaysia)
and its subsidiaries

Combined statements of comprehensive income for the years ended 31 December 2009, 2010 and 2011

	Note	2009 RM000	2010 RM000	2011 RM000
Revenue	21	121,081	1,214,085	3,328,849
Other operating income		2,983	21,812	159,768
Inventories and consumables		—	(191,198)	(680,242)
Purchased and contracted services		—	(216,151)	(398,590)
Depreciation and impairment losses on property, plant and equipment	3	(9,244)	(57,350)	(165,751)
Amortisation and impairment losses on intangible assets	4	(34)	(44,298)	(54,989)
Staff costs		(52,622)	(372,440)	(1,073,066)
Operating lease expenses		(573)	(72,514)	(186,605)
Operating expenses		(22,052)	(225,618)	(456,162)
Finance income		656	6,476	28,907
Finance costs		(3,526)	(84,111)	(106,420)
Gain on remeasurement of investments previously accounted for as associates and joint ventures	31	—	530,120	—
Share of profits of associates (net of tax)		59,480	70,794	79,937
Share of profits of joint ventures (net of tax)		4,447	34,039	13,909
Profit before income tax	22	100,596	613,646	489,545
Income tax expense	23	(8,115)	(38,892)	(95,428)
Profit for the year		92,481	574,754	394,117

Combined statements of comprehensive income for the years ended 31 December 2009, 2010 and 2011 (continued)

	Note	2009 RM000	2010 RM000	2011 RM000
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations		—	(54,566)	88,910
Net change in fair value of available-for-sale financial assets		—	—	22,641
Cumulative changes in fair value of cashflow hedges transferred to profit or loss		—	15,935	—
Share of other comprehensive income/(expense) of associates		17,796	(21,502)	(108)
Total other comprehensive income/(expense) for the year		17,796	(60,133)	111,443
Total comprehensive income for the year		110,277	514,621	505,560
Attributable to:				
Owners of the Company		83,201	554,424	379,903
Non-controlling interests		9,280	20,330	14,214
Profit for the year		92,481	574,754	394,117
Total comprehensive income attributable to:				
Owners of the Company		100,997	486,515	501,434
Non-controlling interests		9,280	28,106	4,126
Total comprehensive income for the year		110,277	514,621	505,560
Earnings per ordinary share (sen)				
Basic	24	1.51	10.08	6.91
Diluted	24	1.51	10.08	6.90

The notes are an integral part of these financial statements.

Integrated Healthcare Holdings Berhad
(Company No. 901914-V)
(Incorporated in Malaysia)
and its subsidiaries

Combined statements of changes in equity for the years ended 31 December 2009, 2010 and 2011

	Equity contribution and other reserves RM000	Fair value reserve RM000	Hedging reserve RM000	Foreign currency translation reserve RM000	Total equity and reserves RM000	Non-controlling interests RM000	Total equity RM000
At 1 January 2009	2,241,455	—	(6,556)	(17,397)	2,217,502	5,415	2,222,917
Share of other comprehensive income of associates	(6,349)	—	582	23,563	17,796	—	17,796
Profit for the year	83,201	—	—	—	83,201	9,280	92,481
Total comprehensive income for the year	76,852	—	582	23,563	100,997	9,280	110,277
Contributions by and distributions to owners of the Company							
Share of other reserves of associates	6,278	—	—	—	6,278	—	6,278
Dividends paid to non-controlling interests	—	—	—	—	—	(5,505)	(5,505)
Dividends paid to owners of the Company	(11,434)	—	—	—	(11,434)	—	(11,434)
Total transactions with owners of the Company	(5,156)	—	—	—	(5,156)	(5,505)	(10,661)
At 31 December 2009	2,313,151	—	(5,974)	6,166	2,313,343	9,190	2,322,533

Company No. 901914-V

Combined statements of changes in equity for the years ended 31 December 2009, 2010 and 2011 (continued)

	Equity contribution and other reserves RM000	Fair value reserve RM000	Hedging reserve RM000	Foreign currency translation reserve RM000	Total equity and reserves RM000	Non-controlling interests RM000	Total equity RM000
At 1 January 2010	2,313,151	—	(5,974)	6,166	2,313,343	9,190	2,322,533
Foreign currency translation differences for foreign operations	—	—	—	(61,514)	(61,514)	6,948	(54,566)
Cumulative changes in fair value of cash flow hedges transferred to profit or loss	—	—	15,106	—	15,106	829	15,935
Share of other comprehensive income/(expense) of associates	4,516	—	(4,139)	(21,879)	(21,502)	—	(21,502)
Total other comprehensive income/(expense) for the year	4,516	—	10,967	(83,393)	(67,910)	7,777	(60,133)
Profit for the year	554,424	—	—	—	554,424	20,330	574,754
Total comprehensive income/(expense) for the year	558,940	—	10,967	(83,393)	486,514	28,107	514,621
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	2,782,410	—	—	—	2,782,410	—	2,782,410
Effect of acquisition of equity interests in subsidiaries, associates and joint ventures from owner of the Company	(2,212,336)	—	—	—	(2,212,336)	—	(2,212,336)
Acquisition of subsidiaries	—	—	—	—	—	517,937	517,937
Acquisition of non-controlling interests	(427,435)	—	—	—	(427,435)	(284,005)	(711,440)
Share of other reserves of associates	2,673	—	—	—	2,673	—	2,673
Dividends to non-controlling interests	—	—	—	—	—	(11,683)	(11,683)
Dividends paid to owners of the Company	(8,775)	—	—	—	(8,775)	—	(8,775)
Total transactions with owners of the Company	136,537	—	—	—	136,537	222,249	358,786
At 31 December 2010	3,008,628	—	4,993	(77,227)	2,936,394	259,546	3,195,940

Combined statements of changes in equity for the years ended 31 December 2009, 2010 and 2011 (continued)

	Equity contribution and other reserves RM000	Share option reserve RM000	Fair value reserve RM000	Hedging reserve RM000	Foreign currency translation reserve RM000	Total equity and reserves RM000	Non-controlling interests RM000	Total equity RM000
At 1 January 2011	3,008,628	—	—	4,993	(77,227)	2,936,394	259,546	3,195,940
Foreign currency translation differences for foreign operations	—	—	—	—	98,998	98,998	(10,088)	88,910
Net change in fair value of available-for-sale financial assets	—	—	22,641	—	—	22,641	—	22,641
Share of other comprehensive income/(expense) of associates	—	—	—	(108)	—	(108)	—	(108)
Total other comprehensive income/(expense) for the year	—	—	22,641	(108)	98,998	121,531	(10,088)	111,443
Profit for the year	379,903	—	—	—	—	379,903	14,214	394,117
Total comprehensive income/(expense) for the year	379,903	—	22,641	(108)	98,998	501,434	4,126	505,560
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	6,603,393	—	—	—	—	6,603,393	—	6,603,393
Distribution of subsidiaries to owner of the Company	(198,491)	—	—	—	—	(198,491)	(7,242)	(205,733)
Acquisition of non-controlling interests	2,689	—	—	—	—	2,689	(6,941)	(4,252)
Additional capital contribution into a subsidiary	(146)	—	—	—	—	(146)	146	—
Conditional award of performance shares	—	16,554	—	—	—	16,554	—	16,554
Dividends paid to non-controlling interests	—	—	—	—	—	—	(3,017)	(3,017)
Total transactions with owners of the Company	6,407,445	16,554	—	—	—	6,423,999	(17,054)	6,406,945
At 31 December 2011	9,795,976	16,554	22,641	4,885	21,771	9,861,827	246,618	10,108,445

Integrated Healthcare Holdings Berhad
(Company No. 901914-V)
(Incorporated in Malaysia)
and its subsidiaries

Combined statements of cash flows
Years ended 31 December 2009, 2010, 2011

	2009 RM000	2010 RM000	2011 RM000
Cash flows from operating activities			
Profit before income tax	100,596	613,646	489,545
Adjustments for:			
Unrealised exchange differences	—	6,187	(42,169)
Dividend income	—	—	(2,883)
Finance income	(656)	(6,476)	(28,907)
Finance cost	3,526	84,111	106,420
Depreciation and impairment losses on property, plant and equipment	9,244	57,350	165,751
Amortisation and impairment losses on intangible assets	34	44,298	54,989
(Gain)/loss on disposal of property, plant and equipment	—	(390)	264
Write off of property, plant and equipment	20	42	19,445
Impairment loss on trade and other receivables	3	5,668	17,066
Impairment loss on amounts due from associates	—	—	2,959
Impairment loss on deposits paid to non-controlling interests	—	65,080	—
Impairment losses on other financial assets	—	—	2,372
Equity-settled share-based payment	—	—	15,074
Gain on remeasurement of investments previously accounted for as associates and joint ventures	—	(530,120)	—
Share of profits of associates (net of tax)	(59,480)	(70,794)	(79,937)
Share of profits of joint ventures (net of tax)	(4,447)	(34,039)	(13,909)
Operating profit before changes in working capital	48,840	234,563	706,080
Changes in working capital:			
Development property	—	(61,685)	(181,359)
Inventories	—	(2,834)	(3,150)
Trade and other receivables	1,604	(63,536)	(94,225)
Trade and other payables	(9,442)	309,032	569,717
Cash generated from operations	41,002	415,540	997,063
Income taxes paid	(5,688)	(16,776)	(109,952)
Net cash generated from operating activities	35,314	398,764	887,111

Company No. 901914-V

Combined statements of cash flows
Years ended 31 December 2009, 2010, 2011 (continued)

	2009 RM000	2010 RM000	2011 RM000
Cash flows from investing activities			
Dividends received from available-for-sale financial assets	—	—	2,883
Dividends received from associates and joint ventures	—	—	52,629
Interest received	628	6,476	15,497
Acquisition of subsidiaries, net of cash and cash equivalents acquired	—	(5,780,518)	—
Net cash outflow from disposal of subsidiaries, net of cash and cash equivalents disposed	—	—	(136,797)
Acquisition of additional interest in joint ventures	—	—	(139)
Proceeds from disposal of property, plant and equipment	—	1,370	3,512
Proceeds from sale of assets held for sale	—	—	8,006
Purchase of property, plant and equipment	(15,260)	(187,069)	(714,506)
Development costs of intangible assets	(184)	(438)	(1,516)
Purchase of quoted investments	—	—	(503,139)
Net repayment by associates	—	—	4,944
Net advances to joint ventures	—	—	(17,093)
Net cash used in investing activities	(14,816)	(5,960,179)	(1,285,719)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	—	2,782,410	1,978,000
Proceeds from disposal of financial assets	18,449	—	—
Proceeds from bank borrowings	9,870	3,573,810	78,275
Repayment of bank borrowings	(3,750)	(3,847)	(1,907,628)
Advances from holding company	—	3,623,741	485,284
Acquisition of equity interest in subsidiaries, associates and joint ventures from owner of the Company	—	(2,238,218)	—
Acquisition of non-controlling interests	—	(703,410)	(4,252)
Additional payment for prior-year acquisition of non-controlling interests	—	—	(15,361)
Interest paid	(3,728)	(49,651)	(170,099)
Dividend paid to non-controlling interests	(5,505)	(11,683)	(3,017)
Dividends paid to owner of the Company	(11,434)	(8,775)	—
Acceptance fees for share options received	—	—	370
Change in pledged deposits	(1,182)	(39,625)	(17,927)
Net cash generated from financing activities	2,720	6,924,752	423,645

Combined statements of cash flows
Years ended 31 December 2009, 2010, 2011 (continued)

	2009 RM000	2010 RM000	2011 RM000
Net increase in cash and cash equivalents	23,218	1,363,337	25,037
Cash and cash equivalents at 1 January	18,443	41,661	1,158,109
Effect of exchange rate fluctuations on cash held	—	(246,889)	68,339
Cash and cash equivalents at 31 December	41,661	1,158,109	1,251,485

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment amounting to RM4,335,000 (2010: Nil; 2009: Nil) under finance leases.

The notes are an integral part of these financial statements.

Integrated Healthcare Holdings Berhad
(Company No. 901914-V)
(Incorporated in Malaysia)
and its subsidiaries

Notes to the combined financial statements

This combined financial statements of Integrated Healthcare Holdings Berhad ("the Company") and its subsidiaries ("IHH Group" or the "Group") have been prepared solely in connection with the proposed Initial Public Offering of IHH and for no other purposes.

IHH Group comprises subsidiaries, associates and jointly controlled entities as disclosed in Note 32, 33 and 34. The principal activities of the subsidiaries, associates and jointly controlled entities and effective percentage of equity holdings are stated in Note 32, 33 and 34 to the combined financial statements.

The combined financial statements have been carved out from the consolidated financial statements of Khazanah Nasional Berhad ("Khazanah") and its subsidiaries ("Khazanah Group"), in which the consolidated financial statements of Khazanah Group have been prepared in accordance with Financial Reporting Standards (FRSs). Where appropriate, adjustments have been made to the combined financial statements to comply with Malaysian Financial Reporting Standards and International Financial Reporting Standards and to specifically present only the combined financial position, results of operations and cash flows of the healthcare group of Khazanah attributable to shareholders of IHH.

The combined financial statements of IHH Group have been prepared as if the subsidiaries, associates and jointly controlled entities of IHH Group have operated as a single economic entity throughout the financial years ended 31 December 2009, 2010 and 2011 and have been prepared from the books and records maintained by each entity.

The combined financial statements were authorised for issue by the Board of Directors on 18 April 2012.

1. Basis of preparation

(a) Statement of compliance

Prior to 1 January 2009, IHH Group did not present combined financial statements.

These combined financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs) and with International Financial Reporting Standards (IFRSs). These are IHH Group's first combined financial statements prepared in accordance with MFRSs and IFRSs, and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

The IHH Group has early adopted MFRS 124/IAS 24, *Related Party Disclosures* which is originally effective for annual periods beginning on or after 1 January 2011. The early adoption of MFRS 124/IAS 24 has no impact on the combined financial statements.

Company No. 901914-V

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The IHH Group has not applied the following accounting standards that have been issued by the Malaysian Accounting Standards Board (MASB) and International Accounting Standards Board (IASB) but are not yet effective for the Group:

	MFRSs/IFRSs effective for annual periods beginning on or after
Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101/IAS 1)	1 July 2012
MFRS/IFRS 10, Consolidated Financial Statements	1 January 2013
MFRS/IFRS 11, Joint Arrangements	1 January 2013
MFRS/IFRS 12, Disclosure of Interests in Other Entities	1 January 2013
MFRS/IFRS 13, Fair Value Measurement	1 January 2013
MFRS 119/IAS 19, Employee Benefits (2011)	1 January 2013
MFRS 127/IAS 27, Separate Financial Statements (2011)	1 January 2013
MFRS 128/IAS 28, Investments in Associates and Joint Ventures (2011)	1 January 2013
IC Interpretation 20/IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS/IFRS 7)	1 January 2013
Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132/IAS 32)	1 January 2014
MFRS/IFRS 9, Financial Instruments	1 January 2015
Transition Disclosures (Amendments to MFRS/IFRS 7)	1 January 2015

IHH Group does not plan to early adopt the abovementioned standards.

The initial application of a standard which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods combined financial statements upon their first adoption.

The IHH Group is in the midst of assessing the financial impacts of initial application of the abovementioned standards.

(b) Basis of measurement

The combined financial statements have been prepared on the historical cost basis other than as disclosed in the accounting policies below and certain assets and liabilities are measured at fair value.

1. Basis of preparation (continued)

(c) Functional and presentation currency

The individual financial statements of each entity in IHH Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The combined financial statements are presented in Ringgit Malaysia (RM), which is Khazanah's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of combined financial statements 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 3 — Depreciation and impairment loss on property, plant and equipment
- Note 4 — Measurement of the recoverable amounts of cash-generating units
- Note 13 — Impairment loss on trade receivables
- Note 18 — Measurement of share-based payments and retirement benefits
- Note 23 — Income taxes
- Note 29 — Contingent liabilities
- Note 31 — Business combinations

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in this combined financial statements.

(a) Basis of combination

(i) Subsidiaries

Subsidiaries included in this combined financial statements as disclosed in Note 32, are entities controlled by IHH Group. Control exists when IHH Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to IHH Group.

Acquisitions on or after 1 January 2009

For acquisitions on or after 1 January 2009, IHH 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 bargain purchase gain is recognised immediately in profit or loss.

For each business combination, IHH 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.

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(ii) Business combination (continued)

Transaction costs, other than those associated with the issue of debt or equity securities, that IHH Group incurred in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions before 1 January 2009

In preparing this first set of combined financial statements under MFRSs and IFRSs, IHH Group elected not to restate those business combinations undertaken by Khazanah that occurred before 1 January 2009. Goodwill arising from acquisitions before 1 January 2009 has been carried forward from the consolidated financial statements of Khazanah as at 1 January 2009.

(iii) Acquisition of non-controlling interests

IHH Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between IHH Group and its non-controlling interest holders. Any difference between the IHH Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against IHH Group reserves.

(iv) Acquisitions from entities under common control

The assets and liabilities acquired under business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls IHH Group, are recognised at the carrying amounts recognised previously in Khazanah's consolidated financial statements. The components of equity of the acquired entities are added to the same components within IHH Group equity and any resulting gain or loss is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, IHH Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If IHH Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(vi) Associates

Associates are entities in which IHH Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the combined financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The combined financial statements include share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of IHH Group, from the date that significant influence commences until the date that significant influence ceases.

When IHH Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that IHH Group has an obligation or has made payments on behalf of the associate.

(vii) Jointly controlled entities

Joint ventures are those entities over whose activities IHH Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Joint ventures are accounted for in the combined financial statements using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The combined financial statements include IHH Group's share of the profit or loss and other comprehensive income of the equity-accounted joint ventures, after adjustments, if any, to align the accounting policies with those of IHH Group, from the date that joint control commences until the date that joint control ceases.

When IHH Group's share of losses exceeds its interest in an equity-accounted joint venture, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that IHH Group has an obligation or has made payments on behalf of the joint venture.

(viii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to IHH Group, are presented in the combined statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of IHH Group. Non-controlling interests in the results of IHH Group is presented in the combined statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of IHH Group.

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(viii) Non-controlling interests (continued)

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ix) Transactions eliminated on combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in IHH Group, are eliminated in preparing the combined financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated against the investment to the extent of IHH Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Khazanah's cost of investment in IHH Group is included in equity and reserves.

(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.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated 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 except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, 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 are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the combined financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR within equity.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Initial recognition and measurement (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liabilities simultaneously.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group categorises financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(c) Loans and receivables

Loans and receivables category comprises debt instruments and financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 2(k)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

Other financial liabilities comprise loans and borrowings, and trade and other payables, excluding deferred income.

(iii) 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 guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Hedge accounting

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. 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 the ineffective portion is recognised in profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(v) Hedge accounting (continued)

Cash flow hedge (continued)

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. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. 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.

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. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement costs when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the lease term. Freehold land is not depreciated. Property, plant and equipment under construction (building-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:

• Leasehold land	remaining term of the lease
• Buildings	5 – 50 years
• Hospital and medical equipment, renovation and furniture, fittings and equipments	3 – 25 years
• Laboratory and teaching equipment	2 – 10 years
• Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets

(i) Goodwill on consolidation

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses. In respect of equity accounted associates and jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates and jointly controlled entities.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(iii) Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the lease term unless usage of the land use rights is dependent upon the construction of additional property, plant and equipment. In such case, amortisation is charged on a straight line basis over the remaining term of the land use rights once the additional property, plant and equipment is ready for its intended use.

(iv) Other intangible assets

Customer relationships and concession rights that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

Brand names that have indefinite lives and other intangible assets that are not available for use are stated at cost less impairment losses. Such intangible assets are tested for impairment annually and whenever there is an indication that they may be impaired.

(v) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(vi) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet in use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use.

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 are as follows:

• Concession rights	15 years
• Land use rights	65 years
• Customer relationships	5 years
• Development costs	5 – 20 years

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(vi) Amortisation (continued)

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Assets classified as held for sale

Asset (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale or distribution.

(h) Development property

Development property is stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less cost to be incurred in selling the property.

The cost of property under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure that can be allocated on a reasonable basis to the property under development. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

(i) Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories are determined on a weighted average basis, and include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make sale.

2. Significant accounting policies (continued)

(i) Inventories (continued)

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2(c).

(k) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries, associates and joint venture), are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

2. Significant accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, development property, deferred tax asset, assets arising from employee benefits and non-current assets (or disposal groups) classified as held for sale), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. Significant accounting policies (continued)

(k) Impairment (continued)

(ii) Other assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Share issue expenses

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

Distributions of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Group at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(m) 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.

2. Significant accounting policies (continued)

(m) Employee benefits (continued)

(i) Short-term employee benefits (continued)

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 charged to the profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Defined benefits plan

The Group has a non-funded defined benefits plan given to employees of certain subsidiaries within the Group.

The Group's net obligation in respect of the defined benefits retirement plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine the present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the statements of financial position date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method on a triennial basis. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or any settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognise all actuarial gains and losses arising from defined benefits plans in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, change in the present value of defined benefit obligation and any related actuarial gains and losses and past service cost that had not previously been recognised.

2. Significant accounting policies (continued)

(m) Employee benefits (continued)

(iii) Share-based payments transactions

The Group recognise the grant date fair value of share-based payment awards granted to employees as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to 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. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee share options are measured using a binomial lattice model and a market value approach on a minority, non-marketable basis for Equity Participating Plan (EPP) and Long Term Incentive Plan (LTIP) respectively. 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, EBITDA (earnings before interest, tax, depreciation and amortisation) 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 taken into account in determining fair value.

(n) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2. Significant accounting policies (continued)

(o) Revenue recognition

(i) Goods sold

Revenue from the sale of pharmaceutical products is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

(ii) Services rendered

Revenue from provision of medicine and medical services, including healthcare support services rendered and service fees charged on the management of medical examination of foreign worker is recognised in the profit or loss net of service tax and discount as and when the services are performed.

(iii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Contingent rentals are recognised as income in the reporting period in which they are earned.

(iv) Dividend income

Dividend income from investments is recognised when the right to receive payment is established.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(vi) Sale of development property

The Group recognises income on property development projects when the significant risks and rewards of ownership have been transferred to the purchasers. Revenue and associated expenses will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers i.e. upon the completion of the construction and when the rest of the purchase price is paid.

2. Significant accounting policies (continued)

(o) Revenue recognition (continued)

(vi) Sale of development property (continued)

Revenue excludes goods and services or other sale taxes and is after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of unit sold.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset 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.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(q) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity holder of IHH by the share capital of the IHH. The IHH's share capital of 5,500 million ordinary shares as at 31 December 2011 were assumed to be in issue throughout the entire years presented.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the number of ordinary shares in issue, adjusted for the effects of all dilutive potential ordinary shares.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. Significant accounting policies (continued)

(t) Contingencies

Contingent liabilities

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.

Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow 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 assets unless the probability of inflow of economic benefits is remote.

3. Property, plant and equipment

	Note	Hospital land and buildings Freehold RM000	Hospital land and buildings Leasehold RM000	Construction-in-progress RM000	Hospital and medical equipment, renovation and furniture, fittings and equipment RM000	Laboratory and teaching equipment RM000	Motor vehicles RM000	Total RM000
Cost								
At 1 January 2009		116,368	7,492	—	14,743	21,551	1,450	161,604
Additions		6,173	—	—	3,524	5,563	—	15,260
Disposals/write-offs		—	—	—	(4)	(99)	—	(103)
At 31 December 2009/1 January 2010		122,541	7,492	—	18,263	27,015	1,450	176,761
Additions		36,841	1,143	113,108	41,608	7,580	561	200,841
Acquisition of subsidiaries	31	754,576	2,401,309	291,765	1,366,331	—	15,985	4,829,966
Disposals/write-offs		(245)	(106)	—	(21,187)	(4,454)	(833)	(26,825)
Transfers		—	8,835	(20,837)	12,002	—	—	—
Transfer to development property		—	—	(12,898)	—	—	—	(12,898)
Transfer to assets held for sale	9	—	—	—	(11,007)	—	—	(11,007)
Translation differences		(11,388)	62,113	8,500	28,798	—	(294)	87,729
At 31 December 2010/1 January 2011		902,325	2,480,786	379,638	1,434,808	30,141	16,869	5,244,567
Additions		1,350	112	641,506	91,717	5,384	2,076	742,145
Disposal of subsidiaries to Khazanah	31	(11,310)	(1,640)	—	(81,518)	—	(2,900)	(97,368)
Disposals/write-offs		(2,418)	(1,594)	(9,807)	(76,048)	(412)	(1,627)	(91,906)
Transfers		(207,712)	232,939	(100,006)	74,779	—	—	—
Transfer to assets held for sale	9	(1,973)	—	—	—	—	—	(1,973)
Translation differences		(2,717)	48,760	3,753	17,974	—	115	67,885
At 31 December 2011		677,545	2,759,363	915,084	1,461,712	35,113	14,533	5,863,350

3. Property, plant and equipment (continued)

	Note	Hospital land and buildings		Construction-in-progress	Hospital and medical equipment, renovation and furniture, fittings and equipment	Laboratory and teaching equipment	Motor vehicles	Total
		Freehold	Leasehold					
		RM000	RM000	RM000	RM000	RM000	RM000	RM000
Accumulated depreciation and impairment loss								
At 1 January 2009		3,821	2,032	—	1,484	3,859	589	11,785
Depreciation for the year		3,010	1,005	—	1,790	3,103	336	9,244
Disposals/write-offs		—	—	—	(3)	(81)	—	(84)
At 31 December 2009/1 January 2010		6,831	3,037	—	3,271	6,881	925	20,945
Depreciation for the year		8,273	5,966	—	38,426	3,719	966	57,350
Acquisition of subsidiaries	31	95,117	28,148	—	911,892	—	11,036	1,046,193
Disposals/write-offs		(112)	—	—	(20,380)	(4,413)	(815)	(25,720)
Transfer to assets held for sale		—	—	—	(3,167)	—	—	(3,167)
Translation differences		(4,929)	601	—	16,866	—	(358)	12,180
At 31 December 2010/1 January 2011		105,180	37,752	—	946,908	6,187	11,754	1,107,781
Depreciation for the year		14,471	14,949	—	130,030	4,405	1,896	165,751
Disposal of subsidiaries to Khazanah	31	(5,383)	(169)	—	(73,427)	—	(2,710)	(81,689)
Disposals/write-offs		(227)	(1,470)	—	(65,165)	(344)	(1,478)	(68,684)
Transfers		(25,145)	25,145	—	—	—	—	—
Transfer to assets held for sale		(510)	—	—	—	—	—	(510)
Translation differences		132	714	—	13,034	—	68	13,948
At 31 December 2011		88,518	76,921	—	951,380	10,248	9,530	1,136,597

3. Property, plant and equipment (continued)

	Hospital land and buildings			Hospital and medical equipment, renovation and furniture, fittings and equipment	Laboratory and teaching equipment		
	Freehold	Leasehold	Construction-in-progress			Motor vehicles	Total
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Carrying amounts							
At 1 January 2009	112,547	5,460	—	13,259	17,692	861	149,819
At 31 December 2009	115,710	4,455	—	14,992	20,134	525	155,816
At 31 December 2010	797,145	2,443,034	379,638	487,900	23,954	5,115	4,136,786
At 31 December 2011	589,027	2,682,442	915,084	510,332	24,865	5,003	4,726,753

Leasehold land

The title deed of a leasehold land with a carrying amount of RM32,841,000 (2010: RM36,837,000; 2009: Nil) will be transferred to an indirect subsidiary's name upon full settlement of the remaining purchase consideration in 2014.

Security

As at 31 December 2011, property, plant and equipment with carrying amounts totalling RM254,246,000 (2010: RM317,447,000; 2009: RM115,710,000) are charged to licensed financial institutions for credit facilities granted to the Group (see Note 17).

Assets under finance lease

As at 31 December 2011, the carrying amount of property, plant and equipment of the Group held under finance lease was RM45,237,000 (2010: RM36,362,000; 2009: RM2,082,000).

Borrowing costs

During the year, interest capitalised as cost of property, plant and equipment amounted to RM23,304,000 (2010: RM13,771,000; 2009: Nil).

4. Intangible assets and goodwill on consolidation

	Note	Concession rights RM000	Land use rights RM000	Brand names RM000	Customer relationships RM000	Development costs and other intangibles RM000	Sub-total RM000	Goodwill on consolidation RM000	Total RM000
Cost									
At 1 January 2009		—	—	—	—	953	953	106,621	107,574
Additions		—	—	—	—	185	185	—	185
At 31 December 2009/1 January 2010		—	—	—	—	1,138	1,138	106,621	107,759
Additions		—	—	—	—	439	439	—	439
Acquisition of subsidiaries	31	352,835	168,956	1,261,173	141,400	101,961	2,026,325	6,048,680	8,075,005
Translation differences		—	3,432	—	—	371	3,803	171,032	174,835
At 31 December 2010/1 January 2011		352,835	172,388	1,261,173	141,400	103,909	2,031,705	6,326,333	8,358,038
Additions		—	—	—	—	1,516	1,516	—	1,516
Distribution of subsidiaries to Khazanah	31	(352,835)	—	—	—	—	(352,835)	(2,559)	(355,394)
Translation differences		—	(12,562)	—	—	2,773	(9,789)	165,657	155,868
At 31 December 2011		—	159,826	1,261,173	141,400	108,198	1,670,597	6,489,431	8,160,028

4. Intangible assets and goodwill on consolidation (continued)

	Note	Concession rights RM000	Land use rights RM000	Brand names RM000	Customer relationships RM000	Development costs and other intangibles RM000	Sub-total RM000	Goodwill on consolidation RM000	Total RM000
Accumulated amortisation and impairment loss									
At 1 January 2009		—	—	—	—	66	66	—	66
Amortisation charge for the year		—	—	—	—	34	34	—	34
At 31 December 2009/1 January 2010		—	—	—	—	100	100	—	100
Amortisation charge for the year		28,173	—	—	8,295	2,910	39,378	—	39,378
Impairment loss		—	—	—	—	—	—	4,920	4,920
Acquisition of subsidiaries	31	216,926	—	—	—	6,615	223,541	—	223,541
Translation differences		—	—	—	—	75	75	—	75
At 31 December 2010/1 January 2011		245,099	—	—	8,295	9,700	263,094	4,920	268,014
Amortisation charge for the year		21,592	—	—	24,888	8,509	54,989	—	54,989
Disposal of subsidiaries to Khazanah	31	(266,691)	—	—	—	—	(266,691)	(2,559)	(269,250)
Translation differences		—	—	—	—	607	607	—	607
At 31 December 2011		—	—	—	33,183	18,816	51,999	2,361	54,360
Carrying amounts									
At 1 January 2009		—	—	—	—	887	887	106,621	107,508
At 31 December 2009		—	—	—	—	1,038	1,038	106,621	107,659
At 31 December 2010		107,736	172,388	1,261,173	133,105	94,209	1,768,611	6,321,413	8,090,024
At 31 December 2011		—	159,826	1,261,173	108,217	89,382	1,618,598	6,487,070	8,105,668

Company No. 901914-V

4. **Intangible assets and goodwill on consolidation (continued)**

Impairment test for cash-generating units containing goodwill and brand names

Goodwill and brand names are allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill and brand names are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and brand names allocated to each unit are as follows:

	Goodwill on consolidation			Brand names		
	2009	**2010**	**2011**	**2009**	**2010**	**2011**
	RM000	**RM000**	**RM000**	**RM000**	**RM000**	**RM000**
Singapore-based hospital and healthcare services	—	4,247,968	4,382,049	—	1,145,173	1,145,173
Malaysia-based hospital and healthcare services	—	1,967,443	1,994,953	—	116,000	116,000
Education	106,621	106,002	110,068	—	—	—
	106,621	6,321,413	6,487,070	—	1,261,173	1,261,173

For the purpose of impairment testing, the intangible assets are allocated to the individual entities which are the cash-generating units ("CGU"). Recoverable amount of each CGU 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 financial budgets approved by management covering a five to ten-year period.

The key assumptions for the computation of value-in-use of goodwill and brand names include the following:

- The revenue growth in the 10-year cash flow projection is estimated to be, for hospital and healthcare services, at 10.0% to 28.0% per annum in the first three years with declining revenue trend in subsequent years from 3% to 8% per annum, whilst for education CGUs at 3.0% to 11.0% per annum for the first three years with 3.0% revenue growth for subsequent years.

- The earnings before interest, tax, depreciation and amortisation ("EBITDA") are assumed at 17.0% - 25.0% of the revenue for hospital and healthcare services CGUs and 34.0% - 35.0% of the revenue for education CGU for the projected years and the projections are in line with the business growth of the respective investees.

- The terminal value was estimated using the perpetuity growth model, with a growth rate to perpetuity of 2% for hospital and healthcare services CGUs and 3% for education CGU per annum (2010: 3% - 5% for hospital and healthcare services CGUs and 3% for education CGU; 2009: 3% for education CGU) applied to steady-state estimated earnings at the end of the projected period.

- Discount rates of approximately 7.5% to 10.0% (2010: 7.0% to 12.0%; 2009: 6.4%) which are based on the pre-tax cost of capital plus an appropriate risk premium at the date of assessment of the respective CGUs.

4. Intangible assets and goodwill on consolidation (continued)

Impairment test for cash-generating units containing goodwill and brand names (continued)

- There will be no other significant changes in the government policies and regulations which will directly affect the investees' businesses. The inflation for the operating expenses is in line with the estimated gross domestic product growth rate for the country based on the past trends.

The values assigned to the key assumptions represent management's assessment of future trends in the healthcare market and are based on both external sources and internal sources (historical data).

Management believes that no reasonably foreseeable changes in any of the above key assumptions would cause the carrying values of these CGUs to materially exceed their recoverable amounts, other than an impairment loss of goodwill of RM4,920,000 that has been recognised in 2010 and changes in the prevailing operating environment of which the impact is not ascertainable.

5. Interest in associates

	2009 **RM000**	**2010** **RM000**	**2011** **RM000**
Shares, at cost			
Quoted shares outside Malaysia	2,106,938	729,444	729,199
Unquoted shares in Malaysia	—	1,289	1,300
Unquoted shares outside Malaysia	—	2,777	2,833
	2,106,938	733,510	733,332
Share of post-acquisition profits and reserves	86,366	100,880	146,895
Amounts due from associates	—	7,961	14,847
Less: Allowance for impairment loss	—	(2,324)	(5,118)
	—	5,637	9,729
Amounts due to associates	—	(19,556)	(27,683)
	2,193,304	820,471	862,273

Details of the associates are disclosed in Note 33 to the financial statements.

The amounts due from associates are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Group's net investment in the associates, they are stated at cost less accumulated impairment loss.

The amounts due to the associates include amounts denominated primary in Singapore Dollars which are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a return of equity by associates to the Group, they are stated at cost.

Company No. 901914-V

5. Interest in associates (continued)

The summarised information of the associates, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	2009 RM000	2010 RM000	2011 RM000
Assets and liabilities			
Total assets	6,780,579	3,310,058	3,573,401
Total liabilities	(3,061,128)	(1,210,294)	(1,318,369)
Net assets	3,719,451	2,099,764	2,255,032
Results			
Revenue	1,885,208	210,471	347,508
Profit after tax	299,817	130,997	252,766

6. Interest in joint ventures

	2009 RM000	2010 RM000	2011 RM000
Shares, at cost			
Unquoted shares outside Malaysia	7,523	60,854	63,173
Share of post-acquisition profits and reserves	(3,006)	(39,119)	(36,163)
Amounts due from joint ventures	—	21,764	17,010
Less: Allowance for impairment loss	—	(16,403)	(15,133)
	—	5,361	1,877
Amounts due to joint ventures	—	(21,454)	(878)
	4,517	5,642	28,009

The amounts due from joint ventures are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Group's net investment in the joint ventures, they are stated at cost less accumulated impairment loss.

The amounts due to the joint ventures are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a return of equity by joint ventures to the Group, they are stated at cost.

Details of the joint ventures are disclosed in Note 34 to the financial statements.

6. Interest in joint ventures (continued)

The summarised information of the joint ventures, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	2009 RM000	2010 RM000	2011 RM000
Assets and liabilities			
Total assets	1,231,070	203,281	190,021
Total liabilities	(1,179,912)	(158,727)	(135,999)
Net assets	51,158	44,554	54,022
Results			
Revenue	644,282	211,980	157,522
Profit after tax	6,393	24,235	26,780
Group's share of joint ventures' capital commitments	175,291	—	—

7. Other financial assets

	2009 RM000	2010 RM000	2011 RM000
Non-current:			
Available-for-sale financial assets			
Unquoted equity securities, at cost	—	84	80
Quoted equity securities, at fair value	—	—	525,780
	—	84	525,860
Held-to-maturity investments			
Government debt securities, at amortised cost	—	26,753	—
Others			
Club memberships	38	437	516
Deposit for option to purchase interest in an investment	—	8,013	6,035
Deposit paid to non-controlling shareholders of a subsidiary	—	65,080	66,045
	38	73,530	72,596
Accumulated impairment losses	(38)	(65,118)	(68,575)
	—	8,412	4,021
	—	35,249	529,881
Current:			
Held-to-maturity investments			
Government debt securities, at amortised cost	—	—	27,066

Non-current investments in available-for-sale unquoted equity securities are stated at cost as their fair values cannot be reliably measured in view that they do not have a quoted market price in an active market, the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reliably assessed.

8. Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2009 RM000	Acquisition of subsidiaries (Note 31) RM000	Disposal of subsidiaries to Khazanah (Note 31) RM000	Recognised in profit or loss (Note 23) RM000	Translation difference RM000	At 31 December 2009 RM000
Deferred tax liabilities						
Property, plant and equipment	(16,646)	—	—	(1,111)	—	(17,757)
Others	237	—	—	14	—	251
	(16,409)	—	—	(1,097)	—	(17,506)

	At 1 January 2010 RM000	Acquisition of subsidiaries (Note 31) RM000	Disposal of subsidiaries to Khazanah (Note 31) RM000	Recognised in profit or loss (Note 23) RM000	Translation difference RM000	At 31 December 2010 RM000
Deferred tax assets						
Other provisions	—	1,533	—	989	—	2,522
Unutilised tax losses and unabsorbed capital allowances	—	4,900	—	7,176	295	12,371
Others	—	70	—	660	—	730
	—	6,503	—	8,825	295	15,623
Deferred tax liabilities						
Property, plant and equipment	(17,757)	(98,544)	—	(1,623)	(1,093)	(119,017)
Intangible assets	—	(305,122)	—	4,732	(79)	(300,469)
Interests in associates	—	(17,311)	—	1,296	331	(15,684)
Receivables	—	(93)	—	(112)	—	(205)
Others	251	(686)	—	(9,067)	813	(8,689)
	(17,506)	(421,756)	—	(4,774)	(28)	(444,064)

8. Deferred tax assets and liabilities (continued)

	At 1 January 2011	Acquisition of subsidiaries (Note 31)	Disposal of subsidiaries to Khazanah (Note 31)	Recognised in profit or loss (Note 23)	Translation difference on consolidation	At 31 December 2011
	RM000	RM000	RM000	RM000	RM000	RM000
Deferred tax assets						
Other provisions	2,522	—	—	3,752	(4)	6,270
Unutilised tax losses and unabsorbed capital allowances	12,371	—	—	(11,822)	364	913
Others	730	—	(110)	1,184	193	1,997
	15,623	—	(110)	(6,886)	553	9,180
Deferred tax liabilities						
Property, plant and equipment	(119,017)	—	1,731	(10,437)	(2,339)	(130,062)
Intangible assets	(300,469)	—	6,348	9,098	(512)	(285,535)
Interests in associates	(15,684)	—	—	(1,445)	303	(16,826)
Receivables	(205)	—	—	205	—	—
Others	(8,689)	—	—	10,084	—	1,395
	(444,064)	—	8,079	7,505	(2,548)	(431,028)

8. Deferred tax assets and liabilities (continued)

The amounts determined after appropriate offsetting are as follows:

	2009 RM000	2010 RM000	2011 RM000
Deferred tax assets	—	28,308	24,279
Deferred tax liabilities	(17,506)	(456,749)	(446,127)

Deferred tax assets and liabilities are offset above 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.

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2009 RM000	2010 RM000	2011 RM000
Deductible temporary differences	—	—	2,237
Unutilised tax losses	33	69,486	67,879
Provisions	2	6,197	15,084
	35	75,683	85,200

The unutilised tax losses do not expire under current tax legislations. 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.

9. Assets classified as held for sale

In 2010, assets classified as held for sale pertains to a freehold building with a carrying amount of RM7,840,000, for which management have committed to and commenced a plan to sell. The freehold building was disposed off in 2011.

In 2011, assets classified as held for sale pertains to land and building with a carrying amount of RM1,463,000, for which management have committed to and commenced a plan to sell.

10. Development property

	2009 RM000	2010 RM000	2011 RM000
Development property, at cost	—	939,870	1,121,195
Borrowing costs capitalised as cost of development property during the year	—	5,629	7,475

Development property represents medical suites for sale under development.

Company No. 901914-V

11. Inventories

	2009 RM000	2010 RM000	2011 RM000
Pharmaceuticals, surgical and medical supplies	—	74,968	78,784
Carrying amount of inventories pledged as security for bank borrowings	—	2,640	—

12. Trade and other receivables

	Note	2009 RM000	2010 RM000	2011 RM000
Trade receivables	13	4,029	437,060	465,108
Deposits and other receivables	14	308	29,824	37,188
Loans and receivables		4,337	466,884	502,296
Prepayments		52	15,950	16,200
		4,389	482,834	518,496

Trade receivables include accrued trade receivables amounting to RM139,819,000 (2010 and 2009: Nil). Accrued trade receivables represent the balance of sale proceeds to be billed in respect of the progress of the construction work performed on development properties sold.

13. Trade receivables

	2009 RM000	2010 RM000	2011 RM000
Trade receivables	4,029	513,056	537,550
Amounts due from related companies	—	618	1,191
	4,029	513,674	538,741
Allowance for impairment loss	—	(76,614)	(73,633)
	4,029	437,060	465,108

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited and the Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

13. Trade receivables (continued)

The maximum exposure to credit risk for trade receivables at the end of reporting period (by geographical distribution) is:

	2009 RM000	2010 RM000	2011 RM000
Singapore	—	165,433	287,444
Malaysia	4,029	282,462	178,979
Southeast Asia	—	20,935	24,126
North Asia	—	19,491	27,029
South Asia and Middle East	—	21,151	15,113
Others	—	4,202	6,050
	4,029	513,674	538,741
Allowance for impairment loss	—	(76,614)	(73,633)
	4,029	437,060	465,108

13. Trade receivables (continued)

Impairment losses on trade receivables

The ageing of trade receivables and trade amount due from related companies at the reporting date is:

	Gross 2009 RM000	Impairment 2009 RM000	Net 2009 RM000	Gross 2010 RM000	Impairment 2010 RM000	Net 2010 RM000	Gross 2011 RM000	Impairment 2011 RM000	Net 2011 RM000
Not past due	89	—	89	155,768	(15)	155,753	292,339	(5,188)	287,151
Past due 0 - 30 days	213	—	213	114,245	(5,319)	108,926	64,492	(2,539)	61,953
Past due 31 - 180 days	327	—	327	145,420	(6,888)	138,532	113,951	(10,982)	102,969
Past due 181 days - 1 year	3,400	—	3,400	48,579	(14,730)	33,849	24,468	(13,923)	10,545
Past due more than 1 year	—	—	—	49,662	(49,662)	—	43,491	(41,001)	2,490
	4,029	—	4,029	513,674	(76,614)	437,060	538,741	(73,633)	465,108

13. Trade receivables (continued)

The movements in allowance for impairment loss in respect of trade receivables during the year are as follows:

	2009 RM000	2010 RM000	2011 RM000
At 1 January	—	—	76,614
Impairment loss recognised	—	5,668	16,955
Impairment loss written off	—	(3,656)	(15,399)
Acquisition of subsidiaries	—	73,407	—
Disposal of subsidiaries	—	—	(5,332)
Translation difference	—	1,195	795
	—	76,614	73,633

The Group provides for impairment allowance in respect of trade receivables based on historical default rates. Specific impairment allowance is provided on a case-by-case basis depending on the circumstances.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

14. Deposits and other receivables

	2009 RM000	2010 RM000	2011 RM000
Interest receivables	—	1,589	2,384
Sundry deposits	155	10,808	12,941
	155	12,397	15,325
Other receivables	156	18,503	23,084
Allowance for impairment loss	(3)	(1,076)	(1,221)
	153	17,427	21,863
	308	29,824	37,188

The maximum exposure to credit risk for other receivables at the end of reporting period (by geographical distribution) is:

	2009 RM000	2010 RM000	2011 RM000
Singapore	—	5,239	7,856
Malaysia	156	4,525	5,537
Southeast Asia	—	4,813	5,455
North Asia	—	3,490	3,551
South Asia and Middle East	—	320	455
Others	—	116	230
	156	18,503	23,084
Allowance for impairment loss	(3)	(1,076)	(1,221)
	153	17,427	21,863

14. Deposits and other receivables (continued)

Impairment losses on other receivables

The ageing of other receivables at the reporting date is:

	Gross 2009 RM000	Impairment 2009 RM000	Net 2009 RM000	Gross 2010 RM000	Impairment 2010 RM000	Net 2010 RM000	Gross 2011 RM000	Impairment 2011 RM000	Net 2011 RM000
Not past due	—	—	—	12,581	—	12,581	20,344	(2)	20,342
Past due 0 - 30 days	—	—	—	422	—	422	702	(79)	623
Past due 31 - 180 days	—	—	—	1,590	—	1,590	329	—	329
Past due 181 days - 1 year	—	—	—	952	—	952	146	—	146
Past due more than 1 year	156	(3)	153	2,958	(1,076)	1,882	1,563	(1,140)	423
	156	(3)	153	18,503	(1,076)	17,427	23,084	(1,221)	21,863

The movements in allowance for impairment loss in respect of other receivables during the year are as follows:

	2009 RM000	2010 RM000	2011 RM000
At 1 January	—	3	1,076
Impairment loss recognised	3	—	111
Acquisition of subsidiaries	—	1,073	—
Translation difference on consolidation	—	—	34
	3	1,076	1,221

The Group provides for impairment allowance in respect of other receivables based on historical default rates. Specific impairment allowance is provided on a case-by-case basis depending on the circumstances. The allowance account in respect of other receivables is used to record impairment losses.

15. Cash and cash equivalents

	2009 RM000	2010 RM000	2011 RM000
Fixed deposits with financial institutions	37,563	764,963	895,399
Cash and bank balances	5,280	444,502	415,404
	42,843	1,209,465	1,310,803
Bank overdrafts	—	(10,549)	(584)
Fixed deposits pledged	(1,182)	(40,807)	(58,734)
Cash and cash equivalents in combined statement of cash flows	41,661	1,158,109	1,251,485

Fixed deposits with financial institutions include deposits pledged to banks and finance companies for credit facilities granted to certain subsidiaries.

16. Equity

Equity and reserves attributable to owners of the company

These mainly consist of share capital, share premium, equity contribution from owner, capital reserves and retained earnings.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

Non-controlling interests

This consists of the minority shareholders' proportion of equity and reserves of partially owned subsidiaries.

Company No. 901914-V

16. Equity (continued)

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. When the options are exercised, the amount from the share option reserve is transferred to share capital and the excess value above the par value of the ordinary shares issued is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

17. Bank borrowings and derivatives

	2009 RM000	2010 RM000	2011 RM000
Non-current:			
Secured bank borrowings	97,500	4,967,954	3,674,505
Secured finance lease liabilities	25	16,373	26,268
Unsecured bank borrowings	—	1,551,281	1,290,491
	97,525	6,535,608	4,991,264
Current:			
Secured bank borrowings	14,149	49,675	32,961
Secured finance lease liabilities	75	11,489	13,539
Secured bank overdrafts	—	10,549	584
Unsecured bank borrowings	—	103,807	—
	14,224	175,520	47,084
Total bank borrowings	111,749	6,711,128	5,038,348

Security

(a) An amount of SGD1,498.7 million, equivalent to RM3,651.3 million (2010: SGD1,790.7 million, equivalent to RM4,274.8 million; 2009: Nil) representing a 3-year term loan obtained in 2010 with repayments due by August 2013 and bears an interest rate at Singapore Swap Offer rate plus 1.25%. The loan is secured over the Group's present and future shareholdings in subsidiaries, namely Parkway Holdings Limited and Pantai Irama Ventures Sdn. Bhd. (collectively known as 'the Shares Charged'), RM and SGD designated accounts opened to deposits all dividends and any other net sales proceeds from the Shares Charged, and corporate guarantee from the Company.

(b) An amount of SGD529.7 million equivalent to RM1,290.5 million (2010: SGD693.3 million, equivalent to RM1,655.1 million; 2009: Nil) representing a 5-year term loan obtained in 2010 with repayments by 2015 and bears interest at rates ranging from 1.16% to 1.87% (2010: 1.28% to 1.35%; 2009: Nil) per annum. This loan is unsecured.

17. Bank borrowings and derivatives (continued)

(c) Bank borrowings of RM57 million (2010: RM753 million; 2009: RM112 million) representing term loan, revolving credit and bank overdraft facilities granted to the subsidiaries which are secured by:

(i) first fixed charge over certain freehold and leasehold land of the Group;

(ii) fixed and floating charge over assets of certain subsidiaries of the Group;

(iii) charge over certain fixed deposits of the Group;

(iv) corporate guarantee by a subsidiary for facilities granted to the Group; and

(v) charge over shares investment in a subsidiary.

Finance lease liabilities

The Group has obligations under finance leases that are repayable as follows:

	Payments RM000	**Interest RM000**	**Principal RM000**
2009			
Within 1 year	82	(7)	75
After 1 year but within 5 years	27	(2)	25
After 5 years	—	—	—
	109	(9)	100

17. Bank borrowings and derivatives (continued)

Finance lease liabilities (continued)

	Payments RM000	Interest RM000	Principal RM000
2010			
Within 1 year	12,632	(1,143)	11,489
After 1 year but within 5 years	17,431	(1,084)	16,347
After 5 years	28	(2)	26
	30,091	(2,229)	27,862
2011			
Within 1 year	14,263	(724)	13,539
After 1 year but within 5 years	21,085	(585)	20,500
After 5 years	5,769	(1)	5,768
	41,117	(1,310)	39,807

The Group has finance lease and hire purchase contracts for various items of property, plant and equipment. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

Derivative liabilities

	2009 RM000	2010 RM000	2011 RM000
Interest rate swaps			
— Non-current	—	15,820	—
— Current	—	6,041	1,252
	—	21,861	1,252

The Group enters into interest rate swaps to hedge against interest rate fluctuations. These interest rate swaps mature following the maturity of the related loans.

Company No. 901914-V

18. Employee benefits

	2009 RM000	2010 RM000	2011 RM000
Non-current:			
Retirement benefits	—	11,392	11,572
Performance incentive scheme	—	13,750	3,732
Long term incentive scheme (cash-settled)	—	—	240
	—	25,142	15,544
Current:			
Performance incentive scheme	—	18,081	19,083
Provision for unconsumed leave	943	24,404	11,020
Provision for defined contribution plan	—	—	11,550
Long term incentive scheme (cash-settled)	—	—	282
	943	42,485	41,935

Performance incentive scheme

Prior to November 2010, the Group's subsidiary, Parkway Holdings Limited (PHL), has a Performance Share Plan in which eligible employees of PHL and its subsidiaries will be awarded with fully paid-up ordinary shares of PHL upon the expiry of the vesting period when certain prescribed performance targets are met. Following the privatisation of PHL in November 2010, the terms of the Performance Share Plan were modified whereby eligible employees will be awarded with cash and this apply to the remaining tranches of performance shares granted in 2008, 2009 and 2010 that will vest over the next few years upon achievement of the prescribed performance targets set.

Provision for unconsumed leave

The balances represent the cash value amount of the unconsumed leave balance entitled to the employees at the end of the reporting period.

Long Term Incentive Scheme — cash

The Long Term Incentive Plan ("LTIP") of the Company was approved and adopted by its Board on 25 March 2011 with the aim to make total employee remuneration sufficiently competitive to recruit, reward, retain and motivate outstanding employees.

The balance relate to the cash benefits that Group had to pay out in the next few years to eligible personnel who are offered LTIP units but have elected to opt out of the scheme and receive cash instead of share options.

18. Employee benefits (continued)

Share based payment scheme

On 25 March 2011, the Group established the Long Term Incentive Plan ("LTIP") and Equity Participation Plan ("EPP") schemes respectively, to grant share options to eligible personnel.

The LTIP units granted in each year will vest in the participants over a three year period, in equal proportions each year. All LTIP units that have been granted and vested must be surrendered to the Company for allotment of new shares of the Company on the basis of one new share for each LTIP unit. The LTIP shall be in force for a period of ten (10) years from 25 March 2011.

The EPP options granted in each year will vest in the participants over a four (4) year period, with two-thirds of the options to be vested in equal proportions on a yearly basis on each anniversary of the date of grant over such four (4) year period and the remainder one-third to be vested in equal proportions on the same basis upon the Group meeting the performance target for each grant, as determined by the Board at its own discretion on a yearly basis. The exercise price as at the initial grant of the EPP option shall be RM2.00 only, which shall be increased by 10% over each subsequent 12 months period based on compound annual growth rate. The EPP shall be in force for a period of sixty (60) months from date of listing of the Company's shares on stock exchange.

During the year, a total of 149,000,000 EPP options and 13,072,577 LTIP options were granted to eligible staffs. The movement in the number of ordinary shares outstanding under the respective schemes as at 31 December 2011 and the details of the schemes are as follows:

18. Employee benefits (continued)

Equity Participation Plan ("EPP")

Date of grant	Number of options outstanding at 1.1.2011	Number of options granted during the financial year	Number of options lapsed/ cancelled during the financial year	Number of options exercised during the financial year	Number of options outstanding at 31.12.2011	Number of holders at 31.12.2011
Key management personnel						
31 March 2011	—	37,500,000	—	—	37,500,000	1
27 July 2011	—	4,000,000	—	—	4,000,000	1
	—	41,500,000	—	—	41,500,000	2
Other eligible employee						
31 March 2011	—	37,500,000	—	—	37,500,000	1
1 June 2011	—	55,500,000	—	—	55,500,000	14
27 July 2011		6,000,000	—	—	6,000,000	3
1 September 2011	—	7,500,000	—	—	7,500,000	2
1 December 2011	—	1,000,000	—	—	1,000,000	1
	—	107,500,000	—	—	107,500,000	21
Total for the years						
31 March 2011	—	75,000,000	—	—	75,000,000	2
1 June 2011	—	55,500,000	—	—	55,500,000	14
27 July 2011	—	10,000,000	—	—	10,000,000	4
1 September 2011	—	7,500,000	—	—	7,500,000	2
1 December 2011	—	1,000,000	—	—	1,000,000	1
	—	149,000,000	—	—	149,000,000	23

As at 31 December 2011, no options are exercisable.

18. Employee benefits (continued)

Long Term Incentive Plan ("LTIP")

Date of grant	Number of options outstanding at 1.1.2011	Number of options granted during the financial year	Number of options lapsed/ cancelled during the financial year	Number of options exercised during the financial year	Number of options outstanding at 31.12.2011	Number of holders at 31.12.2011
Key management personnel						
21 April 2011	—	2,697,000	—	—	2,697,000	1
1 September 2011	—	27,000	—	—	27,000	1
	—	2,724,000	—	—	2,724,000	2
Other eligible employees						
21 April 2011	—	9,662,000	(1,108,000)	—	8,554,000	57
30 June 2011	—	505,648	(66,272)	—	439,376	21
1 August 2011		104,795	—	—	104,795	1
1 September 2011	—	76,134	—	—	76,134	5
		10,348,577	(1,174,272)	—	9,174,305	84
Total for the year						
21 April 2011	—	12,359,000	(1,108,000)	—	11,251,000	58
30 June 2011	—	505,648	(66,272)	—	439,376	21
1 August 2011	—	104,795	—	—	104,795	1
1 September 2011	—	103,134	—	—	103,134	6
	—	13,072,577	(1,174,272)	—	11,898,305	86

As at 31 December 2011, no options are exercisable.

Company No. 901914-V

18. Employee benefits (continued)

The fair value of services received in return for the share options granted is determined based on:

- LTIP: Market value approach on a minority, non-marketable basis, and
- EPP: Binomial lattice mode,

taking into account the terms and conditions under which the options were granted. The inputs to the model used for the options granted are shown below:

Fair value of share options and assumptions

	EPP	**LTIP**
Fair value at grant date	RM0.0791 to RM0.1110	RM1.73 to RM1.75
Enterprise value to EBITDA multiple		
— Singapore hospital operations	n/a	16.6x – 17.4x
— Malaysia hospital operations	n/a	9.3x – 10.1x
Weighted average cost of capital	n/a	10% – 11%
Share price at grant date	RM1.73 to RM1.75	n/a
Expected volatility (average volatility)	20.0% to 25.0%	n/a
Option life (expected average life)	5 years	n/a
Expected dividends yield	3.0%	n/a
Risk free rate	3.50% to 3.65%	n/a

n/a – not applicable

Value of employee services received for issue of share options

	2009 RM000	**2010 RM000**	**2011 RM000**
Total expense recognised as share based payments	—	—	15,074

Company No. 901914-V

18. Employee benefits (continued)

Retirement benefits

Certain subsidiaries of the Group have defined benefits plans that provide pension benefits for employee upon retirement. The plans entitle a retired employee to receive one lump sum payment upon retirement. At the end of the reporting period, the present value of the unfunded obligations are:

	2009 RM000	2010 RM000	2011 RM000
Non-current			
Present value of unfunded obligations	—	11,392	11,572
Movements in the liability for defined benefits obligations			
At 1 January	—	—	11,392
Expenses recognised in the profit or loss	—	1,411	1,394
Benefits paid	—	(676)	(633)
Acquisition of subsidiaries	—	10,657	—
Disposal of subsidiaries	—	—	(581)
At 31 December	—	11,392	11,572
Current service costs	—	901	842
Interest on obligation	—	565	549
Transition amount	—	(55)	3
	—	1,411	1,394

The expense is recognised in the following line item in the profit or loss:

	2009 RM000	2010 RM000	2011 RM000
Staff costs	—	1,411	1,394

Actuarial assumptions

Principal actuarial assumptions at the end of reporting period (expressed as weighted averages):

	2009 %	2010 %	2011 %
Discount rate	—	6.2-7.0	6.2-7.0
Future salary increases	—	4.5-5.2	5.0-5.2

19. Trade and other payables

	Note	2009 RM000	2010 RM000	2011 RM000
Trade payables		5,200	471,174	381,934
Accruals		9,376	130,235	377,621
Other payables		—	64,034	84,772
Deposits and advances		5,172	15,710	17,223
Interest payable		—	37,924	5,024
Amounts due to holding company and related companies (trade)	20	—	2,715	24,363
Amounts due to holding company and related companies (non-trade)	20	—	4,200,732	24,768
		19,748	4,922,524	915,705
Progress billings		—	292,258	621,067
Fees in advance		34,631	42,626	39,386
		54,379	5,257,408	1,576,158

Progress billings are amounts billed for work performed on the sale of medical suites.

In 2011, amount due to holding company of RM4,625,393,000 was capitalised for issuance of shares of the Company.

20. Amounts due to holding company and related companies

The amounts due to holding company and related companies are unsecured, interest free and are repayable on demand.

21. Revenue

Revenue of the Group, after eliminating inter-company transactions, is as follows:

	2009 RM000	2010 RM000	2011 RM000
Hospital and healthcare services income	—	1,051,753	3,085,606
Education services income	121,081	138,464	162,181
Rental income	—	13,170	51,846
Management and acquisition fees	—	10,698	26,333
Dividend income	—	—	2,883
	121,081	1,214,085	3,328,849

22. Profit before income tax

The following income/(expense) items have been included in arriving at profit before tax:

	2009	2010	2011
	RM000	RM000	RM000
Staff costs			
Wages and salaries	(48,519)	(367,733)	(979,790)
Contribution to defined contribution plans	(4,103)	(4,707)	(78,202)
Share-based payments			
— Employee participation plan	—	—	(5,667)
— Others	—	—	(9,407)
	(52,622)	(372,440)	(1,073,066)
Finance income			
Interest received and receivable from			
Banks and financial institutions	656	6,476	15,986
Others	—	—	306
Fair value gain on financial instruments	—	—	12,615
	656	6,476	28,907
Finance costs			
Interest paid and payable to			
Banks and financial institutions	(3,514)	(42,615)	(82,609)
Others	(12)	(1,614)	(1,284)
Other finance costs	—	(24,818)	(22,527)
Fair value loss on financial instruments	—	(15,064)	—
	(3,526)	(84,111)	(106,420)
Exchange gain/(loss)	94	(4,843)	95,548
Impairment loss on:			
— Property, plant and equipment	—	—	(41)
— Goodwill	—	(4,920)	—
— Other financial assets	—	—	(2,372)
— Deposits paid to non-controlling shareholders	—	(65,080)	—
Write off of property, plant and equipment	(20)	(42)	(19,445)
Gain/(loss) on disposal of property, plant and equipment	—	390	(264)
Professional and consultancy fees for:			
— Internal restructuring	—	—	(9,128)
— Acquisitions	—	(27,850)	(35,051)

Company No. 901914-V

23 Income tax expense

	2009 RM000	2010 RM000	2011 RM000
Current tax expense			
Current year	7,408	44,202	110,302
Overprovided in prior years	(390)	(1,259)	(14,255)
	7,018	42,943	96,047
Deferred tax expense			
Origination and reversal of temporary differences	2,032	(7,383)	(4,453)
Reduction in tax rates	(466)	—	—
(Over)/Underprovided in prior years	(469)	3,332	3,834
	1,097	(4,051)	(619)
	8,115	38,892	95,428
Reconciliation of effective tax rate			
Profit before income tax	100,596	613,646	489,545
Less:			
Share of profits of associates (net of tax)	(59,480)	(70,794)	(79,937)
Share of profits of joint ventures (net of tax)	(4,447)	(34,039)	(13,909)
	36,669	508,813	395,699
Tax at Malaysia tax rate of 25%	9,167	127,203	98,925
Effect of different tax rates in other countries	—	(1,931)	(28,977)
Effect of reduction in tax rates	(466)	—	—
Income not subject to tax	(423)	(135,076)	(28,630)
Expenses not deductible for tax purpose	699	55,289	63,527
Deferred tax assets not recognised on unutilised tax losses	—	—	985
Utilisation of previously unrecognised deferred tax assets	(3)	(8,666)	19
(Over)/Underprovided in prior years	(859)	2,073	(10,421)
	8,115	38,892	95,428

24. Earnings per share

	2009 RM000	2010 RM000	2011 RM000
Basic and diluted earnings per share are based on:			
Net profit attributable to ordinary shareholders	83,201	554,424	379,903

Basic earnings per share

	2009 '000	2010 '000	2011 '000
Number of ordinary shares of IHH at 31 December 2011 assumed to be in issue throughout the entire years presented	5,500,000	5,500,000	5,500,000
	Sen	**Sen**	**Sen**
Basic earnings per share	1.51	10.08	6.91

Diluted earnings per share

	2009 '000	2010 '000	2011 '000
Number of ordinary shares of IHH at 31 December 2011 assumed to be in issue throughout the entire years presented	5,500,000	5,500,000	5,500,000
Effect of share options in issue under Long Term Incentive Plan (LTIP)	—	—	3,233
Effect of share options in issue under Equity Participation Plan (EPP)	—	—	—
Number of ordinary shares used in the calculation of diluted earnings per share	5,500,000	5,500,000	5,503,233
	Sen	**Sen**	**Sen**
Diluted earnings per share	1.51	10.08	6.90

In 2009 and 2010, there are no dilutive potential shares. In 2011, share options in issue under EPP are excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

25. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services in different locations, and are managed separately. For each of the strategic business units, the Group's Board of Directors reviews internal management reports on at least a quarterly basis.

The Group's reportable segments comprise:

- *Parkway Pantai:* Hospital operator and healthcare service provider in Asia

- *IMU:* Education service provider in Malaysia

- *Others:* Includes the corporate office

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 and amortisation, exchange differences and other non-operational items ("EBITDA").

Inter-segment pricing is determined on arm's length 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.

Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

25. Operating segments (continued)

	Parkway Pantai RM000	IMU RM000	Others RM000	Eliminations RM000	Total RM000
Revenue and expenses					
2009					
Revenue from external customers	—	121,081	—	—	121,081
Inter-segment revenue	—	—	—	—	—
Total segment revenue	—	121,081	—	—	121,081
EBITDA	—	48,743	—	—	48,743
Depreciation on property, plant and equipment					(9,244)
Amortisation on intangible assets					(34)
Exchange gain					94
Finance income					656
Finance costs					(3,526)
Share of profits of associates (net of tax)					59,480
Share of profits of joint ventures (net of tax)					4,447
Write off of property, plant and equipment					(20)
Profit before income tax					100,596
Income tax expense					(8,115)
Profit for the year					92,481

Company No. 901914-V

25. Operating segments (continued)

	Parkway Pantai RM000	IMU RM000	Others RM000	Eliminations RM000	Total RM000
Revenue and expenses (continued)					
2010					
Revenue from external customers	1,074,719	139,366	—	—	1,214,085
Inter-segment revenue	—	—	16,000	(16,000)	—
Total segment revenue	1,074,719	139,366	16,000	(16,000)	1,214,085
EBITDA	201,075	55,568	14,758	(16,000)	255,401
Depreciation on property, plant and equipment					(57,350)
Amortisation on intangible assets					(39,378)
Exchange loss					(4,843)
Finance income					6,476
Finance costs					(84,111)
Share of profits of associates (net of tax)					70,794
Share of profits of joint ventures (net of tax)					34,039
Impairment loss on intangible assets					(4,920)
Impairment loss on deposits paid to non-controlling shareholders					(65,080)
Write off of property, plant and equipment					(42)
Gain on disposal of property, plant and equipment					390
Gain on remeasurement of investments previously accounted for as associates and joint ventures					530,120
Professional and consultancy fees incurred for acquisitions					(27,850)
Profit before income tax					613,646
Income tax expense					(38,892)
Profit for the year					574,754

Company No. 901914-V

25. Operating segments (continued)

	Parkway Pantai RM000	IMU RM000	Others RM000	Eliminations RM000	Total RM000
Revenue and expenses (continued)					
2011					
Revenue from external customers	3,167,155	158,811	2,883	—	3,328,849
Inter-segment revenue	—	—	16,141	(16,141)	—
Total segment revenue	3,167,155	158,811	19,024	(16,141)	3,328,849
EBITDA	625,797	61,464	(6,456)	(16,141)	664,664
Depreciation and impairment loss on property, plant and equipment					(165,751)
Amortisation on intangible assets					(54,989)
Exchange gain					95,548
Finance income					28,907
Finance costs					(106,420)
Share of profits of associates (net of tax)					79,937
Share of profits of joint ventures (net of tax)					13,909
Impairment loss on other financial assets					(2,372)
Write off of property, plant and equipment					(19,445)
Loss on disposal of property, plant and equipment					(264)
Professional and consultancy fees incurred for internal restructuring					(9,128)
Professional and consultancy fees incurred for acquisitions					(35,051)
Profit before income tax					489,545
Income tax expense					(95,428)
Profit for the year					394,117

25. Operating segments (continued)

	Parkway Pantai RM000	IMU RM000	Others RM000	Eliminations RM000	Total RM000
Assets and liabilities					
2009					
Segment assets	—	312,700	—	—	312,700
Interests in associates					2,193,304
Interests in joint ventures					4,517
Total assets					2,510,521
Segment liabilities	—	187,988	—	—	187,988
Total liabilities					187,988
2010					
Segment assets	14,665,015	315,113	4,060,307	(4,022,996)	15,017,439
Interests in associates					820,471
Interests in joint ventures					5,642
Total assets					15,843,552
Segment liabilities	3,964,252	198,628	12,507,728	(4,022,996)	12,647,612
Total liabilities					12,647,612
2011					
Segment assets	15,040,732	328,255	1,099,571	(3,748)	16,464,810
Interests in associates					862,273
Interests in joint ventures					28,009
Total assets					17,355,092
Segment liabilities	7,095,853	88,307	66,235	(3,748)	7,246,647
Total liabilities					7,246,647

25. Operating segments (continued)

	Singapore RM000	Malaysia RM000	China RM000	Other regions RM000	Others RM000	Eliminations RM000	Total RM000
Geographical segments							
2009							
Total revenue from external customers	—	121,081	—	—	—	—	121,081
Non-current assets^	—	263,475	—	—	—	—	263,475
Capital expenditure*	—	15,445	—	—	—	—	15,445
2010							
Total revenue from external customers	573,470	568,514	48,897	23,204	—	—	1,214,085
Non-current assets^	8,199,411	3,570,635	94,922	240,343	121,499	—	12,226,810
Capital expenditure*	98,895	96,552	908	4,925	—	—	201,280
2011							
Total revenue from external customers	1,915,999	1,199,676	143,318	69,814	42	—	3,328,849
Non-current assets^	8,777,472	3,571,310	222,753	258,888	1,998	—	12,832,421
Capital expenditure*	570,880	131,363	5,306	35,953	159	—	743,661

^: Non-current assets consist of property, plant and equipment, intangible assets and goodwill.

*: Capital expenditure consists of additions to property, plant and equipment, and intangible assets other than goodwill.

Company No. 901914-V

26. Financial instruments

(i) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);

(b) Fair value through profit or loss (FVTPL);

(c) Available-for-sale financial assets (AFS);

(d) Held-to-maturity investments (HTM); and

(e) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM000	**L&R RM000**	**AFS RM000**	**HTM RM000**
Financial assets				
2009				
Trade and other receivables	4,337	4,337	—	—
Cash and cash equivalents	42,843	42,843	—	—
	47,180	47,180	—	—
2010				
Other financial assets	35,249	8,412	84	26,753
Trade and other receivables	466,884	466,884	—	—
Cash and cash equivalents	1,209,465	1,209,465	—	—
	1,711,598	1,684,761	84	26,753
2011				
Other financial assets	556,947	4,021	525,860	27,066
Trade and other receivables	502,296	502,296	—	—
Cash and cash equivalents	1,310,803	1,310,803	—	—
	2,370,046	1,817,120	525,860	27,066

26. Financial instruments (continued)

(i) Categories of financial instruments (continued)

	Carrying amount RM000	OL RM000	FVTPL RM000
Financial liabilities			
2009			
Trade and other payables	20,629	20,629	—
Employee benefits	943	943	—
Bank borrowings	111,749	111,749	—
	133,321	133,321	—
2010			
Trade and other payables	4,944,626	4,944,626	—
Employee benefits	67,627	67,627	—
Bank borrowings	6,700,579	6,700,579	—
Bank overdrafts	10,549	10,549	—
Derivative liabilities	21,861	—	21,861
	11,745,242	11,723,381	21,861
2011			
Trade and other payables	924,285	924,285	—
Employee benefits	57,479	57,479	—
Bank borrowings	5,037,764	5,037,764	—
Bank overdrafts	584	584	—
Derivative liabilities	1,252	—	1,252
	6,021,364	6,020,112	1,252

Net gains and losses arising from financial instruments:

	2009 RM000	2010 RM000	2011 RM000
Available-for-sale financial assets			
— recognised in other comprehensive income	—	—	22,641
Loans and receivables	—	414	(1,410)
Financial liabilities measured at amortised cost	—	(67,520)	(106,420)
Derivative liabilities	—	(15,064)	12,615
	—	(82,170)	(72,574)

26. Financial instruments (continued)

(ii) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(iii) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

Risk management objectives, policies and processes for managing the risk

Management 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. For the hospital operations, the Group does not grant credit to non-corporate customers. Instead, a non-corporate customer is requested to place an initial deposit at the time of admission to the hospital. Additional deposit is requested from the customer when the hospital charges exceed a certain level.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the end of the reporting period, the Group's largest outstanding trade receivables due from a single customer amounts to RM36,520,000 (2010: RM34,006,000; 2009: Nil). No allowance for impairment loss has been provided in respect of this receivable.

26. Financial instruments (continued)

(iii) Credit risk (continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group trade and other receivables by country is disclosed in Notes 13 and 14 respectively.

Impairment losses

Trade and other receivables and amounts due from holding company and related companies that are neither past due nor impaired are credit worthy with good payment record with the Group. Cash and fixed deposits are placed with reputable financial institutions which are regulated.

Similarly, the Group only enters into investments and transactions involving financial instruments with counterparties who have sound credit ratings. As such, except for the impairment loss recognised as disclosed in Note 13 and 14 of the financial statements, management does not expect any counterparty to fail to meet their obligations.

Information regarding the ageing and allowance of impairment of trade receivables and other receivables and amounts due from holding company and related companies are disclosed in Notes 13 and 14 respectively.

(iv) 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, loans and borrowings.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand 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.

Company No. 901914-V

26. Financial instruments (continued)

(iv) Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM000	Interest rate	Contractual cash flows RM000	Within 1 year RM000	After 1 year but within 5 years RM000	After 5 years RM000
2009						
Non-derivative financial liabilities						
Bank borrowings	111,649	2.97%-4.26%	121,834	17,599	104,235	—
Finance lease liabilities	100	2.3%-3.4%	109	82	27	—
Trade and other payables	20,629		20,629	19,748	881	—
	132,378		142,572	37,429	105,143	—
2010						
Non-derivative financial liabilities						
Bank borrowings	6,683,266	1.16%-8.00%	6,978,680	468,195	6,510,485	—
Finance lease liabilities	27,862	2.32%-3.75%	30,091	12,632	17,431	28
Trade and other payables	4,944,626		4,944,626	4,922,524	22,102	—
	11,655,754		11,953,397	5,403,351	6,550,018	28
Derivative financial liabilities						
Interest rate swaps	21,861		21,572	21,572	—	—
2011						
Non-derivative financial liabilities						
Bank borrowings	4,998,541	1.16%-8.00%	5,212,226	212,350	4,999,876	—
Finance lease liabilities	39,807	2.32%-3.75%	41,117	14,263	21,085	5,769
Trade and other payables	924,285		924,285	915,705	8,580	—
	5,962,633		6,177,628	1,142,318	5,029,541	5,769
Derivative financial liabilities						
Interest rate swaps (net settled)	1,252		1,252	1,252	—	—

26. Financial instruments (continued)

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity price risk will affect the Group's financial position or cash flows.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables that are denominated in a currency other than the respective financial currencies of Group entities. The currencies giving rise to this risk are primarily the Singapore Dollar, United States Dollar, the Australian Dollar, the Chinese Renminbi and the Malaysian Ringgit.

Risk management objectives, policies and processes for managing the risk

In respect of exposure that is certain, the Group will partially hedge these risks in order to keep them at an acceptable level. The group uses forward foreign exchange contracts to hedge its foreign currency risk. At the end of the reporting period, there were no outstanding forward foreign exchange contracts.

26. Financial instruments (continued)

(v) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Australian Dollar RM000	British Pound RM000	Chinese Renminbi RM000	Malaysia Ringgit RM000	Philippine Pesos RM000	Singapore Dollar RM000	U.S. Dollar RM000	Others* RM000
2009								
Nil								
2010								
Trade and other receivables and intra-group receivables	1,633	—	666	—	1,447	4,022,970	16,288	813
Deposits paid to non-controlling shareholders of a subsidiary	—	—	—	—	—	—	65,080	—
Cash and cash equivalents	7	139	—	—	—	—	19,334	203
Trade and other payables and intra-group payables	(11,194)	—	—	—	—	(4,022,970)	(1,308)	(1,396)
	(9,554)	139	666	—	1,447	—	99,394	(380)

26. Financial instruments (continued)

(v) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk (continued)

	Australian Dollar RM000	British Pound RM000	Chinese Renminbi RM000	Malaysia Ringgit RM000	Philippine Pesos RM000	Singapore Dollar RM000	U.S. Dollar RM000	Others* RM000
2011								
Trade and other receivables and intra-group receivables	2,643	—	1,998	1,184,206	2,029	597	2,274	1,420
Deposits paid to non-controlling shareholders of a subsidiary	—	—	—	—	—	—	66,045	—
Cash and cash equivalents	7	171	—	—	—	553,387	13,129	216
Trade and other payables and intra-group payables	(11,579)	(285)	—	(2,259)	—	(1,945)	(1,334)	(40)
	(8,929)	(114)	1,998	1,181,947	2,029	552,039	80,114	1,596

* Others include mainly Hong Kong dollar, Indian Rupee and Thai Baht.

26. Financial instruments (continued)

(v) Market risk (continued)

(a) Foreign currency risk (continued)

Sensitivity analysis

A 10% (2010 and 2009: 10%) strengthening of the following currencies against the respective functional currencies of the Group entities at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	2009 RM000	2010 RM000	2011 RM000
Australian Dollar	—	955	893
British Pound	—	(14)	11
Chinese Renminbi	—	(67)	(200)
Malaysia Ringgit	—	—	(118,195)
Philippine Pesos	—	(145)	(203)
Singapore Dollar	—	—	(55,204)
U.S. Dollar	—	(9,939)	(8,011)
Others*	—	38	(160)
	—	(9,172)	(181,069)

* Others include mainly Hong Kong dollar, Indian Rupee and Thai Baht.

A 10% (2010 and 2009: 10%) weakening of the following currencies against the respective functional currencies of the Group entities at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(b) Interest rate risk

This relates to changes in interest rates which affect mainly the Group's fixed deposits and its debt obligations with banks and financial institutions. The Group's fixed-rate financial assets and borrowings are exposed to a risk of change in their fair value due to changes in interest rates while the variable-rate financial assets 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.

26. Financial instruments (continued)

(v) Market risk (continued)

(b) Interest rate risk (continued)

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 have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. The swaps mature over the next year.

	2009		**2010**		**2011**	
	Nominal value RM000	**Fair/book value RM000**	**Nominal value RM000**	**Fair/book value RM000**	**Nominal value RM000**	**Fair/book value RM000**
Interest rate swaps	—	—	1,440,705	21,861	604,082	1,252
Interest rate caps	—	—	477,440	—	—	—
	—	—	1,918,145	21,861	604,082	1,252

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2009 RM000	**2010 RM000**	**2011 RM000**
Fixed rate instruments			
— Fixed deposits with financial institutions	37,563	764,963	895,399
— Finance lease liabilities	(100)	(27,862)	(39,807)
Variable rate instruments			
— Bank borrowings	(111,649)	(6,683,266)	(4,998,541)
— Derivative liabilities	—	(21,861)	(1,252)

26. Financial instruments (continued)

(v) Market risk (continued)

(b) Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for final rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) 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 have increased (decreased) assets, post-tax profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Assets*		**Profit or loss**	
	100 bp increase RM000	**100 bp decrease RM000**	**100 bp increase RM000**	**100 bp decrease RM000**
2009				
Variable rate instruments	—	—	(1,116)	1,116
2010				
Variable rate instruments	16,710	(16,710)	(6,979)	6,979
Interest rate swaps	—	—	12,043	(10,874)
	16,710	(16,710)	5,064	(3,895)
2011				
Variable rate instruments	13,043	(13,043)	(37,100)	37,100
Interest rate swaps	—	—	6,046	(6,046)
	13,043	(13,043)	(31,054)	31,054

*: Relates to interest capitalised in construction-in-progress and development properties.

26. Financial instruments (continued)

(v) Market risk (continued)

(c) Equity price risk

Equity price risk mainly arises from the Group's investment in quoted equity securities classified as available-for-sale financial assets.

The equity investments are held for long term strategic purposes. Their performance is assessed periodically together with assessment of their relevance to the Group's long term strategic plans.

At 31 December 2011, it is estimated that an increase/decrease of 10% in the market price of the quoted securities, with all other variables held constant, would have increased/decreased the group's equity by RM52,578,000 (2010 and 2009: Nil).

(vi) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shared due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

Quoted investments

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

Derivatives

The fair value of interest rate swaps is based on broker quotes. Those 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 measurement date.

26. Financial instruments (continued)

(vi) Fair value of financial instruments (continued)

Derivatives (continued)

The aggregate net fair values of recognised financial assets and liabilities which are not carried at fair value in the statement of financial position as at 31 December are represented in the following table:

	Carrying amount RM000	Fair value RM000
2009		
Bank borrowings	(111,649)	(92,097)
2010		
Government debt securities	26,753	26,850
Bank borrowings	(97,500)	(85,694)
Finance lease liabilities	(27,862)	(27,777)
	(98,609)	(86,621)
2011		
Government debt securities	27,066	27,068
Finance lease liabilities	(22,320)	(20,299)
	4,746	6,769

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Government debt securities

The fair values of government debt securities are determined by reference to their quoted closing bid price at the end of the reporting period.

Non-derivatives interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

26. Financial instruments (continued)

(vi) Fair value of financial instruments (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM000	Level 2 RM000	Level 3 RM000	Total RM000
Financial assets/(liabilities)				
2009				
Nil				
2010				
Derivatives liabilities	—	(21,861)	—	(21,861)
2011				
Quoted equity securities	525,780	—	—	525,780
Derivatives liabilities	—	(1,252)	—	(1,252)

27. 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 Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

	2009 RM000	2010 RM000	2011 RM000
Total borrowings	111,749	6,711,128	5,038,348
Less:			
Cash and cash equivalents	(42,843)	(1,209,465)	(1,310,803)
	68,906	5,501,663	3,727,545
Total equity	2,313,343	2,936,394	9,861,827
Debt-to-equity ratio	0.03	1.87	0.38

Company No. 901914-V

27. Capital management (continued)

There were no changes in the Group's approach to capital management during the financial year.

As at 31 December 2010 and 2011, the Group has two Murabaha facilities, comprising a Murabaha term facility of SGD500 million and a Murabaha revolving credit facility of SGD250 million due for repayment in 2015, under which the net debt to tangible net worth ratio of its wholly owned subsidiary, Parkway Holdings Limited, cannot exceed 1.5:1.

The Group are in compliance with all externally imposed capital requirements for the financial years ended 2009, 2010 and 2011.

28. Capital and other commitments

	2009 RM000	**2010 RM000**	**2011 RM000**
Capital commitments not provided for in the financial statements:			
Property, plant and equipment			
Amounts authorised and contracted for	1,116	1,074,700	523,971
Amounts authorised but not contracted for	—	351,318	542,443
	1,116	1,426,018	1,066,414
Non-cancellable operating lease payable:			
Within 1 year	—	167,426	515,572
After 1 year but within 5 years	—	578,321	731,241
After 5 years	—	851,402	738,484
	—	1,597,149	1,985,297
Non-cancellable operating lease receivable:			
Within 1 year	—	36,257	31,304
After 1 year but within 5 years	—	45,053	30,841
After 5 years	—	—	—
	—	81,310	62,145

29. Contingencies

(a) Land premium

Based on agreement between the Federal Government of Malaysia and the Group in 1994 for the use of Ministry of Health ("MOH") facilities, the agreement allows the Group to construct buildings in connection with the use of facilities for the training of students. The land is yet to be leased to the Group since the propose lease is yet to be executed as it requires the consent of the Cabinet of Malaysia.

On 17 November 2011, the Group received a letter from Pesuruhjaya Tanah Persekutuan (Federal Land Commissioner) who granted the lease to the Group. However, the Group is unable to ascertain the amount of the lease premium as the lease amount payable is yet to be determined as at the date of these financial statements.

(b) In April 2008, a litigation claim was brought by one of the previous shareholders of Pantai Fomema Systems Sdn Bhd (formerly known as Anjur Dinamik Sdn Bhd "ADSB") against Pantai Support Services Sdn Bhd (PSS) (then wholly-owned by Pantai Holding Berhad (PHB)) and PHB. The suit has alleged that one of the vendors of ADSB had acted as an agent to PHB in respect of the negotiations and sale of ADSB (ADSB owned 75% of the issued and paid up capital of Fomema Sdn Bhd) shares to PSS and PHB. PSS and PHB without making any disclosure entered into collateral arrangements with the said agent who was allegedly promised varying kinds of benefits for efforts in assisting the injection of the Fomema Concession into the Pantai Group. It is alleged that this amounted to breach of duty of care and fiduciary duty on the part of PSS and PHB. Having consulted the legal counsel and based on their written opinion, no provision in the financial statements has been made at this stage as it was noted the evidence so far did not support such alleged collateral allegations.

30. Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. 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. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its holding companies, related companies, subsidiaries and associates, directors and key management personnel.

30. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group are as follows:

	2009 RM000	2010 RM000	2011 RM000
Transactions with ultimate holding company and its subsidiaries, associates and joint ventures			
Sales and provision of services	—	17,342	60,878
Purchases and consumption of services	(2,688)	(9,750)	(31,462)
Purchase of quoted available-for-sale financial assets	—	—	(488,860)
Transactions with associates			
Rental expenses	—	(42,184)	(133,146)
Management and acquisition fees earned	—	13,963	19,042
Transactions with non-controlling shareholders of subsidiaries			
Sales and provision of services	—	—	7,036
Purchases and consumption of services	—	(1,989)	(711)
Key management personnel			
Remuneration and other benefits	—	4,068	9,849
Share-based payment	—	—	3,644
Sale of development property - medical suites	—	29,319	—
Professional and consultancy fees	—	(173)	(137)

One of the subsidiaries of the Group has obtained a bank loan from one of the associates of the holding company. The outstanding bank loan amounted to RM101.6 million and RM97.5 million as at 31 December 2010 and 2009 respectively.

The Company has placed demand deposits and fixed deposits with one of the associates of the holding company amounted to RM569 million as at 31 December 2011.

Significant related party balances related to the above transactions are disclosed in Note 5, 6, 13 and 19. In 2011, trade receivables due from key management personnel amounted to RM3.0 million (2010 and 2009: Nil).

31. Acquisitions and disposals

Acquisition of subsidiaries

In 2010, the Company, via its special purpose vehicle, Integrated Healthcare Holdings Limited. ("IHHL"), launched a conditional voluntary cash general offer ("VGO") for up to 100% equity interest in Parkway Holdings Limited. ("Parkway"), a company listed on the Singapore Exchange ("SGX") and incorporated in Singapore. At 31 August 2010, the closing date of the VGO, the Group received acceptances from 70.9% of the shareholders of Parkway for a total cash consideration of SGD4.1 billion. Together with the shares of Parkway already owned, the Group held 94.8% equity interest in Parkway. This resulted in a compulsory acquisition of the remaining 5.2% non-controlling interests for a cash consideration of RM588.7 million (equivalent of SGD246.6 million). Parkway was delisted in November 2010.

As a result of the acquisition of Parkway, the Group attained control of Pantai Irama Ventures Sdn. Bhd ("PIV"). PIV was a previously a 60% owned joint venture company. The remaining 40% interest in PIV was jointly-owned by Parkway.

The effects of the acquisitions are set out below:

	Recognised values RM000
Property, plant and equipment	3,783,773
Intangible assets	1,802,784
Interest in associates	802,404
Deferred tax assets	6,503
Other non-current assets	152,679
Cash and cash equivalents	1,673,394
Other current assets	1,394,298
Non-current borrowings	(2,942,944)
Deferred tax liabilities	(421,756)
Other non-current liabilities	(5,703)
Current borrowings	(90,622)
Other current liabilities	(943,828)
Fair value of identifiable net assets acquired	5,210,982
Fair value of identifiable net assets acquired	5,210,982
Non-controlling interests, based on their proportionate interest in the recognised values of the net assets	(517,937)
Fair value of pre-existing interest in Parkway and PIV	(3,313,500)
Goodwill on acquisition	6,048,680
Cash consideration	7,428,225
Add: Acquisition-related costs	25,687
Less: Cash and cash equivalents acquired	(1,673,394)
Net cash outflow	5,780,518

The remeasurement to fair value of the Group's pre-existing 23.8% interest in Parkway and 69.5% interest in PIV resulted in a gain of RM530.12 million, which has been recognised in the statement of comprehensive income for the year ended 31 December 2010.

31. Acquisitions and disposals (continued)

Disposal of subsidiaries

On 18 March 2011, Pantai Irama Ventures Sdn. Bhd. ("PIV"), a subsidiary of IHH, disposed off its entire 100% equity interest in Pantai Support Services Sdn. Bhd. and its subsidiaries to Khazanah, the controlling shareholder of IHH, for a total cash consideration of RM2. The disposal of subsidiaries to the controlling shareholder is treated as common control transaction and the loss of disposal is recognised as distribution to the owner of the Company.

The effects of the disposals are set out below:

	RM000
Property, plant and equipment	15,679
Intangible assets	86,144
Deferred tax assets	110
Inventories	185
Trade and other receivables	48,740
Tax recoverable	252
Cash and cash equivalents	136,797
Payables and accruals	(71,065)
Provision for tax	(2,447)
Bank borrowings	(2)
Deferred tax liabilities	(8,079)
Retirement benefits	(581)
Non-controlling interests	(7,242)
Net assets disposed	198,491
Distribution of subsidiaries to owner of the Company	(198,491)
Cash consideration	—*
Less: Cash and cash equivalent disposed	(136,797)
Net cash outflow	(136,797)

*: Represented by RM2

Acquisition of non-controlling interests

(a) In September 2010, the Company acquired the remaining 32.5% interest in IMU Health Sdn. Bhd. for RM110.0 million, increasing its interest from 67.5% to 100%.

(b) In November 2010, IHHL completed the compulsory acquisition of the remaining 5.2% non-controlling interest in Parkway for a cash consideration of RM588.7 million (equivalent of SGD246.6 million).

(c) In October 2011, the Group acquired an additional 30% stake in Shanghai Rui Pu Outpatient Department Co. Ltd for a cash consideration of RM4.3 million increasing its effective ownership from 49% to 79%. The carrying value of additional interest acquired on the date of acquisition was RM6.9 million.

Company No. 901914-V

32. Subsidiaries

Details of subsidiaries are as follows:

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Direct subsidiaries					
IMU Health Sdn. Bhd.	Malaysia	Investment holding	67.50	100	100
Integrated Healthcare Holdings Limited	Federal Territory of Labuan Malaysia	Investment holding	—	100	100
Integrated Healthcare Holdings (Bharat) Limited	Mauritius	Investment holding	—	—	100
Integrated Healthcare Holdings (Cayman Islands) Limited	Cayman Islands	Dormant	—	100	100
Integrated Healthcare Turkey Yatirimlari Limited	Federal Territory of Labuan Malaysia	Investment holding	—	—	100
Integrated Healthcare Capital Sdn. Bhd. ++	Malaysia	Investment holding	—	—	100
Pantai Irama Ventures Sdn. Bhd.(1)	Malaysia	Investment holding	69.52@	100	—^
Parkway Holdings Limited(2)	Singapore	Investment holding	23.80*	—^	—^
Indirect subsidiaries					
Directly held by IMU Health Sdn. Bhd.:					
IMU Education Sdn. Bhd.	Malaysia	Management of educational institutions and other centres of learning	67.50	100	100
IMU Healthcare Sdn. Bhd.	Malaysia	Dormant	—	100	100
Directly held by Integrated Healthcare Holdings Limited:					
Parkway Pantai Limited	Singapore	Investment holding	—	—	100
Parkway Holdings Limited(2)	Singapore	Investment holding	—	100^	—^
Directly held by Integrated Healthcare Holdings (Bharat) Limited:					
Integrated (Mauritius) Healthcare Holdings Limited	Mauritius	Investment holding	—	100	100
Directly held by Integrated Healthcare Turkey Yatirimlari Limited:					
Integrated Healthcare Hastaneler Turkey Sdn. Bhd.	Malaysia	Investment holding	—	—	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Pantai Limited:					
Pantai Irama Ventures Sdn. Bhd.	Malaysia	Investment holding	—	—	100^
Parkway HK Holdings Limited[(3)]	Hong Kong	Investment holding	—	—	100
Parkway Holdings Limited	Singapore	Investment holding	—	—	100^
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd.[(1)]:					
Pantai Holdings Berhad	Malaysia	Investment holding	69.52@	100	100
Pantai Support Services Sdn. Bhd.[(4)]	Malaysia	Investment holding and provision of management and consultation services to healthcare related service sectors	69.52@	100	—
Pantai Group Resources Sdn. Bhd.	Malaysia	Investment holding	69.52@	100	100
Pantai Hospitals Sdn. Bhd.	Malaysia	Investment holding and provision of management and consultation services to hospitals and medical centres	69.52@	100	100
Pantai Management Resources Sdn. Bhd.	Malaysia	Provision of administration support, training, research and development services	69.52@	100	100
Pantai Diagnostics Indonesia Sdn. Bhd.	Malaysia	Investment holding	69.52@	100	100
Gleneagles (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	—	—	100^
GEH Management Services (M) Sdn. Bhd.	Malaysia	Provision of advisory, administrative, management and consultancy services to healthcare facilities	—	—	100^
Cyberwide Finance Limited	British Virgin Islands	Investment holding, liquidated in 2010	69.52@	—	—
Credit Enterprise Sdn. Bhd.	Malaysia	Dormant	69.52@	100	100
P.T. Pantai Healthcare Consulting	Indonesia	Provision of healthcare consulting services in Indonesia	69.52@	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd.[1] (continued):					
Pantai Premier Pathology Sdn. Bhd.	Malaysia	Provision of medical laboratory services	69.52@	100	100
Pantai Education Sdn. Bhd.	Malaysia	Provision of educational programmes and training courses for healthcare and related fields	69.52@	100	100
Pantai Integrated Rehab Services Sdn. Bhd.	Malaysia	Provision of rehabilitation services	59.09@	85	85
Mount Elizabeth Health Care Services Sdn. Bhd.	Malaysia	Provision of laboratory services to hospitals and clinics	—	—	100^
Pantai Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	69.52@	100	100
Cheras Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	69.52@	100	100
Pantai Klang Specialist Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	69.52@	100	100
Syarikat Tunas Pantai Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	56.10@	80.7	80.7
Paloh Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	54.09@	77.8	77.8
Hospital Pantai Ayer Keroh Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	69.52@	100	100
Hospital Pantai Indah Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	69.52@	100	100
Pantai Hospital Sungai Petani Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	69.52@	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd.[1] (continued):					
Pantai Screening Services Sdn. Bhd.	Malaysia	Managers and administrator for health screening services	69.52@	100	100
Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd. [5]	Malaysia	Provision of medical, surgical and hospital services	55.80@	100	100
Pantai Hospital Manjung Sdn. Bhd.	Malaysia	Dormant	—	100	100
Pantai Hospital Johor Sdn. Bhd.	Malaysia	Dormant	—	100	100
Kuala Lumpur Medical Centre (Asia Pacific) Sdn. Bhd.	Malaysia	Dormant	35.46@	51	51
P.T. Pantai Bethany Care International	Indonesia	Provision of medical diagnostics laboratory testing and analytical services	45.19@	65	65
Angiography Sdn. Bhd.	Malaysia	Provision of cardiac catherisation services	69.52@	100	100
Magnetom Imaging Sdn. Bhd.	Malaysia	Provision of medical diagnostic services and other related ventures	35.73@	100	100
PMC Radio-Surgery Sdn. Bhd.	Malaysia	Provision of radiotherapy facilities	69.52@	100	100
Pantai-ARC Dialysis Services Sdn. Bhd.	Malaysia	Provision of haemodialysis services	35.46@	51	51
HPAK Lithotripsy Services Sdn. Bhd.	Malaysia	Provision of lithotripter services	69.52@	100	100
HPAK Cancer Centre Sdn. Bhd.	Malaysia	Provision of services for cancer diseases	69.52@	100	100
Oncology Centre (KL) Sdn. Bhd.[5]	Malaysia	Provision of comprehensive oncological services	48.66@	100	100
Oriofolio Options Sdn. Bhd.	Malaysia	Investment holding	—	—	100^
Pulau Pinang Clinic Sdn. Bhd.	Malaysia	Rendering of hospital services	—	—	70^

Company No. 901914-V

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd.(1) (continued):					
Pantai Medivest Sdn. Bhd.(4)	Malaysia	Provision of clinical waste management, cleaning and maintenance services for hospitals	69.52@	100	—
Pantai Health Informatics Sdn. Bhd.(4)	Malaysia	Dormant	69.52@	100	—
Pantai Fomema & Systems Sdn. Bhd.(4)	Malaysia	Investment holding and supervision of medical examination of foreign workers in Malaysia	69.52@	100	—
Pengkalan Usaha (M) Sdn. Bhd.(4)	Malaysia	Dormant	69.52@	100	—
Healthpac Industries Sdn. Bhd.(4)	Malaysia	Dormant	69.52@	100	—
Pantai Fomed Sdn. Bhd.(4)	Malaysia	Dormant	—	100	—
Fomema Sdn. Bhd.(4)	Malaysia	Monitoring of medical examination of foreign workers in Malaysia	52.14@	75	—
Aroma Laundry & Dry Cleaners Sdn. Bhd.(4)	Malaysia	Provision of laundry and dry cleaning services	34.77@	50.01	—
Pantai Medivest Lanka (Private) Limited(4)	Sri Lanka	Dormant, deregistered in 2010	69.52@	—	—
Pantai Medivest (India) Private Limited(4)	India	Dormant	69.52@	100	—
P.T. Jasa Medivest(4)	Indonesia	Provision of waste management services in Indonesia	66.04@	95	—
Directly held by Parkway HK Holdings Limited:					
Parkway Healthcare (Hong Kong) Limited	Hong Kong	Provision of medical and healthcare outpatient services	—	—	95
Directly or indirectly held by Parkway Holdings Limited (2):					
Parkway Properties Pte Ltd	Singapore	Investment holding, struck-off in 2011	23.80*	100	—
M & P Investments Pte Ltd	Singapore	Investment holding	23.80*	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Holdings Limited [(2)] (continued):					
Westront Pte Ltd	Singapore	Dormant, struck-off in 2011	23.80*	100	—
Parkway Hospitals Singapore Pte Ltd	Singapore	Private hospitals ownership and management	23.80*	100	100
Parkway Trust Management Limited	Singapore	Provision of management services to Parkway Life REIT	23.80*	100	100
Parkway Investments Pte. Ltd.	Singapore	Investment holding	23.80*	100	100
Parkway Novena Holdings Pte. Ltd.	Singapore	Dormant	23.80*	100	100
Parkway Novena Pte. Ltd.	Singapore	Hospital construction and development	23.80*	100	100
Parkway Irrawaddy Pte. Ltd.	Singapore	Medical centre construction and development	23.80*	100	100
Parkway Group Healthcare Pte Ltd	Singapore	Investment holding and provision of management and consultancy services	23.80*	100	100
Gleneagles Medical Holdings Limited	Singapore	Investment holding	23.80*	100	100
Parkway College of Nursing and Allied Health Pte Ltd	Singapore	Provision of courses in nursing and allied health	23.80*	100	100
iXchange Pte Ltd	Singapore	Agent and administrator for managed care and related services	23.80*	100	100
Shenton Insurance Pte. Ltd.	Singapore	Underwrite accident and healthcare insurance policies	23.80*	100	100
Gleneagles JPMC Sdn Bhd	Brunei Darussalam	Management and operation of a cardiac and cardiothoracic care centre	17.85*	75	75

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Holdings Limited (2) (continued):					
Gleneagles Management Services Pte Ltd	Singapore	Provision of advisory, administrative, management and consultancy services to healthcare facilities	23.80*	100	100
S.P.I. Pte Ltd	Singapore	Dormant, struck-off in 2011	23.80*	100	—
Parkway Promotions Pte Ltd	Singapore	Promoters and organisers of healthcare events	23.80*	100	100
MENA Services Pte. Ltd.	Singapore	Nursing agency	23.80*	100	100
Parkway-Healthcare (Mauritius) Ltd	Mauritius	Investment holding	23.80*	100	100
Swiss Zone Sdn. Bhd.	Malaysia	Dormant	23.80*	100	100
Shanghai Gleneagles International Medical and Surgical Centre	People's Republic of China	Provision of medical and healthcare services	16.66*	70	70
Khubchandani Hospitals Private Limited(8)	India	Private hospital ownership	11.90*	50	50
Parkway Education Pte Ltd	Singapore	Dormant	23.80*	100	100
SMG Medical Group Pte. Ltd.	Singapore	Dormant, struck off in 2011	23.80*	100	—
Parkway Healthtech Investments Pte Ltd	Singapore	Investment holding	23.80*	100	100
Goldlink Investments Pte. Ltd.	Singapore	Dormant	23.80*	100	100
Drayson Investments Pte. Ltd.	Singapore	Dormant	23.80*	100	100
Medi-Rad Associates Ltd	Singapore	Operation of radiology clinics	23.80*	100	100
Parkway Laboratory Services Ltd	Singapore	Provision of comprehensive diagnostic laboratory services	23.80*	100	100
Radiology Consultants Pte Ltd	Singapore	Radiology consultancy and interpretative services	23.80*	100	100
Mount Elizabeth Healthcare Holdings Ltd	Singapore	Dormant	23.80*	100	100

Company No. 901914-V

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Holdings Limited (2) (continued):					
Mount Elizabeth Medical Holdings Ltd	Singapore	Investment holding	23.80*	100	100
East Shore Medical Holdings Pte Ltd	Singapore	Dormant	23.80*	100	100
Mount Elizabeth Ophthalmic Investments Pte Ltd	Singapore	Dormant	15.82	66.48	66.48
Mount Elizabeth Healthcare Services Sdn Bhd	Malaysia	Provision of laboratory services to hospitals and clinics	23.80*	100	—^
Oriofolio Options Sdn. Bhd.	Malaysia	Investment holding	23.80*	100	—^
Gleneagles CRC Pte Ltd(6)	Singapore	Operation of a clinical research centre	23.80*	51	51
Gleneagles CRC (Thailand) Company Limited(6)	Thailand	To conduct global and local clinical trials	23.80*	51	51
Gleneagles CRC (China) Pte Ltd.(6)	People's Republic of China	To conduct global and local clinical trials	23.80*	51	51
Gleneagles Clinical Research International Pte. Ltd.(6)	Singapore	Operation of a clinical research centre	23.80*	51	51
Gleneagles CRC Pty Ltd(6)	Australia	To conduct global and local clinical trials	23.80*	51	51
Gleneagles Radiology Consultants Pte Ltd	Singapore	Dormant, struck off in 2010	23.80*	—	—
Gleneagles International Pte. Ltd.	Singapore	Investment holding	23.80*	100	100
Gleneagles Medical Centre Ltd	Singapore	Dormant	23.80*	100	100
GEH Management Services (M) Sdn. Bhd.	Malaysia	Provision of advisory, administrative, management and consultancy services to healthcare facilities	23.80*	100	100
Gleneagles (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	23.80*	100	—^
Pulau Pinang Clinic Sdn. Bhd.	Malaysia	Private hospital ownership and management	16.66*	70	—^
Gleneagles Pharmacy Pte Ltd	Singapore	Dormant	23.80*	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Holdings Limited (2) (continued):					
Gleneagles Development Pte Ltd	Singapore	Developing and managing turnkey hospital projects and investment holding	23.80*	100	100
Gleneagles Technologies Services Pte Ltd	Singapore	To provide consultancy services, perform equipment planning, procurement, testing and commissioning, and manage a healthcare facility	23.80*	100	100
Gleneagles Hospital (UK) Limited	United Kingdom	Investment holding	15.47*	65	65
The Heart Hospital Limited	United Kingdom	Under company voluntary arrangement	15.47*	65	65
The Heart Hospital Properties Limited	United Kingdom	Dormant, struck off in 2011	15.47*	65	—
Cavendish Clinic Limited	United Kingdom	Dormant, struck off in 2010	15.47*	—	—
Wholebond Limited	United Kingdom	Dormant, struck off in 2010	15.47*	—	—
Merlion Healthcare Limited	United Kingdom	Dormant, struck off in 2010	15.47*	—	—
Parkway Shenton Pte Ltd	Singapore	Investment holding and operation of a network of clinics and provision of comprehensive medical and surgical advisory services	23.80*	100	100
Gleneagles Maritime Medical Centre (China) Limited	Hong Kong	Dormant, liquidated in 2011	23.8*	100	—
Nippon Medical Care Pte Ltd	Singapore	Operation of clinics	16.66*	70	70
Parkway Shenton International Holdings Pte. Ltd.	Singapore	Investment holding	23.8*	100	100
Shenton Family Medical Clinics Pte Ltd	Singapore	To provide, establish and carry on the business of clinics	23.8*	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Holdings Limited [(2)] (continued):					
Shenton Medical Holdings Pte Ltd	Singapore	Dormant, struck off in 2011	23.8*	100	—
Parkway Shenton Vietnam Limited	Vietnam	Dormant	23.8*	100	100
Medical Resources International Pte Ltd	Singapore	Investment holding	23.80*	100	100
Shanghai Rui Xin Healthcare Co. Ltd (f.k.a Shanghai Rui Xin International Healthcare Co. Ltd)	People's Republic of China	Provision of medical and healthcare outpatient services	16.66*	70	70
Shanghai Rui Hong Clinic Co. Ltd	People's Republic of China	Provision of medical and healthcare outpatient services	16.66*	70	70
Shanghai Xin Rui Healthcare Co. Ltd (f.k.a Shanghai Xin Rui International Healthcare Co. Ltd)	People's Republic of China	Provision of medical and healthcare outpatient services	16.66*	70	70
Shanghai Gleneagles Hospital Management Co. Ltd.	People's Republic of China	Provision of management and consultancy services to healthcare facilities	—	—	100
Shanghai Rui Pu Clinic Co. Ltd[(7)] (f.k.a Shanghai Rui Pu Outpatient Department Co. Ltd)	People's Republic of China	Provision of medical and healthcare outpatient services	11.66*	49	79
Shanghai Rui Xiang Clinic Co. Ltd (f.k.a. Shanghai Rui Xiang Outpatient Department Co. Ltd)	People's Republic of China	Provision of medical and healthcare outpatient services	16.66*	70	70
Parkway (Shanghai) Hospital Management Ltd	People's Republic of China	Provision of management and consultancy services to healthcare facilities	23.80*	100	100
Shanghai Shu Kang Hospital Investment Management Co. Ltd	People's Republic of China	Investment holding	—	—	100[(9)]
Chengdu Rui Rong Clinic Co. Ltd.	People's Republic of China	Provision of medical and healthcare outpatient services	—	—	100

(1) In 2009, the Company held 60% shares in Pantai Irama Ventures Sdn Bhd ("PIV") while the other 9.52% shares were held indirectly through Parkway Holdings Limited ("PHL"). PIV was equity accounted for in the Group's results as the entity was treated as a joint venture.

In 2010, PIV became a wholly owned subsidiary following the Group's increase in effective interest of PHL to 100%. As a result, the Group's effective interests in PIV's subsidiaries, joint ventures and associates also increased accordingly.

32. Subsidiaries (continued)

(2) In 2010, the Company transferred its 23.80% interest in PHL to its wholly owned subsidiary, Integrated Healthcare Holdings Limited, who acquired the remaining 76.20% interests in PHL, making PHL a wholly owned subsidiary of the Group. The Group's effective interests in PHL's subsidiaries, joint ventures and associates also increased accordingly.

(3) Parkway Pantai Limited holds 50% shares in Parkway HK Holdings Limited while the other 50% shares are held by Parkway Holdings Limited.

(4) Pantai Support Services Sdn. Bhd. and its subsidiaries were disposed in 2011.

(5) Pantai Hospitals Sdn. Bhd. holds 70% shares in Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd. The other 30% is held by Gleneagles (Malaysia) Sdn. Bhd.

(6) In 2010, Parkway Group Healthcare Pte Ltd disposed 49% interests in Gleneagles CRC Pte Ltd and its subsidiaries.

(7) Shanghai Rui Xin Healthcare Co Ltd holds 70% shares in Shanghai Rui Pu Outpatient Department Co. Ltd. The other 30% share is held by Shanghai Shu Kang Hospital Investment Management Co. Ltd.

(8) Notwithstanding that the equity interest is not more than 50%, the Company has accounted for Khubchandani Hospitals Private Limited as a subsidiary in accordance with MFRS 27 Consolidated and Separate Financial Statements, on the basis that the Company, by virtue of the existence of currently exercisable potential voting rights, has the ability to control the financing and operating decisions of the subsidiary.

(9) Arising from power of attorney in respect of voting rights and call options granted to Parkway (Shanghai) Hospital Management Ltd to acquire 100% equity interest in Shanghai Shu Kang Hospital Investment Management Co. Ltd.

^ Shares were transferred within the Group pursuant to an internal restructuring during the year.

@ The entity was treated as a joint venture and was equity accounted for in the Group's results.

* The entity was treated as an associate and was equity accounted for in the Group's results.

Company No. 901914-V

33. Associates

Details of associates are as follows:

Name of associate	Place of incorporation and business	Principal activities	Effective equity interest held 2009 %	2010 %	2011 %
Directly or indirectly held by Parkway Holdings Limited[(1)]:					
Phil, Inc	United States of America	Dormant, administratively dissolved	9.52	40	—
Gleneagles Medical Centre (Kuala Lumpur) Sdn Bhd	Malaysia	Development and investment in medical centres	7.14	30	—^
PT Tritunggal Sentra Utama Surabaya	Indonesia	Provision of medical diagnostic services	7.14	30	30
Kyami Pty Ltd	Australia	Investment holding	7.14	30	30
Royalmist Properties Pty Ltd	Australia	Property investment and development	7.14	30	30
Gleneagles International Hospital (Lanka) Limited	Sri Lanka	Dormant, administratively dissolved	9.52	40	—
Parkway Life Real Estate Investment Trust	Singapore	Real estate investment trust	8.50	35.81	35.81
Asia Renal Care Mount Elizabeth Pte Ltd	Singapore	Provision of medical services	4.76	20	20
Asia Renal Care (Katong) Pte Ltd	Singapore	Provision of medical services	4.76	20	20
Positron Tracers Pte. Ltd.	Singapore	Ownership and operation of a cyclotron	7.85	33	33
Directly or indirectly held by Parkway Irama Ventures Sdn Bhd[(1)]:					
Gleneagles Medical Centre (Kuala Lumpur) Sdn Bhd	Malaysia	Medical centre development, ownership and management	—	—	30^

(1) In 2009, the Company held an effective interest of 23.80% in Parkway Holdings Limited ("PHL"). PHL and its subsidiaries and joint ventures were treated as associates and were equity accounted for in the Group's results. Details of the subsidiaries and joint ventures of PHL are listed in note 32 and note 34.

In 2010, the Company transferred its 23.80% interest in PHL to its wholly owned subsidiary, Integrated Healthcare Holdings Limited, who acquired the remaining 76.20% interests in PHL, making PHL a wholly owned subsidiary of the Group. The Group's effective interests in PHL's subsidiaries, joint ventures and associates also increased accordingly.

^ Shares were transferred within the Group pursuant to an internal restructuring during the year.

34. Joint ventures

Details of joint ventures are as follows:

Name of joint venture	Place of incorporation and business	Principal activities	Effective equity interest held 2009	2010	2011
			%	%	%
Directly or indirectly held by Parkway Holdings Limited[(1)]:					
Apollo Gleneagles Hospital Ltd	India	Private hospital ownership and management	11.90*	50	50
Apollo Gleneagles PET-CT Limited	India	Operation of PET-CT radio imaging centre	11.90*	50	50
Hale Medical Clinic (Concourse) Pte Ltd	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Ang Mo Kio)	Singapore	Operation of medical clinic	—	50	50
Shenton Family Medical Clinic (Bedok Reservoir)	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Bukit Gombak)	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Clementi)	Singapore	Operation of medical clinic	—	50	50
Shenton Family Medical Clinic (Duxton)	Singapore	Operation of medical clinic	—	50	50
Shenton Family Medical Clinic (Jurong East)	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Serangoon)	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Tampines)	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Yishun)	Singapore	Operation of medical clinic	11.90*	50	50
Shenton Family Medical Clinic (Towner)	Singapore	Operation of medical clinic	—	—	50
Gleneagles Maritime Medical Center (GMMC)	Singapore	Operation of medical clinic, struck off in 2010	12.14*	—	—
Karington Holdings Pte Ltd	Singapore	Dormant, struck off in 2011	11.90*	50	—

(1) In 2009, the Company held an effective interest of 23.80% in Parkway Holdings Limited ("PHL"). PHL and its subsidiaries and joint ventures were treated as associates and were equity accounted for in the Group's results.
In 2010, the Company transferred its 23.80% interest in PHL to its wholly owned subsidiary, Integrated Healthcare Holdings Limited, who acquired the remaining 76.20% interests in PHL, making PHL a wholly owned subsidiary of the Group. The Group's effective interests in PHL's subsidiaries, joint ventures and associates also increased accordingly.

* The entity was treated as an associate and was equity accounted for in the Group's results.

35. Events subsequent to the end of the reporting period

(a) On 31 January 2012, Pantai Group Resources Sdn. Bhd. entered into Share Sale Agreement with few parties to acquire 100% equity interest in Twin Towers Healthcare Sdn. Bhd. ("TTHSB") in three (3) progressive acquisitions, beginning with 70% stake of TTHSB shares in Phase 1 and 15% stake of TTHSB shares each in Phase 2 and Phase 3, for a total purchase consideration of RM20 million (with additional allowance of 15% above thereof).

(b) On 23 December 2011, Integrated Healthcare Turkey Yatirimlari Limited, a subsidiary of the Group, entered into a sale and purchase agreement ("SPA") to acquire 60% equity interest in Acibadem Saglik Yatirimlari Holdings A.S. ("ASYH") and its subsidiaries for a total consideration of approximately USD825,716,000. The purchase consideration is to be satisfied by cash payment of USD275,239,000 and issuance of the Company's shares of a total value of approximately USD550,477,000. The acquisition of ASYH was completed on 24 January 2012.

Pursuant to the sale and purchase agreement, the purchase consideration is subject to further adjustments on the following:

(i) equity value of the Company and ASYH after the completion of the audit of the Company and ASYH for the year ended 31 December 2011; and

(ii) if the Turkish Lira ("TL") has appreciated in value against the U.S. Dollar on 31 December 2012, as compared to the exchange rate used in the SPA, subject to a cap of TL1.65/USD1, then the Company shall pay the differential sum.

If the adjustment of item (i) above exceeds USD50 million, the Company has the option to pay the portion in excess of USD50 million, part in cash and part in shares of the Company at its sole discretion.

(c) Upon completion of acquisition of 60% equity interest in ASYH on 24 January 2012, the Group, via a subsidiary of ASYH, held 92.0% equity interest in Acibadem Saglik Hizmetleri ve Ticaret A.S ("Acibadem"), a subsidiary listed on the Istanbul Stock Exchange. As required by the Turkey's capital markets rules, on 27 March 2012, the subsidiary of ASYH made a mandatory tender offer for the remaining equity interest of 8.0% in Acibadem. The offer was closed on 9 April 2012 and as at the same date, the subsidiary of ASYH owned 97.3% equity interest in Acibadem.

APPENDIX N:
INDEPENDENT AUDITORS' REPORT ON THE INTERIM COMBINED FINANCIAL STATEMENTS

The Board of Directors
IHH Healthcare Berhad
(formerly known as Integrated Healthcare Holdings Berhad)
Suite 17-01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Dear Sirs

Independent Auditors' Report on the Condensed Interim Combined Financial Statements

Report on the current period Interim Financial Information

We have audited the accompanying combined statement of financial position of IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) (the "Company") and its subsidiaries (collectively, the "Group") as at 31 March 2012, the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the three months period then ended, and other explanatory notes (collectively referred to as "Interim Financial Information"), as set out on pages 1 to 75.

Directors' responsibility for the Interim Financial Information

The Directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board ("MASB") and with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standard Board ("IASB") and for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Information that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the Interim Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Interim Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Interim Financial Information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Interim Financial Information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and presentation of the Interim Financial Information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Interim Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Interim Financial Information has been prepared, in all material respects, in accordance with MFRS 134, *Interim Financial Reporting* issued by the MASB and with IAS 34, *Interim Financial Reporting* issued by the IASB.

Report on the Corresponding Interim Financial Information

We have reviewed the unaudited corresponding interim financial information of the Group comprising of combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the three months period ended 31 March 2011, and other explanatory notes (the "Corresponding Interim Financial Information"), as set out on pages 3 to 75.

The Directors of the Company are responsible for the preparation of the Corresponding Interim Financial Information in accordance with the same basis adopted in respect of the Interim Financial Information. Our responsibility is to express a conclusion on the Corresponding Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Corresponding Interim Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Interim Financial Information.

Other matters

This report has been prepared for inclusion in the Prospectus of the Company in connection with the initial public offering of the shares of the Company and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants
Malaysia

Lee Yee Keng
Partner

1 June 2012

This page has been intentionally left blank.

APPENDIX O:
AUDITED CONDENSED INTERIM COMBINED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

IHH Healthcare Berhad

(Formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia)

and its subsidiaries

Condensed interim combined financial statements for the three months ended 31 March 2012

IHH Healthcare Berhad

(Formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia)

and its subsidiaries

Combined statements of financial position as at 31 March 2012

	Note	31.3.2012 RM'000	31.12.2011 RM'000
Non-current assets			
Property, plant and equipment	3	6,290,970	4,726,753
Intangible assets	4	3,032,753	1,618,598
Goodwill on consolidation	4	8,553,089	6,487,070
Interest in associates	5	864,238	862,273
Interest in joint ventures	6	31,302	28,009
Other financial assets	7	591,542	529,881
Other receivables	12	42,313	-
Deferred tax assets	8	57,682	24,279
Total non-current assets		19,463,889	14,276,863
Current assets			
Assets classified as held for sale	9	1,463	1,463
Development property	10	1,160,548	1,121,195
Inventories	11	120,936	78,784
Trade and other receivables	12	854,194	518,496
Tax recoverable		26,092	20,422
Other financial assets	7	26,967	27,066
Derivative assets	17	3,007	-
Cash and cash equivalents	15	1,599,558	1,310,803
Total current assets		3,792,765	3,078,229
Total assets		23,256,654	17,355,092
Equity			
Equity and reserves attributable to owners of the Company		11,539,936	9,861,827
Non-controlling interests	16	836,157	246,618
Total equity		12,376,093	10,108,445

The notes are an integral part of these financial statements.

Company No. 901914-V

Combined statements of financial position as at 31 March 2012 (continued)

	Note	31.3.2012 RM'000	31.12.2011 RM'000
Non-current liabilities			
Bank borrowings	17	7,361,564	4,991,264
Employee benefits	18	19,085	15,544
Trade and other payables	19	77,081	8,580
Deferred tax liabilities	8	801,248	446,127
Total non-current liabilities		8,258,978	5,461,515
Current liabilities			
Bank overdrafts	17	9,433	584
Trade and other payables	19	2,168,497	1,576,158
Bank borrowings	17	268,047	46,500
Derivative liabilities	17	6,369	1,252
Employee benefits	18	20,865	41,935
Tax payable		148,372	118,703
Total current liabilities		2,621,583	1,785,132
Total liabilities		10,880,561	7,246,647
Total equity and liabilities		23,256,654	17,355,092

The notes are an integral part of these financial statements.

IHH Healthcare Berhad

(Formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia)

and its subsidiaries

Combined statements of comprehensive income for the three months ended 31 March 2012

	Note	Three months ended 31 March 2012 RM'000	2011 RM'000 (Unaudited)
Revenue	21	1,276,192	859,927
Other operating income		18,955	48,864
Inventories and consumables		(252,332)	(189,019)
Purchased and contracted services		(131,182)	(113,860)
Depreciation and impairment losses on property, plant and equipment	3	(74,367)	(38,348)
Amortisation and impairment losses on intangible assets	4	(14,650)	(29,911)
Staff costs		(460,344)	(266,890)
Operating lease expenses		(59,853)	(44,650)
Operating expenses		(133,800)	(90,327)
Finance income		55,410	10,232
Finance costs		(47,404)	(28,638)
Share of profits of associates (net of tax)		14,472	12,160
Share of profits of joint ventures (net of tax)		3,407	2,742
Profit before income tax	22	194,504	132,282
Income tax expense	23	(42,203)	(26,737)
Profit for the period		152,301	105,545

Company No. 901914-V

Combined statements of comprehensive income for the three months ended 31 March 2012 (continued)

	Note	Three months ended 31 March 2012 RM'000	Three months ended 31 March 2011 RM'000 (Unaudited)
Other comprehensive income, net of tax			
Foreign currency translation differences for foreign operations		8,656	22,738
Net change in fair value of available-for-sale financial assets		76,294	-
Share of other comprehensive (loss)/income of associates		(136)	427
Total other comprehensive income for the period		84,814	23,165
Total comprehensive income for the period		237,115	128,710
Attributable to:			
Owners of the Company		123,839	101,875
Non-controlling interests		28,462	3,670
Profit for the period		152,301	105,545
Total comprehensive income attributable to:			
Owners of the Company		190,915	128,807
Non-controlling interests		46,200	(97)
Total comprehensive income for the period		237,115	128,710
Earnings per ordinary share (sen)			
Basic	24	2.00	1.85
Diluted	24	1.99	1.85

The notes are an integral part of these financial statements.

IHH Healthcare Berhad
(Formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia)
and its subsidiaries

Combined statements of changes in equity for the three months ended 31 March 2012

	Note	Equity contribution and other reserves RM'000	Share option reserve RM'000	Fair value reserve RM'000	Hedging reserve RM'000	Foreign currency translation reserve RM'000	Total equity and reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2012		9,795,976	16,554	22,641	4,885	21,771	9,861,827	246,618	10,108,445
Foreign currency translation differences for foreign operations		-	-	-	-	(9,082)	(9,082)	17,738	8,656
Net change in fair value of available-for-sale financial assets		-	-	76,294	-	-	76,294	-	76,294
Share of other comprehensive loss of associates		-	-	-	(136)	-	(136)	-	(136)
Total other comprehensive income/(loss) for the period		-	-	76,294	(136)	(9,082)	67,076	17,738	84,814
Profit for the period		123,839	-	-	-	-	123,839	28,462	152,301
Total comprehensive income/(loss) for the period		123,839	-	76,294	(136)	(9,082)	190,915	46,200	237,115
Contributions by and distributions to owners of the Company									
Issue of ordinary shares		1,488,247	-	-	-	-	1,488,247	-	1,488,247
Share-based payment transactions	18	-	4,949	-	-	-	4,949	-	4,949
Acquisition of subsidiaries	31	-	-	-	-	-	-	396,228	396,228
Acquisition of non-controlling interests	31	(6,058)	-	-	-	-	(6,058)	(5,206)	(11,264)
Partial disposal of interests in a subsidiary to non-controlling shareholder		16	-	-	-	-	16	109,342	109,358
Issue of shares by a subsidiary to non-controlling shareholder		40	-	-	-	-	40	42,975	43,015
Total transactions with owners of the Company		1,482,245	4,949	-	-	-	1,487,194	543,339	2,030,533
At 31 March 2012		11,402,060	21,503	98,935	4,749	12,689	11,539,936	836,157	12,376,093

Company No. 901914-V

Combined statements of changes in equity for the three months ended 31 March 2012 (continued)

Unaudited	Note	Equity contribution and other reserves RM'000	Share option reserve RM'000	Fair value reserve RM'000	Hedging reserve RM'000	Foreign currency translation reserve RM'000	Total equity and reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2011		3,008,628	-	-	4,993	(77,227)	2,936,394	259,546	3,195,940
Foreign currency translation differences for foreign operations		-	-	-	-	26,505	26,505	(3,767)	22,738
Share of other comprehensive income of associates		-	-	-	427	-	427	-	427
Total other comprehensive income/(loss) for the period		-	-	-	427	26,505	26,932	(3,767)	23,165
Profit for the period		101,875	-	-	-	-	101,875	3,670	105,545
Total comprehensive income/(loss) for the period		101,875	-	-	427	26,505	128,807	(97)	128,710
Contributions by and distributions to owners of the Company									
Issuance of ordinary shares		3,303,393	-	-	-	-	3,303,393	-	3,303,393
Distribution of subsidiaries to owner of the Company	31	(198,491)	-	-	-	-	(198,491)	(7,242)	(205,733)
Total transactions with owners of the Company		3,104,902	-	-	-	-	3,104,902	(7,242)	3,097,660
At 31 March 2011		6,215,405	-	-	5,420	(50,722)	6,170,103	252,207	6,422,310

IHH Healthcare Berhad

(Formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia)

and its subsidiaries

Combined statements of cash flows for the three months ended 31 March 2012

	Note	Three months ended 31 March 2012 RM'000	Three months ended 31 March 2011 RM'000 (Unaudited)
Cash flows from operating activities			
Profit before income tax		194,504	132,282
Adjustments for:			
Unrealised exchange differences		(4,716)	(41,106)
Finance income		(55,410)	(10,232)
Finance cost		47,404	28,638
Depreciation and impairment losses on property, plant and equipment	3	74,367	38,348
Amortisation and impairment losses on intangible assets	4	14,650	29,911
Loss/ (gain) on disposal of property, plant and equipment		246	(427)
Write off of property, plant and equipment		135	-
Write off of intangible assets		17	-
Fair value loss on the contingent consideration payable		10,772	-
Impairment loss on trade and other receivables		12,901	5,123
Equity-settled share-based payment		4,949	-
Share of profits of associates (net of tax)		(14,472)	(12,160)
Share of profits of joint ventures (net of tax)		(3,407)	(2,742)
Operating profit before changes in working capital		281,940	167,635
Changes in working capital:			
Development property		(36,205)	(9,352)
Inventories		(4,196)	(1,086)
Trade and other receivables		(15,937)	(19,890)
Trade and other payables		187,853	126,037
Cash generated from operations		413,455	263,344
Income taxes paid		(19,368)	(23,323)
Net cash generated from operating activities		394,087	240,021

Company No. 901914-V

Combined statements of cash flows for the three months ended 31 March 2012

	Note	Three months ended 31 March 2012 RM'000	2011 RM'000 (Unaudited)
Cash flows from investing activities			
Dividends received from associates and joint ventures		13,529	13,138
Interest received		9,832	4,270
Acquisition of subsidiaries, net of cash and cash equivalents acquired	31	(842,932)	-
Disposal of subsidiaries, net of cash and cash equivalents disposed		-	(136,797)
Proceeds from disposal of property, plant and equipment		154	2,797
Proceeds from sale of assets held for sale		-	8,006
Purchase of property, plant and equipment		(241,540)	(95,558)
Development costs of intangible assets	4	(1,145)	(22)
Purchase of quoted investments		-	(353,759)
Net advances to associates		(7)	-
Net advances to joint ventures		(797)	(20,796)
Net cash used in investing activities		(1,062,906)	(578,721)
Cash flows from financing activities			
Proceeds from bank borrowings		1,159,132	12,994
Repayment of bank borrowings		(273,452)	(356,231)
(Repayment to) /Advances from holding company		(24,781)	463,503
Acquisition of non-controlling interests	31	(11,264)	-
Additional payment for prior-year acquisition of non-controlling interests		-	(15,361)
Partial disposal of interests in subsidiary to non-controlling shareholder	31	109,358	-
Issue of shares by a subsidiary to non-controlling shareholder	31	43,015	-
Interest paid		(29,276)	(62,514)
Change in pledged deposits		(61,786)	1,776
Net cash generated from financing activities		910,946	44,167
Net increase / (decrease) in cash and cash equivalents		242,127	(294,533)
Cash and cash equivalents at 1 January		1,251,485	1,158,109
Effect of exchange rate fluctuations on cash held		(24,007)	(3,359)
Cash and cash equivalents at 31 March		1,469,605	860,217

The notes are an integral part of these financial statements.

IHH Healthcare Berhad

(Formerly known as Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia)

and its subsidiaries

Notes to the condensed interim combined financial statements

This condensed interim combined financial statements of IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) ("the Company") and its subsidiaries ("IHH Group" or the "Group") have been prepared solely in connection with the proposed Initial Public Offering of IHH and for no other purposes.

IHH Group comprises subsidiaries, associates and jointly controlled entities as disclosed in Note 32, 33 and 34. The principal activities of the subsidiaries, associates and jointly controlled entities and effective percentage of equity holdings are stated in Note 32, 33 and 34 to the condensed interim combined financial statements.

The condensed interim combined financial statements have been carved out from the consolidated financial statements of Khazanah Nasional Berhad ("Khazanah") and its subsidiaries ("Khazanah Group"). Where appropriate, adjustments have been made to the condensed interim combined financial statements to specifically present only the combined financial position, results of operations and cash flows of the healthcare group of Khazanah attributable to shareholders of IHH.

The condensed interim combined financial statements of IHH Group have been prepared as if the subsidiaries, associates and jointly controlled entities of IHH Group have operated as a single economic entity throughout the three months ended 31 March 2011 and 2012 and have been prepared from the books and records maintained by each entity.

The condensed interim combined financial statements were authorised for issue by the Board of Directors on 1 June 2012.

1. Basis of preparation and significant accounting policies

(a) Statement of compliance

This condensed interim combined financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* and with IAS 34, *Interim Financial Reporting*.

The condensed interim combined financial statements, which does not include the full disclosure of the type normally included on a complete set of financial statements, are to be read in conjunction with the combined financial statements for the financial year ended 31 December 2011.

1. Basis of preparation and significant accounting policies (continued)

(b) Significant accounting policies

The accounting policies applied by the Group in this condensed interim combined financial statements are the same as those applied by the Group in its combined financial statements as at and for the year ended 31 December 2011.

(c) Use of estimates

The preparation of condensed interim combined financial statements 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.

In preparing these condensed interim combined financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the combined financial statements as at and to the year ended 31 December 2011.

2. Seasonality of operations

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

Company No. 901914-V

3. Property, plant and equipment

	Note	Hospital land and buildings Freehold RM'000	Hospital land and buildings Leasehold RM'000	Construction-in-progress RM'000	Hospital and medical equipment, renovation and furniture, fittings and equipment RM'000	Laboratory and teaching equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost								
At 1 January 2011		902,325	2,480,786	379,638	1,434,808	30,141	16,869	5,244,567
Additions		1,350	112	641,506	91,717	5,384	2,076	742,145
Disposal of subsidiaries to Khazanah	31	(11,310)	(1,640)	-	(81,518)	-	(2,900)	(97,368)
Disposals/write-offs		(2,418)	(1,594)	(9,807)	(76,048)	(412)	(1,627)	(91,906)
Transfers		(207,712)	232,939	(100,006)	74,779	-	-	-
Transfer to assets held for sale	9	(1,973)	-	-	-	-	-	(1,973)
Translation differences		(2,717)	48,760	3,753	17,974	-	115	67,885
At 31 December 2011/1 January 2012		677,545	2,759,363	915,084	1,461,712	35,113	14,533	5,863,350
Additions		7,146	517	174,169	60,679	2,626	628	245,765
Acquisition of subsidiaries	31	355,792	496,679	53,719	1,254,296	-	9,302	2,169,788
Disposals/write-offs		-	-	-	(19,675)	(43)	(479)	(20,197)
Transfers		1,298	-	(5,942)	4,644	-	-	-
Translation differences		6,399	4,257	2,027	10,960	-	97	23,740
At 31 March 2012		1,048,180	3,260,816	1,139,057	2,772,616	37,696	24,081	8,282,446

Company No. 901914-V

3. Property, plant and equipment (continued)

	Note	Hospital land and buildings Freehold RM'000	Hospital land and buildings Leasehold RM'000	Construction-in-progress RM'000	Hospital and medical equipment, renovation and furniture, fittings and equipment RM'000	Laboratory and teaching equipment RM'000	Motor vehicles RM'000	Total RM'000
Accumulated depreciation and impairment loss								
At 1 January 2011		105,180	37,752	-	946,908	6,187	11,754	1,107,781
Depreciation for the year		14,471	14,949	-	130,030	4,405	1,896	165,751
Disposal of subsidiaries to Khazanah	31	(5,383)	(169)	-	(73,427)	-	(2,710)	(81,689)
Disposals/write-offs		(227)	(1,470)	-	(65,165)	(344)	(1,478)	(68,684)
Transfers		(25,145)	25,145	-	-	-	-	-
Transfer to assets held for sale	9	(510)	-	-	-	-	-	(510)
Translation differences		132	714	-	13,034	-	68	13,948
At 31 December 2011/1 January 2012		88,518	76,921	-	951,380	10,248	9,530	1,136,597
Depreciation for the period		9,823	5,265	-	57,370	1,185	724	74,367
Acquisition of subsidiaries	31	135,864	43,169	-	610,256	-	4,299	793,588
Disposals/write-offs		-	-	-	(19,299)	(3)	(360)	(19,662)
Translation differences		1,208	378	-	4,956	-	44	6,586
At 31 March 2012		235,413	125,733	-	1,604,663	11,430	14,237	1,991,476

3. Property, plant and equipment (continued)

	Hospital land and buildings Freehold RM'000	Hospital land and buildings Leasehold RM'000	Construction-in-progress RM'000	Hospital and medical equipment, renovation and furniture, fittings and equipment RM'000	Laboratory and teaching equipment RM'000	Motor vehicles RM'000	Total RM'000
Carrying amounts							
At 1 January 2011	797,145	2,443,034	379,638	487,900	23,954	5,115	4,136,786
At 31 December 2011/ 1 January 2012	589,027	2,682,442	915,084	510,332	24,865	5,003	4,726,753
At 31 March 2012	812,767	3,135,083	1,139,057	1,167,953	26,266	9,844	6,290,970

Leasehold land
The title deed of a leasehold land with a carrying amount of RM32,410,000 (2011: RM32,841,000) will be transferred to an indirect subsidiary's name upon full settlement of the remaining purchase consideration in 2014.

Security
As at 31 March 2012, property, plant and equipment with carrying amounts totalling RM518,580,000 (2011: RM254,246,000) are charged to licensed financial institutions for credit facilities granted to the Group (see Note 17).

Assets under finance lease
As at 31 March 2012, the carrying amount of property, plant and equipment of the Group held under finance lease was RM165,296,000 (2011: RM45,237,000).

Borrowing costs
During the period ended 31 March 2012, interest capitalised as cost of property, plant and equipment amounted to RM4,225,000 (Year ended 31 December 2011: RM23,304,000).

Company No. 901914-V

4. Intangible assets and goodwill on consolidation

	Note	Concession rights RM'000	Land use rights RM'000	Brand names RM'000	Hospital licences RM'000	Customer relationships RM'000	Development costs and other intangibles RM'000	Sub-total RM'000	Goodwill on consolidation RM'000	Total RM'000
Cost										
At 1 January 2011		352,835	172,388	1,261,173	-	141,400	103,909	2,031,705	6,326,333	8,358,038
Additions		-	-	-	-	-	1,516	1,516	-	1,516
Distribution of subsidiaries to Khazanah	31	(352,835)	-	-	-	-	-	(352,835)	(2,559)	(355,394)
Translation differences		-	(12,562)	-	-	-	2,773	(9,789)	165,657	155,868
At 31 December 2011/1 January 2012		-	159,826	1,261,173	-	141,400	108,198	1,670,597	6,489,431	8,160,028
Additions		-	-	-	-	-	1,145	1,145	-	1,145
Acquisition of subsidiaries	31	-	-	810,888	291,145	250,388	74,914	1,427,335	2,041,987	3,469,322
Disposals /write offs		-	-	-	-	-	(24)	(24)	-	(24)
Translation differences		-	(1,050)	6,822	2,456	2,106	(272)	10,062	24,038	34,100
At 31 March 2012		-	158,776	2,078,883	293,601	393,894	183,961	3,109,115	8,555,456	11,664,571
Accumulated amortisation and impairment loss										
At 1 January 2011		245,099	-	-	-	8,295	9,700	263,094	4,920	268,014
Amortisation charge for the year		21,592	-	-	-	24,888	8,509	54,989	-	54,989
Disposal of subsidiaries to Khazanah	31	(266,691)	-	-	-	-	-	(266,691)	(2,559)	(269,250)
Translation differences		-	-	-	-	-	607	607	-	607
At 31 December 2011/1 January 2012		-	-	-	-	33,183	18,816	51,999	2,361	54,360
Amortisation charge for the period		-	-	-	-	10,455	4,195	14,650	-	14,650
Acquisition of subsidiaries	31	-	-	-	-	-	9,848	9,848	-	9,848
Translation differences		-	-	-	-	8	(143)	(135)	6	(129)
At 31 March 2012		-	-	-	-	43,646	32,716	76,362	2,367	78,729
Carrying amounts										
At 1 January 2011		107,736	172,388	1,261,173	-	133,105	94,209	1,768,611	6,321,413	8,090,024
At 31 December 2011/1 January 2012		-	159,826	1,261,173	-	108,217	89,382	1,618,598	6,487,070	8,105,668
At 31 March 2012		-	158,776	2,078,883	293,601	350,248	151,245	3,032,753	8,553,089	11,585,842

4. Intangible assets and goodwill on consolidation (continued)

Impairment test for cash-generating units containing goodwill, brand names and hospital licences

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.

The aggregate carrying amounts of goodwill, brand names and hospital licences allocated to each unit are as follows:

	Goodwill on consolidation		**Brand names**		**Hospital Licences**	
	31.3.2012 RM'000	**31.12.2011 RM'000**	**31.3.2012 RM'000**	**31.12.2011 RM'000**	**31.3.2012 RM'000**	**31.12.2011 RM'000**
Singapore hospital and healthcare services	4,387,035	4,382,049	1,145,173	1,145,173	-	-
Malaysia hospital and healthcare services	2,005,607	1,994,953	116,000	116,000	-	-
Turkey hospital and healthcare services	2,050,379	-	817,710	-	293,601	-
Education	110,068	110,068	-	-	-	-
	8,553,089	6,487,070	2,078,883	1,261,173	293,601	-

For the purpose of impairment testing, the carrying amounts are allocated to the individual entities which are the cash-generating units ("CGU"). Recoverable amount of each CGU 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 financial budgets approved by management covering a five to ten-year period.

The key assumptions for the computation of value-in-use of goodwill, brand names and hospital licences include the following:

- The revenue growth in the 10-year cash flow projection is estimated to be, for hospital and healthcare services, at 10.0% to 27.0% (2011: 10.0% to 28.0%) per annum in the first three years with declining revenue trend in subsequent years from 3.2% to 23.0% per annum (2011: 3.0% to 8.0%), whilst for education CGUs at 10.0% to 12.0% (2011: 3.0% to 11.0%) per annum for the first three years with 3.0% to 11.0% (2011: 3.0%) revenue growth for subsequent years.
- The earnings before interest, tax, depreciation and amortisation ("EBITDA") are assumed at 15.0% to 26.0% (2011: 17.0% to 25.0%) of the revenue for hospital and healthcare services CGUs and 32.0% to 37.0% (2011: 34.0% to 35.0%) of the revenue for education CGU for the projected years and the projections are in line with the business growth of the respective investees.

Company No. 901914-V

4. Intangible assets and goodwill (continued)

- The terminal value was estimated using the perpetuity growth model, with a growth rate to perpetuity of 2.0% to 5.0% (2011: 2.0%) for hospital and healthcare services CGUs and 3.0% (2011: 3.0%) for education CGU per annum applied to steady-state estimated earnings at the end of the projected period.
- Discount rates of approximately 7.5% to 14.0% (2011: 7.5% to 10.0%) which are based on the pre-tax cost of capital plus an appropriate risk premium at the date of assessment of the respective CGUs.
- There will be no other significant changes in the government policies and regulations which will directly affect the investees' businesses. The inflation for the operating expenses is in line with the estimated gross domestic product growth rate for the country based on the past trends.

The values assigned to the key assumptions represent management's assessment of future trends in the healthcare market and are based on both external sources and internal sources (historical data).

Management believes that no reasonably foreseeable changes in any of the above key assumptions would cause the carrying values of these CGUs to materially exceed their recoverable amounts, other than changes in the prevailing operating environment of which the impact is not ascertainable.

5. Interest in associates

	31.3.2012 RM'000	31.12.2011 RM'000
Shares, at cost		
Quoted shares outside Malaysia	727,466	729,199
Unquoted shares in Malaysia	1,300	1,300
Unquoted shares outside Malaysia	2,743	2,833
	731,509	733,332
Share of post-acquisition profits and reserves	150,790	146,895
Amounts due from associates	14,007	14,847
Less: Allowance for impairment loss	(4,328)	(5,118)
	9,679	9,729
Amounts due to associates	(27,740)	(27,683)
	864,238	862,273

Details of the associates are disclosed in Note 33 to the financial statements.

5. Interest in associates (continued)

The amounts due from associates are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Group's net investment in the associates, they are stated at cost less accumulated impairment loss.

The amounts due to the associates include amounts denominated primarily in Singapore dollars which are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a return of equity by associates to the Group, they are stated at cost.

The summarised information of the associates, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	31.3.2012 RM'000	31.12.2011 RM'000
Assets and liabilities		
Total assets	3,617,439	3,573,401
Total liabilities	(1,352,073)	(1,318,369)
Net assets	2,265,366	2,255,032

Results	Three months ended 31.3.2012 RM'000	Year ended 31.12.2011 RM'000
Revenue	63,422	347,508
Profit after tax	43,205	252,766

6. Interest in joint ventures

	31.3.2012 RM'000	31.12.2011 RM'000
Shares, at cost		
Unquoted shares outside Malaysia	63,250	63,173
Share of post-acquisition profits and reserves	(33,754)	(36,163)
Amounts due from joint ventures	18,279	17,010
Less: Allowance for impairment loss	(15,868)	(15,133)
	2,411	1,877
Amounts due to joint ventures	(605)	(878)
	31,302	28,009

The amounts due from joint ventures are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Group's net investment in the joint ventures, they are stated at cost less accumulated impairment loss.

Company No. 901914-V

6. Interest in joint ventures (continued)

The amounts due to the joint ventures are unsecured and interest free, and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a return of equity by joint ventures to the Group, they are stated at cost.

Details of the joint ventures are disclosed in Note 34 to the financial statements.

The summarised information of the joint ventures, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	31.3.2012 RM'000	31.12.2011 RM'000
Assets and liabilities		
Total assets	189,421	190,021
Total liabilities	(130,429)	(135,999)
Net assets	58,992	54,022

Results	Three months ended 31.3.2012 RM'000	Year ended 31.12.2011 RM'000
Revenue	40,204	157,522
Profit after tax	6,817	26,780

7. Other financial assets

	31.3.2012 RM'000	31.12.2011 RM'000
Non-current:		
Available-for-sale financial assets		
Unquoted equity securities, at cost	80	80
Quoted equity securities, at fair value	587,514	525,780
	587,594	525,860
Others		
Club memberships	516	516
Deposit for option to purchase interest in an investment	5,911	6,035
Deposit paid to non-controlling shareholders of a subsidiary	64,221	66,045
	70,648	72,596
Accumulated impairment losses	(66,700)	(68,575)
	3,948	4,021
	591,542	529,881

Company No. 901914-V

7. Other financial assets (continued)

	31.3.2012 RM'000	31.12.2011 RM'000
Current:		
Held-to-maturity investments		
Government debt securities, at amortised cost	26,967	27,066

Non-current investments in available-for-sale unquoted equity securities are stated at cost as their fair values cannot be reliably measured in view that they do not have a quoted market price in an active market, the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reliably assessed.

8. Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the period are as follows:

	At 1 January 2012 RM'000	Acquisition of subsidiaries (Note 31) RM'000	Disposal of subsidiaries to Khazanah (Note 31) RM'000	Recognised in profit or loss RM'000	Translation difference RM'000	At 31 March 2012 RM'000
Deferred tax assets						
Other provisions	6,270	13,735	-	5,238	122	25,365
Unutilised tax losses and unabsorbed capital allowances	913	6,881	-	(179)	60	7,675
Intangible assets	-	2,191	-	3,484	28	5,703
Others	1,997	6,129	-	3,468	90	11,684
	9,180	28,936	-	12,011	300	50,427
Deferred tax liabilities						
Property, plant and equipment	(130,062)	(83,148)	-	(16,776)	(862)	(230,848)
Intangible assets	(285,535)	(261,675)	-	4,941	(2,027)	(544,296)
Interests in associates	(16,826)	-	-	-	23	(16,803)
Receivables	-	(3,932)	-	(1,795)	(42)	(5,769)
Others	1,395	(791)	-	3,125	(6)	3,723
	(431,028)	(349,546)	-	(10,505)	(2,914)	(793,993)

8. Deferred tax assets and liabilities (continued)

	At 1 January 2011 RM'000	Acquisition of subsidiaries (Note 31) RM'000	Disposal of subsidiaries to Khazanah (Note 31) RM'000	Recognised in profit or loss RM'000	Translation difference on consolidation RM'000	At 31 December 2011 RM'000
Deferred tax assets						
Other provisions	2,522	-	-	3,752	(4)	6,270
Unutilised tax losses and unabsorbed capital allowances	12,371	-	-	(11,822)	364	913
Others	730	-	(110)	1,184	193	1,997
	15,623	-	(110)	(6,886)	553	9,180
Deferred tax liabilities						
Property, plant and equipment	(119,017)	-	1,731	(10,437)	(2,339)	(130,062)
Intangible assets	(300,469)	-	6,348	9,098	(512)	(285,535)
Interests in associates	(15,684)	-	-	(1,445)	303	(16,826)
Receivables	(205)	-	-	205	-	-
Others	(8,689)	-	-	10,084	-	1,395
	(444,064)	-	8,079	7,505	(2,548)	(431,028)

8. Deferred tax assets and liabilities (continued)

The amounts determined after appropriate offsetting are as follows:

	31.3.2012 RM'000	**31.12.2011 RM'000**
Deferred tax assets	57,682	24,279
Deferred tax liabilities	(801,248)	(446,127)

Deferred tax assets and liabilities are offset above 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.

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	31.3.2012 RM'000	**31.12.2011 RM'000**
Deductible temporary differences	2,344	2,237
Unutilised tax losses	414,522	67,879
Provisions	14,977	15,084
	431,843	85,200

The unutilised tax losses can be carried forward to offset against future taxable profit for up to five years, other than unutilised tax losses of RM69 million which do not expire under current tax legislations. 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.

9. Assets classified as held for sale

Assets classified as held for sale pertains to land and building with a carrying amount of RM1,463,000 (2011: RM1,463,000), for which management have committed to and commenced a plan to sell.

10. Development property

	31.3.2012 RM'000	31.12.2011 RM'000
Development property, at cost	1,160,548	1,121,195
Borrowing costs capitalised as cost of development property during the period/year	1,294	7,475

Development property represents medical suites for sale under development.

11. Inventories

	31.3.2012 RM'000	31.12.2011 RM'000
Pharmaceuticals, surgical and medical supplies	120,936	78,784

12. Trade and other receivables

	Note	31.3.2012 RM'000	31.12.2011 RM'000
Non-current:			
Deposits and other receivables	14	21,888	-
Prepayments		20,425	-
		42,313	-
Current:			
Trade receivables	13	675,342	465,108
Deposits and other receivables	14	124,261	37,188
Loans and receivables		799,603	502,296
Prepayments		54,591	16,200
		854,194	518,496

Trade receivables as at 31 March 2012 include accrued trade receivables of RM15,256,000 (2011: RM139,819,000). Accrued trade receivables represent the balance of sale proceeds to be billed in respect of the progress of the construction work performed on development properties sold.

13. Trade receivables

	31.3.2012 RM'000	31.12.2011 RM'000
Trade receivables	771,115	537,550
Amounts due from related companies	1,572	1,191
	772,687	538,741
Allowance for impairment loss	(97,345)	(73,633)
	675,342	465,108

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited and the Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The maximum exposure to credit risk for trade receivables at the end of reporting period (by geographical distribution) is:

	31.3.2012 RM'000	31.12.2011 RM'000
Singapore	216,372	287,444
Malaysia	157,271	178,979
Central Eastern Europe, Middle East and North Africa ("CEEMENA")	316,828	-
North Asia	25,503	24,126
South Asia	26,310	27,029
South East Asia	20,458	15,113
Others	9,945	6,050
	772,687	538,741
Allowance for impairment loss	(97,345)	(73,633)
	675,342	465,108

13. Trade receivables (continued)

Impairment losses on trade receivables

The ageing of trade receivables and trade amounts due from related companies at the reporting date is:

	Gross 31.3.2012 RM'000	Impairment 31.3.2012 RM'000	Net 31.3.2012 RM'000	Gross 31.12.2011 RM'000	Impairment 31.12.2011 RM'000	Net 31.12.2011 RM'000
Not past due	447,673	(1,374)	446,299	292,339	(5,188)	287,151
Past due 0 – 30 days	109,812	(280)	109,532	64,492	(2,539)	61,953
Past due 31 – 180 days	120,757	(21,314)	99,443	113,951	(10,982)	102,969
Past due 181 days – 1 year	34,192	(17,741)	16,451	24,468	(13,923)	10,545
Past due more than 1 year	60,253	(56,636)	3,617	43,491	(41,001)	2,490
	772,687	(97,345)	675,342	538,741	(73,633)	465,108

The movements in allowance for impairment loss in respect of trade receivables during the period are as follows:

	31.3.2012 RM'000	31.12.2011 RM'000
At 1 January 2012 / 2011	73,633	76,614
Impairment loss recognised	12,901	16,955
Impairment loss written off	(2,440)	(15,399)
Acquisition of subsidiaries	13,153	-
Disposal of subsidiaries	-	(5,332)
Translation difference	98	795
	97,345	73,633

Company No. 901914-V

13. Trade receivables (continued)

The Group provides for impairment allowance in respect of trade receivables based on historical default rates. Specific impairment allowance is provided on a case-by-case basis depending on the circumstances.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

14. Deposits and other receivables

	31.3.2012 RM'000	31.12.2011 RM'000
Non-current:		
Sundry deposits	10,680	-
Other receivables	11,208	-
	21,888	-
Current:		
Interest receivables	3,272	2,384
Sundry deposits	17,904	12,941
	21,176	15,325
Other receivables	89,594	23,084
Employee advances	14,629	-
Allowance for impairment loss	(1,138)	(1,221)
	103,085	21,863
	124,261	37,188

The maximum exposure to credit risk for other receivables (excluding interest receivables and deposits) at the end of reporting period (by geographical distribution) is:

	31.3.2012 RM'000	31.12.2011 RM'000
Singapore	8,104	7,856
Malaysia	7,383	5,537
CEEMENA	89,460	-
North Asia	6,291	5,455
South Asia	3,526	3,551
South East Asia	472	455
Others	195	230
	115,431	23,084
Allowance for impairment loss	(1,138)	(1,221)
	114,293	21,863

14. Deposits and other receivables (continued)

Impairment losses on other receivables

The ageing of other receivables (excluding interest receivables and deposits) at the reporting date is:

	Gross 31.3.2012 RM'000	Impairment 31.3.2012 RM'000	Net 31.3.2012 RM'000	Gross 31.12.2011 RM'000	Impairment 31.12.2011 RM'000	Net 31.12.2011 RM'000
Not past due	111,912	(2)	111,910	20,344	(2)	20,342
Past due 0 – 30 days	1,677	-	1,677	702	(79)	623
Past due 31 – 180 days	287	-	287	329	-	329
Past due 181 days – 1 year	140	-	140	146	-	146
Past due more than 1 year	1,415	(1,136)	279	1,563	(1,140)	423
	115,431	(1,138)	114,293	23,084	(1,221)	21,863

The movements in allowance for impairment loss in respect of other receivables during the period are as follows:

	31.3.2012 RM'000	31.12.2011 RM'000
At 1 January 2012/2011	1,221	1,076
Impairment loss recognised	-	111
Written off	(79)	-
Translation difference on consolidation	(4)	34
	1,138	1,221

The Group provides for impairment allowance in respect of other receivables based on historical default rates. Specific impairment allowance is provided on a case-by-case basis depending on the circumstances. The allowance account in respect of other receivables is used to record impairment losses.

15. Cash and cash equivalents

	31.3.2012 RM'000	31.12.2011 RM'000
Fixed deposits with financial institutions	1,185,173	895,399
Cash and bank balances	414,385	415,404
	1,599,558	1,310,803
Bank overdrafts	(9,433)	(584)
Fixed deposits pledged	(120,520)	(58,734)
Cash and cash equivalents in combined statement of cash flows	1,469,605	1,251,485

Fixed deposits with financial institutions include deposits pledged to banks and finance companies for credit facilities granted to certain subsidiaries.

16. Equity

Equity and reserves attributable to owners of the company
These mainly consist of share capital, share premium, equity contribution from owner, capital reserves and retained earnings.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Hedge reserve
The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

Non-controlling interests
This consists of the minority shareholders' proportion of equity and reserves of partially owned subsidiaries.

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. When the options are exercised, the amount from the share option reserve is transferred to share capital and the excess value above the par value of the ordinary shares issued is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

17. Bank borrowings and derivatives

	31.3.2012 RM'000	31.12.2011 RM'000
Non-current:		
Secured bank borrowings	4,998,031	3,674,505
Secured finance lease liabilities	168,206	26,268
Unsecured bank borrowings	2,195,327	1,290,491
	7,361,564	4,991,264
Current:		
Secured bank borrowings	218,405	32,961
Secured finance lease liabilities	49,642	13,539
	268,047	46,500
Secured bank overdrafts	9,433	584
	277,480	47,084
Total bank borrowings	7,639,044	5,038,348

(a) An amount of SGD1,498.7 million, equivalent to RM3,656.5 million (2011: SGD1,498.7 million, equivalent to RM3,651.3 million) representing a 3-year term loan obtained in 2010 with repayments due by August 2013 and bears an interest rate at Singapore Swap Offer rate plus 1.25%. The loan is secured over the Group's present and future shareholdings in subsidiaries, namely Parkway Holdings Limited and Pantai Irama Ventures Sdn. Bhd. (collectively known as 'the Shares Charged'), RM and SGD designated accounts opened to deposits all dividends and any other net sales proceeds from the Shares Charged, and corporate guarantee from the Company;

(b) The remaining secured bank borrowings of RM1,569.3 million (2011: RM57.0 million) representing term loan, revolving credit and bank overdraft facilities granted to the subsidiaries are secured by:
   (i) first fixed charge over certain freehold and leasehold land of the Group;
   (ii) fixed and floating charge over assets and receivables of certain subsidiaries of the Group;
   (iii) charge over certain fixed deposits of the Group;
   (iv) corporate guarantee by subsidiaries for facilities granted to the Group;
   (v) charge over shares investment in subsidiaries; and
   (vi) corporate guarantee by the Company

(c) An amount of SGD520.0 million, equivalent to RM1,268.8 million (2011: SGD529.7 million equivalent to RM1,290.5 million) representing a 5-year term loan obtained in 2010 with repayments by 2015 and bears interest at rates ranging from 1.27% to 1.44% (2011: 1.16% to 1.87%) per annum. This loan is unsecured.

17. Bank borrowings and derivatives (continued)

Finance lease liabilities

The Group has obligations under finance leases that are repayable as follows:

	Payments RM'000	Interest RM'000	Principal RM'000
31.3.2012			
Within 1 year	59,390	9,748	49,642
After 1 year but within 5 years	166,197	18,024	148,173
After 5 years	21,694	1,661	20,033
	247,281	29,433	217,848
31.12.2011			
Within 1 year	14,263	724	13,539
After 1 year but within 5 years	21,085	585	20,500
After 5 years	5,769	1	5,768
	41,117	1,310	39,807

The Group has finance lease and hire purchase contracts for various items of property, plant and equipment. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

Derivative assets

	31.3.2012 RM'000	31.12.2011 RM'000
Foreign exchange forward contracts		
- Current	3,007	-

The Group enters into foreign exchange forward contracts to hedge against exchange rate fluctuations. These foreign exchange forward contracts mature following the maturity of the related loans.

Derivative liabilities

	31.3.2012 RM'000	31.12.2011 RM'000
Interest rate swaps		
- Current	6,369	1,252

The Group enters into interest rate swaps to hedge against interest rate fluctuations. These interest rate swaps mature following the maturity of the related loans.

18. Employee benefits

	31.3.2012 RM'000	31.12.2011 RM'000
Non-current:		
Retirement benefits	11,725	11,572
Performance incentive scheme	-	3,732
Long term incentive scheme (cash-settled)	319	240
Employee termination indemnity	7,041	-
	19,085	15,544
Current:		
Performance incentive scheme	4,348	19,083
Provision for unconsumed leave	8,840	11,020
Provision for defined contribution plan	7,301	11,550
Long term incentive scheme (cash-settled)	376	282
	20,865	41,935

Performance incentive scheme

Prior to November 2010, the Group's subsidiary, Parkway Holdings Limited (PHL), has a Performance Share Plan in which eligible employees of PHL and its subsidiaries will be awarded with fully paid-up ordinary shares of PHL upon the expiry of the vesting period when certain prescribed performance targets are met. Following the privatisation of PHL in November 2010, the terms of the Performance Share Plan were modified whereby eligible employees will be awarded with cash and this apply to the remaining tranches of performance shares granted in 2008, 2009 and 2010 that will vest over the next few years upon achievement of the prescribed performance targets set.

18. Employee benefits (continued)

Provision for unconsumed leave

The balances represent the cash value amount of the unconsumed leave balance entitled to the employees at the end of the reporting period.

Long Term Incentive Scheme - cash

The Long Term Incentive Plan ("LTIP") of the Company was approved and adopted by its Board on 25 March 2011 with the aim to make total employee remuneration sufficiently competitive to recruit, reward, retain and motivate outstanding employees.

The balance relate to the cash benefits that Group had to pay out in the next few years to eligible personnel who are offered LTIP units but have elected to opt out of the scheme and receive cash instead of share options.

Share based payment scheme

On 25 March 2011, the Group established the Long Term Incentive Plan ("LTIP") and Equity Participation Plan ("EPP") schemes respectively, to grant share options to eligible personnel.

The LTIP units granted in each year will vest in the participants over a three-year period, in equal proportions each year. All LTIP units that have been granted and vested must be surrendered to the Company for allotment of new shares of the Company on the basis of one new share for each LTIP unit. The LTIP shall be in force for a period of ten (10) years from 25 March 2011.

The EPP options granted in each year will vest in the participants over a four (4) year period, with two-thirds of the options to be vested in equal proportions on a yearly basis on each anniversary of the date of grant over such four (4) year period and the remainder one-third to be vested in equal proportions on the same basis upon the Group meeting the performance target for each grant, as determined by the Board at its own discretion on a yearly basis. The exercise price as at the initial grant of the EPP option shall be RM2.00 only, which shall be increased by 10% over each subsequent 12 months period based on compound annual growth rate. The EPP shall be in force for a period of sixty (60) months from date of listing of the Company's shares on stock exchange.

During the period ended 31 March 2012, no EPP options and LTIP units were granted. The movement in the number of ordinary shares outstanding under the respective schemes as at 31 March 2012 and the details of the schemes are as follows:

Company No. 901914-V

18. Employee benefits (continued)

Equity Participation Plan ("EPP")

Date of grant	Number of options outstanding at 1.1.2012	Reclassification	Number of options granted during the period	Number of options lapsed/ cancelled during the period	Number of options exercised during the period	Number of options outstanding at 31.3.2012	Number of holders at 31.3.2012
Key management personnel							
31 March 2011	37,500,000	37,500,000	-	-	-	75,000,000	2
27 July 2011	4,000,000	-	-	-	-	4,000,000	1
	41,500,000	37,500,000	-	-	-	79,000,000	3
Other eligible employees							
31 March 2011	37,500,000	(37,500,000)	-	-	-	-	-
1 June 2011	55,500,000	-	-	-	-	55,500,000	14
27 July 2011	6,000,000	-	-	-	-	6,000,000	3
1 September 2011	7,500,000	-	-	-	-	7,500,000	2
1 December 2011	1,000,000	-	-	-	-	1,000,000	1
	107,500,000	(37,500,000)	-	-	-	70,000,000	20
Total							
31 March 2011	75,000,000	-	-	-	-	75,000,000	2
1 June 2011	55,500,000	-	-	-	-	55,500,000	14
27 July 2011	10,000,000	-	-	-	-	10,000,000	4
1 September 2011	7,500,000	-	-	-	-	7,500,000	2
1 December 2011	1,000,000	-	-	-	-	1,000,000	1
	149,000,000	-	-	-	-	149,000,000	23

As at 31 March 2012, no options are exercisable.

Company No. 901914-V

18. Employee benefits (continued)

Long Term Incentive Plan ("LTIP")

Date of grant	Number of options outstanding at 1.1.2012	Reclassification	Number of options granted during the period	Number of options lapsed/ cancelled during the period	Number of options exercised during the period	Number of options outstanding at 31.3.2012	Number of holders at 31.3.2012
Key management personnel							
21 April 2011	2,697,000	2,413,000	-	-	-	5,110,000	2
1 September 2011	27,000	-	-	-	-	27,000	1
	2,724,000	2,413,000	-	-	-	5,137,000	3
Other eligible employees							
21 April 2011	8,554,000	(2,413,000)	-	(346,000)	-	5,795,000	53
30 June 2011	439,376	-	-	(22,355)	-	417,021	19
1 August 2011	104,795	-	-	-	-	104,795	1
1 September 2011	76,134	-	-	-	-	76,134	5
	9,174,305	(2,413,000)	-	(368,355)	-	6,392,950	78
Total							
21 April 2011	11,251,000	-	-	(346,000)	-	10,905,000	55
30 June 2011	439,376	-	-	(22,355)	-	417,021	19
1 August 2011	104,795	-	-	-	-	104,795	1
1 September 2011	103,134	-	-	-	-	103,134	6
	11,898,305	-	-	(368,355)	-	11,529,950	81

As at 31 March 2012, no options are exercisable.

Company No. 901914-V

18. Employee benefits (continued)

The fair value of services received in return for the share options granted is determined based on:

- LTIP: Market value approach on a minority, non-marketable basis, and
- EPP: Binomial lattice mode,

taking into account the terms and conditions under which the options were granted. The inputs to the model used for the options granted are shown below:

Fair value of share options and assumptions

	EPP	**LTIP**
Fair value at grant date	RM0.0791 to RM0.1110	RM1.73 to RM1.75
Enterprise value to EBITDA multiple		
- Singapore hospital operations	n/a	16.6x – 17.4x
- Malaysia hospital operations	n/a	9.3x – 10.1x
Weighted average cost of capital	n/a	10% – 11%
Share price at grant date	RM1.73 to RM1.75	n/a
Expected volatility (average volatility)	20.0% to 25.0%	n/a
Option life (expected average life)	5 years	n/a
Expected dividends yield	3.0%	n/a
Risk free rate	3.50% to 3.65%	n/a

n/a – not applicable

Value of employee services received for issue of share options

	Three months ended	
	31.3.2012	**31.3.2011**
	RM'000	**RM'000** (Unaudited)
Total expense recognised as share based payments	4,949	-

Company No. 901914-V

18. Employee benefits (continued)

Retirement benefits

Certain subsidiaries of the Group have defined benefits plans that provide pension benefits for employee upon retirement. The plans entitle a retired employee to receive one lump sum payment upon retirement. At the end of the reporting period, the present value of the unfunded obligations are:

	31.3.2012 RM'000	31.12.2011 RM'000
Non-current		
Present value of unfunded obligations	11,725	11,572
Movements in the liability for defined benefits obligations		
At 1 January 2012/ 2011	11,572	11,392
Expenses recognised in the profit or loss as staff costs	389	1,394
Benefits paid	(236)	(633)
Disposal of subsidiaries	-	(581)
At 31 March 2012/ 31 December 2011	11,725	11,572
Current service costs	325	842
Interest on obligation	218	549
Transition amount	(154)	3
	389	1,394

Actuarial assumptions

Principal actuarial assumptions at the end of reporting period (expressed as weighted averages):

	31.3.2012 %	31.12.2011 %
Discount rate	6.2-7.0	6.2-7.0
Future salary increases	5.0-5.2	5.0-5.2

Company No. 901914-V

19. Trade and other payables

	Note	31.3.2012 RM'000	31.12.2011 RM'000
Non-current:			
Trade payables		8,472	-
Other payables		60,144	8,580
		68,616	8,580
Fees in advance		8,465	-
		77,081	8,580
Current:			
Trade payables		508,242	381,934
Accruals		468,995	377,621
Other payables		360,358	84,772
Deposits and advances		20,472	17,223
Interest payable		26,433	5,024
Amounts due to holding company and related companies (trade)	20	560	24,363
Amounts due to holding company and related companies (non-trade)	20	24	24,768
		1,385,084	915,705
Progress billings		708,046	621,067
Fees in advance		75,367	39,386
		2,168,497	1,576,158

Progress billings are amounts billed for work performed on the sale of development property.

As at 31 March 2012, current other payables includes approximately RM51,172,000 contingent consideration payable in relation to the acquisition of Acibadem Holdings Group (see Note 31).

In 2011, amount due to holding company of RM4,625,393,000 was capitalised for issuance of shares of the Company, of which RM3,303,393,000 (unaudited) was capitalised during the three month period ended 31 March 2011.

20. Amounts due to holding company and related companies

The amounts due to holding company and related companies are unsecured, interest free and are repayable on demand.

Company No. 901914-V

21. Revenue

Revenue of the Group, after eliminating inter-company transactions, is as follows:

	Three months ended	
	31.3.2012	**31.3.2011**
	RM'000	**RM'000**
		(Unaudited)
Hospital and healthcare services income	1,212,108	797,174
Education services income	44,567	43,670
Rental income	12,360	12,540
Management and acquisition fees	7,157	6,543
	1,276,192	859,927

22. Profit before income tax

The following income/(expense) items have been included in arriving at profit before tax:

	Three months ended	
	31.3.2012	**31.3.2011**
	RM'000	**RM'000**
		(Unaudited)
Staff costs		
Wages and salaries	(435,347)	(248,692)
Contribution to defined contribution plans	(20,048)	(18,198)
Share-based payments		
- Employee participation plan	(1,882)	-
- Others	(3,067)	-
	(460,344)	(266,890)
Finance income		
Interest received and receivable from		
Banks and financial institutions	9,735	4,013
Others	98	120
Exchange gain relating to bank borrowings	41,766	-
Fair value gain on financial instruments	3,811	6,099
	55,410	10,232
Finance costs		
Interest paid and payable to		
Banks and financial institutions	(35,988)	(25,863)
Others	(169)	(21)
Other finance costs	(7,715)	(2,754)
Fair value loss on financial instruments	(3,532)	-
	(47,404)	(28,638)

Company No. 901914-V

22. Profit before income tax (continued)

	Three months ended 31.3.2012 RM'000	31.3.2011 RM'000 (Unaudited)
Other exchange (loss) / gain	(3,762)	33,815
Fair value loss on contingent consideration payable	(10,772)	-
Write off of property, plant and equipment	(135)	-
Write off of intangible assets	(17)	-
(Loss) / gain on disposal of property, plant and equipment	(246)	427
Professional and consultancy fees for:		
- Internal restructuring	-	(1,944)
- Acquisitions (included in other operating expenses)	(6,264)	-

23. Income tax expense

	Three months ended 31.3.2012 RM'000	31.3.2011 RM'000 (Unaudited)
Current tax expense		
Current year	43,435	27,779
Under / (over) provided in prior years	274	(416)
	43,709	27,363
Deferred tax expense		
Origination and reversal of temporary differences	(2,306)	(1,808)
Underprovided in prior years	800	1,182
	(1,506)	(626)
	42,203	26,737
Reconciliation of effective tax rate		
Profit before income tax	194,504	132,282
Less:		
Share of profits of associates (net of tax)	(14,472)	(12,160)
Share of profits of joint ventures (net of tax)	(3,407)	(2,742)
	176,625	117,380
Tax at Malaysia tax rate of 25%	44,156	29,345
Effect of different tax rates in other countries	(14,602)	(9,233)
Income not subject to tax	(1,488)	(13,978)
Expenses not deductible for tax purpose	15,334	19,837
Deferred tax assets not recognised on unutilised tax losses	229	-
Utilisation of previously unrecognised deferred tax assets	(2,500)	-
Underprovided in prior years	1,074	766
	42,203	26,737

Company No. 901914-V

24. Earnings per share

	Three months ended	
	31.3.2012	**31.3.2011**
	RM'000	**RM'000**
		(Unaudited)
Basic and diluted earnings per share are based on:		
Net profit attributable to ordinary shareholders	123,839	101,875

Basic earnings per share

	31.3.2012	**31.3.2011**
	'000	**'000**
		(Unaudited)
Number of ordinary shares of IHH at 31 March 2012 and 31 December 2011 assumed to be in issue throughout the entire period/year presented	6,195,442	5,500,000
	Sen	**Sen**
Basic earnings per share	2.00	1.85

Diluted earnings per share

	31.3.2012	**31.3.2011**
	'000	**'000**
		(Unaudited)
Number of ordinary shares of IHH at 31 March 2012 and 31 December 2011 assumed to be in issue throughout the entire period /year presented	6,195,442	5,500,000
Effect of share options in issue under Long Term Incentive Plan (LTIP)	8,900	-
Effect of share options in issue under Equity Participation Plan (EPP)	17,157	-
Number of ordinary shares used in the calculation of diluted earnings per share	6,221,499	5,500,000
	Sen	**Sen**
Diluted earnings per share	1.99	1.85

25. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services in different locations, and are managed separately. For each of the strategic business units, the Group's Board of Directors reviews internal management reports on at least a quarterly basis.

The Group's reportable segments comprise:

- *Parkway Pantai*: Hospital operator and healthcare service provider in Asia.
- *Acibadem Holdings:* Hospital operator and healthcare service provider in CEEMENA.
- *IMU*: Education service provider in Malaysia.
- *Others*: Includes the corporate office.

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 and amortisation, exchange differences and other non-operational items ("EBITDA").

Inter-segment pricing is determined on arm's length 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.

Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Company No. 901914-V

25. Operating segments (continued)

	Parkway Pantai RM'000	Acibadem Holdings RM'000	IMU RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses						
For the three months ended 31 March 2012						
Revenue from external customers	845,534	388,154	42,504	-	-	1,276,192
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	845,534	388,154	42,504	-	-	1,276,192
EBITDA	188,112	81,521	17,256	(8,057)	-	278,832
Depreciation and impairment loss on property, plant and equipment						(74,367)
Amortisation on intangible assets						(14,650)
Other exchange gain						(3,762)
Finance income						55,410
Finance costs						(47,404)
Share of profits of associates (net of tax)						14,472
Share of profits of joint ventures (net of tax)						3,407
Write off of property, plant and equipment						(135)
Write off of intangible assets						(17)
Gain on disposal of property, plant and equipment						(246)
Fair value loss on contingent consideration payable						(10,772)
Professional and consultancy fees incurred for acquisitions						(6,264)
Profit before income tax						194,504
Income tax expense						(42,203)
Profit for the period						152,301

Company No. 901914-V

25. Operating segments (continued)

Unaudited	Parkway Pantai RM'000	IMU RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue and expenses (continued)					
For the three months ended 31 March 2011					
Revenue from external customers	818,532	41,395	-	-	859,927
Inter-segment revenue	-	-	-	-	-
Total segment revenue	818,532	41,395	-	-	859,927
EBITDA	155,581	18,897	(2,731)	-	171,747
Depreciation on property, plant and equipment					(38,348)
Amortisation on intangible assets					(29,911)
Other exchange gain					33,815
Finance income					10,232
Finance costs					(28,638)
Share of profits of associates (net of tax)					12,160
Share of profits of joint ventures (net of tax)					2,742
Gain on disposal of property, plant and equipment					427
Professional and consultancy fees incurred for internal restructuring					(1,944)
Profit before income tax					132,282
Income tax expense					(26,737)
Profit for the period					105,545

25. Operating segments (continued)

	Parkway Pantai RM'000	Acibadem Holdings RM'000	IMU RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities						
31 March 2012						
Segment assets	15,177,049	5,710,952	357,122	1,401,372	(285,381)	22,361,114
Interests in associates						864,238
Interests in joint ventures						31,302
Total assets						23,256,654
Segment liabilities	7,117,157	3,622,298	114,408	312,079	(285,381)	10,880,561
Total liabilities						10,880,561
31 December 2011						
Segment assets	15,040,732	-	328,255	1,099,571	(3,748)	16,464,810
Interests in associates						862,273
Interests in joint ventures						28,009
Total assets						17,355,092
Segment liabilities	7,095,853	-	88,307	66,235	(3,748)	7,246,647
Total liabilities						7,246,647

Company No. 901914-V

25. Operating segments (continued)

	Singapore RM'000	Malaysia RM'000	CEEMENA RM'000	China RM'000	Other regions RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Geographical segments								
For three months ended 31 March 2012								
Total revenue from external customers	524,749	303,115	388,154	41,057	19,117	-	-	1,276,192
Non-current assets^	9,058,989	3,272,796	4,864,045	217,941	277,293	185,748	-	17,876,812
Capital expenditure*	155,514	34,439	38,258	981	17,606	112	-	246,910
Unaudited								
For three months ended 31 March 2011								
Total revenue from external customers	458,521	351,057	-	33,417	16,932	-	-	859,927
Capital expenditure*	71,103	19,552	-	275	9,859	152	-	100,941

^: Non-current assets consist of property, plant and equipment, intangible assets and goodwill.
*: Capital expenditure consists of additions to property, plant and equipment, and intangible assets other than goodwill.

Company No. 901914-V

26. Financial instruments

(i) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:
(a) Loans and receivables (L&R);
(b) Available-for-sale financial assets (AFS);
(c) Held-to-maturity investments (HTM);
(d) Fair value through profit or loss (FVTPL); and
(e) Other financial liabilities measured at amortised cost (OL).

Financial assets	Carrying amount RM'000	L&R RM'000	AFS RM'000	HTM RM'000	FVTPL RM'000
31 March 2012					
Other financial assets	618,509	3,948	587,594	26,967	-
Derivative assets	3,007	-	-	-	3,007
Trade and other receivables	821,491	821,491	-	-	-
Cash and cash equivalents	1,599,558	1,599,558	-	-	-
	3,042,565	2,424,997	587,594	26,967	3,007
31 December 2011					
Other financial assets	556,947	4,021	525,860	27,066	-
Trade and other receivables	502,296	502,296	-	-	-
Cash and cash equivalents	1,310,803	1,310,803	-	-	-
	2,370,046	1,817,120	525,860	27,066	-

Financial liabilities	Carrying amount RM'000	OL RM'000	FVTPL RM'000
31 March 2012			
Trade and other payables	1,453,700	1,402,528	51,172
Employee benefits	39,950	39,950	-
Bank borrowings	7,629,611	7,629,611	-
Bank overdrafts	9,433	9,433	-
Derivative liabilities	6,369	-	6,369
	9,139,063	9,081,522	57,541
31 December 2011			
Trade and other payables	924,285	924,285	-
Employee benefits	57,479	57,479	-
Bank borrowings	5,037,764	5,037,764	-
Bank overdrafts	584	584	-
Derivative liabilities	1,252	-	1,252
	6,021,364	6,020,112	1,252

26. Financial instruments (continued)

(i) Categories of financial instruments (continued)

Net gains and losses arising from financial instruments:

	Three months ended	
	31.3.2012	**31.3.2011**
	RM'000	**RM'000**
		(Unaudited)
Available-for-sale financial assets		
- recognised in other comprehensive income	76,294	-
Loans and receivables		
- interest income	9,833	4,133
- net impairment loss	(12,626)	(5,027)
Financial liabilities measured at amortised cost	(43,872)	(28,638)
Financial liability measured at FVTPL	(10,772)	-
Derivative instruments	279	6,099
	19,136	(23,433)

(ii) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(iii) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

Risk management objectives, policies and processes for managing the risk

Management 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. For the hospital operations, the Group does not grant credit to non-corporate customers. Instead, a non-corporate customer is requested to place an initial deposit at the time of admission to the hospital. Additional deposit is requested from the customer when the hospital charges exceed a certain level.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

26. Financial instruments (continued)

(iii) Credit risk (continued)

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the end of the reporting period, the Group's largest outstanding trade receivables due from a single customer amounts to RM45,236,000 (2011: RM36,520,000). No allowance for impairment loss has been provided in respect of this receivable.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group trade and other receivables by country is disclosed in Notes 13 and 14 respectively.

Impairment losses

Trade and other receivables and amounts due from related companies that are neither past due nor impaired are credit worthy with good payment record with the Group. Cash and fixed deposits are placed with reputable financial institutions which are regulated.

Similarly, the Group only enters into investments and transactions involving financial instruments with counterparties who have sound credit ratings. As such, except for the impairment loss recognised as disclosed in Note 13 and 14 of the financial statements, management does not expect any counterparty to fail to meet their obligations.

Information regarding the ageing and allowance of impairment of trade receivables and other receivables and amounts due from holding company and related companies are disclosed in Notes 13 and 14 respectively.

26. Financial instruments (continued)

(iv) 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, loans and borrowings.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand 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.

26. Financial instruments (continued)

(iv) Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Interest rate	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year but within 5 years RM'000	After 5 years RM'000
31 March 2012						
Non-derivative financial liabilities						
Bank borrowings	7,421,196	1.25%-15.25%	7,853,324	481,046	7,259,764	112,514
Finance lease liabilities	217,848	0.00%-19.09%	247,282	59,390	166,197	21,695
Trade and other payables	1,453,700		1,453,700	1,385,084	68,616	-
	9,092,744		9,554,306	1,925,520	7,494,577	134,209
Derivative financial liabilities						
Interest rate swaps (net settled)	6,369		9,231	5,830	3,401	-
31 December 2011						
Non-derivative financial liabilities						
Bank borrowings	4,998,541	1.16%-8.00%	5,212,226	212,350	4,999,876	-
Finance lease liabilities	39,807	2.32%-3.75%	41,117	14,263	21,085	5,769
Trade and other payables	924,285		924,285	915,705	8,580	-
	5,962,633		6,177,628	1,142,318	5,029,541	5,769
Derivative financial liabilities						
Interest rate swaps (net settled)	1,252		1,252	1,252	-	-

26. Financial instruments (continued)

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity price risk will affect the Group's financial position or cash flows.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables that are denominated in a currency other than the respective financial currencies of Group entities. The currencies giving rise to this risk are primarily the Turkish Lira, Swiss Franc, Euro, Malaysian Ringgit, Singapore Dollars and United States Dollar.

Risk management objectives, policies and processes for managing the risk

In respect of exposure that is certain, the Group will partially hedge these risks in order to keep them at an acceptable level. The group uses forward foreign exchange contracts to hedge its foreign currency risk. At the end of the reporting period, there were no outstanding forward foreign exchange contracts.

26. Financial instruments (continued)

(v) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Turkish Lira RM'000	Swiss Franc RM'000	Euro RM'000	Malaysia Ringgit RM'000	Singapore Dollar RM'000	US Dollar RM'000	Others* RM'000
31 March 2012							
Trade and other receivables and intra-group receivables	208,009	-	490	1,168,244	14,159	6,849	11,859
Deposits paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	64,221	-
Derivative assets	-	-	-	-	-	3,007	-
Cash and cash equivalents	-	4	1,736	108	525,308	181,919	313
Loans and borrowings	-	(96,407)	(75,245)	-	-	(1,443,788)	-
Trade and other payables and intra-group payables	-	-	(15,589)	(24,942)	(280,653)	(103,117)	(12,079)
	208,009	(96,403)	(88,608)	1,143,410	258,814	(1,290,909)	93
31 December 2011							
Trade and other receivables and intra-group receivables	-	-	-	1,184,206	597	2,274	8,090
Deposits paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	66,045	-
Cash and cash equivalents	-	-	-	-	553,387	13,129	394
Trade and other payables and intra-group payables	-	-	-	(2,259)	(1,945)	(1,334)	(11,904)
	-	-	-	1,181,947	552,039	80,114	(3,420)

*: Others include mainly Hong Kong Dollar, Indian Rupee, Australian Dollar, British Pound, Chinese Renmibi, Philippine Pesos, Macedonian Denar and Thai Baht.

Company No. 901914-V

26. Financial instruments (continued)

(v) Market risk (continued)

(a) Foreign currency risk (continued)

Sensitivity analysis

A 10% (2011: 10%) strengthening of the respective functional currencies of the Group entities against the following currencies at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	31.3.2012 RM'000	31.12.2011 RM'000
Turkish Lira	(20,801)	-
Swiss Franc	9,641	-
Euro	8,860	-
Malaysia Ringgit	(114,341)	(118,195)
Singapore Dollar	(25,881)	(55,204)
US dollar	129,091	(8,011)
Others*	(9)	341
	(13,440)	(181,069)

*: Others include mainly Hong Kong Dollar, Indian Rupee, Australian Dollar, British Pound, Chinese Renmibi, Philippine Pesos, Macedonian Denar and Thai Baht.

A 10% (2011: 10%) weakening of the respective functional currencies of the Group entities against the following currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(b) Interest rate risk

This relates to changes in interest rates which affect mainly the Group's fixed deposits and its debt obligations with banks and financial institutions. The Group's fixed-rate financial assets and borrowings are exposed to a risk of change in their fair value due to changes in interest rates while the variable-rate financial assets 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.

26. Financial instruments (continued)

(v) Market risk (continued)

(b) Interest rate risk (continued)

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 have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy.

	31.3.2012		31.12.2011	
	Nominal value	Fair/ book value	Nominal value	Fair/ book value
	RM'000	RM'000	RM'000	RM'000
Interest rate swaps	210,598	6,369	604,082	1,252

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	31.3.2012 RM'000	31.12.2011 RM'000
Fixed rate instruments		
- Fixed deposits with financial institutions	1,185,173	895,399
- Finance lease liabilities	(217,848)	(39,807)
- Bank borrowings	(171,331)	-
Variable rate instruments		
- Bank borrowings including bank overdrafts	(7,249,865)	(4,998,541)
- Derivative liabilities	(6,369)	(1,252)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

26. Financial instruments (continued)

(v) Market risk (continued)

(b) Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) 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 have increased (decreased) assets, post-tax profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Assets*		**Profit or loss**	
	100 bp increase RM'000	**100 bp decrease RM'000**	**100 bp increase RM'000**	**100 bp decrease RM'000**
31 March 2012				
Variable rate instruments	3,172	(3,172)	(14,953)	14,953
Interest rate swaps	-	-	526	(428)
	3,172	(3,172)	(14,427)	14,525
31 December 2011				
Variable rate instruments	13,043	(13,043)	(37,100)	37,100
Interest rate swaps	-	-	6,046	(6,046)
	13,043	(13,043)	(31,054)	31,054

*: Relates to interest capitalised in construction-in-progress and development properties.

(c) Equity price risk

Equity price risk mainly arises from the Group's investment in quoted equity securities classified as available-for-sale financial assets.

The equity investments are held for long term strategic purposes. Their performance is assessed periodically together with assessment of their relevance to the Group's long term strategic plans.

At 31 March 2012, it is estimated that an increase/decrease of 10% in the market price of the quoted securities, with all other variables held constant, would have increased/decreased the group's equity by RM58,751,000 (2011: RM52,578,000).

26. Financial instruments (continued)

(vi) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

Quoted investments

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

Derivatives

The fair value of interest rate swaps is based on broker quotes. Those 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 measurement date.

The aggregate net fair values of recognised financial assets and liabilities which are not carried at fair value in the statement of financial position as at 31 March / December are represented in the following table:

	Carrying amount RM'000	Fair value RM'000
31 March 2012		
Government debt securities	26,967	26,938
Finance lease liabilities	(32,912)	(31,073)
	(5,945)	(4,135)
31 December 2011		
Government debt securities	27,066	27,068
Finance lease liabilities	(22,320)	(20,299)
	4,746	6,769

26. Financial instruments (continued)

(vi) Fair value of financial instruments (continued)

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Government debt securities

The fair values of government debt securities are determined by reference to their quoted closing bid price at the end of the reporting period.

Non-derivatives interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets/(liabilities)				
31 March 2012				
Quoted equity securities	587,514	-	-	587,514
Derivatives assets	-	3,007	-	3,007
Derivatives liabilities	-	(6,369)	-	(6,369)
Contingent consideration payable	-	(51,172)	-	(51,172)
31 December 2011				
Quoted equity securities	525,780	-	-	525,780
Derivatives liabilities	-	(1,252)	-	(1,252)

27. 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 Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

	31.3.2012 RM'000	31.12.2011 RM'000
Total borrowings	7,639,044	5,038,348
Less: Cash and cash equivalents	(1,599,558)	(1,310,803)
	6,039,486	3,727,545
Total equity	12,376,093	10,108,445
Debt-to-equity ratio	0.49	0.37

There were no changes in the Group's approach to capital management during the financial year.

As at 31 March 2012 and 31 December 2011, the Group has two Murabaha facilities, comprising a Murabaha term facility of SGD500 million and a Murabaha revolving credit facility of SGD250 million due for repayment in 2015, under which the net debt to tangible net worth ratio of its wholly owned subsidiary, Parkway Holdings Limited, cannot exceed 1.5:1.

As at 31 March 2012, the Group has a USD200 million term loan due for repayment in January 2018, under which the shareholders equity of its subsidiary, Acibadem Saglik Hizmetleri ve Ticaret A.S. ("ASH") cannot be less than 8.0% of ASH Group total assets. In addition the ASH Group's debt service ratio cannot lower than 1.3 times and ASH Group's net debt to EBITDA ratio must not exceed 3.0 times.

28. Capital and other commitments

	31.3.2012 RM'000	31.12.2011 RM'000
Capital commitments not provided for in the financial statements:		
Property, plant and equipment		
Amounts authorised and contracted for	579,067	523,971
Amounts authorised but not contracted for	762,451	542,443
	1,341,518	1,066,414

28. Capital and other commitments (continued)

	31.3.2012 RM'000	31.12.2011 RM'000
Non-cancellable operating lease payable:		
Within 1 year	254,923	515,572
After 1 year but within 5 years	875,386	731,241
After 5 years	1,149,299	738,484
	2,279,608	1,985,297
Non-cancellable operating lease receivable:		
Within 1 year	33,607	31,304
After 1 year but within 5 years	44,742	30,841
After 5 years	-	-
	78,349	62,145

29. Contingencies

(a) Land premium

Based on agreement between the Federal Government of Malaysia and the Group in 1994 for the use of Ministry of Health ("MOH") facilities, the agreement allows the Group to construct buildings in connection with the use of facilities for the training of students. The land is yet to be leased to the Group since the propose lease is yet to be executed as it requires the consent of the Cabinet of Malaysia.

On 17 November 2011, the Group received a letter from Pesuruhjaya Tanah Persekutuan (Federal Land Commissioner) who granted the lease to the Group. However, the Group is unable to ascertain the amount of the lease premium as the lease amount payable is yet to be determined as at the date of these financial statements.

(b) In April 2008, a litigation claim was brought by one of the previous shareholders of Pantai Fomema & Systems Sdn. Bhd. (formerly known as Anjur Dinamik Sdn. Bhd. "ADSB") against Pantai Support Services Sdn. Bhd. (PSS) (then wholly-owned by Pantai Holding Berhad (PHB)) and PHB. The suit has alleged that one of the vendors of ADSB had acted as an agent to PHB in respect of the negotiations and sale of ADSB (ADSB owned 75% of the issued and paid up capital of Fomema Sdn. Bhd.) shares to PSS and PHB. PSS and PHB without making any disclosure entered into collateral arrangements with the said agent who was allegedly promised varying kinds of benefits for efforts in assisting the injection of the Fomema Concession into the Pantai Group. It is alleged that this amounted to breach of duty of care and fiduciary duty on the part of PSS and PHB. Having consulted the legal counsel and based on their written opinion, no provision in the financial statements has been made at this stage as it was noted the evidence so far did not support such alleged collateral allegations.

30. Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. 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. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its holding companies, related companies, subsidiaries and associates, directors and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group are as follows:

	Three months ended	
	31.3.2012	**31.3.2011**
	RM'000	**RM'000**
		(Unaudited)
Transactions with ultimate holding company and its subsidiaries, associates and joint ventures		
Sales and provision of services	16,800	20,382
Purchases and consumption of services	(7,166)	(7,343)
Finance cost	(3,457)	(891)
Purchase of quoted available-for-sale financial assets	-	(353,759)
Transactions with associates		
Rental expenses	(34,179)	(32,459)
Management and acquisition fees earned	5,969	4,783
Key management personnel and its associates		
Remuneration and other benefits	(4,846)	(2,280)
Share-based payment	2,400	-
Sales and provision of services	47,559	-
Professional and consultancy fees	(21,637)	-

Subsidiaries of the Group have obtained bank loans from one of the associates of the holding company. The outstanding bank loans amounted to RM928.1 million (2011: Nil).

30. Related parties (continued)

The Company has placed demand deposits and fixed deposits with one of the associates of the holding company amounted to RM714.5 million (2011: RM569 million) as at 31 March 2012.

Significant related party balances related to the above transactions are disclosed in Note 5, 6, 13 and 19. As at 31 March 2012, amount due from and amount due to key management personnel and their associates amounted to RM31.4 million (2011: RM3.0 million) and RM23.8 million (2011: Nil) respectively.

31. Acquisitions and disposals

Acquisition of subsidiaries

(a) On 23 December 2011, Integrated Healthcare Turkey Yatirimlari Limited, a subsidiary of the Group, entered into a sale and purchase agreement ("SPA") to acquire 60% equity interest in Acibadem Saglik Yatirimlari Holdings A.S. ("ASYH") and its subsidiaries for a total consideration of approximately USD825,716,000. The purchase consideration is to be satisfied by cash payment of USD275,239,000 and issuance of the Company's shares of a total value of approximately USD550,477,000. The acquisition of ASYH was completed on 24 January 2012.

Pursuant to the sale and purchase agreement, the purchase consideration is subject to further adjustments based on the equity value of the Company and ASYH upon the completion of the audit of the Company and ASYH for the year ended 31 December 2011. As at 31 March 2012, the purchase consideration adjustments have been finalised and approximately USD12,290,000 that will be refunded to the Group has been recognised as other receivable.

The purchase consideration is also subject to further adjustments if the Turkish Lira ("TL") has appreciated in value against the US Dollar on 31 December 2012, as compared to the exchange rate used in the SPA, subject to a cap of TL1.65/USD1, then the Group shall pay the differential sum.

(b) On 31 January 2012, Pantai Group Resources Sdn. Bhd., a subsidiary of the Group entered into share sale agreement to acquire 100% equity interest in Twin Towers Healthcare Sdn. Bhd. ("TTHSB") in three phases: 70% equity interest of TTHSB in Phase 1 and 15% equity interest of TTHSB each in Phase 2 and Phase 3. As at 31 March 2012, Phase 1 has been completed and Phase 2 and 3 were not completed. The total cash consideration for the 70% equity interest in TTHSB amounting to RM10,214,000.

Company No. 901914-V

31. Acquisitions and disposals (continued)

Acquisition of subsidiaries (continued)

The fair value of the purchase consideration is set out below:

	RM'000
Cash payments	872,950
Contingent consideration payable	40,400
Issue of shares	1,488,247
Refund receivable	(37,314)
	2,364,283

The effects of the acquisitions are set out below:

	Note	**Recognised values RM'000**
Property, plant and equipment	3	1,376,200
Intangible assets	4	1,417,487
Other receivables		30,973
Deferred tax assets	8	28,936
Inventories		40,896
Trade and other receivables		324,487
Tax recoverable		9,761
Derivative assets		4,194
Cash and cash equivalents		30,018
Bank borrowings (non-current)		(1,489,253)
Trade and other payables (non-current)		(85,066)
Deferred tax liabilities	8	(349,546)
Bank borrowings		(248,585)
Trade and other payables		(361,980)
Tax payable		(3,400)
Derivative liabilities		(6,598)
Fair value of net assets acquired		718,524
Non-controlling interests, based on their proportionate interest in the recognised values of the net assets		(396,228)
Goodwill on acquisition	4	2,041,987
Total purchase consideration		2,364,283
Purchase consideration settled through issue of shares		(1,488,247)
Cash consideration paid to be refunded due to purchase consideration adjustments		37,314
Less: Contingent consideration payable		(40,400)
Less: Cash and cash equivalents acquired		(30,018)
Net cash outflow		842,932

31. Acquisitions and disposals (continued)

Acquisition of non-controlling interests

(a) In February 2012, the Group acquired additional 2.4% of Twin Towers Medical Centres KLCC Sdn. Bhd., a subsidiary of TTHSB for a cash consideration of RM 256,000, increasing its equity interest from 97.6% to 100%.

(b) In March 2012, the Group acquired additional effective equity interest of 0.14% of Acibadem Saglik Hizmetleri ve Ticaret A.S. ("Acibadem Saglik") for RM11,008,000 through the mandatory tender offer for the balance 8% of the publicly traded shares of Acibadem Saglik. As a result, the Group's effective equity interest in Acibadem Saglik increased from 51.7% to 51.8% as at 31 March 2012.

Disposal and dilution of interest in subsidiary

In February 2012, the Group disposed of its 4.64% equity interest in a wholly owned subsidiary, Integrated Healthcare Hastaneler Turkey Sdn. Bhd. ("IHHTSB") to Symphony Healthcare Holdings Limited ("Symphony") for a consideration of RM109.4 million.

IHHTSB also issued new shares to Symphony for a cash consideration of RM43.0 million. As a result, the Group's effective equity interest in IHHTSB diluted from 95.36% to 93.65%.

Company No. 901914-V

32. Subsidiaries

Details of subsidiaries are as follows:

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Direct subsidiaries				
IMU Health Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
Integrated Healthcare Holdings Limited	Federal Territory of Labuan Malaysia	Investment holding	100	100
Integrated Healthcare Holdings (Bharat) Limited	Mauritius	Investment holding	100	100
Integrated Healthcare Holdings (Cayman Islands) Limited	Cayman Islands	Dormant	100	100
Integrated Healthcare Turkey Yatirimlari Limited	Federal Territory of Labuan Malaysia	Investment holding	100	100
Integrated Healthcare Capital Sdn. Bhd.	Malaysia	Investment holding	100	100
Indirect subsidiaries				
Directly held by IMU Health Sdn. Bhd.:				
IMU Education Sdn. Bhd.	Malaysia	Management of educational institutions and other centres of learning	100	100
IMU Healthcare Sdn. Bhd.	Malaysia	Dormant	100	100
Directly held by Integrated Healthcare Holdings Limited:				
Parkway Pantai Limited	Singapore	Investment holding	100	100
Directly held by Integrated Healthcare Holdings (Bharat) Limited:				
Integrated (Mauritius) Healthcare Holdings Limited	Mauritius	Investment holding	100	100
Directly or indirectly held by Integrated Healthcare Turkey Yatirimlari Limited:				
Integrated Healthcare Hastaneler Turkey Sdn. Bhd.	Malaysia	Investment holding	93.7	100
Acibadem Saglik Yatirimlari Holdings A.Ş.	Turkey	Investment holding	56.2	–
Almond Holding A.Ş.	Turkey	Investment holding	56.2	–
APlus Hastane Otelcilik Hizmetleri A.Ş.	Turkey	Provision of catering, laundry and cleaning services for hospitals	56.2	–
Acıbadem Proje Yönetimi A.Ş.	Turkey	Supervise and manage the construction of healthcare facilities	56.2	–

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Integrated Healthcare Turkey Yatirimlari Limited (continued):				
Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş.	Turkey	Provision of medical, surgical and hospital services	51.8	–
Acıbadem Poliklinikleri A.Ş.	Turkey	Provision of outpatient and surgical (in certain clinics only) services	51.8	–
Acıbadem Mobil Sağlık Hizmetleri A.Ş.	Turkey	Provision of emergency, home and ambulatory care services	51.8	–
Acıbadem Labmed Sağlık Hizmetleri A.Ş.	Turkey	Provision of lab services	25.9	–
International Hospital A.Ş.	Turkey	Provision of medical, surgical and hospital services	46.6	–
Yeni Saglik Hizmetleri ve Ticaret A.S.	Turkey	Provision of medical, surgical and hospital services	51.8	–
PZU Clinical Hospital Acıbadem Sistina Skopje	Macedonia	Provision of medical, surgical and hospital services	26.1	–
Acıbadem Sistina Medikal Kompani Doo Skopje	Macedonia	Provision of medical equipment	25.9	–
Konur Sağlık Hizmetleri A.Ş.	Turkey	Provision of outpatient and surgical services	47.9	–
Gemtip Özel Sağlık Hizmetleri Sanayi ve Ticaret Ltd. Şti.	Turkey	Provision of outpatient services	27.8	–
Specialist Ordination in Occupational Medicine Sistina Skopje	Macedonia	Provision of specialist medical services	25.9	–
Clinical Hospital Acıbadem Sistina Skopje	Kosovo	Provision of patient administrative assistance	26.1	–
Directly or indirectly held by Parkway Pantai Limited:				
Pantai Irama Ventures Sdn. Bhd.	Malaysia	Investment holding	100	100
Parkway HK Holdings Limited [1]	Hong Kong	Investment holding	100	100
Parkway Holdings Limited	Singapore	Investment holding	100	100

Company No. 901914-V

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd. :				
Pantai Holdings Berhad	Malaysia	Investment holding	100	100
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	Provision of administration support, training, research and development services	100	100
Pantai Diagnostics Indonesia Sdn. Bhd.	Malaysia	Investment holding	100	100
Gleneagles (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100	100
GEH Management Services (M) Sdn. Bhd.	Malaysia	Provision of advisory, administrative, management and consultancy services to healthcare facilities	100	100
Credit Enterprise Sdn. Bhd.	Malaysia	Dormant	100	100
P.T. Pantai Healthcare Consulting	Indonesia	Provision of healthcare consulting services in Indonesia	100	100
Pantai Premier Pathology Sdn. Bhd.	Malaysia	Provision of medical laboratory services	100	100
Pantai Education Sdn. Bhd.	Malaysia	Provision of educational programs and training courses for healthcare and related fields	100	100
Pantai Integrated Rehab Services Sdn. Bhd.	Malaysia	Provision of rehabilitation services	85	85
Mount Elizabeth Health Care Services Sdn. Bhd.	Malaysia	Provision of laboratory services to hospitals and clinics	100	100
Twin Towers Healthcare Sdn. Bhd.	Malaysia	Holding company and provision of management services to its subsidiary	70	–

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd. (continued) :				
Twin Towers Medical Centres KLCC Sdn. Bhd.	Malaysia	Operation of an outpatient and daycare medical centre	70	–
Pantai Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Cheras Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Pantai Klang Specialist Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Syarikat Tunas Pantai Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	80.7	80.7
Paloh Medical Centre Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	77.8	77.8
Hospital Pantai Ayer Keroh Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Hospital Pantai Indah Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Pantai Hospital Sungai Petani Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Pantai Screening Services Sdn. Bhd.	Malaysia	Manager and administrator for health screening services	100	100
Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd.	Malaysia	Provision of medical, surgical and hospital services	100	100
Pantai Hospital Manjung Sdn. Bhd.	Malaysia	Dormant	100	100
Pantai Hospital Johor Sdn. Bhd.	Malaysia	Dormant	100	100
Kuala Lumpur Medical Centre (Asia Pacific) Sdn. Bhd.	Malaysia	Dormant	51	51

Company No. 901914-V

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Pantai Irama Ventures Sdn. Bhd. (continued):				
P.T. Pantai Bethany Care International	Indonesia	Provision of medical diagnostics laboratory testing and analytical services	65	65
Angiography Sdn. Bhd.	Malaysia	Provision of cardiac catherisation services	100	100
Magnetom Imaging Sdn. Bhd.	Malaysia	Provision of medical diagnostic services and other related ventures	100	100
PMC Radio-Surgery Sdn. Bhd.	Malaysia	Provision of radiotherapy services	100	100
Pantai-ARC Dialysis Services Sdn. Bhd.	Malaysia	Provision of haemodialysis services	51	51
HPAK Lithotripsy Services Sdn. Bhd.	Malaysia	Provision of lithotripter services	100	100
HPAK Cancer Centre Sdn. Bhd.	Malaysia	Provision of services for cancer diseases	100	100
Oncology Centre (KL) Sdn. Bhd.	Malaysia	Provision of comprehensive professional oncological services	100	100
Oriofolio Options Sdn. Bhd.	Malaysia	Letting of property and general holding	100	100
Pulau Pinang Clinic Sdn. Bhd.	Malaysia	Rendering of hospital services	70	70
Directly held by Parkway HK Holdings Limited:				
Parkway Healthcare (Hong Kong) Limited	Hong Kong	Provision of medical and healthcare outpatient services	95	95
Directly or indirectly held by Parkway Holdings Limited:				
M & P Investments Pte. Ltd.	Singapore	Investment holding	100	100
Parkway Hospitals Singapore Pte. Ltd.	Singapore	Private hospitals ownership and management	100	100
Parkway Trust Management Limited	Singapore	Provision of management services to Parkway Life REIT	100	100
Parkway Investments Pte. Ltd.	Singapore	Investment holding	100	100
Parkway Novena Holdings Pte. Ltd.	Singapore	Dormant	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Parkway Holdings Limited (continued):				
Parkway Novena Pte. Ltd.	Singapore	Hospital construction and development	100	100
Parkway Irrawaddy Pte. Ltd.	Singapore	Medical centre construction and development	100	100
Parkway Group Healthcare Pte. Ltd.	Singapore	Investment holding and provision of management and consultancy services	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
Shenton Insurance Pte. Ltd.	Singapore	Underwrite of accident and healthcare insurance policies	100	100
Gleneagles JPMC Sdn. Bhd.	Brunei Darussalam	Management and operation of a cardiac and cardiothoracic care centre	75	75
Gleneagles Management Services Pte. Ltd.	Singapore	Provision of advisory, administrative, management and consultancy services to healthcare facilities	100	100
Parkway Promotions Pte. Ltd.	Singapore	Promoters and organisers of healthcare events	100	100
MENA Services Pte. Ltd.	Singapore	Nursing agency	100	100
Parkway-Healthcare (Mauritius) Ltd.	Mauritius	Investment holding	100	100
Swiss Zone Sdn. Bhd.	Malaysia	Dormant	100	100
Shanghai Gleneagles International Medical and Surgical Centre	People's Republic of China	Provision of medical and healthcare services	70	70
Khubchandani Hospitals Private Limited [(1)]	India	Private hospital ownership	50	50

Company No. 901914-V

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Parkway Holdings Limited (continued):				
Parkway Education Pte. Ltd.	Singapore	Dormant	100	100
Parkway Healthtech Investments Pte. Ltd.	Singapore	Investment holding	100	100
Goldlink Investments Pte. Ltd.	Singapore	Dormant	100	100
Drayson Investments Pte. Ltd.	Singapore	Dormant	100	100
Medi-Rad Associates Ltd.	Singapore	Operation of radiology clinics	100	100
Parkway Laboratory Services Ltd.	Singapore	Provision of comprehensive diagnostic laboratory services	100	100
Radiology Consultants Pte. Ltd.	Singapore	Radiology consultancy and interpretative services	100	100
Mount Elizabeth Healthcare Holdings Ltd.	Singapore	Dormant	100	100
Mount Elizabeth Medical Holdings Ltd.	Singapore	Investment holding	100	100
East Shore Medical Holdings Pte. Ltd.	Singapore	Dormant	100	100
Mount Elizabeth Ophthalmic Investments Pte. Ltd.	Singapore	Dormant	66.5	66.5
Gleneagles CRC Pte. Ltd.	Singapore	Operation of a clinical research centre	51	51
Gleneagles CRC (Thailand) Company Limited	Thailand	Conduct global and local clinical trials	51	51
Gleneagles CRC (China) Pte. Ltd.	People's Republic of China	Conduct global and local clinical trials	51	51
Gleneagles Clinical Research International Pte. Ltd.	Singapore	Operation of a clinical research centre	51	51
Gleneagles CRC Pty. Ltd.	Australia	Conduct global and local clinical trials	51	51
Gleneagles International Pte. Ltd.	Singapore	Investment holding	100	100
Gleneagles Medical Centre Ltd.	Singapore	Dormant	100	100
Gleneagles Pharmacy Pte. Ltd.	Singapore	Dormant	100	100

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Parkway Holdings Limited (continued):				
Gleneagles Development Pte. Ltd.	Singapore	Developing and managing turnkey hospital projects and investment holding	100	100
Gleneagles Technologies Services Pte. Ltd.	Singapore	Provision of consultancy services, perform equipment planning, procurement, testing and commissioning, and manage a healthcare facility	100	100
Gleneagles Hospital (UK) Limited	United Kingdom	Investment holding	65	65
The Heart Hospital Limited	United Kingdom	Under company voluntary arrangement	65	65
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
Nippon Medical Care Pte. Ltd.	Singapore	Operation of clinics	70	70
Parkway Shenton International Holdings Pte. Ltd.	Singapore	Investment holding	100	100
Shenton Family Medical Clinics Pte. Ltd.	Singapore	Provision and establishment of and carrying on the business of clinics	100	100
Parkway Shenton Vietnam Limited	Vietnam	Dormant	100	100
Medical Resources International Pte. Ltd.	Singapore	Investment holding	100	100
Shanghai Rui Xin Healthcare Co. Ltd. (f.k.a Shanghai Rui Xin International Healthcare Co. Ltd.)	People's Republic of China	Provision of medical and healthcare outpatient services	70	70
Shanghai Rui Hong Clinic Co. Ltd.	People's Republic of China	Provision of medical and healthcare outpatient services	70	70

32. Subsidiaries (continued)

Name of subsidiary	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	Effective equity interest held 31.12.2011 %
Directly or indirectly held by Parkway Holdings Limited (continued):				
Shanghai Xin Rui Healthcare Co. Ltd. (f.k.a Shanghai Xin Rui International Healthcare Co. Ltd.)	People's Republic of China	Provision of medical and healthcare outpatient services	70	70
Shanghai Gleneagles Hospital Management Co. Ltd.	People's Republic of China	Provision of management and consultancy services to healthcare facilities	100	100
Shanghai Rui Pu Clinic Co. Ltd. (f.k.a Shanghai Rui Pu Outpatient Department Co. Ltd.)	People's Republic of China	Provision of medical and healthcare outpatient services	79	79
Shanghai Rui Xiang Clinic Co. Ltd. (f.k.a. Shanghai Rui Xiang Outpatient Department Co. Ltd.)	People's Republic of China	Provision of medical and healthcare outpatient services	70	70
Parkway (Shanghai) Hospital Management Co. Ltd.	People's Republic of China	Provision of management and consultancy services to healthcare facilities	100	100
Shanghai Shu Kang Hospital Investment Management Co. Ltd. (2)	People's Republic of China	Management of healthcare industry investment and provision of consulting services	100	100
Chengdu Rui Rong Clinic Co. Ltd.	People's Republic of China	Provision of medical and healthcare outpatient services	100	100

(1) Notwithstanding that the equity interest is not more than 50%, the Company has accounted for Khubchandani Hospitals Private Limited as a subsidiary in accordance with MFRS 27 Consolidated and Separate Financial Statements, on the basis that the Company, by virtue of the existence of currently exercisable potential voting rights, has the ability to control the financing and operating decisions of the subsidiary.

(2) Arising from power of attorney in respect of voting rights and call options granted to Parkway (Shanghai) Hospital Management Ltd. to acquire 100% equity interest in Shanghai Shu Kang Hospital Investment Management Co. Ltd.

33. Associates

Details of associates are as follows:

Name of associate	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Parkway Holdings Limited:				
PT Tritunggal Sentra Utama Surabaya	Indonesia	Provision of medical diagnostic services	30	30
Kyami Pty. Ltd.	Australia	Investment holding	30	30
Royalmist Properties Pty. Ltd.	Australia	Property investment and development	30	30
Parkway Life Real Estate Investment Trust	Singapore	Real estate investment trust	35.8	35.8
Asia Renal Care Mount Elizabeth Pte. Ltd.	Singapore	Specialised medical services (including day surgical centres)	20	20
Asia Renal Care (Katong) Pte. Ltd.	Singapore	Specialised medical services (including day surgical centres)	20	20
Positron Tracers Pte. Ltd.	Singapore	Ownership and operation of cyclotron for production of radioactive tracers	33	33
Directly or indirectly held by Parkway Irama Ventures Sdn Bhd:				
Gleneagles Medical Centre (Kuala Lumpur) Sdn. Bhd.	Malaysia	Development and investment in medical centres	30	30

Company No. 901914-V

34. Joint ventures

Details of joint ventures are as follows:

Name of joint venture	Place of incorporation and business	Principal activities	Effective equity interest held 31.3.2012 %	31.12.2011 %
Directly or indirectly held by Parkway Holdings Limited:				
Apollo Gleneagles Hospital Ltd.	India	Private hospital ownership and management	50	50
Apollo Gleneagles PET-CT Limited	India	Operation of a PET-CT radio imaging centre	50	50
Hale Medical Clinic (Concourse) Pte. Ltd.	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Ang Mo Kio)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Bedok Reservoir)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Bukit Gombak)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Clementi)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Duxton)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Jurong East)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Serangoon)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Tampines)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Yishun)	Singapore	Operation of clinic	50	50
Shenton Family Medical Clinic (Towner)	Singapore	Operation of clinic	50	50

35. Events subsequent to the end of the reporting period

(a) On 27 April 2012, Pantai Diagnostics Indonesia Sdn. Bhd. ("PDISB"), a subsidiary of the Group executed a Conditional Sale and Purchase Agreement to dispose of its existing 65% equity interest in PT Pantai Bethany Care International ("PTPBCI") to Aswin Tanuseputra, a party affiliated to the other 35% shareholder of PTPBCI, for a consideration of USD200,000. The disposal is pending completion.

(b) On 9 April 2012, Almond Holding A.S. ("Almond"), a subsidiary of the Group completed the mandatory tender offer for the balance 8% of the publicly traded shares of Acibadem Saglik Hizmetleri ve Ticaret A.S. ("Acibadem Saglik") ("MTO"). Upon the completion of the MTO, Almond increased its equity interest in Acibadem Saglik from 92.0% to 97.3%.

APPENDIX P:
PRO FORMA FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011 AND THE THREE MONTHS ENDED 31 MARCH 2012

The Board of Directors
IHH Healthcare Berhad
(formerly known as Integrated Healthcare Holdings Berhad)
Suite 17-01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

1 June 2012

Dear Sirs,

IHH Healthcare Berhad
(formerly known as Integrated Healthcare Holdings Berhad)
Independent auditors' letter on the pro forma financial information

We report on the pro forma financial information of IHH Healthcare Berhad ("IHH" or "the Company") (formerly known as Integrated Healthcare Holdings Berhad) and its subsidiaries (collectively defined as "IHH Group"), as set out in the attachment (which we have stamped for the purpose of identification), for inclusion in the prospectus in connection with the listing and quotation of the entire issued and paid-up share capital of IHH on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Main Board of the Singapore Exchange Securities Trading Limited and should not be relied upon for any other purposes.

The pro forma financial information consists of the following:

(a) Pro forma Income Statements for the financial years ended 31 December 2009, 2010 and 2011 and the three-month periods ended 31 March 2011 and 2012.

(b) Pro forma Statements of Financial Position as at 31 December 2011 and 31 March 2012.

(c) Pro forma Statements of Cash Flows for the financial year ended 31 December 2011 and the three-month period ended 31 March 2012.

The above pro forma financial information, together with the notes and assumptions thereto, for which the directors are solely responsible, has been compiled for illustrative purposes only on the basis of assumptions, after making certain adjustments, as set out in the attachment and to provide information on what:

(a) the financial results of IHH Group for the three (3) financial years ended 31 December 2009, 2010 and 2011 and the three-month periods ended 31 March 2011 and 2012 would have been if the acquisitions of:

   - Parkway Holdings Limited ("Parkway"), Pantai Irama Ventures Sdn. Bhd. ("Pantai Irama") and IMU Health Sdn. Bhd. ("IMU Health") and their subsidiaries, together with the acquisitions and disposals of subsidiaries and associates by these entities (collectively known as "Parkway Pantai Acquisition and Disposals"); and
   - Acibadem Saglik Yatirimlari Holdings A.S. ("Acibadem Holding") and its subsidiaries (collectively known as "Acibadem Holding Acquisition"),

   had occurred on 1 January 2009 or date of establishment of the entities acquired, whichever is later;

(b) the financial position of IHH Group as at 31 December 2011 and 31 March 2012 would have been if the Acibadem Holding Acquisition had been in place on 31 December 2011 and 31 March 2012 respectively and, adjusted for the Initial Public Offering ("Public Issue") and utilisation of the listing proceeds which is assumed to complete on 31 December 2011 and 31 March 2012, respectively ("the "Relevant Dates"); and

(c) the cash flows of IHH Group for the financial year ended 31 December 2011 and the three-month period ended 31 March 2012 would have been if the Acibadem Holding Acquisition had occurred on 1 January 2011, and adjusted for the Public Issue and utilisation of the listing proceeds on the Relevant Dates presented.

The purpose of the pro forma financial information is solely for illustrating the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

Directors' Responsibilities

It is the responsibility solely of the Board of Directors of the Company to prepare the pro forma financial information in accordance with the requirements of Part XIII "Offers of Investments" of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 ("SFR"), and the listing requirements of the Singapore Exchange Securities Trading Limited ("Requirements").

Independent Auditors' Responsibilities

Our responsibility is to express an opinion as required by the Requirements, as to the proper compilation of the pro forma financial information. In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue. We have not performed an audit or review of the financial information used in compiling the pro forma financial information.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards and practices generally accepted in the United States of America or other jurisdictions, other than in Singapore, and accordingly, should not be relied upon as if they had been carried upon in accordance with those standards.

Basis of Opinion

We conducted our work in accordance with International Standard on Assurance Engagements 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including the adjustments to the Company's accounting policies, nor of the pro forma assumptions stated in the notes to the pro forma financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the Company's management. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company and consolidated subsidiaries.

Opinion

In our opinion,

- the pro forma financial information has been properly prepared in accordance with the basis stated in Note 4 of the attachment using financial statements prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and in a manner consistent with both the format of the financial statements and the accounting policies of the Company and, where appropriate, of its subsidiaries and the basis of consolidation as described in Note 4 of the attachment; and

- each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purpose of preparing the pro forma financial information.

Other Matters

The pro forma financial information has been prepared for inclusion in the prospectus in connection with the Initial Public Offering of the Company, including the listing of its shares on the Main Market of Bursa Securities and the Main Board of the Singapore Exchange Securities Trading Limited and should not be relied upon for any other purposes.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants

LEE YEE KENG
Chartered Accountant

IHH Healthcare Berhad and its subsidiaries
(formerly known as Integrated Healthcare Holdings Berhad)
Pro forma Income Statements
Years Ended 31 December 2009, 2010, 2011 and three month period ended 31 March 2011 and 2012

	Years ended 31 December			Three-month period ended 31 March	
	2009 RM'000	2010 RM'000	2011 RM'000	2011 RM'000	2012 RM'000
Revenue	3,946,250	4,506,735	5,190,764	1,273,647	1,476,374
Other operating income	102,121	70,590	176,885	56,495	21,484
Inventories and consumables	(720,469)	(809,322)	(1,025,237)	(234,478)	(282,966)
Purchased and contracted services	(509,214)	(558,620)	(580,358)	(128,827)	(146,358)
Depreciation and impairment losses on property, plant and equipment	(374,982)	(370,272)	(369,297)	(90,924)	(89,996)
Amortisation and impairment losses on intangible assets	(80,181)	(84,068)	(72,268)	(18,707)	(17,820)
Staff costs	(1,511,717)	(1,725,308)	(1,988,251)	(492,941)	(545,287)
Operating lease expenses	(211,567)	(230,559)	(258,252)	(59,769)	(65,706)
Operating expenses	(430,738)	(435,795)	(421,539)	(98,645)	(139,357)
Finance income	37,254	37,685	58,339	16,069	122,804
Finance costs	(404,122)	(344,176)	(584,827)	(65,162)	(76,866)
Gain on remeasurement of investment previously accounted for as associates and joint ventures	530,120	-	-	-	-
Share of profits of associates (net of tax)	57,562	52,196	79,937	12,160	14,472
Share of profits of joint ventures (net of tax)	3,725	8,776	13,909	2,742	3,407
Profit before income tax	434,042	117,862	219,805	171,660	274,185
Income tax expense	(6,797)	(76,407)	(87,760)	(37,473)	(57,751)
Profit for the year/period	427,245	41,455	132,045	134,187	216,434
Profit attributable to:					
Owners of the Company	463,547	78,717	245,655	118,121	164,504
Non-controlling interests	(36,302)	(37,262)	(113,610)	16,066	51,930
Profit for the year/period	427,245	41,455	132,045	134,187	216,434
Number of shares ('000)					
- Basic	8,053,294	8,053,294	8,053,294	8,053,294	8,053,294
- Diluted	8,057,080	8,057,080	8,057,080	8,057,080	8,057,080
Earnings per share to owners of the Company (sen)					
- Basic	5.76	0.98	3.05	1.47	2.04
- Diluted	5.75	0.98	3.05	1.47	2.04
Profit before tax margin (%)	11.0%	2.6%	4.2%	13.5%	18.6%
Profit after tax margin (%)	10.8%	0.9%	2.5%	10.5%	14.7%

IHH Healthcare Berhad and its subsidiaries
(formerly known as Integrated Healthcare Holdings Berhad)
Pro forma Statements of Financial Position
As at 31 December 2011 and 31 March 2012

	Note	As at 31 December 2011 RM'000	As at 31 March 2012 RM'000
Non-current assets			
Property, plant and equipment		6,044,178	6,300,609
Intangible assets		2,992,066	3,038,754
Goodwill on consolidation		8,562,159	8,499,464
Interest in associates		862,273	864,238
Interest in joint venture		28,009	31,302
Other financial assets		568,494	591,542
Other receivables		-	42,313
Deferred tax assets		70,709	57,682
		19,127,888	19,425,904
Current assets			
Assets classified as held for sale		1,463	1,463
Development property		1,121,195	1,160,548
Inventories		117,909	120,936
Trade and other receivables		814,160	854,194
Tax recoverable		29,879	26,092
Other financial assets		39,637	26,967
Derivative assets		-	3,007
Cash and cash equivalents		1,768,218	1,660,336
		3,892,461	3,853,543
Total assets		23,020,349	23,279,447
Equity attributable to owners of the Company			
Share capital	8	8,053,294	8,053,294
Share premium	9	7,975,665	7,975,665
Reserves		275,604	415,673
		16,304,563	16,444,632
Non-controlling interests		592,068	614,138
Total equity		16,896,631	17,058,770

IHH Healthcare Berhad and its subsidiaries
(formerly known as Integrated Healthcare Holdings Berhad)
Pro forma Statements of Financial Position
As at 31 December 2011 and 31 March 2012
(continued)

	As at 31 December 2011 RM'000	As at 31 March 2012 RM'000
Non-current liabilities		
Bank borrowings	2,797,276	2,698,802
Employee benefits	21,112	19,085
Other payables	91,716	77,081
Deferred tax liabilities	784,757	804,126
	3,694,861	3,599,094
Current liabilities		
Bank overdrafts	584	9,433
Trade and other payables	2,019,207	2,168,497
Bank borrowings	246,019	268,047
Derivative liabilities	1,252	6,369
Employee benefits	41,935	20,865
Tax payable	119,860	148,372
	2,428,857	2,621,583
Total liabilities	6,123,718	6,220,677
Total equity and liabilities	23,020,349	23,279,447
Number of shares ('000)		
- Basic	8,053,294	8,053,294
Net tangible asset per share (RM)		
- Basic	0.59	0.61
Net asset per share (RM)		
- Basic	2.02	2.04

The above pro forma statements of financial position has also taken into consideration the effect of the Public Issue and utilisation of proceeds as further illustrated in Note 6 below.

IHH Healthcare Berhad and its subsidiaries
(formerly known as Integrated Healthcare Holdings Berhad)
Pro forma Statements of Cash Flows
Year Ended 31 December 2011 and three-month period ended 31 March 2012

	Year ended 31 December 2011 RM'000	Three-month period ended 31 March 2012 RM'000
Cash flows from operating activities		
Profit before tax	162,257	305,633
Adjustments for:		
Exchange differences	(42,169)	(107,741)
Dividend income	(2,883)	-
Finance income	(58,459)	(55,601)
Finance costs	599,519	62,950
Depreciation and impairment losses on property, plant and equipment	369,962	90,804
Amortisation and impairment losses on intangible assets	93,860	17,643
Gain on disposal of property, plant and equipment	(211)	(64)
Write off of property, plant and equipment	19,445	135
Allowance made for impairment loss on trade and other receivables	22,101	11,709
Allowance made for impairment loss on amounts due from associates	2,959	-
Impairment loss on other financial assets	2,372	-
Fair value loss on contingent consideration payable	-	10,772
Equity settled share-based payment transactions	15,074	4,949
Write off of intangibles	-	17
Share of profits of associates	(79,937)	(14,472)
Share of profits of joint ventures	(13,909)	(3,407)
Operating profit before changes in working capital	1,089,981	323,327
Changes in working capital:		
Development property	(181,359)	(36,205)
Inventories	(9,085)	(4,169)
Trade and other receivables	(180,920)	(41,335)
Trade and other payables	757,476	67,159
Intercompany balances	-	(14,303)
Cash generated from operations	1,476,093	294,474
Income taxes paid	(120,061)	(19,368)
Net cash generated from operating activities	1,356,032	275,106
Cash flows from investing activities		
Dividend received	55,512	13,529
Interest received	17,682	10,023
Acquisition of subsidiaries, net of cash acquired	(840,606)	(10,298)
Net cash outflow from disposal of subsidiaries	(136,797)	-

IHH Healthcare Berhad and its subsidiaries
(formerly known as Integrated Healthcare Holdings Berhad)
Pro forma Statements of Cash Flows
Year Ended 31 December 2011 and three month period ended 31 March 2012 (continued)

	Year ended 31 December 2011 RM'000	**Three-month period ended 31 March 2012 RM'000**
Cash flows from investing activities (continued)		
Acquisition of additional interest in joint venture	(139)	-
Proceeds from disposal of property, plant and equipment	28,856	5,859
Proceeds from sale of assets held for sale	8,006	-
Purchase of property, plant and equipment	(873,868)	(241,366)
Payment for development cost of intangible assets	(10,693)	(1,145)
Purchase of quoted investments	(503,139)	-
Net repayment by associates	4,944	(7)
Net advances to joint ventures	(17,093)	(797)
Net cash used in investing activities	(2,267,335)	(224,202)
Cash flows from financing activities		
Proceeds from issuance of shares	7,265,935	5,130,000
Proceeds from bank loans	1,295,765	162,884
Repayment of bank loans	(6,897,914)	(4,811,431)
Proceeds from finance lease obligations	3,789	-
Advances from/ (Repayment to) ultimate holding company and related companies	485,284	(24,781)
Advances from non-controlling shareholder of a subsidiary	5,807	-
Acquisition of non-controlling interests	(304,839)	(255)
Additional payment for prior year acquisition of non-controlling interests	(15,361)	-
Interest paid	(278,310)	(44,822)
Dividend paid to non-controlling interests	(3,017)	-
Dividends paid	(2,131)	-
Acceptance fees for share options	370	-
Listing expenses paid	(187,596)	(187,596)
Change in pledged deposits	(43,506)	(19,547)
Net cash generated from financing activities	1,324,276	204,452
Net increase in cash and cash equivalents	412,973	255,356
Cash and cash equivalents at 1 January	1,158,109	1,256,900
Effect of exchange rate fluctuations on cash held	68,339	(22,852)
Cash and cash equivalents at 31 December/31 March	1,639,421	1,489,404

The above pro forma statements of cash flows has also taken into consideration the effect of the Public Issue and utilisation of proceeds as further illustrated in Note 7 below.

1. INTRODUCTION

The Pro Forma Financial Information should be read in conjunction with the historical combined financial statements of IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Berhad) (the "Company" or "IHH") and its subsidiaries (the "Group") for the years ended 31 December 2009, 2010 and 2011 and the interim combined financial statements of the Group for the three-month period ended 31 March 2011 and 2012, respectively, which are set out in Appendix M and Appendix O, respectively, of the Prospectus. The Pro forma Financial Information has been prepared for inclusion in the prospectus of IHH Healthcare Berhad in connection with the public offering of ordinary shares of the Company.

The Company is a limited liability company incorporated and domiciled in Malaysia. The address of the principal place of business and registered office of the Company is Suite 17-01, Level 17, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.

The principal activities of the Company and its subsidiaries are those of a holding company, operation of hospitals, the provision of healthcare services and management of educational institutions and other centres of learning.

The immediate, intermediate and ultimate holding companies of the Company are Pulau Memutik Ventures Sdn. Bhd. ("Pulau Memutik"), Khazanah Nasional Berhad ("Khazanah") and Ministry of Finance (Incorporated) ("MOF") respectively. Pulau Memutik and Khazanah are companies incorporated and domiciled in Malaysia, and MOF is a body corporate which was incorporated under the Ministry of Finance (Incorporation) Act 1967.

2. GROUP ACQUISITIONS AND DISPOSALS

The Group implemented various internal restructuring of its group entities and acquisition or disposals of investment in subsidiaries or associates over the past three financial years ended 31 December 2009, 2010 and 2011, and the three months ended 31 March 2012.

In arriving at the Pro forma Financial Information, it was assumed that the following 2 key events occurred as described in Notes 2.1 to 2.2.

2.1 Internal restructuring ("Parkway Pantai Acquisitions and Disposals")

The Group acquired or disposed of interests in its subsidiaries or associates between 1 January 2009 and 1 June 2012.

For the purpose of inclusion in the Pro forma Financial Information, the following key acquisitions and disposals of subsidiaries and associates under the Parkway Holdings Limited ("Parkway"), Pantai Irama Venture Sdn. Bhd. ("Pantai Irama") and IMU Health Sdn. Bhd. ("IMU Health") were included and assumed to take place on the respective dates indicated in the bases and assumptions used in preparing the pro forma financial information as set out in Note 4:

Name of entity	Original effective equity interest[(1)]	Additional equity interest	Revised equity interest[(2)]
	%	%	%
Acquisitions			
Pantai Hospital Sungai Petani Sdn. Bhd.	-	100	100
Parkway Holdings Limited and its subsidiaries	23.8	76.2	100
IMU Health Sdn. Bhd. and its subsidiaries	67.5	32.5	100
Pantai Irama Venture Sdn. Bhd. and its subsidiaries	69	31	100
Name of entity	**Original effective equity interest**		
Disposals			
Pantai Support Services Sdn. Bhd. and its subsidiaries	100		

Notes:

1 These represent the original effective equity interests held by the Group in the various subsidiaries. Please refer to Note 4 for details of the changes in the Group's actual shareholdings in these subsidiaries during the financial years ended 31 December 2009, 2010 and 2011 (the "Relevant Period").

2 These represent the final 100% ownership interests held by the Group when the Group acquired the entire remaining interests in the respective subsidiaries.

The above acquisitions are considered as the "Parkway Pantai Acquisitions and Disposals" for the purpose of presentation in the Pro forma Financial Information.

2.2 Acquisition of Acibadem Saglik Yatirimlari Holdings A.S. ("Acibadem Holding Acquisition")

The Group implemented the following transactions to effect the acquisition of equity interests in Acibadem Saglik Yatirimlari Holdings A.S. ("Acibadem Holding") and its subsidiaries, including A Plus Hastane ve Otelcilik Hizmetleri A.S ("APlus") and Acibadem Proje Yonetimi A.S. ("Acibadem Proje") (collectively known as "Acibadem Holding Group"):

Entity	Effective equity interest %	Purchase consideration USD'000	Satisfied by: Issuance of shares USD'000	Satisfied by: Payment of cash USD'000
Integrated Healthcare Capital Sdn. Bhd.	100	#	#	#
Integrated Healthcare Turkey Yatirimlari Limited	100	#	#	#
Integrated Healthcare Hastaneler Turkey Sdn. Bhd.	93.65	#	#	#
Acibadem Saglik Yatirimlari Holding A.S. and its subsidiaries	56.19	769,290	550,477	218,813
APlus & Acibadem Proje	56.19	56,426	-	56,426

Not applicable as the entity is incorporated by IHH

1. The Group incorporated two wholly-owned subsidiaries, Integrated Healthcare Capital Sdn. Bhd. ("IH Capital"), a company incorporated in Malaysia, and Integrated Healthcare Turkey Yatirimlari Limited ("IHT Yatirimlari"), a company incorporated in Labuan.
2. IHT Yatirimlari originally owned 100% equity interest in Integrated Healthcare Hastaneler Turkey Sdn. Bhd. ("IHH Turkey"), a company incorporated in Malaysia, and in February 2012, sold 6.35% equity interest in IHH Turkey to Symphony Healthcare Holdings Limited ("Symphony"). Consequently, IHT Yatirimlari owns 93.65% equity interests in IHH Turkey.

3. IHH, IHH Turkey, Bagan Lalang Ventures Sdn. Bhd. ("Bagan Lalang") and Mehmet Ali Aydinlar ("MAA"), Hatice Seher Aydinlar ("HSA"), Almond Holdings Cooperatie UA ("Almond(Netherlands)"), Abraaj SPV 44 Limited ("Abraaj") and Acibadem Holding entered into (i) a sale and purchase agreement dated 23 December 2011 (the "SPA") and (ii) shareholders' agreement dated 23 December 2011 ("SHA") to effect the above said acquisition transactions.

   Bagan Lalang is a company in which the intermediate holding company, Khazanah, has substantial financial interests. MAA and Abraaj are the existing ultimate shareholders of Acibadem Saglik Hizmetleri ve Ticaret A.S. ("Acibadem"), APlus and Acibadem Proje.

   <u>Acquisition of Acibadem Holding by IHH Turkey</u>

   IHH Turkey acquired 60% equity interest in Acibadem Holding. The acquisition of Acibadem Holding comprises the following salient terms:

   a. The purchase consideration for the acquisition of Acibadem Holding Group is approximately USD825,716,000, satisfied by cash payment of USD275,239,000; and issuance of IHH shares with a total value of approximately USD550,477,000.

   b. The cash portion is funded by 2 separate bank loans facilities of SGD470 million and RM450 million obtained by IHT Yatirimlari and IH Capital, respectively.

      This cash portion of USD275 million includes cash capital injections of USD56,426,000 by IHH Turkey into Acibadem Holding for the purpose of subscribing Acibadem Holding's new ordinary shares at the date of closing of the SPA. The proceeds from Acibadem Holding's share capital increase are used solely to fund the acquisition of the entire issued share capital of APlus and Acibadem Proje.

      The share portion is satisfied through the issuance of 695,442,295 ordinary shares at USD0.79 per ordinary share to the existing selling shareholders of Acibadem Holding, namely Abraaj, and Aydinlar family, to take over their respective equity interests in Acibadem Holding.

   c. Pursuant to the sale and purchase agreement for Acibadem Holding, the purchase consideration could be subject to further adjustments due to the following:

      (i) equity value of Acibadem Holding Group and IHH in the final copy of the audited financial statements of Acibadem Holding Group and IHH as at 31 December 2011; and

      (ii) the foreign exchange rates prevailing as at 31 December 2012 between USD and Turkish Lira, is subject to a cap of USD1 versus 1.65 Turkish Lira.

      If adjustment of item (i) exceeds USD50million, IHH has the option to pay the portion in excess of USD50 million, part in cash and part in shares of IHH at its discretion. In this connection, as of 21 May 2012, IHH Turkey and the existing selling shareholders of Acibadem Holding, namely Abraaj, and Aydinlar family, completed item (i) and mutually agreed that a total amount of USD12,290,402 will be refunded by Abraaj and Aydinlar family to IHH Turkey.

The Company regards item (ii) as contingent consideration payable to Abraaj and Aydinlar family and recognises a fair value of USD12,900,000. Both items (i) and (ii) will give rise to net adjustment of USD609,598 against the purchase consideration.

d. Shareholders' agreement dated 8 February 2012 between IHT Yatirimlari, IHH, IHH Turkey and Symphony

   Symphony acquired 6.35% equity interest in IHH Turkey at purchase consideration of USD50 million. Based on the aforementioned shareholders' agreement, Symphony has a mandatory option to convert all of its 152,500,000 IHH Turkey shares into IHH shares within seven days after the institutional pricing of IHH being fixed in the event of an Public Issue of IHH. The conversion ratio is based on Symphony's original acquisition price for its shares in IHH Turkey and the institutional price for IHH shares in the Public Issue. For purpose of preparation of pro forma statement of financial position, the number of shares to be issued is assumed to be 57,851,648 new shares.

e. Mandatory takeover offer ("MTO")

   Acibadem Holding Group currently owns 92% of Acibadem Saglik Hizmetleri Ticaret A.S ('Acibadem') and its subsidiaries. A MTO was launched in 27 March 2012 and was opened for 10 business day, concluding on 9 April 2012. As at 9 April 2012, Acibadem Holding Group owns 97.3% equity interest in Acibadem from 92%. This equity interest is assumed to be reflected on 1 January 2009 and onwards.

The above events are considered as the "Acibadem Holding Acquisition" for the purpose of presentation in the Pro forma Financial Information.

3. THE LISTING SCHEME

The Public Issue will involve the Public Offer of 1,800,000,000 new Shares at an initial public offering price of RM2.85 per share ("Public Issue").

The completion of the Public Issue will result in an enlarged issued and paid up share capital of IHH of RM8,053,293,943 comprising 8,053,293,943 Shares.

The listing of the Company's shares will be on the Main Market of Bursa Securities and the Main Board of the Singapore Exchange Securities Trading Limited.

The listing scheme, together with the utilisation of Public Issue proceeds, is known as "Public Issue Effect" for the purpose of presentation in the Pro forma Financial Information.

4. BASIS OF PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

The Pro forma Financial Information has been compiled based on:

(a) the audited historical combined financial statements of the Group for the years ended 31 December 2009, 2010 and 2011, which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS");

(b) the audited interim historical combined financial statements of the Group for the three-month periods ended 31 March 2012, which were prepared in accordance with MFRS and IFRS; and

(c) the audited historical financial statements of Acibadem Holding prepared in accordance with the Turkish Uniform Chart of Accounts promulgated by Capital Markets Board of Turkey ("CMB"), Turkish Commercial Code and Turkish Tax Code for the years ended 31 December 2009, 2010 and 2011 and the three-month period ended 31 March 2012, which are set out in Appendix Q of the Prospectus. There is no material difference between CMB that are relevant and adopted by the significant subsidiary as compared to Malaysian Financial Reporting Standards ('MFRS') and International Financial Reporting Standards ("IFRS") which require adjustments to the audited figures.

The historical combined financial statements of the Group for the years ended 31 December 2009, 2010 and 2011 and the three-month period ended 31 March 2012 were audited by KPMG. KPMG reported on the above financial statements which were not subjected to any qualifications, modifications or disclaimers.

The historical financial statements of Acibadem Holding for the years ended 31 December 2009, 2010 and 2011 and the three-month periods ended 31 March 2012 were audited by KPMG Akis Bağımsız Denetim ve SMMM A.Ş. KPMG Akis Bağımsız Denetim ve SMMM A.Ş. reported on the above financial statements which were not subjected to any qualifications, modifications or disclaimers.

The Pro forma Financial Information is expressed in Ringgit Malaysia ("RM"), and rounded to the nearest thousand, unless otherwise stated. The Pro forma Financial Information, consist of the following:

(i) Pro forma Income Statements for the financial years ended 31 December 2009, 2010 and 2011 and the three-month periods ended 31 March 2011 and 2012;

(ii) Pro forma Statements of Financial Position as of 31 December 2011 and 31 March 2012; and

(iii) Pro forma Statements of Cash Flows for the financial year ended 31 December 2011 and for the three-month period ended 31 March 2012.

The objective of the Pro forma Financial Information is to show what the financial positions, results and cash flows might have been, had the Parkway Pantai Acquisitions and Disposals, Acibadem Holding Acquisition, and the Public Issue Effect, occurred at the respective dates as described below:

- For illustrative purposes, in arriving at the Pro forma Income Statements for the years ended 31 December 2009, 2010 and 2011 and for the three-month periods ended 31 March 2011 and 2012, it is assumed that the Parkway Pantai Acquisitions and Disposals and Acibadem Holding Acquisition were effected on 1 January 2009, as further described in Note 4.1.

- For illustrative purposes, in arriving at the Pro forma Statement of Financial Position as of 31 December 2011 and 31 March 2012, it is assumed that the Acibadem Holding Acquisition and the Public Issue are completed on 31 December 2011 and 31 March 2012, respectively, as further described in Note 4.2.

- For illustrative purposes, in arriving at the Pro forma Statements of Cash Flows for the financial year ended 31 December 2011 and for the three-month period ended 31 March 2012, it is assumed that the Acibadem Holding Acquisition was completed on 1 January 2011 and the Public Issue been completed on 31 December 2011 and 31 March 2012, respectively, as further described in Note 4.3.

The Pro forma Financial Information is not necessarily indicative of the financial positions, results and cash flows of the operations that would have been attained had the Parkway Pantai Acquisitions and Disposals, Acibadem Holding Acquisition, and the Public Issue Effect actually occurred at the respective dates. The Pro forma Financial Information has been prepared for illustrative purposes only, and because of its nature, may not give a true picture of the actual financial position, results of operations and cash flows of the Group.

4.1 Pro forma Income Statements

In arriving at the pro forma income statements for the years ended 31 December 2009, 2010 and 2011 and the three-month period ended 31 March 2012, the following key adjustments were made:

4.1.1 Adjustments to reflect the financial results pertaining to the changes in group structure of Parkway Group, Pantai Irama Group and IMU Health Group and the related assets and liabilities assumed or derecognised.

The key assumptions are summarised below:

Parkway Pantai Acquisitions and Disposals

(i) The Group's equity interests in Parkway, Pantai Irama and IMU Health for the years ended 31 December 2009, 2010 and 2011 and the three month periods ended 31 March 2012 are summarised below.

Period in which events occurred	Parkway Group	Pantai Irama Group	IMU Group
For the year ended 31 December 2009	23.8%	69%	67.5%
For the period from 1 January 2010 to 31 August 2010	23.8%	69%	67.5%
For the period from 1 September 2010 to 31 October 2010	100%	100%	87.5%
For the period from 1 November 2010 to 31 December 2010	100%	100%	100%
For the year ended 31 December 2011	100%	100%	100%
For the period ended 31 March 2012	100%	100%	100%

For the purpose of preparing the pro forma income statements, it is assumed that the Group's 100% equity interests in Parkway, Pantai Irama and IMU Health as of 31 December 2011 and 31 March 2012 existed on 1 January 2009 and the financial results of Parkway, Pantai Irama and IMU Health would be reflected in the respective years from 1 January 2009 onwards.

In addition, gains on re-measurement of the Group's previously held equity interests aggregating to approximately RM530 million arising from the acquisitions of Parkway and Pantai Irama are assumed to have been recognised on 1 January 2009. Related expenditures totalling RM51 million incurred in relation to the Parkway Pantai Acquisitions and Disposals have been assumed to be recognised on 1 January 2009.

(ii) Parkway and Pantai Irama carried out various acquisitions and disposals of investments in subsidiaries and associates during the relevant period. The key acquisition and disposal transactions are as follows:

- Acquisition of 100% equity interest in Pantai Hospital Sungai Petani Sdn. Bhd. ('Pantai Sungai Petani') in May 2009, and
- Disposal of 100% equity interest in Pantai Support Services Sdn. Bhd. ('PSS') in March 2011.

For the purpose of preparing the pro forma income statements, it is assumed that the Group's 100% equity interest in Pantai Sungai Petani existed on 1 January 2009 and the financial results of Pantai Sungai Petani would be reflected from 1 January 2009 onwards.

It is assumed that the Group disposed of its interests in PSS on 1 January 2009 and the financial results of PSS would be excluded from the Group on 1 January 2009.

(iii) The Group secured term loan facilities totalling SGD1.85 billion in 2010 in connection with the acquisition of Parkway and Pantai Irama. It is assumed that the abovementioned term loan facilities occurred on 1 January 2009 and the related additional finance costs will be reflected from 1 January 2009 onwards. The interest rate charged is based on SGD Swap Offer Rate plus 1.25% per annum.

(iv) As at 31 December 2010, Parkway has term loan facilities of SGD500 million obtained for the purpose of financing the construction of Mount Elizabeth Novena Hospital. The term loan facility was restructured in 2010 following the privatisation of Parkway in December 2010. For the purpose of preparing the pro forma income statements, it is assumed that the abovementioned loan restructuring exercises occurred on 1 January 2009 and the related additional finance cost and related expenses of RM51 million will be reflected from 1 January 2009 onwards.

(v) Purchase price allocation in respect of the acquisition of Parkway Pantai Acquisition was completed in year 2011. For the purpose of preparing the pro forma income statements, it is assumed that the exercise was completed on 1 January 2009 and the resulting additional depreciation and amortisation expenses of the related property, plant and equipment and intangible assets will be reflected from 1 January 2009 onwards.

4.1.2 Adjustments to reflect the financial results pertaining to the acquisition of Acibadem Holding, including entities acquired by Acibadem Holding between 1 January 2009 and 1 June 2012 as if the group structure of Acibadem Holding Group (after adjusting for entities acquired as aforementioned) existed as of 1 January 2009.

The key assumptions are summarised below:

(i) The Group completed its acquisition of 60% equity interest in Acibadem Holding on 24 January 2012. For the purpose of preparing the pro forma income statements, it is assumed that the Group's 60% equity interest in Acibadem Holding as of 24 January 2012 existed on 1 January 2009 and the financial results of Acibadem Holding Group would be reflected in the respective years from 1 January 2009 onwards. Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009.

(ii) Acibadem Holding carried out certain acquisitions of subsidiaries throughout the years ended 31 December 2009, 2010 and 2011 and for the three month period ended 31 March 2012. The key acquisitions are:

- Acquisition of 100% equity interest in APlus and Acibadem Proje in January 2012;
- Acquisition of 65% equity interest in Jinemed Sağlık Hizmetleri A.Ş ("Jinemed Saglik") pursuant to the share purchase agreement entered in January 2012. As at 1 June 2012, Jinemed Saglik is not a subsidiary of Acibadem Holding as the share transfer has not yet been completed and is expected to be completed within 2012;
- Acquisition of 50% equity interest of Sistina Hospital and Sistina Medical Centre (collectively known as "Sistina") in October 2011; and
- Acquisition of additional equity interest in Acıbadem Kayseri ("Kayseri") and Konur Sağlık Hizmetleri A.S("Konur Saglik") from non-controlling shareholders in 2010 and 2011 to 100% and 92.5% equity interests, respectively, from 72.4% and 50%, respectively, as at 31 December 2009.

For the purpose of preparing the pro forma income statements, it is assumed that the Group's aforementioned equity interests in APlus, Acibadem Proje, Jinemed Saglik, Sistina, Kayseri and Konur Saglik existed on 1 January 2009 except for Sistina which was only established in August 2010. The financial results of the acquired entities would be reflected from 1 January 2009 onwards except for Sistina which was included from August 2010 onwards.

(iii) The Group secured two separate term loan facilities of SGD470 million and RM450 million, of which SGD256 million and RM245 million were drawndown from these facilities in 2012 in connection with the acquisition of Acibadem Holding Group. In February 2012, the Group sold 6.35% equity interests in IHH Turkey to a third party investor, Symphony, for USD50 million which was used to partially repay the term loan facilities. It is assumed that the abovementioned exercises occurred on 1 January 2009 and the related additional finance costs will be reflected from 1 January 2009 onwards. The interest rates charged are based on SGD Swap Offer Rate plus 1% per annum for the SGD bank loan and COF plus 0.6% per annum for the RM bank loan. The 2 term loans have a maturity of three years from the drawdown date. For the purpose of inclusion in the pro forma income statement, the loans have been assumed to remain unpaid at the end of the relevant period.

(iv) In addition, as described in paragraph 2.2, Symphony holds mandatory options to convert the 6.35% equity interests in IHH Turkey to IHH when the initial public offering occurs. For the purpose of preparing the pro forma income statement, it is assumed that Symphony exercised its options on 1 January 2009 and the Group owned 100% equity interest in IHH Turkey and 60% effective equity interest in Acibadem Holding Group on 1 January 2009.

(v) Purchase price allocation in respect of the acquisition of Acibadem Holding Group was completed in May 2012. For the purpose of preparing the pro forma income statements, it is assumed that the exercise was completed on 1 January 2009 and the resulting additional depreciation and amortisation expenses from the property, plant and equipment and intangible assets will be reflected from 1 January 2009 onwards; and

(vi) The MTO managed to take over the 5% equity interest from public shareholders of Acibadem. For the purpose of preparing the pro forma income statements, it is assumed that the MTO was completed on 1 January 2009 and Acibadem Holding Group owns 97.3% of Acibadem Saglik Hizmetleri Ticaret A.S and its subsidiaries

In addition, the following key assumptions were made:

The exchange rates between Ringgit Malaysia ("RM") against Singapore Dollar ("S$") and Turkish Lira ("TL") are assumed to be as follows for the years ended 31 December 2009, 2010 and 2011 and three-month period ended 31 March 2011 and 2012:

	US$	**S$**	**TL**
31.12.2009	US$1.00 = RM3.4324	S$1.00 = RM2.4133	TL1.00 = RM2.2026
31.12.2010	US$1.00 = RM3.2342	S$1.00 = RM2.4084	TL1.00 = RM2.1405
31.12.2011	US$1.00 = RM3.0568	S$1.00 = RM2.4379	TL1.00 = RM1.8107
31.3.2011	US$1.00 = RM3.0388	S$1.00 = RM2.3940	TL1.00 = RM1.9205
31.3.2012	US$1.00 = RM3.0356	S$1.00 = RM2.4224	TL1.00 = RM1.7097

4.2 Pro forma Statements of Financial Position

In arriving at the pro forma statements of financial position as of 31 December 2011 and 31 March 2012, the following key adjustments were made:

a. adjustments to reflect assets and liabilities pertaining to the acquisition of Acibadem Holding, including any other significant entities acquired from 1 January 2012 to 1 June 2012 by Acibadem Holding, as if these acquisitions (including any other significant acquisitions by Acibadem Holding) and MTO, together with additional liabilities assumed, are completed on 31 December 2011 and 31 March 2012, respectively, with considerations for acquisitions received/paid on the relevant dates presented;

b. In addition, as described in Note 2.2, Symphony holds options to convert the 6.35% equity interests in IHH Turkey to IHH when the initial public offering occurs. For the purpose of preparing the pro forma statements of financial position, it is assumed that Symphony exercised its options on 31 December 2011 and 31 March 2012, respectively and the Group owned 100% equity interest in IHH Turkey and 60% effective equity interest in Acibadem Holding on the respective dates; and

c. adjustments to reflect the Public Issue proceeds and listing expenses as if the Public Issue was completed on 31 December 2011 and 31 March 2012 respectively with the funds arising from the Public Issue received on the respective dates.

In addition, the following key assumption was made:

The exchange rates between Ringgit Malaysia (”RM”) against Singapore Dollar (“S$”) and Turkish Lira (“TL”) are assumed to be as follows as of 31 December 2011 and 31 March 2012:

	US$	**S$**	**TL**
31.12.2011	US$1.00 = RM3.14	S$1.00 = RM2.44	TL1.00 = RM1.64
31.3.2012	US$1.00 = RM3.06	S$1.00 = RM2.44	TL1.00 = RM1.71

4.3 Pro forma Statements of Cash Flows

In arriving at the pro forma statements of cash flows for the year ended 31 December 2011 and the three-month period ended 31 March 2012, the following key adjustments were made:

a. adjustments to reflect the cash flows pertaining to the acquisition of Acibadem Holding, including any other significant entities acquired from 1 January 2012 to 1 June 2012 by Acibadem Holding, as if these acquisitions (including any other significant acquisitions by Acibadem Holding) and MTO, together with additional loans secured, are completed on 1 January 2011 with considerations for acquisitions being assumed to be received/paid on 1 January 2011;

b. In addition, as described in Note 2.2, in February 2012, the Group sold 6.35% equity interests in IHH Turkey to a third party investor, Symphony, for USD50 million which was used to partially repay the term loan facilities. It is assumed that the abovementioned exercises occurred on 1 January 2011 and the related finance costs saving will be reflected from 1 January 2011; and

c. adjustments to reflect the funds arising from the Public Issue received on 31 December 2011 and 31 March 2012 respectively and the related listing expenses as if the Public Issue was completed on the respective dates.

In addition, the following key assumptions were made:

The exchange rates between Ringgit Malaysia ("RM") against Singapore Dollar ("S$") and Turkish Lira ("TL") are assumed to be as follows as of 31 December 2011 and 31 March 2012:

	US$	**S$**	**TL**
31.12.2011	US$1.00 = RM3.06	S$1.00 = RM2.44	TL1.00 = RM1.81
31.3.2012	US$1.00 = RM3.04	S$1.00 = RM2.42	TL1.00 = RM1.71

5 Pro forma adjustments on Pro forma Income Statements

Pro forma Income Statements for the years ended 31 December 2009, 2010 and 2011 and for the three-month period ended 31 March 2011 and 2012

The following adjustments have been made in arriving at the Pro Forma Income Statements for each of the financial years ended 31 December 2009, 2010 and 2011 and for the three-month periods ended 31 March 2011 and 2012:

Year ended 31 December 2009	Historical combined income statement RM'000	Pro forma Adjustments: Parkway Pantai Acquisitions and Disposals Note (a) RM'000	Pro forma Adjustments: Acibadem Holding Acquisition Note (b) RM'000	Pro forma income statement RM'000
Revenue	121,081	2,542,198	1,282,971	3,946,250
Other operating income	2,983	87,479	11,659	102,121
Inventories and consumables	-	(494,672)	(225,797)	(720,469)
Purchased and contracted services	-	(344,963)	(164,251)	(509,214)
Depreciation and impairment losses on property, plant and equipment	(9,244)	(156,783)	(208,955)	(374,982)
Amortisation and impairment losses on intangible assets	(34)	(32,881)	(47,266)	(80,181)
Staff costs	(52,622)	(817,834)	(641,261)	(1,511,717)
Operating lease expenses	(573)	(174,063)	(36,931)	(211,567)
Operating expenses	(22,052)	(338,487)	(70,199)	(430,738)
Finance income	656	25,911	10,687	37,254
Finance costs	(3,526)	(242,718)	(157,878)	(404,122)
Gain on remeasurement on investment previously accounted for as associates or joint-ventures	-	530,120	-	530,120
Share of profits of associates (net of tax)	59,480	(1,918)	-	57,562
Share of profits of joint ventures(net of tax)	4,447	(722)	-	3,725
Profit before income tax	100,596	580,667	(247,221)	434,042
Income tax expense	(8,115)	(60,948)	62,266	(6,797)
Profit for the year	92,481	519,719	(184,955)	427,245

Year ended 31 December 2009	Historical combined income statement RM'000	Pro forma Adjustments: Parkway Pantai Acquisitions and Disposals Note (a) RM'000	Pro forma Adjustments: Acibadem Holding Acquisition Note (b) RM'000	Pro forma income statement RM'000
Profit attributable to:				
Owners of the Company	83,201	512,699	(132,353)	463,547
Non-controlling interests	9,280	7,020	(52,602)	(36,302)
Profit for the year	92,481	519,719	(184,955)	427,245
Earnings per share to owners of the Company (sen)				
- Basic	1.51			5.76
- Diluted	1.51			5.75

Notes to the pro forma adjustments to combined income statement for the year ended 31 December 2009

(a) Adjustments to reflect the financial results pertaining to:

- the Parkway Pantai Acquisitions and Disposals. Accordingly, a gain on re-measurement of previously held equity interest of approximately RM530 million arising from the acquisition of Parkway and Pantai Irama and related acquisition costs of RM51 million are assumed to have been recognised on 1 January 2009;
- additional finance costs and related costs relating to the borrowings obtained by the Group to finance the acquisition of Parkway and Pantai Irama and restructuring of certain loan facilities to repay the existing loan facilities as if these exercises occurred on 1 January 2009; and
- purchase price allocation for Parkway and Pantai Irama is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

(b) Adjustments to reflect the financial results pertaining to:

- the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009;
- additional finance costs relating to borrowings obtained by the Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and
- purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

		Pro forma Adjustments		
Year ended 31 December 2010	**Historical combined income statement RM'000**	**Parkway Pantai Acquisitions and Disposals Note (a) RM'000**	**Acibadem Holding Acquisition Note (b) RM'000**	**Pro forma income statement RM'000**
Revenue	1,214,085	1,660,377	1,632,273	4,506,735
Other operating income	21,812	35,946	12,832	70,590
Inventories and consumables	(191,198)	(369,494)	(248,630)	(809,322)
Purchased and contracted services	(216,151)	(126,196)	(216,273)	(558,620)
Depreciation and impairment losses on property, plant and equipment	(57,350)	(89,492)	(223,430)	(370,272)
Amortisation and impairment losses on intangible assets	(44,298)	6,065	(45,835)	(84,068)
Staff costs	(372,440)	(564,079)	(788,789)	(1,725,308)
Operating lease expenses	(72,514)	(108,808)	(49,237)	(230,559)
Operating expenses	(225,618)	(166,844)	(43,333)	(435,795)
Finance income	6,476	20,077	11,132	37,685
Finance costs	(84,111)	(53,897)	(206,168)	(344,176)
Gain on remeasurement on investment previously accounted for as associates or joint ventures	530,120	(530,120)	-	-
Share of profits of associates (net of tax)	70,794	(18,598)	-	52,196
Share of profits of joint ventures (net of tax)	34,039	(25,263)	-	8,776
Profit before income tax	613,646	(330,326)	(165,458)	117,862
Income tax expense	(38,892)	(40,562)	3,047	(76,407)
Profit for the year	574,754	(370,888)	(162,411)	41,455
Profit attributable to:				
Owners of the Company	554,424	(377,087)	(98,620)	78,717
Non-controlling interests	20,330	6,199	(63,791)	(37,262)
Profit for the year	574,754	(370,888)	(162,411)	41,455

		Pro forma Adjustments		
	Historical combined income statement	Parkway Pantai Acquisitions and Disposals Note (a)	Acibadem Holding Acquisition Note (b)	Pro forma income statement
Year ended 31 December 2010	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Earnings per share to owners of the Company (sen)				
Basic	10.08			0.98
Diluted	10.08			0.98

Notes to the pro forma adjustments to combined income statement for the year ended 31 December 2010

(a) Adjustments to reflect the financial results pertaining to:
- the Parkway Pantai Acquisitions and Disposals;
- additional finance costs relating to borrowings obtained by the Group to finance the acquisition of Parkway and Pantai Irama and restructuring of certain loan facilities to repay the existing loan facilities as if these exercises occurred on 1 January 2009; and
- purchase price allocation for Parkway and Pantai Irama is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised from 1 January 2009.

(b) Adjustments to reflect the financial results pertaining to:
- the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009;
- Additional finance costs relating to borrowings obtained by the Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and
- Purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

Year ended 31 December 2011	Historical combined income statement RM'000	Parkway Pantai Acquisitions and Disposals Note (a) RM'000	Acibadem Holding Acquisition Note (b) RM'000	Pro forma income statement RM'000
Revenue	3,328,849	(84,247)	1,946,162	5,190,764
Other operating income	159,768	(131)	17,248	176,885
Inventories and consumables	(680,242)	-	(344,995)	(1,025,237)
Purchased and contracted services	(398,590)	61,288	(243,056)	(580,358)
Depreciation and impairment losses on property, plant and equipment	(165,751)	665	(204,211)	(369,297)
Amortisation and impairment losses on intangible assets	(54,989)	21,592	(38,871)	(72,268)
Staff costs	(1,073,066)	6,399	(921,584)	(1,988,251)
Operating lease expenses	(186,605)	132	(71,779)	(258,252)
Operating expenses	(456,162)	2,796	31,827	(421,539)
Finance income	28,907	(120)	29,552	58,339
Finance costs	(106,420)	14,692	(493,099)	(584,827)
Share of profits of associates (net of tax)	79,937	-	-	79,937
Share of profits of joint ventures(net of tax)	13,909	-	-	13,909
Profit before income tax	489,545	23,066	(292,806)	219,805
Income tax expense	(95,428)	1,324	6,344	(87,760)
Profit for the year	394,117	24,390	(286,462)	132,045
Profit attributable to:				
Owners of the Company	379,903	24,793	(159,041)	245,655
Non-controlling interests	14,214	(403)	(127,421)	(113,610)
Profit for the year	394,117	24,390	(286,462)	132,045
Earnings per share to owners of the Company (sen)				
Basic	6.91			3.05
Diluted	6.90			3.05

Notes to the pro forma adjustments to combined income statement for the year ended 31 December 2011

(a) Adjustments to exclude the 3-month financial results of Pantai Support Services Sdn. Bhd. ('PSS') which was disposed of in March 2011, as if PSS was not part of the Group since 1 January 2009.

(b) Adjustments to reflect the financial results pertaining to:

- the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009;
- additional finance costs relating to borrowings obtained by the Group to finance the acquisition of Acibadem Holding as if these exercises occurred in 1 January 2009; and
- purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

		Pro forma Adjustments		
	Historical combined income statement	Parkway Pantai Acquisitions and Disposals Note (a)	Acibadem Holding Acquisition Note (b)	Pro forma income statement
Period ended 31 March 2011	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	859,927	(84,246)	497,966	1,273,647
Other operating income	48,864	(131)	7,762	56,495
Inventories and consumables	(189,019)	-	(45,459)	(234,478)
Purchased and contracted services	(113,860)	61,288	(76,255)	(128,827)
Depreciation and impairment losses on property, plant and equipment	(38,348)	665	(53,241)	(90,924)
Amortisation and impairment losses on intangible assets	(29,911)	21,592	(10,388)	(18,707)
Staff costs	(266,890)	6,399	(232,450)	(492,941)
Operating lease expenses	(44,650)	132	(15,251)	(59,769)
Operating expenses	(90,327)	2,225	(10,543)	(98,645)
Finance income	10,232	(120)	5,957	16,069
Finance costs	(28,638)	952	(37,476)	(65,162)
Share of profits of associates (net of tax)	12,160	-	-	12,160
Share of profits of joint ventures (net of tax)	2,742	-	-	2,742
Profit before income tax	132,282	8,756	30,622	171,660
Income tax expense	(26,737)	1,324	(12,060)	(37,473)
Profit for the period	105,545	10,080	18,562	134,187
Profit attributable to:				
Owners of the Company	101,875	10,483	5,763	118,121
Non-controlling interests	3,670	(403)	12,799	16,066
Profit for the period	105,545	10,080	18,562	134,187
Earnings per share to owners of the Company (sen)				
Basic	1.85			1.47
Diluted	1.85			1.47

Year ended 31 March 2012	Historical combined income statement RM'000	Pro forma Adjustments Acibadem Holding Acquisition Note (a) RM'000	Pro forma income statement RM'000
Revenue	1,276,192	200,182	1,476,374
Other operating income	18,955	2,529	21,484
Inventories and consumables	(252,332)	(30,634)	(282,966)
Purchased and contracted services	(131,182)	(15,176)	(146,358)
Depreciation and impairment losses on property, plant and equipment	(74,367)	(15,629)	(89,996)
Amortisation and impairment losses on intangible assets	(14,650)	(3,170)	(17,820)
Staff costs	(460,344)	(84,943)	(545,287)
Operating lease expenses	(59,853)	(5,853)	(65,706)
Operating expenses	(133,800)	(5,557)	(139,357)
Finance income	55,410	67,394	122,804
Finance costs	(47,404)	(29,462)	(76,866)
Share of profits of associates (net of tax)	14,472	-	14,472
Share of profits of joint ventures(net of tax)	3,407	-	3,407
Profit before income tax	194,504	79,681	274,185
Income tax expense	(42,203)	(15,548)	(57,751)
Profit for the period	152,301	64,133	216,434
Profit attributable to:			
Owners of the Company	123,839	40,665	164,504
Non-controlling interests	28,462	23,468	51,930
Profit for the period	152,301	64,133	216,434
Earnings per share to owners of the Company (sen)			
Basic	2.00		2.04
Diluted	1.99		2.04

Notes to the pro forma adjustments to combined income statements for the period ended 31 March 2011 and 2012

(a) Adjustments to exclude the 3-month financial results of Pantai Support Services Sdn. Bhd. ('PSS') which was disposed of in March 2011, as if PSS was not part of the Group since 1 January 2009.

(b) Adjustments to reflect the financial results pertaining to:

- the Acibadem Holding Acquisition (including APlus and Acibadem Proje). Related expenditure totalling RM41 million incurred in relation to the Acibadem Holding Acquisition has been assumed to be recognised on 1 January 2009;
- additional finance costs relating to borrowings obtained by the Group to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2009; and
- purchase price allocation is assumed to be completed on 1 January 2009 and the related depreciation and amortisation expenses of property, plant and equipment and intangible assets are recognised on 1 January 2009.

6 Pro forma adjustments on Pro forma Statements of Financial Position

Pro forma Statements of Financial Position as at 31 December 2011 and 31 March 2012

The following adjustments have been made in arriving at the Pro Forma Statements of Financial Position as at 31 December 2011 and 31 March 2012:

31 December 2011	Historical combined balance sheet RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma balance sheet RM'000
Non-current assets					
Property, plant and equipment	4,726,753	1,317,425	6,044,178	-	6,044,178
Intangible assets	1,618,598	1,373,468	2,992,066	-	2,992,066
Goodwill on consolidation	6,487,070	2,075,089	8,562,159	-	8,562,159
Interest in associates	862,273	-	862,273	-	862,273
Interest in joint ventures	28,009	-	28,009	-	28,009
Other financial assets	529,881	38,613	568,494	-	568,494
Deferred tax assets	24,279	46,430	70,709	-	70,709
	14,276,863	4,851,025	19,127,888	-	19,127,888
Current assets					
Assets classified as held for sale	1,463	-	1,463	-	1,463
Development property	1,121,195	-	1,121,195	-	1,121,195
Inventories	78,784	39,125	117,909	-	117,909
Trade and other receivables	518,496	295,664	814,160	-	814,160
Tax recoverable	20,422	9,457	29,879	-	29,879
Other financial assets	27,066	12,571	39,637	-	39,637
Cash and cash equivalents	1,310,803	177,773	1,488,576	279,642	1,768,218
	3,078,229	534,590	3,612,819	279,642	3,892,461
Total assets	17,355,092	5,385,615	22,740,707	279,642	23,020,349
Equity attributable to owners of the Company					
Share capital	5,500,000	753,294	6,253,294	1,800,000	8,053,294
Share premium	3,885,803	892,705	4,778,508	3,197,157	7,975,665
Reserves	476,024	(145,667)	330,357	(54,753)	275,604
	9,861,827	1,500,332	11,362,159	4,942,404	16,304,563
Non-controlling interests	246,618	345,450	592,068	-	592,068
Total equity	10,108,445	1,845,782	11,954,227	4,942,404	16,896,631
Non-current liabilities					
Bank borrowings	4,991,264	2,468,774	7,460,038	(4,662,762)	2,797,276
Employee benefits	15,544	5,568	21,112	-	21,112
Other payables	8,580	83,136	91,716	-	91,716
Deferred tax liabilities	446,127	338,630	784,757	-	784,757
	5,461,515	2,896,108	8,357,623	(4,662,762)	3,694,861

31 December 2011	Historical combined balance sheet RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma balance sheet RM'000
Current liabilities					
Bank overdrafts	584	-	584	-	584
Trade and other payables	1,576,158	443,049	2,019,207	-	2,019,207
Bank borrowings	46,500	199,519	246,019	-	246,019
Derivative liabilities	1,252	-	1,252	-	1,252
Employee benefits	41,935	-	41,935	-	41,935
Tax payable	118,703	1,157	119,860	-	119,860
	1,785,132	643,725	2,428,857	-	2,428,857
Total liabilities	7,246,647	3,539,833	10,786,480	(4,662,762)	6,123,718
Total equity and liabilities	17,355,092	5,385,615	22,740,707	279,642	23,020,349

Notes to the pro forma adjustments to combined balance sheet as at 31 December 2011

(a) Adjustments to reflect the financial position pertaining to:
- the Acibadem Holding Acquisition (including APlus and Acibadem Proje);
- additional borrowings obtained to finance the acquisition of Acibadem Holding as if this exercise occurred on 31 December 2011; and
- purchase price allocation is assumed to be completed on 31 December 2011.

(b) Being adjustments to effect the Public Issue and utilisation of proceeds which is assumed to occur on 31 December 2011.

(c) Public Issue proceeds will be utilised as follows:

	RM'000
Repayment of bank borrowings	4,662,762
Working capital and general corporate purposes	279,642
Estimated listing expenses	187,596
	5,130,000

31 March 2012	Historical combined balance sheet RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma balance sheet RM'000
Non-current assets					
Property, plant and equipment	6,290,970	9,639	6,300,609	-	6,300,609
Intangible assets	3,032,753	6,001	3,038,754	-	3,038,754
Goodwill on consolidation	8,553,089	(53,625)	8,499,464	-	8,499,464
Interest in associates	864,238	-	864,238	-	864,238
Interest in joint ventures	31,302	-	31,302	-	31,302
Other financial assets	591,542	-	591,542	-	591,542
Other receivables	42,313	-	42,313	-	42,313
Deferred tax assets	57,682	-	57,682	-	57,682
	19,463,889	(37,985)	19,425,904	-	19,425,904
Current assets					
Assets classified as held for sale	1,463	-	1,463	-	1,463
Development property	1,160,548	-	1,160,548	-	1,160,548
Inventories	120,936	-	120,936	-	120,936
Trade and other receivables	854,194	-	854,194	-	854,194
Tax recoverable	26,092	-	26,092	-	26,092
Other financial assets	26,967	-	26,967	-	26,967
Derivative assets	3,007	-	3,007	-	3,007
Cash and cash equivalents	1,599,558	(218,864)	1,380,694	279,642	1,660,336
	3,792,765	(218,864)	3,573,901	279,642	3,853,543
Total assets	23,256,654	(256,849)	22,999,805	279,642	23,279,447
Equity attributable to owners of the Company					
Share capital	6,195,442	57,852	6,253,294	1,800,000	8,053,294
Share premium	4,678,425	100,083	4,778,508	3,197,157	7,975,665
Reserves	666,069	(195,643)	470,426	(54,753)	415,673
	11,539,936	(37,708)	11,502,228	4,942,404	16,444,632
Non-controlling interests	836,157	(222,019)	614,138	-	614,138
Total equity	12,376,093	(259,727)	12,116,366	4,942,404	17,058,770
Non-current liabilities					
Bank borrowings	7,361,564	-	7,361,564	(4,662,762)	2,698,802
Employee benefits	19,085	-	19,085	-	19,085
Other payables	77,081	-	77,081	-	77,081
Deferred tax liabilities	801,248	2,878	804,126	-	804,126
	8,258,978	2,878	8,261,856	(4,662,762)	3,599,094

31 March 2012	Historical combined balance sheet RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma balance sheet RM'000
Current liabilities					
Bank overdrafts	9,433	-	9,433	-	9,433
Trade and other payables	2,168,497	-	2,168,497	-	2,168,497
Bank borrowings	268,047	-	268,047	-	268,047
Derivative liabilities	6,369	-	6,369	-	6,369
Employee benefits	20,865	-	20,865	-	20,865
Tax payable	148,372	-	148,372	-	148,372
	2,621,583	-	2,621,583	-	2,621,583
Total liabilities	10,880,561	2,878	10,883,439	(4,662,762)	6,220,677
Total equity and liabilities	23,256,654	(256,849)	22,999,805	279,642	23,279,447

Notes to the pro forma adjustments to combined balance sheet as at 31 March 2012

(a) Adjustments to reflect the financial position pertaining to:
- the Acibadem Holding Acquisition (including APlus and Acibadem Proje);
- additional borrowings obtained to finance the acquisition of Acibadem Holding as if this exercise occurred on 31 March 2012.
- purchase price allocation is assumed to be completed on 31 March 2012.

(b) Being adjustments to effect the Public Issue and utilisation of proceeds which is assumed to occur on 31 March 2012.

(c) Public Issue proceeds will be utilised as follows:

	RM'000
Repayment of bank borrowings	4,662,762
Working capital and general corporate purposes	279,642
Estimated listing expenses	187,596
	5,130,000

7 Pro forma adjustments on Pro forma Statements of Cash Flows

Pro forma Statements of Cash Flows for the year ended 31 December 2011 and for the three-month period ended 31 March 2012

The following adjustments have been made in arriving at the Pro Forma Statements of Cash Flows for the year ended 31 December 2011 and for the three-month period ended 31 March 2012:

31 December 2011	Historical combined statement of cash flows RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma statement of cash flows RM'000
Cash flows from operating activities					
Profit before tax	489,545	(327,288)	162,257	-	162,257
Adjustments for:					
Exchange differences	(42,169)	-	(42,169)	-	(42,169)
Dividend income	(2,883)	-	(2,883)	-	(2,883)
Finance income	(28,907)	(29,552)	(58,459)	-	(58,459)
Finance costs	106,420	493,099	599,519	-	599,519
Depreciation and impairment losses on property, plant and equipment	165,751	204,211	369,962	-	369,962
Amortisation and impairment losses on intangible assets	54,989	38,871	93,860	-	93,860
Loss/(Gain) on disposal of property, plant and equipment	264	(475)	(211)	-	(211)
Write off of property, plant and equipment	19,445	-	19,445	-	19,445
Allowance made for impairment loss on trade and other receivables	17,066	5,035	22,101	-	22,101
Allowance made for impairment loss on amounts due from associates	2,959	-	2,959	-	2,959
Impairment loss on other financial assets	2,372	-	2,372	-	2,372
Equity settled share-based payment transactions	15,074	-	15,074	-	15,074
Share of profits of associates	(79,937)	-	(79,937)	-	(79,937)
Share of profits of joint ventures	(13,909)	-	(13,909)	-	(13,909)
Operating profit before changes in working capital	706,080	383,901	1,089,981	-	1,089,981
Changes in working capital:					
Development property	(181,359)	-	(181,359)	-	(181,359)
Inventories	(3,150)	(5,935)	(9,085)	-	(9,085)
Trade and other receivables	(94,225)	(86,695)	(180,920)	-	(180,920)
Trade and other payables	569,717	187,759	757,476	-	757,476
Cash generated from operations	997,063	479,030	1,476,093	-	1,476,093
Income taxes paid	(109,952)	(10,109)	(120,061)	-	(120,061)
Net cash generated from operating activities	887,111	468,921	1,356,032	-	1,356,032

31 December 2011	Historical combined statement of cash flows RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma statement of cash flows RM'000
Cash flows from investing activities					
Dividends received	55,512	-	55,512	-	55,512
Interest received	15,497	2,185	17,682	-	17,682
Acquisition of subsidiaries, net of cash acquired	-	(840,606)	(840,606)	-	(840,606)
Net cash outflow from disposal of subsidiaries	(136,797)	-	(136,797)	-	(136,797)
Acquisition of additional interest in joint ventures	(139)	-	(139)	-	(139)
Proceeds from disposal of property, plant and equipment	3,512	25,344	28,856	-	28,856
Proceeds from disposal of assets held for sale	8,006	-	8,006	-	8,006
Purchase of property, plant and equipment	(714,506)	(159,362)	(873,868)	-	(873,868)
Payment for development cost of intangible assets	(1,516)	(9,177)	(10,693)	-	(10,693)
Purchase of quoted investments	(503,139)	-	(503,139)	-	(503,139)
Net repayment by associates	4,944	-	4,944	-	4,944
Net advances to joint ventures	(17,093)	-	(17,093)	-	(17,093)
Net cash used in investing activities	(1,285,719)	(981,616)	(2,267,335)	-	(2,267,335)
Cash flows from financing activities					
Proceeds from issuance of shares	1,978,000	157,935	2,135,935	5,130,000	7,265,935
Proceeds from bank loans	78,275	1,217,490	1,295,765	-	1,295,765
Repayment of bank loans	(1,907,628)	(327,524)	(2,235,152)	(4,662,762)	(6,897,914)
Repayment of finance lease obligations	-	3,789	3,789	-	3,789
Advances from ultimate holding company and related companies	485,284	-	485,284	-	485,284
Advances from non-controlling shareholder of a subsidiary	-	5,807	5,807	-	5,807
Acquisition of non-controlling interests	(4,252)	(300,587)	(304,839)	-	(304,839)
Additional payment for prior year acquisition of non-controlling interests	(15,361)	-	(15,361)	-	(15,361)
Interest paid	(170,099)	(108,211)	(278,310)	-	(278,310)
Dividend paid to non-controlling interests	(3,017)	-	(3,017)	-	(3,017)
Dividends paid	-	(2,131)	(2,131)	-	(2,131)
Acceptance fees for share options	370	-	370	-	370
Listing expenses paid	-	-	-	(187,596)	(187,596)
Change in pledged deposits	(17,927)	(25,579)	(43,506)	-	(43,506)
Net cash generated from financing activities	423,645	620,989	1,044,634	279,642	1,324,276

31 December 2011	Historical combined statement of cash flows RM'000	Pro forma adjustment Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Pro forma adjustment Public Issue Note (b) RM'000	Pro forma statement of cash flows RM'000
Net increase in cash and cash equivalents	25,037	108,294	133,331	279,642	412,973
Cash and cash equivalents at 1 January	1,158,109	-	1,158,109	-	1,158,109
Effect of exchange rate fluctuations on cash held	68,339	-	68,339	-	68,339
Cash and cash equivalents at 31 December	1,251,485	108,294	1,359,779	279,642	1,639,421

Notes to the pro forma adjustments to combined statement of cash flows for the year ended 31 December 2011

(a) Adjustments to reflect the cash flows pertaining to:
- the Acibadem Holding Acquisition (including APlus and Acibadem Proje); and
- Additional borrowings obtained to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2011.

(b) Being adjustments to effect the Public Issue and utilisation of proceeds and listing expenses which is assumed to occur on 31 December 2011.

(c) Public Issue proceeds will be utilised as follows:

	RM'000
Repayment of bank borrowings	4,662,762
Working capital and general corporate purposes	279,642
Estimated listing expenses	187,596
	5,130,000

31 March 2012	Historical combined statement of cash flows RM'000	Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Public Issue Note (b) RM'000	Pro forma statement of cash flows RM'000
Cash flows from operating activities					
Profit before tax	194,504	111,129	305,633	-	305,633
Adjustments for:					
Exchange differences	(4,716)	(103,025)	(107,741)	-	(107,741)
Finance income	(55,410)	(191)	(55,601)	-	(55,601)
Finance cost	47,404	15,546	62,950	-	62,950
Depreciation and impairment losses on property, plant and equipment	74,367	16,437	90,804	-	90,804
Amortisation and impairment losses on intangible assets	14,650	2,993	17,643	-	17,643
Gain on disposal of property, plant and equipment	246	(310)	(64)	-	(64)
Write off of property, plant and equipment	135	-	135	-	135
Allowance made/(reversed) for impairment loss on trade and other receivables	12,901	(1,192)	11,709	-	11,709
Fair value loss on contingent consideration payable	10,772	-	10,772	-	10,772
Equity settled share-based payment transactions	4,949	-	4,949	-	4,949
Write off of intangibles	17	-	17	-	17
Share of profits of associates	(14,472)	-	(14,472)	-	(14,472)
Share of profits of joint ventures	(3,407)	-	(3,407)	-	(3,407)
Operating profit before changes in working capital	281,940	41,387	323,327	-	323,327
Changes in working capital:					
Development property	(36,205)	-	(36,205)	-	(36,205)
Inventories	(4,196)	27	(4,169)	-	(4,169)
Trade and other receivables	(15,937)	(25,398)	(41,335)	-	(41,335)
Trade and other payables	187,853	(120,694)	67,159	-	67,159
Intercompany balances	-	(14,303)	(14,303)	-	(14,303)
Cash generated from/(used in) operations	413,455	(118,981)	294,474	-	294,474
Income taxes paid	(19,368)	-	(19,368)	-	(19,368)
Net cash generated from/ (used in) operating activities	394,087	(118,981)	275,106	-	275,106

31 March 2012	Historical combined statement of cash flows RM'000	Acibadem Holding Acquisition Note (a) RM'000	Total after Acibadem Holding Acquisition RM'000	Public Issue Note (b) RM'000	Pro forma statement of cash flows RM'000
Cash flows from investing activities					
Dividends received	13,529	-	13,529	-	13,529
Interest received	9,832	191	10,023	-	10,023
Acquisition of subsidiaries, net of cash acquired	(842,932)	832,634	(10,298)	-	(10,298)
Proceeds from disposal of property, plant and equipment	154	5,705	5,859	-	5,859
Purchase of property, plant and equipment	(241,540)	174	(241,366)	-	(241,366)
Payment for development cost of intangible assets	(1,145)	-	(1,145)	-	(1,145)
Net repayment by associates	(7)	-	(7)	-	(7)
Net advances to joint ventures	(797)	-	(797)	-	(797)
Net cash (used in)/generated from investing activities	(1,062,906)	838,704	(224,202)	-	(224,202)
Cash flows from financing activities					
Proceed from issuance of shares	-	-	-	5,130,000	5,130,000
Proceeds from bank loans	1,159,132	(996,248)	162,884	-	162,884
Repayment of bank loans	(273,452)	124,783	(148,669)	(4,662,762)	(4,811,431)
Repayment to ultimate holding company and related companies	(24,781)	-	(24,781)	-	(24,781)
Acquisition of non-controlling interests	(11,264)	11,009	(255)	-	(255)
Dilution of interest in subsidiaries	152,373	(152,373)	-	-	-
Interest paid	(29,276)	(15,546)	(44,822)	-	(44,822)
Listing expenses paid	-	-	-	(187,596)	(187,596)
Change in pledged deposits	(61,786)	42,239	(19,547)	-	(19,547)
Net cash generated from/ (used in) financing activities	910,946	(986,136)	(75,190)	279,642	204,452
Net increase/(decrease) in cash and cash equivalents	242,127	(266,413)	(24,286)	279,642	255,356
Cash and cash equivalents at 1 January	1,251,485	5,415	1,256,900	-	1,256,900
Effect of exchange rate fluctuations on cash held	(24,007)	1,155	(22,852)	-	(22,852)
Cash and cash equivalents at 31 December	1,469,605	(259,843)	1,209,762	279,642	1,489,404

Notes to the pro forma adjustments to combined statement of cash flows for the period ended 31 March 2012

(a) Adjustments to reflect the cash flows pertaining to:
- the Acibadem Holding Acquisition (including APlus and Acibadem Proje); and
- Additional borrowings obtained to finance the acquisition of Acibadem Holding as if these exercises occurred on 1 January 2011.

(b) Being adjustments to effect the Public Issue and utilisation of proceeds which is assumed to occur on 31 March 2012.

(c) Public Issue proceeds will be utilised as follows:

	RM'000
Repayment of bank borrowings	4,662,762
Working capital and general corporate purposes	279,642
Estimated listing expenses	187,596
	5,130,000

8. Movement of share capital

	31 December 2011		31 March 2012	
	No. of shares ('000)	RM'000	No. of shares ('000)	RM'000
Historical share capital at the beginning of the year/period	5,500,000	5,500,000	5,500,000	5,500,000
Issue of new shares				
- Effect of Acibadem Holding acquisition	-	-	695,442	695,442
Historical share capital at year/period end	5,500,000	5,500,000	6,195,442	6,195,442
To be issued and fully paid-up pursuant to the conversion of Symphony's options to IHH shares	57,852	57,852	57,852	57,852
To be issued and fully paid-up to satisfy Acibadem Holding acquisition	695,442	695,442	-	-
To be issued and fully paid-up pursuant to the Public Issue	1,800,000	1,800,000	1,800,000	1,800,000
Pro forma share capital at year/period end	8,053,294	8,053,294	8,053,294	8,053,294
To be issued and fully paid-up pursuant to the surrender of LTIP units which are granted and vested	3,786	3,786	3,786	3,786
Pro forma enlarged share capital upon Listing	8,057,080	8,057,080	8,057,080	8,057,080

9. Movement of share premium

	RM'000
Balance as at 31 December 2011	3,885,803
Effect of Acibadem Holding acquisition	892,705
Effect of Public Issue	
- Issuance of 1,800,000 new ordinary shares at the premium of RM1.85 per ordinary shares	3,330,000
- Estimated listing expenses set-off against share premium	(132,843)
	7,975,665

APPENDIX Q:
INDEPENDENT AUDITORS' REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS OF ACIBADEM HOLDING FOR THE YEARS ENDED 31 DECEMBER 2009, 2010, 2011 AND THE THREE MONTHS ENDED 31 MARCH 2012

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Convenience Translation into English of Consolidated Financial Statements as at and for the years ended 31 December 2010 and 2009 With Independent Auditor's Report Thereon

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

15 March 2012

This report includes 2 pages of independent auditors' report and 75 pages of consolidated financial statements together with their explanatory notes

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Table of Contents

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

Independent Auditors' Report

To the Board of Directors of

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

We have audited the accompanying consolidated statements of financial position of Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and its subsidiaries ("the Group") as at 31 December 2010 and 31 December 2009 and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the years then ended and significant accounting policies with the notes to the consolidated financial statements.

Group Management's Responsibility for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the financial reporting standards of Capital Market Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards promulgated by CMB. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and its subsidiaries as at 31 December 2010 and 2009, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended then in accordance with the financial reporting standards (please see Note 2) promulgated by CMB.

Additional paragraph for convenience translation to English

Accounting policies applied by the Group may differ from the accounting principles generally accepted in countries other than Turkey in material aspects and the effects of such differences have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations, and changes in cash flow of the Group in accordance with the accounting principles generally accepted in such countries of the users of these financial statements.

Istanbul, 15 March 2012

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.

Özkan Genç
Partner

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statements of Financial Position
As at 31 December 2010 and 2009
Amounts expressed in Turkish Lira(“TL”) unless otherwise stated

	Notes	Audited 31 December 2010	31 December 2009
ASSETS			
Current Assets		**164,787,728**	**127,400,795**
Cash and Cash Equivalents	*4*	26,019,218	19,844,984
Trade Receivables		78,226,457	62,131,053
- Due from Related Parties	*26*	*8,655,743*	*6,803,649*
- Other Trade Receivables	*6*	*69,570,714*	*55,327,404*
Other Receivables		512,974	842,949
- Other Receivables from Related Parties	*26*	*36,867*	*403,264*
- Other Receivables	*7*	*476,107*	*439,685*
Inventories	*8*	14,146,518	11,862,886
Other Current Assets	*16*	45,882,561	32,718,923
Non-Current Assets		**1,382,367,536**	**1,354,865,799**
Other Receivables	*7*	987,983	1,566,755
Property and Equipment	*9*	527,086,675	508,943,996
Intangible Assets	*10*	3,043,858	2,459,160
Goodwill	*11*	820,498,762	818,951,655
Deferred Tax Assets	*24*	25,441,111	22,113,712
Other Non-Current Assets	*16*	5,309,147	830,521
TOTAL ASSETS		**1,547,155,264**	**1,482,266,594**
LIABILITIES			
Current Liabilities		**245,125,129**	**140,811,065**
Financial Liabilities	*5*	91,803,086	41,053,133
Other Financial Liabilities	*28*	4,396,118	2,766,926
Trade Payables		81,992,737	61,883,364
- Due to Related Parties	*26*	*9,571,893*	*7,098,836*
- Other Trade Payables	*6*	*72,420,844*	*54,784,528*
Other Liabilities		21,030,901	3,801,033
- Due to Related Parties	*26*	*503,601*	*2,025,806*
- Other Payables	*7*	*20,527,300*	*1,775,227*
Tax Liability	*24*	2,653,826	857,126
Provisions	*12*	19,734,406	13,895,478
Other Liabilities	*16*	23,514,055	16,554,005
NON-CURRENT LIABILITIES		**777,991,936**	**786,298,855**
Financial Liabilities	*5*	764,732,810	734,062,040
Trade Payables	*6*	6,687,060	12,463,888
Other Payables		--	18,068,400
Employee Benefits	*14*	2,111,563	1,863,930
Deferred Tax Liabilities	*24*	3,960,115	962,227
Other Non-Current Liabilities	*16*	500,388	18,878,370
EQUITY		**524,038,199**	**555,156,674**
Shareholders’ Equity		**508,328,916**	**536,506,199**
Paid-in Capital	*17*	668,000,000	668,000,000
Share Premium	*17*	22,809,940	22,809,940
Legal Reserves	*17*	2,541,510	1,848,872
Accumulated Losses	*17*	(161,914,395)	(146,485,893)
Net Profit/(Loss) For The year		(23,108,139)	(9,666,720)
Non-Controlling Interest		**15,709,283**	**18,650,475**
TOTAL LIABILITIES		**1,547,155,264**	**1,482,266,594**

The accompanying notes are an integral part of these consolidated financial statements

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Comprehensive Income
As at and for the years ended 31 December 2010 and 2009
Amounts expressed in Turkish Lira("TL") unless otherwise stated

	Note	Audited 2010	2009
Revenues	*18*	731,582,530	558,827,953
Cost of Revenue	*18*	(586,157,703)	(476,837,534)
GROSS PROFIT		**145,424,827**	**81,990,419**
Selling, Marketing and Distribution Expenses (-)	*19*	(32,596,131)	(20,278,987)
General Administrative Expenses (-)	*19*	(41,983,421)	(36,518,756)
Other Operating Income	*21*	5,496,659	4,286,106
Other Operating Expense (-)	*21*	(11,219,828)	(4,650,355)
OPERATING PROFIT		**65,122,106**	**24,828,427**
Finance Income	*22*	4,969,358	4,805,451
Finance Expense	*23*	(85,475,041)	(58,611,411)
LOSS FROM CONTINUING OPERATIONS BEFORE TAX		**(15,383,577)**	**(28,977,534)**
Tax (Expense)/ Benefit from Continuing Operations		(8,089,830)	18,680,623
Current Tax Expense	*24*	(8,419,341)	(578,483)
Deferred Tax Credit	*24*	329,511	19,259,106
LOSS FROM CONTINUING OPERATIONS AFTER TAX		**(23,473,407)**	**(10,296,911)**
NET LOSS FOR THE YEAR		**(23,473,407)**	**(10,296,911)**
Other Comprehensive Income		--	--
TOTAL COMPREHENSIVE INCOME/ (LOSS)		**(23,473,407)**	**(10,296,911)**
Distribution of Net Loss		**(23,473,407)**	**(10,296,911)**
Non-Controlling Interest		(365,268)	(630,191)
Owners of the Company		(23,108,139)	(9,666,720)
Earnings/ (Loss) per Share (for 1000 shares)	**25**	**(34.593)**	**(14.471)**
Diluted and Basic Earnings / (Losses) per Share (for 1000 shares)		(34.593)	(14.471)
Earnings/ (Loss) per Share from Continuing Operations (for 1000 shares)		(34.593)	(14.471)
Diluted and Basic Earnings / (Losses) per Share from Continuing Operations (for 1000 shares)		(34.593)	(14.471)

The accompanying notes are an integral part of these consolidated financial statements.

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statements of Changes in Equity

As at and for the years ended 31 December 2010 and 2009

Amounts expressed in Turkish Lira("TL") unless otherwise stated

	Note	Paid-in Capital	Share Premium	Legal Reserves	Accumulated Loss	Net Income/(Loss)	Total before Non-Controlling Interest	Non-Controlling Interest	Total
As of 1 January 2009	17	**668,000,000**	**22,809,940**	**1,214,040**	**(5,077,618)**	**(141,136,511)**	**545,809,851**	**23,531,342**	**569,341,193**
Total Comprehensive Income									
Net Loss		--	--	--	--	(9,666,720)	(9,666,720)	(630,191)	(10,296,911)
Other Comprehensive Income		--	--	--	--	--	--	--	--
Total Other Comprehensive Income		--	--	--	--	--	--	--	--
Total Comprehensive Income		**--**	**--**	**--**	**--**	**(9,666,720)**	**(9,666,720)**	**(630,191)**	**(10,296,911)**
Acquisition of non-controlling interest		--	--	634,832	(271,764)	--	363,068	(4,250,676)	(3,887,608)
Transfers		--	--	--	(141,136,511)	141,136,511	--	--	--
As of 31 December 2009	17	**668,000,000**	**22,809,940**	**1,848,872**	**(146,485,893)**	**(9,666,720)**	**536,506,199**	**18,650,475**	**555,156,674**
As of 1 January 2010	17	**668,000,000**	**22,809,940**	**1,848,872**	**(146,485,893)**	**(9,666,720)**	**536,506,199**	**18,650,475**	**555,156,674**
Total Comprehensive Income									
Net Loss		--	--	--	--	(23,108,139)	(23,108,139)	(365,268)	(23,473,407)
Other Comprehensive Income		--	--	--	--	--	--	--	--
Total Other Comprehensive Income		--	--	--	--	--	--	--	--
Total Comprehensive Income		**--**	**--**	**--**	**--**	**(23,108,139)**	**(23,108,139)**	**(365,268)**	**(23,473,407)**
Acquisiton of Subsidiary with Non-Controlling Interest		--	--	692,638	--	--	692,638	618,363	1,311,001
Acquisiton of Non-Controlling Interest		--	--	--	(5,761,782)	--	(5,761,782)	(3,194,287)	(8,956,069)
Transfers		--		--	(9,666,720)	9,666,720	--	--	--
As of 31 December 2010	17	**668,000,000**	**22,809,940**	**2,541,510**	**(161,914,395)**	**(23,108,139)**	**508,328,916**	**15,709,283**	**524,038,199**

The accompanying notes are an integral part of these consolidated financial statements.

Amounts expressed in Turkish Lira("TL") unless otherwise stated

		Audited	
		2010	**2009**
A. CASH FLOWS FROM OPERATING ACTIVITIES	***Note***		
Net Loss		**(23,473,407)**	**(10,296,911)**
Adjustments:			
Amortisation and depreciation expense	*20*	71,734,319	62,325,489
Provision for employee termination benefits	*14*	2,861,478	(2,565,072)
Provision on doubtful receivables	*6*	2,166,622	976,840
Unrealized finance income / (loss)		58,224	298,340
Income accruals on inpatients		(2,440,238)	(2,706,956)
Expense accruals on doctors	*12*	13,564,343	12,509,028
Deferred tax assets		(321,735)	(19,259,106)
Provision on corporate taxes	*24*	4,369,409	1,848,029
Provision for legal cases	*12*	2,966,263	427,521
Accruals related to forward transactions		(1,044,252)	1,141,180
Change in fair value of interest rate swap		2,673,444	1,625,746
Interest income	*22*	(812,766)	(1,159,078)
Interest expense	*23*	39,162,844	37,658,728
Gain on sale of property and equipment (net)	*21*	(234,933)	1,150,936
Net operating profit before changes in assets and liabilities		**111,229,615**	**83,974,714**
Change in trade receivables		(16,630,682)	(26,758,024)
Change in inventory		(2,170,553)	(3,815,531)
Change in financial investments		4,396,118	--
Change in other receivables		914,042	599,151
Change in other current assets		(10,591,595)	(2,784,162)
Change in other non-current assets		(5,715,996)	22,403,737
Change in trade payables		11,138,951	17,284,809
Change in due to related parties		2,430,103	(7,503,420)
Change in provisions		(2,323,157)	16,070
Corporate taxes paid		(2,572,709)	(1,697,165)
Change in other trade payables		(17,384,737)	36,028,329
Change in other liabilities		6,182,294	5,956,467
Employee severance indemnity paid	*14*	(2,629,722)	(1,742,276)
Provisions paid		(12,667,711)	(5,688,628)
Net cash from operating activities		**63,604,261**	**116,274,071**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Acquisition of property and equipment	*9*	(91,403,282)	(134,319,113)
Proceeds from sale of property and equipment	*9*	3,075,860	9,301,215
Acquisition of intangible assets	*10*	(910,254)	(397,105)
Proceeds from sale of intangible assets	*10*	--	8,148
Cash outflow from acquisition of subsidiaries, net		(2,359,370)	(50,532,094)
Interest received		861,290	(1,113,718)
Net cash (used in)/from investing activities		**(90,735,756)**	**(177,052,667)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		144,941,195	129,705,181
Repayment of bank borrowings		(112,576,369)	(61,106,414)
Finance lease liabilities		26,827,547	(460,394)
Proceeds from borrowings obtained from related parties		(1,531,731)	1,393,703
Acquisition of non-controlling interest		(8,263,435)	--
Interest paid		(16,091,478)	(11,388,914)
Change in restricted cash		(10,587,214)	(5,873,024)
Net cash (used in)/from financing activities		**22,718,515**	**52,270,138**
Net decrease (increase) in cash and cash equivalents		(4,412,980)	(8,508,459)
Cash and cash equivalents at 1 January		13,919,984	22,428,443
Cash and cash equivalents 31 December	*4*	**9,507,004**	**13,919,984**

The accompanying notes are an integral part of these consolidated financial statements.

TABLE OF CONTENTS

1 Organization and nature of business

Acıbadem Sağlık Yatırımları Holding A.Ş. ("the Company") was incorporated in 2007 in İstanbul to invest into shares and assets of companies which operates in the Turkish insurance, advisory, hospital, healthcare and service sectors.

The head office is located at Fahrettin Kerim Gökay Caddesi, Altunizade Mahallesi, No: 49, Üsküdar-İstanbul.

As at 31 December, shareholder structure of the Company is as follows:

Shareholder's Name	31 December 2010 Share(%)	31 December 2009 Share(%)
Almond Holding Cooperatie U A	50.00	50.00
Mehmet Ali Aydınlar	46.41	46.41
Hatice Seher Aydınlar	3.59	3.59
Ethem Erhan Aydınlar (*)	0.00	0.00
Zeynep Aydınlar (*)	0.00	0.00
	100.00	**100.00**

(*) Ethem Erhan Aydınlar and Zeynep Aydınlar hold shares less than 0.01%.

As at 31 December 2010 consolidated subsidiaries comprised the following:

- Almond Holding Anonim Şirketi ("Almond Holding")

- Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş. ("Acıbadem Sağlık") and its subsidiaries

As at 31 December 2010 consolidated subsidiaries of Acıbadem Sağlık comprised the following:

- Acıbadem Poliklinikleri Anonim Şirketi ("Acıbadem Poliklinikleri")
- Acıbadem Labmed Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Labmed")
- International Hospital İstanbul Anonim Şirketi ("International Hospital")
- International Hospital Sağlık Yatırımları Anonim Şirketi ("International Hospital Sağlık Yatırımları")
- Acıbadem Kayseri Hastanesi Anonim Şirketi ("Acıbadem Kayseri")
- Konur Sağlık Hizmetleri Anonim Şirketi ("Konur Sağlık")
- Acıbadem Mobil Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Mobil")

As at 31 December 2009 consolidated subsidiaries comprised the following:

- Almond Holding Anonim Şirketi ("Almond Holding")

- Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş. ("Acıbadem Sağlık") and its subsidiaries

As at 31 December 2009 consolidated subsidiaries of Acıbadem Sağlık comprised the following:

- Acıbadem Poliklinikleri Anonim Şirketi ("Acıbadem Poliklinikleri")
- Acıbadem Labmed Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Labmed")
- International Hospital İstanbul Anonim Şirketi ("International Hospital")
- International Hospital Sağlık Yatırımları Anonim Şirketi ("International Hospital Sağlık Yatırımları")
- Acıbadem Kayseri Hastanesi Anonim Şirketi ("Acıbadem Kayseri")
- Acıbadem Mobil Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Mobil")

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and consolidated subsidiaries are collectively named as "Group".

1 Organization and nature of business *(continued)*

The nature of the activities of the consolidated subsidiaries is as follows:

Almond Holding A.Ş

Almond Holding A.Ş, was incorporated on 30 July 2007 in İstanbul. The purpose of Almond Holding's establishment is to invest into any type of healthcare related institutions, hospitals and companies which operate in the healthcare and real estate sectors.

Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş.

Acıbadem Sağlık was incorporated in 1991 in İstanbul, and provides health services in ten general hospitals (Kadıköy, Bakırköy, Kozyatağı, Fulya, Eskişehir, Bursa, Kocaeli, Maslak, Kayseri, Adana). In addition to its core business in health care, the Company is engaged in healthcare related community services such as courses and seminars about first aid, diabetics, smokeless living and infant care.

Acıbadem Sağlık is subject to Capital Market Board ("CMB") regulations and its shares have been traded on the İstanbul Stock Exchange ("ISE") since 15 June 2000.

Acıbadem Sağlık also has Joint Comission International accreditation standards and ISO 9001 Quality Management System standards.

The head office is located at Fahrettin Kerim Gökay Caddesi, Altunizade Mahallesi, No: 49, Üsküdar – İstanbul.

Acıbadem Poliklinikleri

Acıbadem Poliklinikleri has six polyclinics at Etiler, Bağdat Caddesi, Ataşehir, Göktürk, Beylikdüzü and Uludağ locations for outpatients.

Acıbadem Göz Sağlığı Hizmetleri Anonim Şirketi was established in June 2003 in İstanbul and was merged with Acıbadem Poliklinikleri, on 24 October 2008.

Acıbadem Ayaktan Tedavi Merkezleri Anonim Şirketi was established on 17 April 2006 in Beylikdüzü, İstanbul and was merged with Acıbadem Poliklinikleri on 24 October 2008.

Acıbadem Labmed

Acıbadem Labmed was established on 28 August 2001 under the name of Acıbadem Sağlık Yönetimi Anonim Şirketi, in İstanbul. On 24 February 2004 the name of the company was changed to Acıbadem Labmed Sağlık, and a partnership was established with Labmed Dortmund Gmbh (located in Germany) to engage in laboratory services. There are 2 branches in Adana and Antalya.

International Hospital

International Hospital was established in 1989 on 19,300 m² indoor area and engaged in providing inpatient, outpatient and emergency care services with 5 intensive care units with 26 beds rendering services in 1 coronary, 1 internal diseases, 1 general surgery, 1 cardio surgery and 1 new born units at its hospital located in Yeşilköy, İstanbul. The hospital has 6 surgery rooms, 22 follow up beds, 99 patient beds and total inpatient bed availability of the hospital is 121. Acıbadem Sağlık acquired International Hospital, on 20 August 2005 (50%) and on 27 March 2009 (40%) and increased its shares to 90% of total shares.

In the accompanying consolidated financial statements as at 31 December 2010, International Hospital Sağlık Yatırımları was fully consolidated with International Hospital.

1 Organization and nature of business *(continued)*

International Hospital Sağlık Yatırımları

The polyclinic was established in Etiler, İstanbul in December 2002. It has ear-nose and throat units, cardiology, orthopedic and traumatology, neurology, neurosurgery, psychiatry and psychology, radiology, laboratory and internal diseases units available for outpatients.

Acıbadem Kayseri Hospital

In accordance with the nationwide expansion project, Acıbadem Sağlık acquired the 51% of Memleket Medikal Cerrahi Özel Sağlık Hizmetleri Anonim Şirketi in 2007 and then increased its shares to 99.99%. The hospital started to accept patients from 23 March 2009. The hospital is built over an indoor area of 20,000m², consisting of 5 intensive care units and 26 beds used for 4 general purpose, 1 cardio surgery and 1 new born units. The hospital has 6 operating theatres, 22 follow up beds, 89 patient beds and total inpatient bed availability of the hospital is 111.

Acıbadem Mobil Sağlık Hizmetleri

Acıbadem Mobil has been providing emergency healthcare services and ambulance services since 7 July 2008. It is fully consolidated in the accompanying consolidated financial statements.

The related parties of the Group are as follows:

- Acıbadem Holding Anonim Şirketi ("Acıbadem Holding")

- Acıbadem Sağlık ve Hayat Sigorta Anonim Şirketi ("Acıbadem Sigorta")
- Acıbadem Proje Yönetimi Anonim Şirketi ("Acıbadem Proje")
- Aplus Hastane ve Otelcilik Hizmetleri Anonim Şirketi ("Aplus Otelcilik")
- Abraaj Capital Limited ("Abraaj Capital")
- Akademia Sağlık Hizmet ve Sistemleri Yönetim ve Danışmanlık Anonim Şirketi ("Akademia")
- Çamlıca Turizm ve Yatçılık Anonim Şirketi ("Çamlıca Turizm")
- Acıbadem Diş Sağlığı Hizmetleri Anonim Şirketi ("Acıbadem Diş")
- Acıbadem Eğitim ve Sağlık Vakfı ("Acıbadem Vakfı")
- Telepati Tanıtım Hizmetleri Anonim Şirketi ("Telepati Tanıtım")
- Çukurova Bilim Laboratuarları Anonim Şirketi ("Çukurova Bilim")
- Acıbadem Üniversitesi ("Acıbadem Üniversite")
- Kerem Aydınlar Vakfı ("Kerem Aydınlar")
- BLAB Laboratuvar Hizmetleri Anonim Şirketi ("BLAB")
- Aydınlar Sağlık Hizmetleri Limited Şirketi("Aydınlar Sağlık")

These companies have neither direct nor indirect capital and management relationships with the Group and accordingly are excluded from consolidation in the accompanying financial statements.

As at 31 December 2010, the Group employed 7,883 personnel (31 December 2009: 6,643), consisting of 777 (31 December 2009: 653) administrative personnel, 5,953 (31 December 2009: 5,281) doctors, nurses and medical personnel and 1,153 (31 December 2009: 709) personnel employed on contractual basis.

The hospital certifications owned by the Group are indefinite.

2 Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

2.1.1 Statement of compliance

The Group maintains its book of accounts and prepares its statutory financial statements in TL in accordance with the Turkish Uniform Chart of Accounts promulgated by Capital Markets Board of Turkey ("CMB"), Turkish Commercial Code and Turkish Tax Code.

According to the reflection the truth principle of financial statements, the accompanying consolidated financial statements, classification and adjustments based on the legal records are prepared in conformity with the principle of CMB accounting and reporting published by the appropriate authorities. The Group's accompanying consolidated financial statements was prepared in accordance with the provisions of Capital Market Board ("CMB") 9 April 2008, and 26842 of the Official Gazette Series XI, 29 No. "Basis for Financial Reporting in the Capital Markets" ("Communiqué No:XI-29").
According to the Article 5 of the Communiqué, companies will apply The International Accounting/Financial Reporting Standards ("IAS / IFRS") adopted by the European Union. However, according to the Transitional Article 2 included in the same Communiqué, IAS/IFRS will be applied until the differences between IAS/IFRS that are adopted by European Union and IAS/IFRS that are adopted by International Accounting Standards Board ("IASB"), are announced by Turkey Accounting Standards Board ("TASB").

With the governing decree law numbered 660 published in official gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency ("Oversight Agency"). In accordance with the transitional article number one of the governing decree law, until the date of the issuing of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as of reporting date, the Basis of Presentation has not been changed.
The accompanying consolidated financial statements of the Group have been approved by the board of directors of the Group on 15 March 2012. The general assembly of the shareholders and legal authorities has the authority to change the accompanying consolidated financial statements.

Additional paragraph for convenience translation to English:

The accompanying financial statements are not intended to present the financial position and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

2.1.2 Basis of measurement

The CMB announced that, effective from 1 January 2005, the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards on 17 March 2005.The equity items including paid-in capital, share premium, legal reserves and special reserves are presented in accordance with the Turkish Commercial Code basis amounts and the effects of inflation over those equity items as at 31 December 2004 were reflected in retained earnings.
The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value and balance sheet items affected by the implementation of IAS 29.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.1 Basis of presentation *(continued)*

2.1.3 Functional and presentation currency

These consolidated financial statements are presented in TL, which is the Group's functional currency. All financial information presented in TL unless otherwise stated. All other currencies are stated full unless otherwise stated.

2.1.4 Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent Company, ASYH, and its subsidiaries and the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

As at 31 December, the subsidiaries in which the Group owns direct or indirect controls their operations and the shareholding interests are given below:

	Ownership interest (%)	
Title of the Partnership	**31 December 2010**	**31 December 2009**
Almond Holding A.Ş.	99.99	99.99
Indirect Ownership Interest on the Subsidiaries		
Acıbadem Sağlık	91.96	91.96
Acıbadem Poliklinikleri	91.96	91.96
Acıbadem Labmed	45.97	45.97
International Hospital	82.76	82.76
International Hospital Sağlık Yatırımları	82.76	82.76
Acıbadem Kayseri	91.95	66.60
Konur Sağlık	45.98	--
Acıbadem Mobil	91.95	91.95

As at 31 December 2010 and 2009, subsidiaries are fully consolidated with non-controlling interest's ownership reflected as a non-controlling interest.

(ii) Acquision of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(iii) Acquisitions through business combinations:

The effects of such acquisition are presented as "acquisitions through business combinations" in the notes to the consolidated financial statements.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.1 Basis of presentation *(continued)*

2.1.4 Basis of consolidation (continued)

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2 Use of estimates and judgments

The preparation of consolidated financial statements 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 recognized in the period in which the estimates are revised and in any future periods affected.

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are as follows:

Note 2.6.3- 2.6.4	- Useful life of property and equipment and intangible assets
Note 2.6.6	- Derivative financial instruments
Note 6	- Provision for impairment on trade receivables
Note 12	- Provisions, contingent assets and liabilities
Note 14	- Employee benefits
Note 24	- Tax assets and liabilities
Note 28	- Financial instruments: Fair value disclosures

2 Basis of presentation of the consolidated financial statements *(continued)*

2.3 Changes in accounting policies

The accounting policies set out in 2.6 have been applied consistently by the Group to all periods presented in the consolidated financial statements. The Group consistently recognizes measures and presents the transactions, other events and situations with the same nature. Material changes in accounting policies or material errors (if any) are corrected, retrospectively; restating the prior period consolidated financial statements.

i) Overview

The Group has applied changes in IAS/IFRS effective from 1 January 2010 summarized below:

- Accounting for business combinations – IFRS 3
- Accounting for increases in non-controlling interests
- Borrowing costs – IAS 23

ii) Accounting for business combinations

From 1 January 2010, the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy is applied prospectively and had no material impact on earnings per share ("EPS").

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

For acquisitions on or after 1 January 2010, the Group measures 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 bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, 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, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.3 Changes in Accounting Policies (continued)

(ii) Accounting for business combinations (continued)

For acquisitions before 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

iii) Acquisition of non-controlling interests

Acquisition of non-controlling interests is accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

iv) Borrowing costs

IAS 23 Borrowing Costs has been revised and the Companies are required to capitalize eligible borrowing costs. The Group has applied revised IAS 23.

2.4 Changes in accounting estimates and errors

Effect of changes in accounting estimates affecting current period (if any) is recognized in the current period; effect of changes in accounting estimates affecting current and future periods is recognized in the current and also in future periods.

2.5 Changes in IFRS

2.5.1 New Standards and Interpretations Adopted in 2010

Revised IFRS 5 "Non-current assets Held for Sale and Discontinued Operations" clarifies that the required disclosures for non-current assets (or disposal groups) classified as held for sale or discontinued operations are specified in IFRS 5. The revised IFRS 5 does not have any effect on the consolidated financial statements of the Group.

Revised IAS 1 "Presentation of Financial Statements" The amendments clarify that the classification of the liability component of a convertible instrument as current or non-current is not affected by terms that could, at the option of the holder of the instrument, result in settlement of the liability by the issue of equity instruments. The revised IAS 1 is applied in the 2010 and does not have any effect on the consolidated financial statements of the Group.

Revised IAS 7 "Statement of Cash Flows" The amendments clarify that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities. Changes in the standard do not have any impact on the cash flow of the Group.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.5 Changes in IFRS *(continued)*

2.5.1 New Standards and Interpretations Adopted in 2010 *(continued)*

Revised to IAS 17 "Leases" The International Accounting Standards Board ("IASB") deleted guidance stating that a lease of land with an indefinite economic life normally is classified as an operating lease, unless at the end of the lease term title is expected to pass to the lessee. The amendments clarify that when a lease includes the land and building elements, an entity should determine the classification of each element based on paragraphs 7 - 13 of IAS 17, taking account of the fact that land normally has an indefinite economic life. The revised IAS 17 is applied in 2010 and does not have any effect on the consolidated financial statements of the Group.

Revised IAS 36 "Impairment of Assets" The amendments clarify that the largest unit to which goodwill should be allocated is the operating segment level as defined in IFRS 8 before applying the aggregation criteria of IFRS 8. The amendments apply prospectively. Changes in the standard do not have any impact on the impairment tests of the Company.

IAS 38"Intangible Assets" Amendments clarify the description of valuation techniques commonly used to measure fair value of intangible assets acquired in a business combination for which no active market exists. The revised IAS 38 is applied in 2010 and does not have any effect on the consolidated financial statements of the Group.

Amendments to IAS 39 "*Financial Instruments: Recognition and Measurement*"

The amendments:

- provide additional guidance on determining whether loan prepayment penalties result in an embedded derivative that needs to be separated;
- clarify that the scope exemption in IAS 39 paragraph 2(g) is restricted to forward contracts, i.e. not options, between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date within a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and
- clarify that the gains or losses on a cash flow hedge should be reclassified from other comprehensive income to profit or loss during the period that the hedged forecast cash flows impact profit or loss.

2.5.2 New Standards and Interpretations Not Yet Adopted As At 31 December 2010

As at 31 December 2010, some new standards, amendments to standards and interpretations which are not effective have not been applied during the preparation of the accompanying consolidated financial statements. The amendments which are presented below have not been isuued by International Accounting Standards Board ("IASB") yet, but is prospected near future, these have been took place in International Financial Reporting Standard ("IFRS") however, do not any effect on the accompanying consolidated financial statements of the Group.

On 20 December 2010, the International Accounting Standards Board ("IASB") issued two narrow amendments to IFRS 1.

The first amendment replaces references to a fixed transition date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs.

The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.5 Changes in IFRS *(continued)*

2.5.2 New Standards and Interpretations Not Yet Adopted As At 31 December 2010 (continued)

IFRS 7 "Financial Instruments" is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial instruments. The amendment is effective for annual periods beginning on or after 1 January 2011 and it is not expected to have any impact on the consolidated financial statements.

IFRS 7 "Financial Instruments" is amended to will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

IFRIC 13 "Customer Loyalty Programmes - Fair Value of Award Credit" amended to state that the fair value of award credits takes into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. The amendment is effective for annual periods beginning on or after 1 January 2011 and it is not expected to have any impact on the consolidated financial statements.

IAS 34 "Interim Financial Reporting - Significant Events and Transactions" A number of examples have been added to the list of events or transactions that require disclosure under IAS 34. The amendment is effective for annual periods beginning on or after 1 January 2011 and it is not expected to have any impact on the consolidated financial statements.

IAS 27 *"Consolidated and Separate Financial Statements – Transition requirements for amendments made as a result of IAS 27 (2008) to IAS 21, IAS 28 and IAS 31"* Consequential amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures (as a result of prior amendments to IAS 27) to be applied prospectively, except for the amendments to IAS 28 and IAS 31 that solely are the result of renumbering in IAS 27 (2008). The amendment is effective for annual periods beginning on or after 1 January 2011 and it is not expected to have any impact on the consolidated financial statements.

IFRS 9 "Financial Instruments" has been issued on November 2009, by the IASB as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. The amendment is effective for annual periods beginning on or after 1 January 2015, although entities are permitted to adopt them earlier Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2015.

Amendments to *IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"* addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It does not address the accounting by the creditor. The amendment is effective for annual periods beginning on or after 1 January 2011 and earlier application is permitted. It is not expected to have any impact on the consolidated financial statements.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.5 Changes in IFRS *(continued)*

2.5.2 New Standards and Interpretations Not Yet Adopted As At 31 December 2010 (continued)

IASB issued interpretations about prepayments of a minimum funding (interpretations for IFRIC 14) on 26 November 2009. The amendments to IFRIC 14, which is itself an interpretation of IAS 19 applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment, *Prepayments of a Minimum Funding Requirement,* has an effective date for mandatory adoption of 1 January 2011, with early adoption permitted.

The revised *IAS 24 "Related Party Disclosures"* amends the definition of a related party and modifies certain related party disclosure requirements government-related entities. The main changes to IAS 24 are:

- A partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government; and
- Amendments to the definition of a related party.

IASB agreed that the partial exemption from the disclosure requirements should be required to be made retrospectively, because this should result in a reduction of 'clutter' in the footnotes and an identification of better information about the nature and extent of significant transactions with the government.

In addition, IASB agreed that the definition of a related party should also be applied retrospectively from the effective date.

In addition, the Board agreed that an entity should be permitted to adopt the partial exemption for government-controlled entities before the effective date even if it does not adopt the amended definition of related party until a later date.

The International Accounting Standards Board (IASB) has issued amendments to IAS 12 Income Taxes as at 31 December 2010. The amendments set out in Deferred Tax: Recovery of Underlying Assets, result from proposals published for public comment in an exposure draft in September.

IAS 12 "Income Taxes" requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale.

As a result of the amendments, SIC-21 Income Taxes—Recovery of Revalued Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn. The amendment is effective for annual periods beginning on or after 1 January 2012.

2.6 Summary of significant accounting policies

Significant accounting policies applied during the preparation of the consolidated financial statements are summarized as follows:

2.6.1 Revenue

Revenue of the Group comprised the income from the inpatient/outpatient services given at the hospitals, polyclinics, laboratories and ambulance services of the Group. The revenues for these services are mostly realized in cash or collectible from the insurance companies including State owned Social Security Institution ("SGK"). The interest rate which reduces the nominal value of the related service to its cash sale price is used to determine the present value of the receivables. The difference between the nominal value of the sale price and the fair value obtained by this way is reflected as interest income to the related periods.

When an uncertainty arises about the collectability of an amount already included in revenue, the doubtful receivable amount is recognized as an expense, rather than as an adjustment of the revenue already recognized. Net sales represents invoiced gross sales amount minus returns and discounts.

2.6.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost elements included in inventories are all procurement costs, conversion costs and all other relevant costs in bringing the inventories into their current state of location. The cost of inventories is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of the business, less the selling expenses.

2.6.3 Property and equipment

i) Recognition and measurement

The costs of property and equipment purchased before 1 January 2005 are restated for the effects of inflation current at 31 December 2004 less accumulated depreciation and impairment losses if any. The costs of property and equipment purchased after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalized borrowing costs.

ii) Subsequent expenditures

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of income comprehensive as incurred.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.3 Property and equipment (continued)

iii) Depreciation

Depreciation is recognized on a straight-line basis over the useful lives of the propert and equipment from the date of acquisition or assembly. Leasehold improvements are depreciated on a straight-line basis over the lease period.

Depreciation expenses are presented mainly under cost of sales, general and administrative expenses and selling, marketing expense in the consolidated statement of comprehensive income.

Land is not depreciated, since useful live of it is accepted as infinite.

The estimated useful lives are as follows:

Buildings	50 years
Machinery and equipments	3-20 years
Vehicles	4-7 years
Furniture and fixtures	3-10 years
Leased Assets	5-12 years
Other tangible assets	5 years
Leasehold improvements	During the lease period

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

iv) Disposal

Gains or losses on disposals of property and equipment are included in the relevant income and expense accounts and the cost and accumulated depreciation of property and equipment has been derecognized from the relevant accounts as appropriate.

2.6.4 Intangible assets

Intangible assets consist of acquired software and other intangible assets. The costs of intangible assets purchased before 1 January 2005 are restated for the effects of inflation current at 31 December 2004 less accumulated amortization and impairment losses. The costs of intangible assets purchased after 31 December 2004 are carried at cost less accumulated amortization and impairment losses. The carrying amount of an intangible asset is reduced to its recoverable amount if there is impairment.

i) Amortization

Intangible assets are amortized on a straight-line basis in the income statement over their estimated useful lives for a period.

The estimated useful lives for the current periods are as follows:

Software	3-10 year
Other intangible assets	3-10 year

Amortization method, economic useful lives and residual values of intangible assets are revised at each reporting date end and adjusted if appropriate.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.5 Goodwill

After 1 January 2005, in accordance with IFRS 3 "Business Combinations", the excess amount of fair value of identified assets, liabilities and conditional liabilities that are acquired over purchasing price is recorded as goodwill. The goodwill arising from the merger is not amortised. Goodwill is subject to impairment test once a year or more frequently when there is an indication of impairment.

2.6.6 Financial instruments

i) Non derivative financial assets

The Group initially recognizes loans and the receivables on the date they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the inflows.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents comprise of cash, deposits with maturity periods of less than three-months and highly liquid investments with maturity periods of less than three-months and having no conversion risk exposure other than the impact of foreign currency changes.

ii) Non derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.6 Financial instruments *(continued)*

ii) Non derivative financial liabilities (continued)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

iii) Paid-in capital and dividends

Ordinary shares are classified as paid-in capital. Dividends distributed on ordinary shares are offset with retained earnings in the period in which they are declared.

iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognized initially at acquisition cost; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. The Group's derivative financial instrument consists of mainly forward transactions and interest rate swap. Although these financial instruments provide effective economic protection against risks, they are accounted for as derivative financial instruments reflected as trading securities or other financial liabilities because they do not meet the hedge accounting criteria under IAS 39.

2.6.7 Impairment of assets

i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on items that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

The Group considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.7 Impairment of assets (continued)

i) *Financial assets (continued)*

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized in the profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Impairment losses recognized in respect of the cash generating units are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.8 Foreign Currency Transactions

Transactions in foreign currencies have been translated to TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated to TL with the exchange rates at the dates of transaction.

As at 31 December, Central Bank of the Republic of Turkey ("Central Bank")'s buying foreign currency rates are as follows:

	31 December 2010	31 December 2009
American Dollar ("USD")	1.5460	1.5057
European Union Currency ("EUR")	2.0491	2.1603

2.6.9 Earnings per share

Earnings per share disclosed in the consolidated statement of comprehensive income is determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

2.6.10 Subsequent events

Subsequent events cover all the events between balance sheet date and the date of authorization for release of the financial statements even if these events arise after any announcement about profit or loss or disclosures of selected financial information to the public.

If there has been events after the balance sheet date that would require the restatement of the consolidated financial statements; the Group restates the consolidated financial statements accordingly. If such events are significant but do not require the restatement of the consolidated financial statements, they are disclosed in the related notes.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.11 Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are reviewed to determine if there is a possibility that the outflow of economic benefits will be required to settle the obligation. Except for the economic benefit outflow possibility is remote such contingent liabilities is disclosed in the notes to the financial statements. If the inflow of economic benefits is probable contingent assets have been disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur such asset and income statement effect has been recognized in the financial statements at the relevant period that income change effect occurs.

2.6.12 Leasing transactions

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The property and equipment acquired through financial leasing in the Group's consolidated balance sheet, are recorded on the asset side at the lower of its fair value or the present value of the minimum lease payments, and related obligation is reflected on the liability side at the present value of the minimum lease payments. Interest element included in the lease installments are reflected in the consolidated income statement. The property and equipment obtained by way of financial leases are depreciated through their useful lives.

When the lease period is shorter than the useful life of the leased asset and it is not certain whether the Group will purchase the leased asset at the end of the lease period, it is depreciated during the period of lease. When the leased asset's useful life is shorter than leased period, leased assets are depreciated during the useful life.

The lease transactions are classified as operational leasing where the risks and rewards are on the part of the lessor. Operational lease payments are recorded as expense in the consolidated statement of comprehensive income on a linear basis.

2.6.13 Related parties

Subsidiaries, shareholders of the Company and companies of the shareholders, and also other companies managed by these companies or related to these companies and managers and directors of these companies are referred to as related parties according to IAS 24 – Related party disclosures.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.14 Segment reporting

IFRS 8 requires that a measure of segment assets be disclosed only if the amounts are regularly provided to Chief Decision Maker, consistent with the equivalent requirement for the measure of segment liabilities.

The Group's main business activity consists of hospital, healthcare and healthcare services. As a result of the activity variation, the Group revenues are allocated as hospital, healthcare and healthcare branches. All Group revenues have been realized in domestic basis; accordingly no geographical classification has been presented.

The operating segments of the Group are presented in Note 3.

2.6.15 Income taxes

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of the Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.16 Employee Benefits

In accordance with the existing Labour Law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die.

In the accompanying consolidated financial statements, the Group has used actuarial valuation method to estimate its obligation.

As at 31 December, the following assumptions were used in the calculation of the total liability:

	31 December 2010	31 December 2009
Discount Rate	4.66%	5.92%
Turnover Rate for the calculation of retirement	77%	77%

Reserve for employee termination benefits is calculated based on the ceiling amount which is determined by the Government. The management of the Group used some assumptions in the calculation of the retirement pay provision. As at 31 December 2010 and 31 December 2009, the ceiling amount has been limited to TL 2,517 and TL 2,365 per year of employment, respectively. The liability is not funded, as there is no funding requirement.

2.6.17 Financial incomes and expenses

Finance income comprises interest income on funds invested; fair value gains on financial assets at fair value through profit or loss and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, (other than trade receivables) and losses on derivative instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3 Segment reporting

The Group's reportable segments are based on Hospital, Healthcare and Non-Healthcare segments.

As at 31 December 2010 Hospital segment includes the following:

- Acıbadem Sağlık
- International Hospital
- Acıbadem Kayseri

As at 31 December 2010 Non-Healthcare segment includes the following:

- Almond Holding
- Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

As at 31 December 2010 Healthcare segment includes the following:

- Acıbadem Labmed
- Acıbadem Poliklinikleri
- International Hospital Sağlık Yatırımları
- Acıbadem Mobil
- Konur Sağlık

As at 31 December 2009 Hospital segment includes the following:

- Acıbadem Sağlık
- International Hospital
- Acıbadem Kayseri

As at 31 December 2009 Non-Healthcare segment includes the following:

- Almond Holding
- Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

As at 31 December 2009 Healthcare segment includes the following:

- Acıbadem Labmed
- Acıbadem Poliklinikleri
- International Hospital Sağlık Yatırımları
- Acıbadem Mobil

Almond Holding and Acıbadem Sağlık Yatırımları Holding Anonim Şirketi are holding companies and do not have any activity.

1 January– 31 December 2010

	Hospital	**Healthcare**	**Non-healthcare**	**Eliminations**	**Total**
Revenues	697,205,081	80,824,161	--	(46,446,712)	731,582,530
Cost of sales (-)	(561,954,026)	(68,607,148)	--	44,403,471	(586,157,703)
Gross Profit					**145,424,827**
Operating expenses					(74,579,552)
Other operating income/expense (net)					(5,723,169)
Financial income/expense (net)					(80,505,683)
Tax expense					(8,089,830)
Net loss for the period					**(23,473,407)**

3 Segment reporting *(continued)*

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Reportable segment assets	744,175,456	44,052,178	777,585,253	(18,657,623)	1,547,155,264
Capital expenditures	(90,161,902)	(2,151,634)	--	--	(92,313,536)
Reportable segment liabilities	635,904,596	21,026,553	384,843,539	(18,657,623)	1,023,117,065
Amortization and depreciation	(67,230,783)	(4,503,536)	--	--	(71,734,319)

1 January– 31 December 2009

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Revenues	533,099,214	65,148,949	--	(39,420,210)	558,827,953
Cost of sales (-)	(456,956,886)	(55,220,555)	--	35,339,907	(476,837,534)
Gross Profit					**81,990,419**
Operating expenses					(56,797,743)
Other operating income/expense (net)					(364,249)
Financial income/expense (net)					(53,805,960)
Tax expense					18,680,623
Net loss for the period					**(10,296,910)**

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Reportable segment assets	678,831,308	33,405,437	778,025,528	(7,995,679)	1,482,266,594
Capital expenditures	(99,324,850)	(35,391,368)	--	--	(134,716,218)
Reportable segment liabilities	554,748,874	12,661,231	351,704,136	7,995,679	927,109,920
Amortization and depreciation	(58,137,922)	(4,187,567)	--	--	(62,325,489)

4 Cash and cash equivalents

As at 31 December, cash and cash equivalents comprised the following:

	31 December 2010	31 December 2009
Cash on hand	424,837	433,845
Banks – demand deposits	5,019,643	1,410,827
Banks – time deposits	18,249,666	17,363,607
Mutual fund (B type liquid fund)	147,676	--
Credit card receivables	2,177,396	636,705
	26,019,218	**19,844,984**

As at 31 December 2010 maturity of time deposits is between 3-11 days (31 December 2009: 4-11 days). The effective interest rates for the time deposits in TL were between 6% and 7% (31 December 2009: 6.50% - 9.25%).

As at 31 December 2010, the Group has blocked deposits at an amount of TL 16,512,214 (31 December 2009: TL 5,925,000) in Türkiye Garanti Bankası Anonim Şirketi (''Garanti Bankası'') in purpose of a guarantee for six month period interest payments of bank borrowing amounting to USD 196,000,000.

As at 31 December 2010, the interest and maturity details of time deposits at banks are as follows:

31 December 2010	Interest Rate (%)	Maturity	Currency Type	Principal Amount (TL)	Interest Accruals	Total
Time deposit	7.00	10.01.2011	TL	16,512,214	3,167	16,515,381
Time deposit	6.00	03.01.2011	TL	1,234,000	203	1,234,203
Time deposit	6.00	03.01.2011	TL	500,000	82	500,082
					3,452	**18,249,666**

31 December 2009	Interest Rate (%)	Maturity	Currency Type	Principal Amount (TL)	Interest Accruals	Total
Time deposit	9.25	11.01.2011	TL	12,662,000	3,205	12,665,205
Time deposit	7.25	04.01.2010	TL	2,743,030	488	2,743,518
Time deposit	6.50	04.01.2010	TL	920,000	164	920,164
Time deposit	6.50	04.01.2010	TL	280,000	50	280,050
Time deposit	6.50	04.01.2010	TL	200,000	36	200,036
Time deposit	6.50	04.01.2010	TL	78,416	--	78,416
Time deposit	0.50	04.01.2010	USD	114,825	--	114,825
Time deposit	0.50	04.01.2010	USD	361,393	5	361,393
					3,943	**17,363,607**

4 Cash and cash equivalents *(continued)*

For purposes of the statement of cash flows, cash and cash equivalents include bank deposits and short-term investments that are easily convertible to cash with high liquidity and with a maturity of up to three months.

Cash and cash equivalents included in the statement of cash flows for the years ended 31 December is comprised of the followings:

	31 December 2010	31 December 2009
Cash on hand	424,837	433,845
Banks – demand deposits	5,019,643	1,410,827
Banks – time deposits	18,249,666	17,363,607
Mutual fund (B type liquid fund)	147,676	--
Credit card receivables	2,177,396	636,705
Restricted cash	(16,512,214)	(5,925,000)
	9,507,004	**13,919,984**

5 Financial liabilities

As at 31 December, short term financial liabilities comprised the following:

	31 December 2010	31 December 2009
Short term bank borrowings and short term portion of long term bank borrowings	77,722,338	34,613,235
Financial lease liabilities, net	14,080,748	6,439,898
	91,803,086	**41,053,133**

As at 31 December, long term financial liabilities comprised the following:

	31 December 2010	31 December 2009
Long term bank borrowings	681,002,966	668,651,215
Financial lease liabilities, net	83,729,844	65,410,825
	764,732,810	**734,062,040**

5 Financial liabilities *(continued)*

Bank borrowings

As at 31 December 2010, the details of bank borrowings comprised the following:

Type		Currency	Nominal Interest Rate (%)	Year of Maturity	Face Value	Carrying amount
Operating	Secured	TL	7.35-7.60	2011	35,346,251	35,346,251
Tax	Unsecured	TL	--	2011	3,720,819	3,720,819
Vehicle	Secured	TL	11.5	2011	40,908	40,908
Investment	Secured	USD	3.3	2011	3,109,289	3,109,289
Investment	Secured	USD	Libor + 3.90	2018	310,958,875	309,725,109
Investment	Secured	Euro	Euribor+ 0.625	2012	6,493,943	6,489,276
Investment	Secured	USD	Libor + 4.25	2014	15,491,920	15,491,920
Investment	Secured	USD	Libor + 5.75	2015	384,801,732	384,801,732
					759,963,737	**758,725,304**

As at 31 December 2010, repayment schedule of the long term bank borrowings Group is as follows:

Years	Currency Type	Original Currency Amount	TL Amount
2012	USD	38,024,863	58,786,438
2013	USD	30,500,000	47,153,000
2014	USD	30,500,000	47,153,000
2015	USD	269,378,375	416,458,968
2016	USD	28,000,000	43,288,000
2017	USD	28,000,000	43,288,000
2018	USD	14,000,000	21,644,000
2012	Euro	1,577,063	3,231,560
			681,002,966

5 Financial liabilities *(continued)*

As at 31 December 2010, the maturities of bank borrowings are as follows:

Maturity	31 December 2010
0 - 3 months	38,826,706
3 months - 1 year	38,895,632
1 - 5 years	572,782,966
5 years and more	108,220,000
	758,725,304

31 December 2010, the guarantees given related to the bank borrowings are as follows:

		31 December 2010	
Type of Guarantee	Currency Type	Original Currency Amount	TL Amount
Mortgages	USD	164,865,000	254,881,290
Blocked Deposit	TL	--	16,512,214
Commercial Pledge	TL	--	600,000,000
Share pledge	TL	--	690,000,000
		164,865,000	**1,561,393,504**

Garanti Bankası has a pledge on Almond's shares amounting to TL 690,000,000 as a guarantee for the USD 200,000,000 loan obtained from Garanti Bankası.

A*s* at 31 December 2009, the details of bank borrowings comprised the following:

Type		Currency	Nominal Interest Rate (%)	Year of Maturity	31 December 2009 Face Value	31 December 2009 Carrying amount
Operating	Secured	TL	7.50-10	2010	10,810,331	10,810,331
Tax	Unsecured	TL	--	2010	2,813,339	2,813,339
Investment	Secured	USD	4.40	2010	3,037,851	3,037,851
Investment	Secured	USD	Libor + 5.75	2015	367,660,647	366,619,848
Investment	Secured	USD	Libor + 3.90	2018	309,725,109	309,725,109
Investment	Secured	Euro	Euribor+ 0.625	2012	10,257,972	10,257,972
					704,305,249	**703,264,450**

5 Financial liabilities *(continued)*

As at 31 December 2009, repayment schedule of the long term bank borrowings Group is as follows:

Years	Currency Type	Original Currency Amount	TL Amount
2011	USD	16,500,000	24,844,050
2012	USD	38,024,863	57,254,036
2013	USD	30,500,000	45,923,850
2014	USD	30,500,000	45,923,850
2015	USD	254,029,733	382,492,569
2016	USD	28,000,000	42,159,600
2017	USD	28,000,000	42,159,600
2018	USD	14,000,000	21,079,800
2011	Euro	1,577,063	3,406,930
2012	Euro	1,577,063	3,406,930
			668,651,215

As at 31 December 2009, the maturities of bank borrowings are as follows:

Maturity	31 December 2009
0 - 3 months	3,023,669
3 months - 1 year	31,589,566
1 - 5 years	180,759,646
5 years and more	487,891,569
	703,264,450

As at 31 December 2009, the guarantees given related to the bank borrowings are as follows:

		31 December 2009	
Type of Guarantee	Currency Type	Original Currency Amount	TL Amount
Mortgages	USD	164,865,000	248,237,230
Share pledges	TL		600,000,000
Commercial Pledge	TL	--	690,000,000
Blocked Deposit	TL	--	5,925,000
		164,865,000	**1,544,162,230**

Finance lease liabilities:

As at 31 December, short term finance lease liabilities are as follows:

	31 December 2010	31 December 2009
Financial lease liabilities	21,763,748	13,150,029
Deferred financial lease liabilities (-)	(7,683,000)	(6,710,131)
	14,080,748	**6,439,898**

As at 31 December, long term finance lease liabilities are as follows:

	31 December 2010	31 December 2009
Financial lease liabilities	107,639,335	89,488,256
Deferred financial lease liabilities (-)	(23,909,491)	(24,077,431)
	83,729,844	**65,410,825**

5 Financial liabilities *(continued)*

As at 31 December, the maturities of finance lease liabilities are as follows:

	2010			2009		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	21,763,748	7,683,000	14,080,748	13,150,029	6,710,131	6,439,898
1 - 5 years	94,671,661	20,443,030	74,228,631	57,788,478	18,718,831	39,069,646
5 years and more	12,967,674	3,466,461	9,501,213	31,699,778	5,358,599	26,341,179
	129,403,083	**31,592,491**	**97,810,592**	**102,638,285**	**30,787,561**	**71,850,723**

6 Trade receivables and payables

As at 31 December, trade receivable comprised the following:

	31 December 2010	31 December 2009
Trade receivable	68,529,646	55,154,691
Notes receivable	1,041,068	172,713
Doubtful receivables	5,473,602	4,396,956
Allowance for doubtful receivables(-)	(5,473,602)	(4,396,956)
	69,570,714	**55,327,404**

Acıbadem Sağlık has borrowed a loan amounting to USD 200,000,000 based on an agreement signed between Garanti Bankası on 10 January 2008. The purpose of the loan was funding the constructions in progress and the repayment of existing loans at that time. Acıbadem Sağlık has provided 80% of the trade receivables as a guarantee for the outstanding bank loan of USD 196,000,000 of the USD 200,000,000 loan.

As at 31 December, the aging analysis of the trade receivable is as follows:

	31 December 2010	31 December 2009
Overdue receivables	9,555,207	4,971,369
Up to 3 month	60,015,507	50,356,035
	69,570,714	**55,327,404**

As at 31 December 2010, overdue receivables are amounting to TL 9,555,207 (31 December 2009: TL 4,971,369). No allowance has been recorded for these receivables as they were found to be overdue due to commercial reasons and were expected to be collected within a time period. Additionally 90 days overdue is accepted as normal trade term in the sector which the Group operates.

The aging analysis of overdue trade receivable as at 31 December is as below:

	31 December 2010	31 December 2009
Between 1-30 days	3,666,678	1,555,579
Between 31-60 days	1,440,137	1,120,802
61 days and more	4,448,392	2,294,988
	9,555,207	**4,971,369**

6 Trade receivables and payables *(continued)*

The Group records allowance for doubtful receivable on customer terms. Allowances comprised the customers which are not expected to repay. For the years ended 31 December, the movement of the allowances for doubtful receivable is as follows:

	2010	2009
Beginning balance	4,396,956	3,531,232
Additions	2,166,622	976,840
Collections (-)	(1,088,806)	(111,116)
Write-offs (-)	(1,170)	--
	5,473,602	**4,396,956**

As at 31 December, short term trade payable comprised the following:

	31 December 2010	31 December 2009
Payable to suppliers	66,160,933	49,820,737
Notes payable	6,259,911	4,963,791
	72,420,844	**54,784,528**

As at 31 December, long term trade payable comprised the following:

	31 December 2010	31 December 2009
Payable to suppliers	6,255,212	7,960,635
Notes payable	431,848	4,503,253
	6,687,060	**12,463,888**

As at 31 December, the aging analysis of trade payables is as below:

	31 December 2010	31 December 2009
0 - 3 months	60,419,545	42,243,774
3 months -1 year	12,001,299	12,540,754
1 year-5 years	6,687,060	12,463,888
	79,107,904	**67,248,416**

7 Other receivables and payables

As at 31 December, other short-term receivables comprised the following:

	31 December 2010	31 December 2009
Receivables from tax office	341,238	273,534
Deposits and guarantees given	84,148	71,781
Rent and advances given to other suppliers	--	27,084
Other	50,721	67,286
	476,107	**439,685**

As at 31 December, other long-term receivables comprised the following:

	31 December 2010	31 December 2009
Deposits and guarantees given	250,029	232,809
Other	737,954	1,333,946
	987,983	**1,566,755**

As at 31 December, other short-term payables comprised the following:

	31 December 2010	31 December 2009
Hospimed Health Corporation*	18,552,000	--
Advances received from patients	1,936,570	1,775,227
Other	38,730	--
	20,527,300	**1,775,227**

(*) Acıbadem Sağlık has increased its shares to 90% by acquiring 40% (400.000 shares) of International Hospital's shares from Hospimed Health Corporation on 27 March 2009.

8 Inventories

As at 31 December, inventories comprised the following:

	31 December 2010	31 December 2009
Medical materials and medicine	13,917,132	11,965,617
Other inventories	268,984	23,667
Provision for slow moving inventories	(39,598)	(126,398)
	14,146,518	**11,862,886**

At 31 December, inventories are accounted at cost and no inventory was recognized at its net realizable value.

9 Property and equipment

For the year ended 31 December 2010, the movement in property and equipment is as follows:

Cost	**Land**	**Buildings**	**Machinery and equipments**	**Vehicles**	**Furniture and fixture**	**Leased assets**	**Leasehold improvements**	**Other tangible assets**	**Construction in progress**	**Total**
1 January 2010	19,766,070	179,814,683	284,811,244	3,118,204	68,284,502	81,499,234	161,167,019	563,536	25,930,836	824,955,329
Additions from acquisitions	--	--	339,368	77,301	705,917	--	543,244	--	--	1,665,830
Additions	11,879,632	1,709,133	6,344,514	1,238,025	4,717,402	17,771,669	14,897,262	--	32,845,645	91,403,282
Disposals	--	--	(2,463,145)	(98,432)	(99,266)	(627,478)	(2,291,552)	--	(280,630)	(5,860,503)
Transfer	--	--	5,709,747	53,128	3,604,697	18,840,215	27,937,277	--	(56,246,487)	(101,423)
As at 31 December 2010	**31,645,702**	**181,523,816**	**294,741,728**	**4,388,225**	**77,213,251**	**117,483,640**	**202,253,250**	**563,536**	**2,249,366**	**912,062,515**
Accumulated depreciation										
1 January 2010	--	16,687,419	192,580,106	1,797,643	39,861,937	19,165,151	45,861,195	57,881	--	316,011,332
Additions from acquisitions	--	--	12,548	25,683	443,838	--	223,214	--	--	705,283
Charge for period	--	4,154,184	25,273,572	572,295	7,887,346	17,392,554	15,977,811	21,036	--	71,278,798
Disposals	--	--	(2,389,633)	(22,311)	(80,675)	(480,754)	(46,201)	--	--	(3,019,574)
As at 31 December 2010	**--**	**20,841,603**	**215,476,593**	**2,373,310**	**48,112,446**	**36,076,951**	**62,016,019**	**78,917**	**--**	**384,975,839**
Net book value										**527,086,675**

Property and equipment amounting to TL 101,423 (2009: TL 230,781) has been transferred to other intangible assets.
Capitalized borrowing costs related to the construction of hospitals amounted to TL 338,190 (2009: TL 112,530).
Advances given to suppliers for the hospital construction projects of the Group
As at 31 December 2010, property and equipment have been insured to the extent of TL 848,276,863.
For the year ended 31 December 2010, depreciation expenses amounting to TL 68,595,744 has been recognised under cost of revenues and TL 2,576,656 has been included under administrative expenses and TL 106,398 has been included under selling, marketing and distribution expenses. (31 December 2009: TL 60,370,491 has been recognized under cost of sales, TL 1,458,778 has been recognized under administrative expenses)
As at 31 December 2010, property and equipment are pledged to the extent of TL 254,881,290. (31 December 2009: TL 248,237,230)
For the year ended 31 December 2010, the Company utilizes property and equipment which have nil net book value on its accounts (31 December 2010 Cost: TL 184,658,966, Accumulated Depreciation: TL 184,658,966) (31 December 2009 Cost: TL 165,598,379, Accumulated Depreciation: TL 165,598,379).

9 Property and equipment *(continued)*

For the period ended 31 December 2009, the movement in property and equipment is as follows:

Cost	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Other tangible assets	Construction in progress	Total
1 January 2009	19,766,070	105,978,171	228,043,094	2,666,796	47,542,427	17,694,806	81,825,176	523,207	190,904,914	694,944,661
Additions	--	3,848,843	21,788,742	383,637	5,502,557	19,058,930	16,535,839	48,193	66,321,850	133,488,591
Acquisition through business combination	--	11,281,569	2,032,335	50,008	2,142,673	--	--	--	--	15,506,585
Disposals	--	--	(4,282,526)	(27,207)	(2,485,376)	--	(11,950,755)	(7,864)	--	(18,753,728)
Transfer	--	58,706,100	37,229,599	44,970	15,582,220	44,745,498	74,756,759	--	(231,295,927)	(230,781)
As at 31 December 2009	**19,766,070**	**179,814,683**	**284,811,244**	**3,118,204**	**68,284,501**	**81,499,234**	**161,167,019**	**563,536**	**25,930,836**	**824,955,328**
Accumulated depreciation										
1 January 2009	--	13,145,583	170,938,198	1,344,018	35,304,230	7,891,462	33,821,250	38,901	--	262,483,642
Charge for period	--	3,541,836	25,537,875	474,365	6,905,514	11,273,689	14,077,010	18,980	--	61,829,269
Disposals	--	--	(3,895,967)	(20,740)	(2,347,807)	--	(2,037,064)	--	--	(8,301,578)
As at 31 December 2009	**--**	**16,687,419**	**192,580,106**	**1,797,643**	**39,861,937**	**19,165,151**	**45,861,195**	**57,881**	**--**	**316,011,332**
Net Book Value										**508,943,996**

9 Property and equipment *(continued)*

Construction in progress

	31 December 2010	
Project	Expenditure Amount (TL)	Total Cost of Project (USD)
Acıbadem Ankara Hospital	631,700	30,000,000
Acıbadem Bodrum Hospital	1,617,666	20,000,000
	2,249,366	**50,000,000**

Acıbadem Ankara Hospital

According to the agreement at 23 July 2010, the hospital project, which is located in Dikmen District Çankaya in Ankara, will have 16 floors and closed area of 10,000 m². The hospital is planned to be opened in July 2012.

Acıbadem Bodrum Hospital

Acıbadem Sağlık has a hospital project, which is located Ortakent District in the town of Bodrum in Muğla province with closed area of 11,500 m^2. The hospital is planned to be opened in June 2012.

10 Intangible assets

For the year ended 31 December 2010, movement in the intangible assets is as follows:

	Rights	Other intangible assets	Total
Cost			
1 January 2010	2,041,462	4,737,282	6,778,744
Additions	315,502	594,752	910,254
Acquisition through business combination	61,058	2,245	63,303
Transfer	10,809	90,614	101,423
31 December 2010	**2,428,831**	**5,424,893**	**7,853,724**
Accumulated Amortization			
1 January 2010	1,173,011	3,146,573	4,319,584
Charge for the year	146,654	308,867	455,521
Additions from acquisitions	34,298	463	34,761
31 December 2010	**1,353,963**	**3,455,903**	**4,809,866**
Net Book Value			**3,043,858**

10 Intangible assets *(continued)*

For the year ended 31 December 2009, movement in the intangible assets is as follows:

	Rights	Other intangible assets	Total
Cost			
1 January 2009	1,403,069	4,329,647	5,732,716
Additions	217,648	179,457	397,105
Transfer from goodwill	428,748	--	428,748
Transfer	--	230,781	230,781
Disposals	(8,003)	(2,603)	(10,606)
31 December 2009	**2,041,462**	**4,737,282**	**6,778,744**
Accumulated Amortization			
1 January 2009	1,023,531	2,802,291	3,825,822
Charge for the year	149,480	346,740	496,220
Disposals	--	(2,458)	(2,458)
31 December 2009	**1,173,011**	**3,146,573**	**4,319,584**
Net Book Value			**2,459,160**

For the year ended 31 December 2010, amortization expenses amounting to TL 455,521 (31 December 2009: TL 496,220) have been included in administrative expenses.

As at 31 December 2010 and 2009, Acıbadem Sağlık utilizes intangible assets which have nil net book value on its accounts (31 December 2010 Cost: TL 3,900,693, Accumulated Amortization: TL 3,900,693; 31 December 2009 Cost: TL 3,251,727, Accumulated Amortization: TL 3,251,727).

11 Acquisition of subsidiary and non controlling interests

As at 31 December, the goodwill was recognized as a result of the acquisitions shown below:

	31 December 2010	31 December 2009
Acıbadem Sağlık	773,424,095	773,424,095
International Hospital	39,292,955	39,292,955
Acıbadem Poliklinikleri	6,234,605	6,234,605
Konur Sağlık	1,547,107	--
	820,498,762	**818,951,655**

11 Acquisition of subsidiary and non controlling interests *(continued)*

Acıbadem Sağlık

Following the formation of its Almond Holding subsidiary in July 2007, the Group entered into several share purchase agreements with the investors of Acibadem Sağlık and acquired equity shares in the Company to provide the Group with a controlling interest in Acıbadem Sağlık. Goodwill resulting from the acquisition in stages was calculated based on the net assets of Acıbadem Sağlık on each acquisition date and the consideration paid by the Group. The payments for the share purchases were completed via capital increases by the Group based on the fair value of the shares at each acquisition date.

On 16 August 2007, the Group acquired 24.99% of the outstanding equity shares of Acıbadem Sağlık. On 10 January 2008 (on which the control was acquired) and 27 May 2008, the Group acquired additional 49.19% and 17.79% of the outstanding equity shares respectively. As a result of these share purchases, the Group became Acıbadem Sağlık's parent company.

The following summarizes the Group's holdings in Acıbadem Sağlık, the subsequent increases in its holdings and the computation of goodwill at each acquisition date:

1st Acquisition	
Consideration transferred	244,297,803
Subsidiary's net book value (24.99 %)	(33,224,485)
Goodwill (1st acquisition in year 2007)	**211,073,318**

2nd Acquisition	
Consideration transferred	471,324,121
Subsidiary's net book value (49.19 %)	(64,991,646)
Goodwill (2nd acquisition in year 2008)	**406,332,475**

3rd Acquisition	
Consideration transferred	177,157,252
Subsidiary's net book value (17.79 %)	(21,138,950)
Goodwill (3rd acquisition in year 2008)	**156,018,302**
Total Goodwill	**773,424,095**

11 Acquisition of subsidiary and non controlling interests *(continued)*

International Hospital

In the accompanying consolidated financial statements, details of the goodwill according to acquisition dates for International Hospital is given below:

1st Acquisition	2010	2009
Consideration transferred	33,182,500	33,182,500
Subsidiaries net book value (50 %)	(10,054,636)	(10,054,636)
Fair value adjustment of land	(8,983,435)	(8,983,435)
Fair value adjustment of buildings	(6,842,863)	(6,842,863)
Goodwill (1st acquisition on 20 August 2005)	**7,301,566**	**7,301,566**

2nd Acquisition	2010	2009
Consideration transferred	53,462,129	53,462,129
Subsidiaries net book value (additional 40%)	(5,535,407)	(5,535,407)
Fair value adjustment of buildings	(11,281,569)	(11,281,569)
Fair value adjustment of furniture and fixtures	(2,032,335)	(2,032,335)
Fair value adjustment of machinery and equipment	(2,142,673)	(2,142,673)
Fair value adjustment of vehicles	(50,008)	(50,008)
Fair value adjustment of rights	(428,748)	(428,748)
Goodwill (2nd acquisition on 27 March 2009)	**31,991,389**	**31,991,389**
Total Goodwill	**39,292,955**	**39,292,955**

Acıbadem Poliklinikleri

Under the growth strategies of the 'Group', Acıbadem Sağlık acquired 736,802 shares of Acıbadem Poliklinikleri amounting to USD 5,710,217 and those shares correspond 36.84 % of the share capital. Before the acquisition, Acıbadem Sağlık owned 63.15 % of the share capital, so the company increased its share to 99.95% in Acıbadem Poliklinikleri.

The detail of the goodwill computed is as below:

	2010	2009
Consideration transferred	6,948,763	6,948,763
Subsidiaries net book value (additional 36.84 %)	(714,158)	(714,158)
Goodwill	**6,234,605**	**6,234,605**

11 Acquisition of subsidiary and non controlling interests *(continued)*

Konur Sağlık

As at 13 February 2010, Acıbadem Poliklinikleri, the consolidated subsidiary of the Acıbadem Sağlık purchased the 50 % of the shares of Konur Sağlık Hizmetleri Anonim Şirketi, a medical center operating in Bursa, Turkey. The detail of the goodwill computed is as below:

	31 December 2010
Acquisition cost	2,046,814
Subsidiaries net book value (50 %)	(499,707)
Goodwill (13 February 2010)	**1,547,107**

12 Provisions

As at 31 December, short-term provisions comprised the following:

	31 December 2010	31 December 2009
Provision for doctor payments	13,564,343	12,509,028
Lawsuit provisions	3,677,494	869,914
Consultancy commission provisions	669,953	--
Accrued Social Security Institution (“SGK”) expenses	286,608	22,538
Provisions for miscellaneous expenses	264,311	194,415
Other	1,271,697	299,583
	19,734,406	**13,895,478**

There are 72 lawsuits (31 December 2009: 46) against the Group amounting to TL 15,132,129 (31 December 2009: TL 8,988,061) and 118 related to personnel (31 December 2009: 75) amounting to TL 706,034 (31 December 2009: TL 869,914). The Group has provided provisions for the lawsuits which the probability of losing is greater than the probability of winning in the accompanying consolidated financial statements.

The movement of provisions for year ended 31 December 2010 is as follows:

	1 January 2010	*Additions*	*Payments*	*Reversals*	*31 December 2010*
Provision for doctor payments	12,509,028	13,564,343	(12,509,028)	--	13,564,343
Lawsuit provisions	869,914	2,966,263	(158,683)	--	3,677,494
Consultancy commission provisions	--	669,953	--	--	669,953
Provisions for miscellaneous expenses	194,415	264,311	(194,415)	--	264,311
Accrued Social Security Institution (“SGK”) expenses	22,538	286,608	(22,538)	--	286,608
Other	299,583	1,271,697	(299,583)	--	1,271,697
	13,895,478	**19,023,175**	**(13,184,247)**	**--**	**19,734,406**

12 Provisions *(continued)*

The movement of provisions for year ended 31 December 2009 is as follows:

	1 January 2009	*Additions*	*Payments*	*Reversals*	*31 December 2009*
Provision for doctor payments	5,688,628	12,509,028	(5,688,628)	--	12,509,028
Lawsuit provisions	442,393	427,521	--	--	869,914
Accrued Social Security Institution ("SGK") expenses	38,637	--	(16,099)	--	22,538
Provisions for miscellaneous expenses	362,456	194,415	(362,456)	--	194,415
Other	99,373	291,147	(90,937)	--	299,583
	6,631,487	**13,422,111**	**(6,158,120)**	--	**13,895,478**

Annotations

There is a decision which was given by the Bakırköy Municipality to demolish the supplement International Hospital building since the amount is immaterial the Group does not book any impairment. On the same property there are two annotations of 99 yearly rent statements in favor of Turkish Electricity Administration ("TEIAŞ"). Additionally, there are two annotations of 99 yearly rent statements in favor of İstanbul Public Transportation Administration ("IETT") and also two annotations in favor of Avcılar Municipality on the land owned by the Group at Avcılar District.

13 Commitments

According to the decision of CMB on 9 September 2009 related to the commitments of publicly owned companies given to the guarantee third party's debts;

The commitments given;

i) For their own corporate identities,
ii) In favor of consolidated subsidiaries,
iii) In favor of third parties to continue their operations will not be limited.

After the decision is published at the Public Disclosure Platform, publicly owned companies will not give commitments to real people or corporations other than mentioned at the bullets (i) and (ii) above or to third parties other than mentioned at the bullet (iii). If any commitments are already given they will be reduced to nil until 31 December 2014.

13 Commitments *(continued)*

As at 31 December 2010, commitments given are as follows:

	31 December 2010		
	TL Equivalents	**TL**	**USD**
A Commitments given on behalf of own corporate identities	--	--	--
B Commitments given on behalf of consolidated subsidiaries	1,621,403,205	1,342,371,849	180,486,000
C Commitments given on behalf of third parties to continue its operations	--	--	--
D Other commitments given	4,397,300	4,320,000	50,000
- on behalf of parent company	--	--	--
- on behalf of group companies other than mentioned in bullets B and C	4,397,300	4,320,000	50,000
- on behalf of third parties other than mentioned in bullet iii)	--	--	--
Total	**1,625,800,505**	**1,346,691,849**	**180,536,000**

As at 31 December 2009, commitments given are as follows:

	31 December 2009		
	TL Equivalents	**TL**	**USD**
A Commitments given on behalf of own corporate identities	--	--	--
B Commitments given on behalf of consolidated subsidiaries	1,598,627,647	1,326,869,877	180,486,000
C Commitments given on behalf of third parties to continue its operations	--	--	--
D Other commitments given	4,395,285	4,320,000	50,000
- on behalf of parent company	--	--	--
- on behalf of group companies other than mentioned in bullets B and C	4,395,285	4,320,000	50,000
- on behalf of third parties other than mentioned in bullet iii)	--	--	--
Total	**1,603,022,932**	**1,331,189,877**	**180,536,000**

13 Commitments *(continued)*

The total value of mortgages and pledges on the Group's land and buildings are as follows:

Mortgages

Collateral type	Duration	Cause of collateral and place	Pledged asset	31 December 2010 (USD)
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Bursa Hospital	77,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı building	12,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı warehouse	2,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Adana Hospital	24,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Cumhuriyetköy Acıbadem Eğitim ve Sosyal Tesisleri	1,350,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	International Hospital	32,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Erkan Apt. various flats and apartments	1,820,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Manolya Apt. No: 2-3	1,695,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Vakıfbank	Acıbadem Kayseri	13,000,000
				164,865,000

Collateral type	Duration	Cause of collateral and place	Pledged asset	31 December 2009 (USD)
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Bursa Hospital	77,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı building	12,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı warehouse	2,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Adana Hospital	24,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Cumhuriyetköy Acıbadem Eğitim ve Sosyal Tesisleri	1,350,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	International Hospital	32,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Erkan Apt. various flats and apartments	1,820,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Manolya Apt. No: 2-3	1,695,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Vakıfbank	Acıbadem Kayseri	13,000,000
				164,865,000

13 Commitments *(continued)*

Pledges

Acıbadem Sağlık has ceded 80% of account receivable and blockage on the bank deposit amounting to TL 16,512,214 related with the bank borrowing from Garanti Bankası. The shares of Acıbadem Sağlık owned by Almond Holding, which constitute 18.62% of Acıbadem Sağlık's capital has been pledged at first degree and 63.82% of Acıbadem Sağlık's shares has been pledged at second degree, 50% share of International Hospital has been pledged at first degree, 99.99% share of Acıbadem Kayseri has been pledged at first degree, 49.99% share of Acıbadem Labmed has been pledged at first degree, 99,92% share of Acıbadem Poliklinikleri has been pledged at first degree.
The Group has given letter of guarantees to different institutions amounting to TL 13,090,385 (2009: TL 7,670,877).

14 Employee benefits

Reserve for Employment Termination Benefits

Under the Turkish Labour Law, the Company and its subsidiaries are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed, there are certain transitional provisions relating to length of service prior to retirement.

The termination benefits is calculated as one month gross salary for every employment year and as at 31 December 2010 the ceiling amount has been limited to TL 2,517 (31 December 2009: TL 2,365). Termination benefits is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its Turkish subsidiaries and joint ventures arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries arising from the retirement of employees. IFRSs require actuarial valuation methods to be developed to estimate the Group's obligation. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2010, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2010 has been calculated assuming an annual inflation rate of 5.10 % and a discount rate of 10.00% resulting in a real discount rate of approximately 4.66% (31 December 2009: annual inflation rate of 4.80% and a discount rate of 11.00% resulting in a real discount rate of approximately 5.92%).

	31 December 2010	**31 December 2009**
Opening balance	1,863,931	6,171,278
Interest cost	3,519,952	1,726,618
Cost of services	653,881	1,649,333
Payments made during the period	(2,629,722)	(1,742,276)
Actuarial gains	(1,296,479)	(5,941,023)
	2,111,563	**1,863,930**
Provision for employee termination benefits from the acquisition of a subsdiary – for cash flows	(15,876)	--

14 Employee benefits *(continued)*

Reserve for Employment Termination Benefits *(continued)*

Actuarial gains or losses arise from the changes in interest rates and changes in expectations about the salary increases. Actuarial differences are recorded as incurred. As at 31 December 2010, TL 2,711,499 of interest cost, cost of services and actuarial gains or losses are recorded as cost of sales (31 December 2009: TL 2,354,686 expense), TL 163,713 is recorded as general administrative expenses (31 December 2009: TL 183,266 expense) and TL 2,142 is recorded as selling, marketing and distribution expenses (31 December 2009: TL 28,030).

15 Post employment benefits

None.

16 Other assets and liabilities

As at 31 December, other current assets comprised the following:

	31 December 2010	31 December 2009
Income accrual for SGK receivables	11,905,903	4,724,494
Value added tax receivable	10,471,935	16,501,279
Prepaid rent expenses	5,855,445	215,037
Income accrual for patients	5,654,774	3,526,761
Prepaid advertisement expenses	3,230,830	3,009,813
Prepaid insurance expense	2,947,928	2,480,741
Advances given to personnel	2,399,761	1,625,145
Prepaid taxes and funds	1,591,200	5,158
Advances given for inventory	1,310,437	207,947
Prepaid maintenance expense	173,007	67,115
Job advances	69,103	250,914
Prepaid subscription expense	22,402	14,321
Other	249,836	90,198
	45,882,561	**32,718,923**

As at 31 December, other non-current assets comprised the following:

	31 December 2010	31 December 2009
Prepaid rent	4,054,360	--
Advances given for fixed assets	1,231,714	830,521
Prepaid insurance	15,590	--
Other	7,483	--
	5,309,147	**830,521**

As at 31 December, other current liabilities comprised the following:

	31 December 2010	31 December 2009
Social security and taxes payable	12,926,860	8,332,400
Payable to personnel	10,505,163	8,015,423
Deferred rent income	82,032	206,182
	23,514,055	**16,554,005**

As at 31 December 2010, the other long term liabilities amounted to TL 500,388 consist of transfer of salary payment rights. As at 31 December 2009 the balance includes payables to Hospimed arising from the acquisition of International Hospital shares (Note 7).

17 Equity

Paid-in capital

As at 31 December 2010 paid-in capital of the Group is TL 668,000,000 (31 December 2009: TL 668,000,000) made up of 334.000.000 shares classified as A group and 334.000.000 shares classified as B group. As at 31 December 2010 and 2009, the composition of shareholders and their respective percentage of ownership are summarized as follows:

	31 December 2010		**31 December 2009**	
Shareholder's name	**Share (%)**	**Amount**	**Share (%)**	**Amount**
Almond Holding Cooperatie U A	50.00	334,000,000	50.00	334,000,000
Mehmet Ali Aydınlar	46.41	310,010,990	46.41	310,010,990
Hatice Seher Aydınlar	3.59	23,989,008	3.59	23,989,008
Ethem Erhan Aydınlar	0.00	1	0.00	1
Zeynep Aydınlar	0.00	1	0.00	1
	100.00	**668,000,000**	**100.00**	**668,000,000**

The favorable vote of Group A shares is required in order to decide on an increase in share capital. Group A shareholder has the right to nominate four out of five board members, and Group B shareholders has the right to nominate one out of five board members. Each Group A share has 100 votes against one vote of Group B shareholders.

Pledges on Shares

According to the Share Pledge Agreements which are signed on 10 January 2008 and additional amendments of the agreements which are signed on 6 February 2008 and 6 August 2008, the shares of Almond Holding, Acıbadem Sağlık and its subsidiaries were pledged (1st and 2nd degree) on behalf of T. Garanti Bankası as the guarantee of the loans, amounted to USD 200,000,000 for Acıbadem Sağlık and USD 200,000,000 for Almond Holding.

Reserves

(i) Legal reserves

The legal reserves consist of first and second legal reserves in accordance to the Turkish Commercial Code ("TCC"). The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with CMB regulations, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. As at 31 December 2010, the Group's legal reserves amount to TL 2,541,510 (31 December 2009: TL 1,848,872).

(ii) Share Premium

Share premium arises from the initial public offering of Acıbadem Sağlık in Istanbul Stock Exchange. Share premium cannot be distributed.

17 Equity *(continued)*

Dividend distribution:

Publicly traded companies distribute dividends based on the Capital Market Board ("CMB") regulations as explained below:

According to CMB's decision on 27 January 2010 numbered 02/51 Companies traded on the stock exchange market are not obliged to distribute a specified amount of dividends (2009: 20 percent). For companies that will distribute dividends, in relation to the resolutions in their general meeting the dividends may be in cash, may be bonus shares by adding the profit into equity, or may be mixture of cash and bonus shares, it is also permitted not to distribute determined first party dividends falling below 5 percent of the paid-in capital of the company but, companies that increased capital before distributing the previous year's dividends and as a result their shares are separated as "old" and "new" are obliged to distribute first party dividends in cash.

There is no requirement for profit distribution in year 2010 since in the consolidated financial statements of Acıbadem Sağlık which is publicly traded subsidiary there is no distributable profit after netting off with the accumulated losses.

Retained Earnings / (Accumulated Losses)

	31 December 2010	31 December 2009
Extraordinary reserves	42,835,820	23,706,024
Retained earnings / (Accumulated losses)	(204,750,215)	(170,191,917)
	(161,914,395)	**(146,485,893)**

The movement of retained earnings / (accumulated losses) is as follows:

	2010
Beginning balance	(146,485,893)
Change in non-controlling interest	(5,761,782)
Transfer of period profit to retained earnings	(9,666,720)
	(161,914,395)

18 Revenues

For the years ended 31 December, revenues and cost of revenues comprised the following:

	2010	2009
Domestic sales	812,136,178	623,503,982
Unearned finance expense	(3,151,060)	(2,937,912)
Sales returns and discounts	(77,402,588)	(61,738,117)
Net sales	**731,582,530**	**558,827,953**
Cost of revenues	(586,157,703)	(476,837,534)
Gross profit	**145,424,827**	**81,990,419**

19 Selling, marketing and distribution expenses, general administrative expenses

Selling, marketing and distribution expenses

For the years ended 31 December, selling, marketing and distribution expenses comprised the following:

	2010	2009
Advertisement and sponsorship expenses	19,225,656	14,385,953
Commission expenses	5,090,999	1,498,549
Personnel expenses	4,208,630	2,866,797
Representation expenses	1,006,434	189,741
Consultancy expense	871,289	424,037
Publishing expenses	811,851	560,212
Travel expenses	579,278	278,751
Vehicle rent expenses	210,190	--
Mail, newspaper, magazine expenses	180,096	29,897
Depreciation and amortization	106,398	--
Other	305,310	45,050
	32,596,131	**20,278,987**

General administration expenses

For the years ended 31 December, general administrative expenses comprised the following:

	2010	2009
Personnel expenses	23,609,219	21,104,394
Consultancy, legal, notary expenses	5,151,724	5,288,345
Depreciation and amortization	3,032,177	1,954,998
Communication and other office expenses	2,358,418	1,350,950
Rent expense	1,416,014	1,479,562
Energy expenses	1,302,346	598,190
Cleaning and meal expenses	1,240,902	1,227,622
Representation and travel expenses	889,192	644,160
Repair and maintenance expenses	630,277	664,971
Other	2,353,152	2,205,564
	41,983,421	**36,518,756**

20 Expenses by nature

For the years ended 31 December, expenses by nature comprised the following:

Amortization and depreciation expenses	2010	2009
Cost of revenues	68,595,744	60,370,491
General administrative expenses	3,032,177	1,954,998
Selling, marketing and distribution expenses	106,398	--
	71,734,319	**62,325,489**

Personnel expenses	2010	2009
Cost of revenues	313,994,521	249,953,212
General administrative expenses	23,609,219	21,104,394
Selling, marketing and distribution expenses	4,208,630	2,866,797
	341,812,370	**273,924,403**

21 Other operating income and expenses

For the years ended 31 December, other operating income comprised the following:

	2010	2009
Insurance compensation gain (*)	2,302,306	1,863,204
Recovery of impairment for doubtful receivables	734,322	112,943
Premium from bank related salary payment right assignment (**)	468,007	309,583
Gain on sale of fixed assets	325,761	1,274,459
Other income	1,666,263	725,917
	5,496,659	**4,286,106**

(*) The gain obtained from the insurance companies when equipments are damaged during transportation.

(**) The premium arose from the change of the bank from which salary payments are made.

For the years ended 31 December, other operating expense comprised the following:

	2010	2009
Damage loss (*)	3,034,808	2,617,590
Provision for the lawsuits	2,988,143	409,996
Allowance for doubtful receivable	2,166,622	976,840
Donations	1,372,777	448,520
Loss on sale of property and equipment	90,828	123,523
Other	1,566,650	73,886
	11,219,828	**4,650,355**

(*) Losses incurred when equipments are damaged during transportation.

22 Financial income

For the years ended 31 December, financial income comprised the following:

	2010	2009
Imputed interest on cost of revenue	3,058,162	2,680,638
Discount on trade payables	1,075,127	936,124
Interest income on time deposits	812,766	1,159,078
Other financial income	23,303	29,611
	4,969,358	**4,805,451**

23 Financial expenses

For the years ended 31 December, financial expenses comprised the following:

	2010	2009
Interest expense on bank loans	39,162,844	37,658,728
Foreign exchange loss, net	25,456,064	3,563,276
Finance lease interest expense	5,877,668	4,132,255
Credit card commission expenses	5,411,959	4,973,543
Net change in fair value of derivatives	4,299,190	1,625,746
Actuarial interest cost	3,519,952	1,726,618
Imputed interest on revenue	909,554	2,544,965
Letter of credit and other bank commission expenses	622,195	864,586
Change in fair value of forward transactions	96,928	1,141,180
Other	118,687	380,514
	85,475,041	**58,611,411**

(*) Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in net gain or loss position.

24 Tax assets and liabilities

Corporate tax

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilised. In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate at 31 December 2010 is 20%.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

According to the Corporate Tax Law, 75 percent of the capital gains arising from the sale of property and equipment and investments owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in equity from the date of the sale. The remaining 25 percent of such capital gains are subject to corporate tax.

The transfer pricing law is covered under Article 13 “disguised profit distribution via transfer pricing” of the Corporate Tax Law. The General Communique on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductable for corporate income tax purposes.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

24 Tax assets and liabilities *(continued)*

Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

As at 31 December, current year corporate tax payable comprised the following:

	31 December 2010	31 December 2009
Corporate tax provision	8,419,341	1,848,029
Prepaid taxes and funds	(5,765,515)	(990,903)
	2,653,826	**857,126**

For the years ended 31 December, tax expenses comprised the following:

	2010	2009
Current year corporate tax provision	(8,419,341)	(1,848,029)
Reversal for the excess of the previous year tax provision	--	1,269,546
Deferred tax credit / (charge)	329,511	19,259,106
	(8,089,830)	**18,680,623**

24 Tax assets and liabilities *(continued)*

The reported tax expense for the years ended 31 December is different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2010		2009	
		%		%
Profit/(loss) before tax	(15,383,577)		(28,977,534)	
Tax rate	20		20	
Taxes on reported profit per statutory tax rate	3,076,715	(20.00)	5,795,507	(20.00)
Non-deductible expenses	(280,101)	1.82	(1,368,502)	4.72
Tax exempt income	132,109	(0.86)	495,036	(1.71)
Tax exception on investment allowance	--	--	13,085,154	(45.16)
Recognition of previously unrecognized tax losses	--	--	4,117,304	(14.21)
Tax penalty charge	(3,734,431)	24.28	22,495	(0.08)
Statutory tax losses for which no deferred tax assets recognized	(6,728,996)	43.74	(5,217,176)	18.00
Other	(555,126)	3.04	1,750,805	(6.04)
Taxation credit/ (charge)	**(8,089,830)**	**52.02**	**18,680,623**	**(64.48)**

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the Communiqué No: XI-29 and the statutory tax financial statements. Related temporary differences are subject to different period records according to articles and to tax laws for profit and lost items.

According to the decision of the Turkish Constitutional Court promulgated in the Official Gazzette no.27456 dated 8 January 2010, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption. As per this decision, the Group has provided deferred tax asset amounting to TL 13,330,831 over the investments the started before 1 January 2006 and continued after that date constituting economic and technical integrity amounting to TL 66,654,156.

Deferred tax assets and liabilities deducted for the factors that there is a legally applicable right to deduct the current year tax assets and liabilities and there is intent of the occurrence of the current year tax assets and liabilities concurrently are valid.

The unrecorded deferred taxes are re-evaluated at every balance sheet date. If it is possible to make profits in the future the unrecorded deferred tax assets are reflected to the financial statements

24 Tax assets and liabilities *(continued)*

Deferred tax assets and liabilities *(continued)*

Deferred tax assets and deferred tax liabilities as at 31 December were attributable to the items detailed in the table below:

	31 December 2010		31 December 2009	
	Deferred tax base	**Deferred tax asset/(liability)**	**Deferred tax base**	**Deferred tax asset/(liability)**
Property, equipment and intangible assets	(6,063,145)	(1,212,629)	3,718,200	743,640
Financial liabilities	(2,435,875)	(487,175)	(1,000,616)	(200,123)
Employee benefits	2,111,554	422,311	1,863,930	372,786
Investment allowance	66,654,156	13,330,831	66,808,353	13,361,671
Trade and other receivables	(10,646,766)	(2,129,353)	(3,810,519)	(762,104)
Financial investments at fair value	4,396,119	879,224	2,618,813	523,763
Provisions	16,769,442	3,353,888	13,576,000	2,715,200
Tax loss carry-forwards	36,619,494	7,323,899	21,983,262	4,396,652
	107,404,981	**21,480,996**	**105,757,423**	**21,151,485**

	31 December 2010	**31 December 2009**
Deferred tax assets	25,441,111	22,113,712
Deferred tax liabilities	(3,960,115)	(962,227)
Deferred tax assets, net	**21,480,996**	**21,151,485**

For the years ended 31 December, the movement of the deferred tax assets/(liabilities) are as follows

	2010	**2009**
Beginning balance	21,151,485	1,892,379
Period tax credit/ (expense)	329,511	19,259,106
Ending balance	**21,480,996**	**21,151,485**
Deferred tax charges from the acquisition of a subsidiary – for cash flows	7,776	--

Unrecognized deferred tax assets

Deferred tax asset amounting to TL 6,728,996 (31 December 2009: TL 5,217,176) has not been recognized in respect of the current year statutory tax losses, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. The Group management anticipated that there will be taxable profits in the following years. Therefore, as at 31 December 2010, deferred tax asset is recognized in the accompanying consolidated financial statements for tax losses carried forward amounting to TL 36,619,494 (31 December 2009: TL 21,983,262).

Expiration dates of tax losses are as follows:

	31 December 2010	**31 December 2009**
2015	17,151,501	--
2014	17,853,331	18,792,954
2013	995,117	1,033,252
2012	37,985	7,929
2011	581,560	573,482
2010	--	1,575,645
	36,619,494	**21,983,262**

25 Earnings per share

The calculation of basic and diluted earnings/ (losses) per share was calculated by dividing the income attributable to ordinary shareholders in consolidated statement of comprehensive income of this report to the weighted average number of ordinary shares outstanding:

	2010	2009
Net income/ (loss) for the year	(23,108,139)	(9,666,720)
Weighted average number of shares	668,000,000	668,000,000
Basic and Diluted Earnings/ (losses) per 1.000 Shares	**(34.593)**	**(14.471)**

26 Related parties

Since intra-group balances and transactions between the Company and its subsidiaries are eliminated at the preparation of the consolidated financial statements they are not disclosed in this note.

As at 31 December, short-term trade receivables from related parties as follow:

	31 December 2010	31 December 2009
Trade receivables	8,655,743	6,803,649
Other receivables	36,867	403,264
	8,692,610	**7,206,913**

As at 31 December, short-term trade payables to related parties as follow:

	31 December 2010	31 December 2009
Trade payables	9,571,893	7,098,836
Other payables	503,601	2,025,806
	10,075,494	**9,124,642**

26 Related parties *(continued)*

Due from related parties

	31 December 2010		31 December 2009	
	Trade Receivable	Other Receivable	Trade Receivable	Other Receivable
Shareholders				
Mehmet Ali Aydınlar	--	149	--	--
Said Haifawi	--	--	--	155,751
Related companies				
Acıbadem Sigorta	7,458,385	735	5,627,790	165,932
Çukurova Bilim	939,510	--	941,508	566
Acıbadem Diş	185,569	13,068	195,925	33,647
Acıbadem Holding	24,988	--	22,751	--
Acıbadem Üniversitesi	5,312	--	8,385	--
Akademia	17,342	1,668	7,090	28,120
Aydınlar Sağlık Hizmetleri	24,637	882	--	--
Aplus	--	17,692	200	2,339
Telepati Tanıtım	--	2,141	--	--
BLAB	--	266	--	265
Kerem Aydınlar Vakfı	--	266	--	15,226
Acıbadem Vakfı	--	--	--	1,268
Acıbadem Proje	--	--	--	150
	8,655,743	**36,867**	**6,803,649**	**403,264**

Transactions with Acıbadem Sigorta include receivables from the treatment of Acıbadem Sigorta's customers at Acıbadem hospitals and outpatient clinics.

Acıbadem Proje pertains amounts billed to Acıbadem Sağlık for planning, design and construction work of new Acıbadem facilities including improvements for existing facilities

A Plus is related to the laundry, catering and cleaning services provided at various Acıbadem hospitals and outpatient clinics.

Telepati Tanıtım is giving services for advertising services rendered to promote Acıbadem brand on various media channels.

Due to related parties

	31 December 2010		31 December 2009	
	Trade Payable	Other Payable	Trade Payable	Other Payable
Shareholders				
Mehmet Ali Aydınlar	--	15,461	--	15,058
Hatice Seher Aydınlar	--	1,546	--	1,506
Said Haifawi	--	36,070	--	--
Other	--	1,755	--	1,729
Related companies				
Acıbadem Proje (1)	1,373,412	38,277	3,284,209	7,513
Aplus (2)	6,454,852	--	2,484,234	--
Telepati Tanıtım (3)	912,545	--	689,902	--
Acıbadem Diş	440,519	77,503	298,595	--
Acıbadem Sigorta	278,768	332,536	209,584	--
Acıbadem Holding	111,737	437	128,520	2,000,000
Acıbadem Vakfı	--	16	--	--
Acıbadem Üniversitesi	60	--	--	--
Çukurova Bilim	--	--	3,792	--
	9,571,893	**503,601**	**7,098,836**	**2,025,806**

26 ***Related parties*** (continued)

Related party transactions (Sales)

For the years ended 31 December, sales and services to related parties are as follows:

	2010		
	Services	**Fixed Assets**	**Others**
Acıbadem Sigorta	52,252,824	--	499,616
Çukurova Bilim	935,132	--	3,600
Acıbadem Holding	225,857	700	--
Aplus	41,614	--	145,343
Acıbadem Proje Yönetimi	1,910	--	178,088
Akademia	128	--	--
Acıbadem Diş	107	--	48,037
Aydınlar Sağlık Hizmetleri	--	--	90,920
Telepati Tanıtım	--	--	62,400
	53,457,572	**700**	**1,028,004**

	2009	
	Services	**Others**
Acıbadem Sigorta	39,290,897	379,254
Çukurova Bilim	380,555	--
Acıbadem Holding	201,096	--
Acıbadem Diş	158,395	--
Aplus	69,638	453,952
Acıbadem Proje Yönetimi	17,924	159,378
Telepati Tanıtım	70	60,000
	40,118,575	**1,052,584**

Related party transactions (Purchases)

For the years ended 31 December, the purchases from related parties are as follows:

	2010		
	Services	**Fixed Assets**	**Others**
Aplus	34,187,926	--	111,502
Acıbadem Proje	30,773,162	76,494	--
Acıbadem Sigorta	5,946,472	--	467,487
Telepati Tanıtım	5,261,870	--	--
Acıbadem Diş	489,932	--	--
Acıbadem Holding	182,808	--	
Akademia	47	--	
	76,842,217	**76,494**	**578,989**

26 *Related parties* (continued)

Related party transactions (Purchases) *(continued)*

	2009		
	Services	**Fixed Assets**	**Others**
Acıbadem Proje	26,320,272	26,152	--
Aplus	20,253,392	--	--
Acıbadem Sigorta	4,877,446	--	475,692
Telepati Tanıtım	2,998,289	--	--
Acıbadem Diş	954,444	--	--
Çukurova Bilim	141,112	--	--
BLAB	105,258	--	--
Acıbadem Holding	22,618	--	29,264
Akademia	3,327	80,397	--
	55,676,158	**106,549**	**504,956**

Guarantees and similar obligations

As at 31 December 2010, the details of the guarantees given as security for the credits used by the parties are as follows:

On behalf of	Date	Currency type	Amount (Foreign Currency)	Amount (TL)
Aplus	20.09.2006	TL	--	150,000
Aplus	06.09.2007	TL	--	420,000
Aplus	05.10.2007	TL	--	200,000
Aplus	12.02.2008	TL	--	500,000
Acıbadem Proje	28.12.2005	TL	--	200,000
Acıbadem proje	27.01.2005	USD	50,000	77,300
Acıbadem Holding	12.04.2005	TL	--	2,850,000
				4,397,300

As at 31 December 2010, the Acıbadem Poliklinikleri, consolidated subsidary has given guarantees on behalf of Acıbadem Holding A,Ş, one of the other related parties, regarding to cash credit line up to TL 2,850,000 from İş Bankası, on behalf of International Hospital regarding to cash credit line up to TL 4,089,858 and cash credit line up to USD 2,000,000 from İş Bankası and on behalf of Acıbadem Kayseri to cash credit line up to TL 3,024,000 from Vakıflar Bankası, which are available for use in the future.

As at 31 December 2010, Mehmet Ali Aydınlar, shareholder of Acıbadem Sağlık and Acıbadem Poliklinikleri, consolidated subsidiary gave guarantees on behalf of Acıbadem Sağlık regarding to the cash credit line up to TL 1,760,181 and non-cash credit line up to USD 7,887,794 (LC) from İş Bankası which are available for use in the future.

Key management compensation

For the year ended 31 December 2010, sum of the compensation to key management is TL 7,412,679 (2009: TL 3,175,108). Total compensation amount contains wages and salaries paid to the key management.

Donations

For the year ended 31 December 2010 and 2009, the Group made donations to Acıbadem University amounting to TL 1,372,777 and TL 441,020, respectively.

27 Nature and Level of Risks Arising from Financial Instruments

Financial Risk Management Policies

The main financial instruments of the Group are bank loans, receivables, payables, cash and short term bank deposits. The main reason for the usage of these financial instruments is providing funds for the Group's activities. The Group also has trade receivables and trade payables that directly occur during the main activities.

The financial risks are currency risk, interest risk, credit risk and liquidity risk. The Group management manages these risks as explained below:

Capital Risk Management

The primary objective of the Group is ensuring the continuity of operations while increasing profitability by using the balance between liabilities and equity in a most effective way. The capital structure of the Group is consists of the items which include the liabilities, cash and cash equivalents, paid-in capital which is explained in Note 17, capital reserves and profit reserves.

The cost of capital and the risks associated with each share capital component are evaluated by the key management of the Group. During these evaluations, if the acceptance of Board of Directors is needed, the key management represents the evaluation to the Board of Directors for their evaluation.

The general policy and procedure of the Group is not different from the previous period's.

Credit Risk

Credit risk is the risk of handling a financial loss which is caused by another related party by not fulfilling the obligations regarding to a financial instrument.

Having the financial instruments gives the risk of not fulfilling the requirements of the agreement by the other parties. The collection risk of the Group is mainly caused from its trade receivables and cash. Trade receivables are evaluated by management according to the Group's procedure and policies and are carried in the balance sheet as the net of impairment provision (Note 6).

27 Nature and Level of Risks Arising from Financial Instruments

***Credit risk** (continued)*

As at 31 December 2010, credit risk details are as follows:

	Receivables					
	Trade receivables		**Other receivables**			
31 December 2010	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**	**Other**
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	8,655,743	69,570,714	36,867	1,464,090	23,269,309	2,325,072
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	
A, Carrying amount of financial assets that are not overdue and not impaired	8,655,743	60,015,507	36,867	1,464,090	23,269,309	2,325,072
B, Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--
C, Carrying amount of assets that are overdue but not impaired	--	9,555,207	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
D, Carrying amount of assets that are impaired	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	5,473,602	--	--	--	--
- Impairment (-)	--	(5,473,602)				--
- Carrying amount secured with collateral	--	--	--	--	--	--
- Not overdue (gross carrying amount	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
E, Factors that include off balance sheet credit risks	--	--	--	--	--	--

27 Nature and Level of Risks Arising from Financial Instruments *(continued)*

***Credit risk** (continued)*

	Receivables					
	Trade receivables		Other receivables			
31 December 2009	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**	**Other**
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	6,803,649	55,327,404	403,264	2,006,440	18,774,434	636,705
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--
A, Carrying amount of financial assets that are not overdue and not impaired	6,803,649	50,356,035	403,264	2,006,440	18,774,434	636,705
B, Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--
C, Carrying amount of assets that are overdue but not impaired	--	4,971,369	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
D, Carrying amount of assets that are impaired	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	4,396,956	--	--	--	--
- Impairment (-)	--	(4,396,956)	--	--	--	
- Carrying amount secured with collateral	--	--	--	--	--	--
- Not overdue (gross carrying amount	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
E, Factors that include off balance sheet credit risks	--	--	--	--	--	--

Liquidity Risk

The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets.

Liquidity risk is probability of not fulfill fund obligations of the Group. Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages its present and future funding risk by maintaining a balance between continuity and availability of funding through the use of bank loans and other borrowing sources from high quality lenders.

27 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk *(continued)*

The tables listed below are representing the maturities of non-derivative financial liabilities.

As at 31 December 2010, maturities of non-derivative financial liabilities are as follows:

Contractual maturities	Carrying value	Total cash outflow per agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)	Without maturity
Non-derivative financial liabilities							
Financial liabilities	758,725,304	828,186,531	46,029,958	47,167,258	623,544,420	111,444,895	--
Financial lease liabilities	97,810,592	129,403,083	2,934,928	18,828,820	94,671,661	12,967,674	--
Expected maturities	**Carrying value**	**Expected total cash out flow (=I+II+III+IV)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**	**Over 5 years (IV)**	**Without maturity**
Non-derivative financial liabilities							
Trade payables	79,107,904	79,709,086	60,878,704	12,037,193	6,793,189	--	--
Due to related parties	9,571,893	9,658,830	9,371,924	286,906	--	--	--
Other payables (*)	29,599,494	29,599,494	10,543,893	19,055,601	--	--	--

(*) Other payables comprise, other liabilities amounting to TL 23,514,055, other payables amounting to TL 20,527,300 excluding social security tax payables, deferred rent income and advances received.

27 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk *(continued)*

As at 31 December 2009, maturities of non-derivative financial liabilities are as follows:

Contractual maturities	**Carrying value**	**Total cash outflow per agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**	**Over 5 years (IV)**	**Without maturity**
Non-derivative financial liabilities							
Financial liabilities	703,264,450	837,553,935	6,301,476	38,414,062	256,962,535	535,875,844	--
Financial lease liabilities	71,850,723	102,638,285	2,431,357	10,718,672	57,788,478	31,699,778	--
Expected maturities	**Carrying value**	**Expected total cash out flow (=I+II+III+IV)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**	**Over 5 years (IV)**	**Without maturity**
Non-derivative financial liabilities							
Trade payables	67,248,416	67,796,865	42,588,296	12,643,031	12,565,538	--	--
Due to related parties	7,098,836	7,142,727	4,486,883	1,332,004	1,323,840	--	--
Other payables (*)	28,919,599	28,919,599	8,015,423	2,025,806	18,878,370		

(*) Other payables comprise, other liabilities amounting to TL 16,554,005, other payables amounting to TL 1,775,227, other non-current liabilities amounting to TL 18,878,370, excluding social security and tax payables, deferred rent income and advances received.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk

The Group is exposed to market risk arising from changes in interest rates, foreign currency or in the fair value of financial assets and other financial contracts that may affect the Group adversely. The major risks for the Group are currency risk and interest rate risk, which result from operating activities.

Foreign currency risk and related sensitivity analysis

Foreign exchange risk of Group mainly results from that the Group has liabilities denominated in USD, CHF and Euro.
Additionally, the Group has foreign exchange risk resulting from the transactions it makes. These risks are derived from good purchases and sales and use of loans and finance leases in foreign currency which is different from the Group's functional currency.

As at 31 December 2010 and 2009, the net foreign currency position of the Group is TL 835,235,230, and TL 785,318,796 (short) position, respectively.

	31 December 2010	**31 December 2009**
Foreign currency denominated assets	3,644,951	2,213,455
Foreign currency denominated liabilities	(855,259,958)	(808,612,051)
	(851,615,007)	**(806,398,596)**
Foreign currency derivatives	16,379,777	21,079,800
Net foreign currency position	**(835,235,230)**	**(785,318,796)**

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

FOREIGN CURRENCY POSITION						
	31 December 2010					
CONSOLIDATED	**TL Equivalent (Functional currency)**	**USD**	**Euro**	**GBP**	**CHF**	**Other**
1. Trade receivables	287	186	-	-	-	--
2a.Monetary financial assets (include cash and bank deposit)	2,904,708	774,977	829,344	2,673	487	--
2b. Non-monetary financial assets	-	-	-	-	-	--
3. Other	2,002	-			1,218	--
4. Current Assets (1+2+3)	**2,906,997**	**775,163**	**829,344**	**2,673**	**1,705**	--
5. Trade receivables		-	-	-	-	--
6a. Monetary financial assets	737,954	-	360,136	-	-	--
6b. Non-monetary financial assets	-	-	-	-	-	--
7. Other	-	-	-	-	-	--
8. Non Current Assets (5+6+7)	**737,954**	**-**	**360,136**	**-**	**-**	**--**
9. Total Assets (4+8)	**3,644,951**	**775,163**	**1,189,480**	**2,673**	**1,705**	--
10. Trade payables	10,452,615	3,077,757	2,778,340	547	-	--
11. Financial liabilities	55,830,853	25,546,360	4,144,047	-	4,772,243	--
12a. Other monetary liabilities	18,552,000	12,000,000	-	-	-	--
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	**84,835,468**	**40,624,117**	**6,922,387**	**547**	**4,772,243**	--
14. Trade payables	6,310,079	3,500,000	438,768	-	-	--
15. Financial liabilities	764,114,411	444,495,333	14,072,921	-	29,254,048	--
16a. Other monetary liabilities	-	-	-	-	-	--
16b. Other non-monetary liabilities	-	-	-	-	-	--

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

17. Non-Current Liabilities (14+15+16)	**770,424,490**	**447,995,333**	**14,511,689**	**-**	**29,254,048**	--
18. Total Liabilities (13+17)	**855,259,958**	**488,619,450**	**21,434,076**	**547**	**34,026,291**	--
19. Off balance sheet foreign currency denominated derivatives net assets/liabilities position (19a-19b)	**16,379,777**	**10,594,940**	--	--	--	--
19a. Off balance sheet foreign currency denominated derivatives assets amount	16,379,777	10,594,940	--	--	--	--
19b. Off balance sheet foreign currency denominated derivatives liabilities amount	--	--	--	--	--	--
20. Net foreign currency denominated assets /(liabilities) position (9-18+19)	**(835,235,230)**	**(477,249,347)**	**(20,244,596)**	**2,126**	**(34,024,586)**	--
21. Monetary accounts net foreign currency denominated assets /(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	**(851,617,009)**	**(487,844,287)**	**(20,244,596)**	**2,126**	**(34,025,804)**	--
22. Fair value of hedging financial instruments			--	--	--	--
23. Hedged foreign currency denominated assets	--	--	--	--	--	--
24. Hedged foreign currency denominated liabilities			--	--	--	--
25. Export	--	--	--	--	--	--
26. Import	--	--	--	--	--	--

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

FOREIGN CURRENCY POSITION						
	31 December 2009					
CONSOLIDATED	TL Equivalent (Functional currency)	USD	Euro	GBP	CHF	Other
1. Trade receivables	1,624	146	650	-	-	--
2a.Monetary financial assets (include cash and bank deposit)	915,651	493,261	63,885	14,338	470	--
2b. Non-monetary financial assets	-	-	-	-	-	--
3. Other	-	-	-	-	-	--
4. Current Assets (1+2+3)	**917,275**	**493,407**	**64,535**	**14,338**	**470**	--
5. Trade receivables	-	-	-	-	-	--
6a. Monetary financial assets	1,296,180	-	600,000	-	-	--
6b. Non-monetary financial assets	-	-	-	-	-	--
7. Other	-	-	-	-	-	--
8. Non Current Assets (5+6+7)	1,296,180	-	600,000	-	-	--
9. Total Assets (4+8)	**2,213,455**	**493,407**	**664,535**	**14,338**	**470**	--
10. Trade payables	18,335,426	4,295,132	5,490,879	2,637	-	--
11. Financial liabilities	27,428,720	13,239,109	3,347,557	-	181,387	--
12a. Other monetary liabilities	20,835,326	13,837,634	-	-	-	--
12b. Other non-monetary liabilities	-	-	-	-	-	--
13. Current Liabilities (10+11+12)	**66,599,472**	**31,371,875**	**8,838,436**	**2,637**	**181,387**	--
14. Trade payables	7,950,546	4,000,000	892,351	-	-	--
15. Financial liabilities	734,062,033	443,882,277	8,563,522	-	32,575,705	--
16a. Other monetary liabilities	--	--	-	-	-	--
16b. Other non-monetary liabilities	-	-	-	-	-	--
17. Non-Current Liabilities (14+15+16)	**742,012,579**	**447,882,277**	**9,455,873**	**-**	**32,575,705**	--

27. Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

18. Total Liabilities (13+17)	**808,612,051**	**479,254,152**	**18,294,309**	**2,637**	**32,757,092**	--
19. Off balance sheet foreign currency	21,079,800	14,000,000	--	--	--	--
denominated derivatives						
net assets/liabilities position (19a-19b)						
19a. Off balance sheet foreign currency						
denominated derivatives assets amount	21,079,800	14,000,000	--	--	--	--
19b. Off balance sheet foreign currency						
denominated derivatives liabilities amount	--	--	--	--	--	--
20. Net foreign currency denominated assets /(liabilities) position (9-18+19)	**(785,318,796)**	**(464,760,745)**	**(17,629,774)**	**11,701**	**(32,756,622)**	--
21. Monetary accounts net foreign currency denominated assets /(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	**(806,398,596)**	**(478,760,745)**	**(17,629,774)**	**11,701**	**(32,756,622)**	--
22. Fair value of hedging financial instruments	--	--	--	--	--	--
23. Hedged foreign currency denominated assets						
24. Hedged foreign currency denominated	--	--	--	--	--	--
liabilities						
25. Export	--	--	--	--	--	--
26. Import	--	--	--	--	--	--

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

The foreign currency risk of the Group is related to the bank loans borrowed and financial lease liabilities. The Group has a pricing policy that changes according to the deviations in the long term borrowings and volatility of foreign exchange rates for minimizing this risk. Furthermore, Acıbadem Sağlık hedges 18 months portion of principals and the related interest payments related to the long term bank loans of USD 200,000,000 used from Garanti Bankası at the "Future Transactions Market".

The changes in foreign currency position of the Group as of the balance sheet date are as follows:

Foreign currency sensitivity analysis				
31 December 2010				
	Profit/Loss		Equity	
	Increase of foreign currency	Decrease of foreign currency	Increase of foreign currency	Decrease of foreign currency
Change of USD exchange rate against TL by 10%:				
1- USD denominated net assets/liabilities	(75,420,727)	75,420,727	--	--
2- Hedged amount against USD Dollar risk (-)	1,637,978	(1,637,978)	--	--
3- Net effect of USD (1+2)	**(73,782,749)**	**73,782,749)**	**--**	**--**
Change of Euro exchange rate against TL by 10%:				
4- Euro denominated net assets/liabilities	(4,148,320)	4,148,320	--	--
5- Hedged amount against Euro risk (-)		--		--
6- Net effect of Euro (4+5)	**(4,148,320)**	**4,148,320**	**--**	**--**
Change of other currencies against TL by 10%:				
7- Other foreign currency denominated net assets/liabilities	(5,592,454)	5,592,454	--	--
8- Hedged amount against other foreign risk (-)		--	--	--
9- Net effect of other foreign currency (7+8)	**(5,592,454)**	**5,592,454**	**--**	**--**
TOTAL (3+6+9)	**(83,523,523)**	**83,523,523**	**--**	**--**

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Foreign currency sensitivity analysis				
31 December 2009				
	Profit/Loss		Equity	
	Increase of foreign currency	Decrease of foreign currency	Increase of foreign currency	Decrease of foreign currency
Change of USD exchange rate against TL by 10%:				
1- USD denominated net assets/liabilities	(72,087,005)	72,087,005	--	--
2- Hedged amount against USD Dollar risk (-)	2,107,980	(2,107,980)	--	--
3- Net effect of USD (1+2)	**(69,979,025)**	**69,979,025**	**--**	**--**
Change of Euro exchange rate against TL by 10%:				
4- Euro denominated net assets/liabilities	(3,808,560)	3,808,560	--	--
5- Hedged amount against Euro risk (-)		--	--	--
6- Net effect of Euro (4+5)	**(3,808,560)**	**3,808,560**	**--**	--
Change of other currencies against TL by 10%:				
7- Other foreign currency denominated net assets/liabilities	(4,744,294)	4,744,294	--	--
8- Hedged amount against other foreign risk (-)		--		--
9- Net effect of other foreign currency (7+8)	**(4,744,294)**	**4,744,294**	**--**	**--**
TOTAL (3+6+9)	**(78,531,880)**	**78,531,880**	**--**	**--**

27 Nature and level of risks arising from financial instruments *(continued)*

Interest rate risk

The Group is exposed to interest rate risk arising from interest rate sensitive financial liabilities. As part of its fund management policy, the interest risk of interest bearing assets is calculated by performing sensitivity analysis. The sensitivity of interest sensitive assets in response to changes in market interest rates is computed based on the average maturities and average interest sensitive assets; the interest rate risk arising from the securities portfolio held as part of fund management function is monitored within expectations of market rates by closely watching the financial markets.

Additionally, as at 31 December 2010, the Company has interest rate swap transactions which are hedging USD 88,200,000 portion of outstanding USD 196,000,000 credit used from Garanti Bankası from the risk of interest rate changes. The interest rate position table is as follows:

Interest rate position			
		31 December 2010	**31 December 2009**
Fixed interest bearing financial instruments			
Financial assets	Time deposits	18,249,666	17,363,607
Financial liabilities		136,307,040	85,698,905
Variable interest bearing financial instruments			
Financial assets		--	--
Financial liabilities		716,508,037	686,602,929

As at 31 December 2010, interest bearing assets and liabilities consist of bank loan, bank deposits and financial leases, after deducting the effect of the above-mentioned interest swap, if the interest rates applied to Group increase by 1 percent, the net profit of the period will decrease by TL 5,617,529; if the interest rates applied to Group decrease by 1 percent, the net profit of the period will increase by TL 5,617,529.

28 Financial Instruments: Fair Value Disclosure

As at 31 December, fair value of financial assets and liabilities are as below:

		2010		**2009**	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets					
Cash and cash equivalents(*)	4	25,594,381	25,594,381	19,411,139	19,411,139
Trade receivables	6	69,570,714	69,570,714	55,327,404	55,327,404
Trade receivables from related parties	26	8,655,743	8,655,743	6,803,649	6,803,649
Other receivables from related parties	26	36,867	36,867	403,264	403,264
Other receivables	7	1,109,405	1,109,405	1,732,906	1,732,906
Other current and non-current assets(**)	16	26,846,686	26,846,686	24,311,935	24,311,935
		132,204,652	**132,204,652**	**107,990,297**	**107,990,297**

(*) For the fair value measurement, cash on hand is excluded from cash and cash equivalents.

(**)For the fair value measurement; various prepaid expenses, prepaid taxes and funds and income accruals are excluded from other current and non-current assets.

28 Financial Instruments: Fair value disclosure *(continued)*

		2010		2009	
Financial liabilities	**Note**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial liabilities	5	856,535,896	856,535,896	775,115,173	775,115,173
Trade payables	6	79,107,904	79,107,904	67,248,416	67,248,416
Trade payables to related parties	26	9,571,893	9,571,893	7,098,836	7,098,836
Other payables to related parties	26	503,601	503,601	2,025,806	2,025,806
Other payables	7	20,527,300	20,527,300	19,843,627	19,843,627
Other liabilities(*)	16	10,587,195	10,587,195	8,221,605	8,221,605
		976,833,789	**976,833,789**	**879,553,458**	**879,553,458**

(*)For the fair value measurement, social security and taxes payable is excluded from other liabilities.

Fair value is the amount which can be measurable with closest market price that can be obtained in a sale process except forced sale or liquidation in which there are applicants for both selling and buying.

The estimated fair values of financial instruments have been determined using available market information by the Group, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Company has used available market information in estimating the fair values, the market information may not be fully reflective of the value that could be realized in the current circumstances. The following methods and assumptions are used for the determination of fair values of financial instruments:

Fair values of cash and cash equivalents, including accrued interest, and other financial assets are assumed to approximate their carrying amounts due to their short-term maturity and being subject to insignificant credit risk. Fair values of trade receivables net of doubtful receivables are assumed to approximate their carrying amounts.

Classification of fair value measurement

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

31 December 2010	**Level 1**	**Level 2**	**Level 3**
Fair value through profit/loss -Interest rate swap	--	4,299,190	--
Fair value through profit/loss –forward	--	96,928	--
Mutual funds	147,676	--	--

31 December 2009	**Level 1**	**Level 2**	**Level 3**
Fair value through profit/loss -Interest rate swap	--	1,625,746	--
Fair value through profit/loss –forward	--	1,141,180	

29 Subsequent events

The Group has evaluated subsequent events through the date the financial statements were issued and determined that following subsequent events require disclosure:

On 23 December 2011, a share transfer agreement between owners of the Group, Integrated Healthcare Holdings SDN BHD ("IHH") and Bagan Lalang Ventures Sdn. Bhd. ("Bagan Lalang"), a subsidiary of Khazanah Nasional Berhad pertaining to the sale of 75% ownership shares of the Group. Following the completion of the acquisition on 24 January 2012, the new shareholder structure of the Group has come to 60% to be held by IHH, 25% to be held by Aydınlar Family and remaining 25% will be held by Bagan Lalang.

On 5 October 2011, Acıbadem Sağlık signed the final deal for the acquisition of %50.00 of Sistina Medikal Kompani Dooel Skopje and %50.32 of PZU Clinical Hospital Sistina Skopje shares owned by Macedonian firm Orka Holding for Euro 20,000,000. The business purpose of Sistina Medikal Kompani Dooel Skopje is to own and lease hospital building and medical equipment. The business purpose of PZU Clinical Hospital Sistina Skopje is to provide healthcare services with its know-how and personnel. There is no capital and management relationship between the Group and Orka Holding.

According to Board of Director resolution dated 22 March 2011, the Company will merge with Acıbadem Kayseri Hastanesi, consolidated subsidiary of the Company whose 99.99% of its capital owned by the Company, in terms of Turkish Commercial Code ("TTC") 146-151 and 451th Articles of Turkish Commercial Code, 19th and 20th Articles of Corporate Tax Law and Serial:1 No.31 and No.41 decrees of CMB. The merger has been completed on 29th July 2011 by using 31 December 2010 financial statements of Acıbadem Kayseri by taking whole assets and liabilities by the Company.

According to Board of Director resolution dated 9 March 2011, Acıbadem Polikinikleri which is the consolidated subsidiary of the Company has increased its shares to 85% by acquiring additional 35% shares of its subsidiary Konur Sağlık. The determined price for shares is amounting to USD 945,000, the payment will be made in three equal installments.

On 18 January 2011, Acıbadem Mobil which is the consolidated subsidiary of the Company has increased its paid in capital from TL 1,000,000 to TL 4,500,000 by additional payment amounting to TL 3,500,000. The total increase is committed by Acıbadem Poliklinikleri, consolidated subsidiary of the Company, in cash and as a result of the increase the share of the Group rose to 82.22%.

Based on the Board of Director's decision taken at 28 April 2011, 99.90% of the shares of Yeni Sağlık, which owns and operates Göztepe Şafak Hospital in Göztepe district of İstanbul John F. Kennedy Hospital ("JFK") in Bahçelievler district of İstanbul has been acquired. The agreed amount for the acquisition of these shares is amounting to USD 28,239,250 and the payments will be done from the end of the 11st month following the actual share transfer with the installments of USD 1,000,000. The acquisition completed on 1 June 2011.

On February 1, 2012, Acıbadem Sağlık executed the share purchase agreement regarding its acquisition for 65.00% shares of Jinemed Sağlık Hizmetleri ve Ticaret A.Ş. ("Jinemed") for TL 13,650,000. The business purpose of Jinemed is to provide healthcare services at two different locations in Istanbul. There is no capital and management relationship between the Group and previous owners of Jinemed. Under current accounting guidance, Jinemed's financial position and results will be fully consolidated to Acıbadem Sağlık's financial statements. The closing of the transaction between two parties will take place following the approval of Competition Authority.

29 Subsequent events *(continued)*

On 12 January 2011, New Turkish Commercial Code ("NTCC") has been accepted by the Grand National Assembly of Turkey. The majority of the clauses will be effective from July 1, 2012. NTCC is bringing changes into the business environment. One of the clauses brings statutory audit as mandatory for all companies starting from 2013 (2012 will be the opening year for financials) and the companies will start to keep their books in accordance with Turkish Financial Reporting Standards (the Turkish translation of IFRS). The Group's analysis is under process for the effects of NTCC however the Group management doesn't expect any material effect on Group's financial position and results.

Capital Market Board's communiqué regarding "Designation and Application of Corporate Governance Principles" (Serial: IV, No: 56) was promulgated on 30 December 2011 amended on 11 February 2012 sets "the Principles of Corporate Governance" which will be mandated by publicly traded companies.

This communiqué sets out regulations including use of shareholder rights, inquiry and inspection rights of shareholders, general assembly participation rights, voting rights, scope of minority rights, dividends policy, and transfer of shares and communication of these events to the public. In addition to these regulations; as explained under "Role of Board of Directors", this communiqué sets the requirement for independent directors on the Board of Directors to be at least one third of total members of the Board and brought a veto right on significant decisions. As our report date, the Group management is evaluating the impact of the regulations set by the Communiqué and related changes as a result of adoption by Acıbadem Sağlık, which is publicly traded.

On January 24, 2012, Lim Cheok Peng, Kaichi Yokoyama, Ganendran Sarvananthan, Selçuk Yorgancıoğlu and Mohammad Azlan Bin Hashim appointed as new board members of ASYH replacing previous members, Arif Masood Naqvi, Mustafa Ahmed Talaat Abde Wadood, Waqar Hassan Siddque and Zeynep Aydınlar Eröğüt, effective immediately. In addition to the new members, total number members on the Board were increased from a total of six to seven members.

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Convenience Translation into English of Consolidated Financial Statements as at and for the year ended 31 December 2011 With Independent Auditor's Report Thereon

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

15 March 2012

This report includes 2 pages of independent auditors' report and 76 pages of consolidated financial statements together with their explanatory notes

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Table of Contents

KPMG

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

Independent Auditors' Report

To the Board of Directors of

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

We have audited the accompanying consolidated statements of financial position of Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and its subsidiaries ("the Group") as at 31 December 2011 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and significant accounting policies with the notes to the consolidated financial statements.

Group Management's Responsibility for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the financial reporting standards of Capital Market Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards promulgated by CMB. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and its subsidiaries as at 31 December 2011 and the related consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended in accordance with the financial reporting standards (please see Note 2) promulgated by CMB.

Additional paragraph for convenience translation to English

Accounting policies applied by the Group may differ from the accounting principles generally accepted in countries other than Turkey in material aspects and the effects of such differences have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations, and changes in cash flow of the Group in accordance with the accounting principles generally accepted in such countries of the users of these financial statements.

Istanbul, 15 March 2012

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.

Özkan Genç
Partner

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2011

Amounts expressed in Turkish Lira ("TL") unless otherwise stated

	Notes	*Audited* 31 December 2011	31 December 2010
ASSETS			
Current Assets		**243,595,411**	**164,787,728**
Cash and Cash Equivalents	*4*	44,159,489	26,019,218
Financial Investments	*28*	7,663,242	--
Trade Receivables		120,167,051	78,226,457
- Due from Related Parties	*26*	*9,514,653*	*8,655,743*
- Other Trade Receivables	*6*	*110,652,398*	*69,570,714*
Other Receivables		1,323,665	512,974
- Other Receivables from Related Parties	*26*	*251,970*	*36,867*
- Other Receivables	*7*	*1,071,695*	*476,107*
Inventories	*8*	21,914,405	14,146,518
Other Current Assets	*16*	48,367,559	45,882,561
Non-Current Assets		**1,520,019,865**	**1,382,367,536**
Other Receivables	*7*	6,867,703	987,983
Property and Equipment	*9*	547,122,837	527,086,675
Intangible Assets	*10*	7,449,473	3,043,858
Goodwill	*11*	917,357,997	820,498,762
Deferred Tax Assets	*24*	26,231,493	25,441,111
Other Non-Current Assets	*16*	14,990,362	5,309,147
TOTAL ASSETS		**1,763,615,276**	**1,547,155,264**
LIABILITIES			
Current Liabilities		**359,316,220**	**245,125,129**
Financial Liabilities	*5*	115,814,216	91,803,086
Other Financial Liabilities	*28*	5,211,751	4,396,118
Trade Payables		152,241,445	81,992,737
- Due to Related Parties	*26*	*29,156,434*	*9,571,893*
- Other Trade Payables	*6*	*123,085,011*	*72,420,844*
Other Liabilities		21,983,557	21,030,901
- Due to Related Parties	*26*	*578,943*	*503,601*
- Other Payables	*7*	*21,404,614*	*20,527,300*
Tax Liability	*24*	374,769	2,653,826
Provisions	*12*	24,165,423	19,734,406
Other Liabilities	*16*	39,525,059	23,514,055
Non Current Liabilities		**1,004,169,320**	**777,991,936**
Financial Liabilities	*5*	946,100,185	764,732,810
Trade Payables	*6*	8,399,726	6,687,060
Other Payables	*7*	36,860,388	--
Employee Benefits	*14*	1,933,424	2,111,563
Deferred Tax Liabilities	*24*	5,937,060	3,960,115
Other Non-Current Liabilities	*16*	4,938,537	500,388
EQUITY		**400,129,736**	**524,038,199**
Shareholders' Equity		**385,402,162**	**508,328,916**
Paid-in Capital	*17*	668,000,000	668,000,000
Share Premium	*17*	22,809,940	22,809,940
Legal Reserves	*17*	4,069,977	2,541,510
Accumulated Losses	*17*	(187,294,576)	(161,914,395)
Translation Reserves		(28,862)	--
Net Profit/(Loss) For The Year		(122,154,317)	(23,108,139)
Non-Controlling Interest		**14,727,574**	**15,709,283**
TOTAL LIABILITIES		**1,763,615,276**	**1,547,155,264**

The accompanying notes are an integral part of these consolidated financial statements

Amounts expressed in Turkish Lira("TL") unless otherwise stated

	Note	Audited 2011	Audited 2010
Revenues	*18*	1,009,470,016	731,582,530
Cost of Revenue	*18*	(793,348,551)	(586,157,703)
GROSS PROFIT		**216,121,465**	**145,424,827**
Selling, Marketing and Distribution Expenses (-)	*19*	(30,793,586)	(32,596,131)
General Administrative Expenses (-)	*19*	(45,489,908)	(41,983,421)
Other Operating Income	*21*	8,152,887	5,496,659
Other Operating Expense (-)	*21*	(22,875,168)	(11,219,828)
OPERATING PROFIT		**125,115,690**	**65,122,106**
Finance Income	*22*	16,086,112	4,969,358
Finance Expense	*23*	(257,715,357)	(85,475,041)
LOSS FROM CONTINUING OPERATIONS BEFORE TAX		**(116,513,555)**	**(15,383,577)**
Tax (Expense)/ Benefit from Continuing Operations		(5,356,267)	(8,089,830)
Current Tax Expense	*24*	(4,169,704)	(8,419,341)
Deferred Tax Credit	*24*	(1,186,563)	329,511
LOSS FROM CONTINUING OPERATIONS AFTER TAX		**(121,869,822)**	**(23,473,407)**
NET LOSS FOR THE YEAR		**(121,869,822)**	**(23,473,407)**
Other Comprehensive Income		(28,862)	--
TOTAL COMPREHENSIVE INCOME/ (LOSS)		**(121,898,684)**	**(23,473,407)**
Distribution of Net Loss		**(121,869,822)**	**(23,473,407)**
Non-Controlling Interest		284,495	(365,268)
Owners of the Company		(122,154,317)	(23,108,139)
Earnings/ (Loss) per Share (for 1000 shares)	*25*	**(182.866)**	**(34.593)**
Diluted and Basic Earnings / (Losses) per Share (for 1000 shares)		**(182.866)**	**(34.593)**
Earnings/ (Loss) per Share from Continuing Operations (for 1000 shares)		(182.866)	(34.593)
Diluted and Basic Earnings / (Losses) per Share from Continuing Operations (for 1000 shares)		(182.866)	(34.593)

The accompanying notes are an integral part of these consolidated financial statements.

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries
Consolidated Statement of Changes in Equity
As at and for the year ended 31 December 2011
Amounts expressed in Turkish Lira ("TL") unless otherwise stated

	Note	Paid-in Capital	Share Premium	Legal Reserves	Translation Reserve	Accumulated Loss	Net Income/(Loss)	Total before Non-Controlling Interest	Non-Controlling Interest	Total
As of 1 January 2010	17	**668,000,000**	**22,809,940**	**1,848,872**		**(146,485,893)**	**(9,666,720)**	**536,506,199**	**18,650,475**	**555,156,674**
Total Comprehensive Income										
Net Loss		--	--	--	--	--	(23,108,139)	(23,108,139)	(365,268)	(23,473,407)
Other Comprehensive Income		--	--	--	--	--	--	--	--	--
Total Other Comprehensive Income		--	--	--	--	--	--	--	--	--
Total Comprehensive Income		**--**	**--**	**--**	**--**	**--**	**(23,108,139)**	**(23,108,139)**	**(365,268)**	**(23,473,407)**
Acquisition of Subsidiary with Non-Controlling Interest		--	--	692,638	--	--	--	692,638	618,363	1,311,001
Acquisition of Non-Controlling Interest without a change in control		--	--	--	--	(5,761,782)	--	(5,761,782)	(3,194,287)	(8,956,069)
Transfers		--	--	--	--	(9,666,720)	9,666,720	--	--	--
As of 31 December 2010	17	**668,000,000**	**22,809,940**	**2,541,510**	**--**	**(161,914,395)**	**(23,108,139)**	**508,328,916**	**15,709,283**	**524,038,199**
As of 1 January 2011	17	**668,000,000**	**22,809,940**	**2,541,510**	**--**	**(161,914,395)**	**(23,108,139)**	**508,328,916**	**15,709,283**	**524,038,199**
Total Comprehensive Income					--					
Net Loss		--	--	--	--	--	(122,154,317)	(122,154,317)	284,495	(121,869,822)
Total Other Comprehensive Income		--	--	--	(28,862)	--	--	(28,862)	--	(28,862)
Total Comprehensive Income		**--**	**--**	**--**	**(28,862)**	**--**	**(122,154,317)**	**(122,183,179)**	**284,495**	**(121,898,684)**
Acquisition of Subsidiary with Non-Controlling Interest		--	--	--	--	--	--	--	560,507	560,507
Acquisition of Non-Controlling Interest without a change in control		--	--	--	--	(743,575)	--	(743,575)	(649,948)	(1,393,523)
Dividends paid in cash		--	--	--	--	--	--	--	(1,176,763)	(1,176,763)
Transfers		--	--	1,528,467	--	(24,636,606)	23,108,139	--	--	--
As of 31 December 2011	17	**668,000,000**	**22,809,940**	**4,069,977**	**(28,862)**	**(187,294,576)**	**(122,154,317)**	**385,402,162**	**14,727,574**	**400,129,736**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows
As at and for the years ended 31 December 2011
Amounts expressed in Turkish Lira("TL") unless otherwise stated

		Audited	
		2011	**2010**
A. CASH FLOWS FROM OPERATING ACTIVITIES	***Note***		
Net Loss		**(121,869,822)**	**(23,473,407)**
Adjustments:			
Amortisation and depreciation expense	*20*	77,613,807	71,734,319
Provision for employee termination benefits	*14*	2,449,437	2,861,478
Provision on doubtful receivables	*6*	3,197,914	2,166,622
Unrealized finance income / (loss)		(417,553)	58,224
Income accruals on inpatients	*16*	(3,591,363)	(2,440,238)
Expense accruals on doctors	*12*	18,587,294	13,564,343
Deferred tax expense	*24*	807,100	(321,735)
Provision on corporate taxes	*24*	4,169,704	4,369,409
Provision for legal cases	*12*	1,139,307	2,966,263
Accruals related to forward transactions		(7,663,242)	(1,044,252)
Change in fair value of interest rate swap		815,633	2,673,444
Interest income	*22*	(1,203,181)	(812,766)
Interest expense	*23*	48,112,764	39,162,844
Gain on sale of property and equipment (net)	*21*	(213,914)	(234,933)
Net operating profit before changes in assets and liabilities		**21,933,885**	**111,229,615**
Change in trade receivables		(32,239,233)	(16,630,682)
Change in inventory		(4,206,510)	(2,170,553)
Change in financial investments		--	4,396,118
Change in other receivables		(6,690,233)	914,042
Change in other current assets		(169,949)	(10,591,595)
Change in other non-current assets		(9,681,216)	(5,715,996)
Change in trade payables		22,128,002	11,138,951
Change in due to related parties		19,705,220	2,430,103
Change in provisions		774,078	(2,323,157)
Corporate taxes paid		(6,448,761)	(2,572,709)
Change in other trade payables		(8,618,848)	(17,384,737)
Change in other liabilities		18,989,797	6,182,294
Employee severance indemnity paid	*14*	(3,003,714)	(2,629,722)
Provisions paid		(16,069,662)	(12,667,711)
Net cash from operating activities		**(3,597,144)**	**63,604,261**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Acquisition of property and equipment	*9*	(91,855,678)	(91,403,282)
Proceeds from sale of property and equipment	*9*	13,941,575	3,075,860
Acquisition of intangible assets	*10*	(4,616,262)	(910,254)
Proceeds from sale of intangible assets	*9*	6,656	--
Cash outflow from acquisition of subsidiaries		(51,248,727)	(2,359,370)
Interest received		1,206,633	861,290
Net cash (used in)/from investing activities		**(132,565,803)**	**(90,735,756)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		293,265,263	144,941,195
Repayment of bank borrowings		(93,657,243)	(112,576,369)
Finance lease liabilities		5,976,360	26,827,547
Proceeds from borrowings obtained from related parties		75,342	(1,531,731)
Acquisition of non-controlling interest		(1,861,103)	(8,263,435)
Interest paid		(48,318,638)	(16,091,478)
Change in restricted cash		(14,126,303)	(10,587,214)
Dividends paid		(1,176,763)	--
Net cash (used in)/from financing activities		**140,176,915**	**22,718,515**
Net decrease (increase) in cash and cash equivalents		4,013,968	(4,412,980)
Cash and cash equivalents at 1 January		9,507,004	13,919,984
Cash and cash equivalents 31 December	*4*	**13,520,972**	**9,507,004**

The accompanying notes are an integral part of these consolidated financial statements.

TABLE OF CONTENTS

1 Organization and nature of business

Acıbadem Sağlık Yatırımları Holding A.Ş. ("the Company") was incorporated in 2007 in İstanbul to invest into shares and assets of companies which operates in the Turkish insurance, advisory, hospital, healthcare and service sectors.

The head office is located at Fahrettin Kerim Gökay Caddesi, Altunizade Mahallesi, No: 49, Üsküdar-İstanbul.

As at 31 December, shareholder structure of the Company is as follows:

Shareholder's Name	31 December 2011 Share (%)	31 December 2010 Share (%)
Almond Holding Cooperatie U A	50.00	50.00
Mehmet Ali Aydınlar	46.41	46.41
Hatice Seher Aydınlar	3.59	3.59
Ethem Erhan Aydınlar (*)	0.00	0.00
Zeynep Aydınlar (*)	0.00	0.00
	100.00	**100.00**

(*) Ethem Erhan Aydınlar and Zeynep Aydınlar hold shares less than 0.01%.

As at 31 December 2011 consolidated subsidiaries comprised the following:

- Almond Holding Anonim Şirketi ("Almond Holding")
- Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş. ("Acıbadem Sağlık") and its subsidiaries

As at 31 December 2011 consolidated subsidiaries of Acıbadem Sağlık comprised the following:

- Acıbadem Poliklinikleri Anonim Şirketi ("Acıbadem Poliklinikleri")
- Acıbadem Labmed Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Labmed")
- International Hospital İstanbul Anonim Şirketi ("International Hospital")
- Konur Sağlık Hizmetleri Anonim Şirketi ("Konur Sağlık")
- Yeni Sağlık Hizmetleri ve Ticaret Anonim Şirketi("Yeni Sağlık")
- Acıbadem Mobil Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Mobil")
- Gemtıp Özel Sağlık Hizmetleri Sanayi ve Ticaret Limited Şirketi("Gemtıp")
- Acıbadem Sistina Medikal Kompani Doo Skopje("Acıbadem Sistina Medikal")
- Clinical Hospital Acıbadem Sistina Skopje("Acıbadem Sistina Hospital")

As at 31 December 2010 consolidated subsidiaries comprised the following:

- Almond Holding Anonim Şirketi ("Almond Holding")
- Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş. ("Acıbadem Sağlık") and its subsidiaries

As at 31 December 2010 consolidated subsidiaries of Acıbadem Sağlık comprised the following:

- Acıbadem Poliklinikleri Anonim Şirketi ("Acıbadem Poliklinikleri")
- Acıbadem Labmed Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Labmed")
- International Hospital İstanbul Anonim Şirketi ("International Hospital")
- International Hospital Sağlık Yatırımları Anonim Şirketi ("International Hospital Sağlık Yatırımları")
- Acıbadem Kayseri Hastanesi Anonim Şirketi ("Acıbadem Kayseri")
- Acıbadem Mobil Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Mobil")
- Konur Sağlık Hizmetleri Anonim Şirketi ("Konur Sağlık")
- Gemtıp Özel Sağlık Hizmetleri Sanayi ve Ticaret Limited Şirketi("Gemtıp")

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and consolidated subsidiaries are collectively named as "Group".

1 Organization and nature of business *(continued)*

The nature of the activities of the consolidated subsidiaries is as follows:

Almond Holding

Almond Holding was incorporated on 30 July 2007 in İstanbul. The purpose of Almond Holding's establishment is to invest into any type of healthcare related institutions, hospitals and companies which operate in the healthcare and real estate sectors.

Acıbadem Sağlık

Acıbadem Sağlık was incorporated in 1991 in İstanbul, and provides health services in ten general hospitals (Kadıköy, Bakırköy, Kozyatağı, Fulya, Eskişehir, Bursa, Kocaeli, Maslak, Kayseri, Adana). In addition to its core business in health care, the Company is engaged in healthcare related community services such as courses and seminars about first aid, diabetics, smokeless living and infant care.

Acıbadem Sağlık is subject to Capital Market Board ("CMB") regulations and its shares have been traded on the İstanbul Stock Exchange ("ISE") since 15 June 2000.

Acıbadem Sağlık also has Joint Commission International accreditation standards and ISO 9001 Quality Management System standards.

The head office is located at Fahrettin Kerim Gökay Caddesi, Altunizade Mahallesi, No: 49, Üsküdar-İstanbul.

Acıbadem Kayseri (which was a wholly owned subsidiary of Acıbadem Sağlık) was established on 23 March 2009 in Kayseri and merged with Acıbadem Sağlık on 29 July 2011.

Acıbadem Poliklinikleri

Acıbadem Poliklinikleri has six polyclinics at Etiler, Bağdat Caddesi, Ataşehir, Göktürk, Beylikdüzü and Uludağ locations for outpatients.

Acıbadem Göz Sağlığı Hizmetleri Anonim Şirketi was established in June 2003 in İstanbul and merged with Acıbadem Poliklinikleri, on 24 October 2008.

Acıbadem Ayaktan Tedavi Merkezleri Anonim Şirketi was established on 17 April 2006 in Beylikdüzü, İstanbul and merged with Acıbadem Poliklinikleri on 24 October 2008.

Acıbadem Labmed

Acıbadem Labmed was established on 28 August 2001 under the name of Acıbadem Sağlık Yönetimi Anonim Şirketi, in İstanbul. On 24 February 2004 the name of the Company was changed to Acıbadem Labmed Sağlık, and a partnership was established with Labmed Dortmund Gmbh (located in Germany) to engage in laboratory services. There are 2 branches in Adana and Antalya.

International Hospital

International Hospital was established in 1989 on 19,300 m² indoor area and engaged in providing inpatient, outpatient and emergency care services with 5 intensive care units with 26 beds rendering services in 1 coronary, 1 internal diseases, 1 general surgery, 1 cardio surgery and 1 new born units at its hospital located in Yeşilköy, İstanbul. The hospital has 6 surgery rooms, 22 follow up beds, 99 patient beds and total inpatient bed availability of the hospital is 121. Acıbadem Sağlık acquired International Hospital, on 20 August 2005 (50%) and on 27 March 2009 (40%) and increased its shares to 90% of total shares.

International Hospital Sağlık Yatırımları A.Ş. (which was a wholly owned subsidiary of International Hospital) was established in December 2001 in İstanbul and merged with International Hospital on 31 March 2011.

1 Organization and nature of business *(continued)*

Acıbadem Mobil

Acıbadem Mobil has been providing emergency healthcare services and ambulance services since 7 July 2008. It is fully consolidated in the accompanying consolidated financial statements.

Yeni Sağlık

On 1 June 2011, Acıbadem Sağlık has acquired 99.90% of the shares of Yeni Sağlık which owns and operates Göztepe Şafak Hospital in Göztepe district of İstanbul and John F. Kennedy Hospital ("JFK") in Bahçelievler district of İstanbul. Yeni Sağlık's core business is to provide health services with its health premises. Yeni Sağlık is fully consolidated in the accompanying consolidated financial statements.

Gemtıp Özel Sağlık Hizmetleri Sanayi ve Ticaret Limited Şirketi

Konur Sağlık, which is subsidiary of Acıbadem Poliklinikleri has acquired 58% shares of Gemtıp Özel Sağlık Hizmetleri which operates in Gemlik/Bursa district for outpatient. The consolidated financial statements of Acıbadem Poliklinikleri as at 31 December 2011, which are consolidated to accompanying consolidated financial statements of the Group, include the consolidated financial statements of Konur Sağlık and Gemtıp.

Acıbadem Sistina Medikal / Acıbadem Sistina Skopje Hospital

Acibadem Sistina Medikal was incorporated on 31 August 2011 and Acıbadem Sistina Skopje Hospital was incorporated on 7 April 2010 in Skopje, Macedonia. Main business purpose of the Acıbadem Sistina Medikal is to purchase and lease various medical equipment to be used in ongoing operations of Acıbadem Sistina Skopje Hospital whose business purpose is to provide healthcare services for inpatients and outpatients. Acibadem Sistina Medikal also has a 20-year sub-lease agreement with Acıbadem Sistina Hospital regarding 16.000 m² hospital building beginning 18 October 2011. On October 21, 2011, Acıbadem Sağlık has acquired 50.00% of Acıbadem Sistina Medikal and 50.32% of Acıbadem Sistina Skopje Hospital.

1 Organization and nature of business *(continued)*

The related parties of the Group are as follows:

- Acıbadem Holding Anonim Şirketi ("Acıbadem Holding")
- Acıbadem Sağlık ve Hayat Sigorta Anonim Şirketi ("Acıbadem Sigorta")
- Acıbadem Grubu Sigorta Aracılık Hizmetleri Anonim Şirketi ("Acıbadem Sigorta Aracılık")
- Acıbadem Proje Yönetimi Anonim Şirketi ("Acıbadem Proje")
- Aplus Hastane ve Otelcilik Hizmetleri Anonim Şirketi ("Aplus Otelcilik")
- Abraaj Capital Limited ("Abraaj Capital")
- Akademia Sağlık Hizmet ve Sistemleri Yönetim ve Danışmanlık Anonim Şirketi ("Akademia")
- Çamlıca Turizm ve Yatçılık Anonim Şirketi ("Çamlıca Turizm")
- Acıbadem Diş Sağlığı Hizmetleri Anonim Şirketi ("Acıbadem Diş")
- Acıbadem Eğitim ve Sağlık Vakfı ("Acıbadem Vakfı")
- Telepati Tanıtım Hizmetleri Anonim Şirketi ("Telepati Tanıtım")
- Çukurova Bilim Laboratuarları Anonim Şirketi ("Çukurova Bilim")
- Acıbadem Üniversitesi ("Acıbadem Üniversite")
- Kerem Aydınlar Vakfı ("Kerem Aydınlar")
- BLAB Laboratuvar Hizmetleri Anonim Şirketi ("BLAB")
- Aydınlar Sağlık Hizmetleri Limited Şirketi ("Aydınlar Sağlık")

These companies have neither direct nor indirect capital and management relationships with the Group and accordingly are excluded from consolidation in the accompanying financial statements.

As at 31 December 2011, the Group employed 9,383 personnel (31 December 2010: 7,883), consisting of 966 (31 December 2010: 777) administrative personnel, 6,788 (31 December 2010: 5,953) doctors, nurses and medical personnel and 1,629 (31 December 2010: 1,153) personnel employed on contractual basis.

The hospital certifications owned by the Group are indefinite.

2 Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

2.1.1 Statement of compliance

The Group maintains its book of accounts and prepares its statutory financial statements in TL in accordance with the Turkish Uniform Chart of Accounts promulgated by Capital Markets Board of Turkey ("CMB"), Turkish Commercial Code and Turkish Tax Code.

According to the reflection the truth principle of financial statements, the accompanying consolidated financial statements, classification and adjustments based on the legal records are prepared in conformity with the principle of CMB accounting and reporting published by the appropriate authorities. The Group's accompanying consolidated financial statements was prepared in accordance with the provisions of Capital Market Board ("CMB") 9 April 2008, and 26842 of the Official Gazette Series XI, 29 No. "Basis for Financial Reporting in the Capital Markets" ("Communiqué No:XI-29").
According to the Article 5 of the Communiqué, companies will apply The International Accounting/Financial Reporting Standards ("IAS / IFRS") adopted by the European Union. However, according to the Transitional Article 2 included in the same Communiqué, IAS/IFRS will be applied until the differences between IAS/IFRS that are adopted by European Union and IAS/IFRS that are adopted by International Accounting Standards Board ("IASB"), are announced by Turkey Accounting Standards Board ("TASB").

With the governing decree law numbered 660 published in official gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency ("Oversight Agency"). In accordance with the transitional article number one of the governing decree law, until the date of the issuing of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as of reporting date, the Basis of Presentation has not been changed.

The accompanying consolidated financial statements of the Group have been approved by the Board of Directors of the Group on 15 March 2012. The general assembly of the shareholders and legal authorities has the authority to change the accompanying consolidated financial statements.

Additional paragraph for convenience translation to English:
The accompanying financial statements are not intended to present the financial position and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.2 Basis of presentation *(continued)*

2.1.2 Basis of measurement

The CMB announced that, effective from 1 January 2005, the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards on 17 March 2005.The equity items including paid-in capital, share premium, legal reserves and special reserves are presented in accordance with the Turkish Commercial Code basis amounts and the effects of inflation over those equity items as at 31 December 2004 were reflected in retained earnings. The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value and balance sheet items affected by the implementation of IAS 29.

2.1.3 Functional and presentation currency

These consolidated financial statements are presented in TL, which is the Group's functional currency. All financial information presented in TL unless otherwise stated. All other currencies are stated full unless otherwise stated.

2.1.4 Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent Company, ASYH, and its subsidiaries and the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. As at 31 December, the subsidiaries in which the Group owns direct or indirect controls their operations and the ownership interests are given below:

	Ownership interest (%)	
Title of the Partnership	**31 December 2011**	**31 December 2010**
Almond Holding A.Ş.	99.99	99.99
Indirect Ownership Interest on the Subsidiary		
Acıbadem Sağlık	91.96	91.96
Acıbadem Poliklinikleri	91.96	91.96
Acıbadem Labmed	45.97	45.97
International Hospital	82.76	82.76
Konur Sağlık	85.06	45.98
Acıbadem Mobil	91.95	91.95
Sistina Hospital	46.27	--
Sistina Medikal	45.98	--
Yeni Sağlık	99.90	--
Gemtıp	58.00	--
Acıbadem Kayseri	--	91.95
International Hospital Sağlık Yatırımları	--	82.76

As at 31 December 2011 and 2010, subsidiaries are fully consolidated with non-controlling interest's ownership reflected as a non-controlling interest.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.1.4 Basis of consolidation

(ii) Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(iii) Acquisitions through business combinations:

The effects of such acquisition are presented as "acquisitions through business combinations" in the notes to the consolidated financial statements.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, 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 recognized in the period in which the estimates are revised and in any future periods affected.

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are as follows:

Note 2.6.3- 2.6.4 - Useful life of property and equipment and intangible assets
Note 2.6.6 - Derivative financial instruments
Note 6 - Provision for impairment on trade receivables
Note 12 - Provisions
Note 14 - Employee benefits
Note 24 - Tax assets and liabilities
Note 28 - Financial instruments: Fair value disclosures

2 Basis of presentation of the consolidated financial statements *(continued)*

2.3 Errors and changes in accounting policies

The accounting policies set out in 2.6 have been applied consistently by the Group to all periods presented in the consolidated financial statements. The Group consistently recognizes measures and presents the transactions, other events and situations with the same nature. Material changes in accounting policies or material errors (if any) are corrected, retrospectively; restating the prior period consolidated financial statements.

2.4 Changes in accounting estimates

Effect of changes in accounting estimates affecting current period (if any) is recognized in the current period; effect of changes in accounting estimates affecting current and future periods is recognized in the current and also in future periods.

2.4 Changes in IFRS

2.5.1 New Standards and Interpretations Adopted in 2011

The International Accounting Standards Board (IASB) issued two narrow amendments to IFRS 1.

The first amendment replaces references to a fixed transition date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The amendment is effective for annual periods beginning on or after 1 January 2011 and it is not expected to have any impact on the consolidated financial statements.

The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendment is effective for annual periods beginning on or after 1 July 2011 and it is not expected to have any impact on the consolidated financial statements.

IFRS 7 "Financial Instruments" is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial instruments. The amendment is effective for annual periods beginning on or after 1 January 2011 and it does not have any impact on the consolidated financial statements.

IFRIC 13 "Customer Loyalty Programmes - Fair Value of Award Credit" amended to state that the fair value of award credits takes into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. The amendment is effective for annual periods beginning on or after 1 January 2011 and it does not have any impact on the consolidated financial statements.

IAS 34 "Interim Financial Reporting - Significant Events and Transactions" A number of examples have been added to the list of events or transactions that require disclosure under IAS 34. The amendment is effective for annual periods beginning on or after 1 January 2011 and it does not have any impact on the consolidated financial statements.

IASB issued interpretations about prepayments of a minimum funding (interpretations for IFRIC 14) on 26 November 2009. The amendments to IFRIC 14, which is itself an interpretation of IAS 19 applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment, *Prepayments of a Minimum Funding Requirement,* has an effective date for mandatory adoption on or after 1 January 2011 and it does not have any impact on the consolidated financial statements.

The revised *IAS 24 "Related Party Disclosures"* amends the definition of a related party and modifies certain related party disclosure requirements government-related entities. The main changes to IAS 24 are:

2 Basis of presentation of the consolidated financial statements *(continued)*

2.5 Changes in IFRS

2.5.1 New Standards and Interpretations Adopted in 2011 (continued)

A partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government; and IASB agreed that the partial exemption from the disclosure requirements should be required to be made retrospectively, because this should result in a reduction of 'clutter' in the footnotes and an identification of better information about the nature and extent of significant transactions with the government.

In addition, IASB agreed that the definition of a related party should also be applied retrospectively from the effective date. In addition, the Board agreed that an entity should be permitted to adopt the partial exemption for government-controlled entities before the effective date even if it does not adopt the amended definition of related party until a later date. The amendment is effective for annual periods beginning on or after 1 January 2011.

2.5.2 New Standards and Interpretations Not Yet Adopted As At 31 December 2011

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2011, and have not been applied in preparing these consolidated financial statements. The Group management is assessing the effects of these standards which will be effective on or after the periods beginning 1 January 2012.

2.6 Summary of significant accounting policies

Significant accounting policies applied during the preparation of the consolidated financial statements are summarized as follows:

2.6.1 Revenue

Revenue of the Group comprised the income from the inpatient/outpatient services given at the hospitals, polyclinics, laboratories and ambulance services of the Group. The revenues for these services are mostly realized in cash or collectible from the insurance companies including State owned Social Security Institution (“SGK”). The interest rate which reduces the nominal value of the related service to its cash sale price is used to determine the present value of the receivables. The difference between the nominal value of the sale price and the fair value obtained by this way is reflected as interest income to the related periods.

When an uncertainty arises about the collectability of an amount already included in revenue, the doubtful receivable amount is recognized as an expense, rather than as an adjustment of the revenue already recognized. Net sales represents invoiced gross sales amount minus returns and discounts.

2.6.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost elements included in inventories are all procurement costs, conversion costs and all other relevant costs in bringing the inventories into their current state of location. The cost of inventories is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of the business, less the selling expenses.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.3 Property and equipment

i) Recognition and measurement

The costs of property and equipment purchased before 1 January 2005 are restated for the effects of inflation current at 31 December 2004 less accumulated depreciation and impairment losses if any. The costs of property and equipment purchased after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalized borrowing costs.

ii) Subsequent expenditures

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of income comprehensive as incurred.

iii) Depreciation

Depreciation is recognized on a straight-line basis over the useful lives of the property and equipment from the date of acquisition or assembly. Leasehold improvements are depreciated on a straight-line basis over the lease period.

Depreciation expenses are presented mainly under cost of sales, general and administrative expenses and selling, marketing expense in the consolidated statement of comprehensive income.

Land is not depreciated, since useful live of it is accepted as infinite.

The estimated useful lives are as follows:

Buildings	50 years
Machinery and equipments	3-20 years
Vehicles	4-7 years
Furniture and fixtures	3-10 years
Leased Assets	5-12 years
Other tangible assets	5 years
Leasehold improvements	During the lease period

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

iv) Disposal

Gains or losses on disposals of property and equipment are included in the relevant income and expense accounts and the cost and accumulated depreciation of property and equipment has been derecognized from the relevant accounts as appropriate.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.4 Intangible assets

Intangible assets consist of acquired software and other intangible assets. The costs of intangible assets purchased before 1 January 2005 are restated for the effects of inflation current at 31 December 2004 less accumulated amortization and impairment losses. The costs of intangible assets purchased after 31 December 2004 are carried at cost less accumulated amortization and impairment losses, if any. The carrying amount of an intangible asset is reduced to its recoverable amount if there is impairment.

i) Amortization

Intangible assets are amortized on a straight-line basis in the income statement over their estimated useful lives for a period.

The estimated useful lives for the current periods are as follows:

Software	3-10 year
Other intangible assets	3-10 year

Amortization method and economic useful lives values of intangible assets are revised at each reporting date end and adjusted if appropriate.

2.6.5 Goodwill

After 1 January 2005, in accordance with IFRS 3 "Business Combinations", the excess amount of fair value of identified assets, liabilities and conditional liabilities that are acquired over purchasing price is recorded as goodwill. The goodwill arising from the merger is not amortised. Goodwill is subject to impairment test once a year or more frequently when there is an indication of impairment.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.6 Financial instruments

i) Non derivative financial assets

The Group initially recognizes loans and the receivables on the date they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the inflows.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise of cash, deposits with maturity periods of less than three-months and highly liquid investments with maturity periods of less than three-months and having no conversion risk exposure other than the impact of foreign currency changes.

ii) Non derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.6 Financial instruments (continued)

ii) Non derivative financial liabilities (continued)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

iii) Paid-in capital and dividends

Ordinary shares are classified as paid-in capital. Dividends distributed on ordinary shares are offset with retained earnings in the period in which they are declared.

iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognized initially at acquisition cost; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. The Group's derivative financial instrument consists of mainly forward transactions and interest rate swap. Although these financial instruments provide effective economic protection against risks, they are accounted for as derivative financial instruments reflected as trading securities or other financial liabilities because they do not meet the hedge accounting criteria under IAS 39.

2.6.7 Impairment of assets

i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on items that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

The Group considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.7 Impairment of assets (continued)

ii) Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized in the profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Impairment losses recognized in respect of the cash generating units are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.8 Foreign Currency Transactions

Transactions in foreign currencies have been translated to TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated to TL with the exchange rates at the dates of transaction.

As at 31 December, Central Bank of the Republic of Turkey ("Central Bank")'s buying foreign currency rates are as follows:

	31 December 2011	31 December 2010
American Dollar (“USD”)	1.8889	1.5460
European Union Currency (“EUR”)	2.4438	2.0491

2.6.9 Earnings per share

Earnings per share disclosed in the consolidated statement of comprehensive income is determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

2.6.10 Subsequent events

Subsequent events cover all the events between balance sheet date and the date of authorization for release of the financial statements even if these events arise after any announcement about profit or loss or disclosures of selected financial information to the public.

If there has been events after the balance sheet date that would require the restatement of the consolidated financial statements; the Group restates the consolidated financial statements accordingly. If such events are significant but do not require the restatement of the consolidated financial statements, they are disclosed in the related notes.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.11 Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are reviewed to determine if there is a possibility that the outflow of economic benefits will be required to settle the obligation. Except for the economic benefit outflow possibility is remote such contingent liabilities is disclosed in the notes to the financial statements. If the inflow of economic benefits is probable contingent assets have been disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur such asset and income statement effect has been recognized in the financial statements at the relevant period that income change effect occurs.

2.6.12 Leasing transactions

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The property and equipment acquired through financial leasing in the Group's consolidated balance sheet, are recorded on the asset side at the lower of its fair value or the present value of the minimum lease payments, and related obligation is reflected on the liability side at the present value of the minimum lease payments. Interest element included in the lease installments are reflected in the consolidated income statement. The property and equipment obtained by way of financial leases are depreciated through their useful lives.

When the lease period is shorter than the useful life of the leased asset and it is not certain whether the Group will purchase the leased asset at the end of the lease period, it is depreciated during the period of lease. When the leased asset's useful life is shorter than leased period, leased assets are depreciated during the useful life.

The lease transactions are classified as operational leasing where the risks and rewards are on the part of the lessor. Operational lease payments are recorded as expense in the consolidated statement of comprehensive income on a linear basis.

2.6.13 Related parties

Subsidiaries, shareholders of the Company and companies of the shareholders, and also other companies managed by these companies or related to these companies and managers and directors of these companies are referred to as related parties according to IAS 24 – Related party disclosures.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.14 Segment reporting

IFRS 8 requires that a measure of segment assets be disclosed only if the amounts are regularly provided to Chief Decision Maker, consistent with the equivalent requirement for the measure of segment liabilities.

The Group's main business activity consists of hospital, healthcare and non-healthcare services. As a result of the activity variation, the Group revenues are allocated as hospital, healthcare and non-healthcare branches. All Group revenues have been realized in domestic basis except newly acquired subsidiaries in Macedonia which have immaterial revenues compared to Group total revenue; accordingly no geographical classification has been presented.

The operating segments of the Group are presented in Note 3.

2.6.15 Income taxes

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of the Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.16 Employee Benefits

In accordance with the existing Labor Law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die.

In the accompanying consolidated financial statements, the Group has used actuarial valuation method to estimate its obligation.

As at 31 December, the following assumptions were used in the calculation of the total liability:

	31 December 2011	31 December 2010
Discount Rate	3.91%	4.66%
Turnover Rate for the calculation of retirement	72%	77%

Reserve for employee termination benefits is calculated based on the ceiling amount which is determined by the Government. The management of the Group used some assumptions in the calculation of the retirement pay provision. As at 31 December 2011 and 31 December 2010, the ceiling amount has been limited to TL 2,732 and TL 2,517 per year of employment, respectively. The liability is not funded, as there is no funding requirement.

2.6.17 Financial incomes and expenses

Finance income comprises interest income on funds invested; fair value gains on financial assets at fair value through profit or loss and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, (other than trade receivables) and losses on derivative instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3 Segment reporting

The Group's reportable segments are based on Hospital, Healthcare and Non-Healthcare segments.

As at 31 December 2011 Hospital segment includes the following:

- Acıbadem Sağlık
- International Hospital
- Yeni Sağlık
- Acıbadem Sistina Hospital
- Acıbadem Sistina Medikal

As at 31 December 2011 Non-Healthcare segment includes the following:

- Almond Holding
- Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

As at 31 December 2011 Healthcare segment includes the following:

- Acıbadem Labmed
- Acıbadem Poliklinikleri
- Acıbadem Mobil
- Konur Sağlık
- Gemtıp

As at 31 December 2010 Hospital segment includes the following:

- Acıbadem Sağlık
- International Hospital
- Acıbadem Kayseri

As at 31 December 2010 Non-Healthcare segment includes the following:

- Almond Holding
- Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

As at 31 December 2010 Healthcare segment includes the following:

- Acıbadem Labmed
- Acıbadem Poliklinikleri
- International Hospital Sağlık Yatırımları
- Acıbadem Mobil
- Konur Sağlık

Almond Holding and Acıbadem Sağlık Yatırımları Holding Anonim Şirketi are holding companies and do not have any activity.

3 Segment reporting *(continued)*

1 January– 31 December 2011

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Revenues	965,489,942	115,268,242	--	(71,288,168)	1,009,470,016
Cost of sales (-)	(629,828,593)	(96,865,106)	--	(66,654,852)	(793,348,551)
Gross Profit					**216,121,465**
Operating expenses					(76,283,494)
Other operating income/expense (net)					(14,722,281)
Financial income/expense (net)					(241,629,245)
Tax expense					(5,356,267)
Net loss for the period					**(121,869,822)**

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Reportable segment assets	946,946,311	58,313,964	777,666,341	(19,311,340)	1,763,615,276
Capital expenditures	(95,393,653)	(1,078,287)	--	--	(96,471,940)
Reportable segment liabilities	852,681,203	29,962,806	500,152,871	(19,311,340)	1,363,485,540
Amortization and depreciation	(72,545,759)	(5,068,048)	--	--	(77,613,807)

1 January– 31 December 2010

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Revenues	697,205,081	80,824,161	--	(46,446,712)	731,582,530
Cost of sales (-)	(561,954,026)	(68,607,148)	--	44,403,471	(586,157,703)
Gross Profit					**145,424,827**
Operating expenses					(74,579,552)
Other operating income/expense (net)					(5,723,169)
Financial income/expense (net)					(80,505,683)
Tax expense					(8,089,830)
Net loss for the period					**(23,473,407)**

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Reportable segment assets	744,175,456	44,052,178	777,585,253	(18,657,623)	1,547,155,264
Capital expenditures	(90,161,902)	(2,151,634)	--	--	(92,313,536)
Reportable segment liabilities	635,904,596	21,026,553	384,843,539	(18,657,623)	1,023,117,065
Amortization and depreciation	(67,230,783)	(4,503,536)	--	--	(71,734,319)

4 Cash and cash equivalents

As at 31 December, cash and cash equivalents comprised the following:

	31 December 2011	31 December 2010
Cash on hand	982,282	424,837
Banks – demand deposits	2,958,393	5,019,643
Banks – time deposits	35,839,887	18,249,666
Mutual fund (B type liquid fund)	484,910	147,676
Credit card receivables	3,894,017	2,177,396
	44,159,489	**26,019,218**

As at 31 December 2011, maturity of time deposits is between 2-87 days (31 December 2010: 3-11 days). The effective interest rates for the time deposits in TL is between 8.00% and 9.75% (31 December 2010: 6.00% - 7.00%), in USD is 4.25% and in MKD is 3.50%.

As at 31 December 2011, the Group has blocked deposits at an amount of TL 30,638,517 (31 December 2010: TL 16,512,214) in Türkiye Garanti Bankası Anonim Şirketi ("Garanti Bankası") in purpose of a guarantee for six month-period interest payments of bank borrowing amounting to USD 182,000,000.

As at 31 December 2011, the interest and maturity details of time deposits at banks are as follows:

31 December 2011	Interest Rate (%)	Maturity	Currency Type	Principal Amount (TL)	Interest Accruals	Total
Time deposit	8.75	10.01.2012	TL	30,039,668	14,387	30,054,055
Time deposit	8.00	02.01.2012	TL	1,795,000	787	1,795,787
Time deposit	8.00	01.01.2012	TL	1,650,000	723	1,650,723
Time deposit	9.75	02.01.2012	TL	1,000,000	4,541	1,004,541
Time deposit	8.00	02.01.2012	TL	280,000	123	280,123
Time deposit	4.25	27.01.2012	USD	598,850	155	599,005
Time deposit	3.5	21.03.2012	MKD	338,276	651	338,927
Time deposit	4.25	02.01.2012	USD	100,029	155	100,184
Time deposit	4.25	02.01.2012	USD	16,387	155	16,542
					21,677	**35,839,887**

31 December 2010	Interest Rate (%)	Maturity	Currency Type	Principal Amount (TL)	Interest Accruals	Total
Time deposit	7.00	10.01.2011	TL	16,512,214	3,167	16,515,381
Time deposit	6.00	03.01.2011	TL	1,234,000	203	1,234,203
Time deposit	6.00	03.01.2011	TL	500,000	82	500,082
					3,452	**18,249,666**

4 Cash and cash equivalents *(continued)*

For purposes of the statement of cash flows, cash and cash equivalents include bank deposits and short-term investments that are easily convertible to cash with high liquidity and with a maturity of up to three months.

Cash and cash equivalents included in the statement of cash flows for the years ended 31 December is comprised of the followings:

	31 December 2011	31 December 2010
Cash on hand	982,282	424,837
Banks – demand deposits	2,958,393	5,019,643
Banks – time deposits	35,839,887	18,249,666
Mutual fund (B type liquid fund)	484,910	147,676
Credit card receivables	3,894,017	2,177,396
Restricted cash	(30,638,517)	(16,512,214)
	13,520,972	**9,507,004**

5 Financial liabilities

As at 31 December, short term financial liabilities comprised the following:

	31 December 2011	31 December 2010
Short term bank borrowings and short term portion of long term bank borrowings	95,339,861	77,722,338
Financial lease liabilities, net	20,474,355	14,080,748
	115,814,216	**91,803,086**

As at 31 December, long term financial liabilities comprised the following:

	31 December 2011	31 December 2010
Long term bank borrowings	862,787,588	681,002,966
Financial lease liabilities, net	83,312,597	83,729,844
	946,100,185	**764,732,810**

5 Financial liabilities *(continued)*

Bank borrowings

As at 31 December 2011, the details of bank borrowings comprised the following:

Type		Currency	Nominal Interest Rate (%)	Year of Maturity	Face Value	Carrying amount
Investment	Secured	USD	Libor + 3,90	2018	352,504,913	350,877,294
Investment	Secured	USD	Libor + 4,25	2014	14,195,006	14,195,006
Investment*	Secured	USD	6,35	2018	53,607,592	53,607,592
Investment	Secured	MKD	5,50 – 7,40	2016	15,981,905	15,981,905
Investment	Secured	Euro	Euribor +0,625	2012	3,886,050	3,874,450
Investment	Secured	Euro	7,50	2012	2,601,883	2,601,883
Operating	Secured	TL	10,5 – 15,25	2012	11,953,841	11,953,841
Operating	Secured	USD	6,70	2012	3,814,361	3,814,361
Operating	Secured	MKD	9,75	2012	802,493	802,493
Tax	Unsecured	TL	--	2012	315,268	315,268
Investment	Secured	USD	Libor + 5.75	2015	500,103,356	500,103,356
					959,766,668	**958,127,449**

*As part of acquisition of Acıbadem Sistina Hospital and Acıbadem Sistina Medikal, the Group obtained bank loan amounting to USD 28,062,000 with an interest rate of 6.35% via utilizing its credit facility at Garanti Bankası for the whole acquisition price of Euro 20,000,000.

As at 31 December 2011, repayment schedule of the long term bank borrowings Group is as follows:

Years	Currency	Original Currency Amount	TL Amount
2013	USD	34,815,936	65,763,821
2014	USD	34,815,936	65,763,821
2015	USD	297,074,978	561,144,926
2016	USD	32,315,936	61,041,571
2017	USD	32,315,936	61,041,571
2018	USD	18,324,354	34,612,873
2013	MKD	105,302,901	4,240,647
2014	MKD	108,609,263	4,373,797
2015	MKD	82,558,019	3,324,689
2016	MKD	36,747,879	1,479,872
			862,787,588

5 Financial liabilities *(continued)*

As at 31 December 2011, the maturities of bank borrowings are as follows:

Maturity	31 December 2011
0 - 3 months	36,021,899
3 months – 1 year	59,317,962
1 - 5 years	767,133,145
Above 5 years	95,654,443
	958,127,449

31 December 2011, the guarantees given related to the bank borrowings are as follows:

		31 December 2011	
Type of Guarantee	Currency	Original Currency Amount	TL Amount
Mortgages	USD	164,865,000	311,413,499
Blocked deposit	USD	317,036	598,849
Blocked deposit	TL	--	30,039,668
Commercial pledge	TL	--	600,000,000
Share pledge	TL	--	690,000,000
		165,182,036	**1,632,052,016**

Garanti Bankası has a pledge on Almond's shares amounting to TL 690,000,000 as a guarantee for the USD 200,000,000 loan obtained from Garanti Bankası.

A*s* at 31 December 2010, the details of bank borrowings comprised the following:

Type		Currency	Nominal Interest Rate (%)	Year of Maturity	Face Value	Carrying amount
Operating	Secured	TL	7.35-7.60	2011	35,346,251	35,346,251
Tax	Unsecured	TL	--	2011	3,720,819	3,720,819
Vehicle	Secured	TL	11.5	2011	40,908	40,908
Investment	Secured	USD	3.3	2011	3,109,289	3,109,289
Investment	Secured	USD	Libor + 3.90	2018	310,958,875	309,725,109
Investment	Secured	USD	Libor + 4.25	2014	15,491,920	15,491,920
Investment	Secured	USD	Libor + 5.75	2015	384,801,732	384,801,732
Investment	Secured	Euro	Euribor+ 0.625	2012	6,493,943	6,489,276
					759,963,737	**758,725,304**

5 Financial liabilities *(continued)*

As at 31 December 2010, repayment schedule of the long term bank borrowings Group is as follows:

Years	Currency Type	Original Currency Amount	TL Amount
2012	USD	38,024,863	58,786,438
2013	USD	30,500,000	47,153,000
2014	USD	30,500,000	47,153,000
2015	USD	269,378,375	416,458,968
2016	USD	28,000,000	43,288,000
2017	USD	28,000,000	43,288,000
2018	USD	14,000,000	21,644,000
2012	EURO	1,577,063	3,231,560
			681,002,966

As at 31 December 2010, the maturities of bank borrowings are as follows:

Maturity	**31 December 2010**
0 - 3 months	38,826,706
3 months – 1 year	38,895,632
1 - 5 years	572,782,966
Above 5 years	108,220,000
	758,725,304

As at 31 December 2010, the guarantees given related to the bank borrowings are as follows:

		31 December 2010	
Type of Guarantee	**Currency Type**	**Original Currency Amount**	**TL Amount**
Mortgages	USD	164,865,000	254,881,290
Commercial pledge	TL	--	600,000,000
Share pledge	TL	--	690,000,000
Blocked deposit	TL	--	16,512,214
		164,865,000	**1,561,393,504**

5 Financial liabilities *(continued)*

Finance lease liabilities:

As at 31 December, short term finance lease liabilities are as follows:

	31 December 2011	31 December 2010
Financial lease liabilities	25,638,695	21,763,748
Deferred financial lease liabilities (-)	(5,164,340)	(7,683,000)
	20,474,355	**14,080,748**

As at 31 December, long term finance lease liabilities are as follows:

	31 December 2011	31 December 2010
Financial lease liabilities	94,505,526	107,639,335
Deferred financial lease liabilities (-)	(11,192,929)	(23,909,491)
	83,312,597	**83,729,844**

As at 31 December, the maturities of finance lease liabilities are as follows:

	2011			2010		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	25,638,695	5,164,340	20,474,355	21,763,748	7,683,000	14,080,748
1 - 5 years	80,980,612	10,133,149	70,847,463	94,671,661	20,443,030	74,228,631
5 years and more	13,524,914	1,059,780	12,465,134	12,967,674	3,466,461	9,501,213
	120,144,221	**16,357,269**	**103,786,952**	**129,403,083**	**31,592,491**	**97,810,592**

6 Trade receivables and payables

As at 31 December, trade receivable comprised the following:

	31 December 2011	31 December 2010
Trade receivable	109,984,583	68,529,646
Notes receivable	667,815	1,041,068
Doubtful receivables	8,387,210	5,473,602
Allowance for doubtful receivables(-)	(8,387,210)	(5,473,602)
	110,652,398	**69,570,714**

Acıbadem Sağlık has borrowed a loan amounting to USD 200,000,000 based on an agreement signed between Garanti Bankası on 10 January 2008. The purpose of the loan was funding the constructions in progress and the repayment of existing loans at that time. Acıbadem Sağlık has provided 80% of the trade receivables as a guarantee for the outstanding bank loan of USD 182,000,000 of the USD 200,000,000 loan.

As at 31 December, the aging analysis of the trade receivable is as follows:

	31 December 2011	31 December 2010
Overdue receivables	15,248,945	9,555,207
Up to 3 month	95,403,453	60,015,507
	110,652,398	**69,570,714**

As at 31 December 2011, overdue receivables are amounting to TL 15,248,945 (31 December 2010: TL 9,555,207). No allowance has been recorded for these receivables as they were found to be overdue due to commercial reasons and were expected to be collected within a time period. Additionally 90 days overdue is accepted as normal trade term in the sector which the Group operates.

The aging analysis of overdue trade receivable as at 31 December is as below:

	31 December 2011	31 December 2010
Between 1-30 days	5,495,533	3,666,678
Between 31-60 days	2,728,839	1,440,137
61 days and more	7,024,573	4,448,392
	15,248,945	**9,555,207**

6 Trade receivables and payables *(continued)*

The Group records allowance for doubtful receivable on customer terms. Allowances comprised the customers which are not expected to repay. For the years ended 31 December, the movement of the allowances for doubtful receivable is as follows:

	2011	**2010**
Beginning balance	5,473,602	4,396,956
Additions	3,197,914	2,166,622
Collections (-)	(283,163)	(1,088,806)
Write-offs (-)	(1,143)	(1,170)
	8,387,210	**5,473,602**

As at 31 December, short term trade payable comprised the following:

	31 December 2011	**31 December 2010**
Payable to suppliers	114,324,389	66,160,933
Notes payable	8,760,622	6,259,911
	123,085,011	**72,420,844**

As at 31 December, long term trade payable comprised the following:

	31 December 2011	**31 December 2010**
Payable to suppliers	6,200,306	6,255,212
Notes payable	2,199,420	431,848
	8,399,726	**6,687,060**

As at 31 December, the aging analysis of trade payables is as follows:

	31 December 2011	**31 December 2010**
0 - 3 months	92,091,598	60,419,545
3 months -1 year	30,993,413	12,001,299
1 year-5 years	8,399,726	6,687,060
	131,484,737	**79,107,904**

7 Other receivables and payables

As at 31 December, other short-term receivables comprised the following:

	31 December 2011	**31 December 2010**
Receivables from tax office	452,507	341,238
Advances given to personnel	204,320	--
Deposits and guarantees given	181,773	84,148
Other	233,095	50,721
	1,071,695	**476,107**

7 Other receivables and payables *(continued)*

As at 31 December, other long-term receivables comprised the following:

	31 December 2011	31 December 2010
Orka Holding AD ("Orka Holding")	6,267,210	--
Receivables from personnel	396,289	737,954
Deposits and guarantees given	204,204	250,029
	6,867,703	**987,983**

As at 31 December, other short-term payables comprised the following:

	31 December 2011	31 December 2010
Payables arising from acquisition of Yeni Sağlık	16,892,910	--
Advances received from patients	3,776,828	1,936,570
Orka Holding AD ("Orka Holding")	303,113	--
Hospimed Health Corporation*	--	18,552,000
Other	431,763	38,730
	21,404,614	**20,527,300**

(*) Acıbadem Sağlık has increased its shares to 90% by acquiring 40% of International Hospital's shares from Hospimed Health Corporation on 27 March 2009 and fully paid in 2011

As at 31 December, other long-term payables comprised the following:

	31 December 2011	31 December 2010
Payables arising from acquisition of Yeni Sağlık	35,597,523	--
Orka Holding AD ("Orka Holding")	1,262,865	--
	36,860,388	**--**

8 Inventories

As at 31 December, inventories comprised the following:

	31 December 2011	31 December 2010
Medical materials and medicine	20,612,271	13,917,132
Other inventories	1,328,438	268,984
Provision for slow moving inventories	(26,304)	(39,598)
	21,914,405	**14,146,518**

At 31 December, inventories are accounted at cost and no inventory was recognized at its net realizable value.

9 Property and equipment

For the year ended 31 December 2011, the movement in property and equipment is as follows:

Cost	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Other tangible assets	Construction in progress	Total
1 January 2011	31,645,702	181,523,816	294,741,728	4,388,225	77,213,252	117,483,640	202,253,250	563,536	2,249,366	912,062,515
Additions from acquisitions	--	38,428	14,642,780	143,806	2,304,409	112,794	--	1,256,204		18,498,421
Additions	2,134,795	2,340,610	24,608,622	869,108	10,485,130	3,906,195	19,940,632	251,021	27,319,565	91,855,678
Disposals	--	--	(2,465,976)	(319,246)	(521,249)	--	(15,896,639)	--	--	(19,203,110)
As at 31 December 2011	**33,780,497**	**183,902,854**	**331,527,154**	**5,081,893**	**89,481,542**	**121,502,629**	**206,297,243**	**2,070,761**	**29,568,931**	**1,003,213,504**
Accumulated depreciation										
1 January 2011	--	20,841,603	215,476,593	2,373,310	48,112,446	36,076,951	62,016,019	78,917	--	384,975,839
Additions from acquisitions	--	--	--	17,598	6,039	20,444		--	--	44,081
Charge for period	--	4,191,005	24,374,345	745,800	8,476,399	21,451,409	17,700,376	20,361	--	76,959,695
Disposals	--	--	(2,078,472)	(222,147)	(490,426)	--	(3,097,903)	--	--	(5,888,948)
As at 31 December 2011	**--**	**25,032,608**	**237,772,466**	**2,914,561**	**56,104,458**	**57,548,804**	**76,618,492**	**99,278**	**--**	**456,090,667**
Net book value										**547,122,837**

Advances given to suppliers for the hospital construction projects of the Group.

As at 31 December 2011, property and equipment have been insured to the extent of TL 974,520,407 (2010: TL 848,276,863).

For the year ended 31 December 2011, depreciation expenses amounting to TL 72,914,412 has been recognised under cost of sales and TL 3,913,307 has been included under administrative expenses and TL 131,976 has been included under selling, marketing and distribution expenses. (31 December 2010: TL 68,595,744 has been recognized under cost of revenue, TL 2,576,656 has been recognized under administrative expenses and TL 106,398 has been included under selling, marketing and distribution expenses.)

As at 31 December 2011, property and equipment are pledged to the extent of TL 311,413,499. (31 December 2010: TL 254,881,290).

For the year ended 31 December 2011, the Company utilizes property and equipment which have nil net book value on its accounts (31 December 2011: TL 226,783,910, Accumulated Depreciation: TL 226, 783,910) (31 December 2010 Cost: TL 184,658,966 Accumulated Depreciation: TL 184,658,966).

9 Property and equipment *(continued)*

For the period ended 31 December 2010, the movement in property and equipment is as follows:

Cost	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Other tangible assets	Construction in progress	Total
1 January 2010	19,766,070	179,814,683	284,811,244	3,118,204	68,284,502	81,499,234	161,167,019	563,536	25,930,836	824,955,329
Additions from acquisitions	--	--	339,368	77,301	705,917	--	543,244	--	--	1,665,830
Additions	11,879,632	1,709,133	6,344,514	1,238,025	4,717,402	17,771,669	14,897,262	--	32,845,645	91,403,282
Disposals	--	--	(2,463,145)	(98,432)	(99,266)	(627,478)	(2,291,552)	--	(280,630)	(5,860,503)
Transfer	--	--	5,709,747	53,128	3,604,697	18,840,215	27,937,277	--	(56,246,487)	(101,423)
As at 31 December 2010	**31,645,702**	**181,523,816**	**294,741,728**	**4,388,225**	**77,213,251**	**117,483,640**	**202,253,250**	**563,536**	**2,249,366**	**912,062,515**
Accumulated depreciation										
1 January 2010	--	16,687,419	192,580,106	1,797,643	39,861,937	19,165,151	45,861,195	57,881	--	316,011,332
Additions from acquisitions	--	--	12,548	25,683	443,838	--	223,214	--	--	705,283
Charge for period	--	4,154,184	25,273,572	572,295	7,887,346	17,392,554	15,977,811	21,036	--	71,278,798
Disposals	--	--	(2,389,633)	(22,311)	(80,675)	(480,754)	(46,201)	--	--	(3,019,574)
As at 31 December 2010	**--**	**20,841,603**	**215,476,593**	**2,373,310**	**48,112,446**	**36,076,951**	**62,016,019**	**78,917**	**--**	**384,975,839**
Net book value										**527,086,675**

9 Property and equipment *(continued)*

Construction in progress

	31 December 2011	
Project	**Expenditure Amount (TL)**	**Total Cost of Project (USD)**
Acıbadem Ankara Hospital	16,052,616	30,000,000
Acıbadem Bodrum Hospital	13,516,315	20,000,000
	29,568,931	**50,000,000**

Acıbadem Ankara Hospital

According to the agreement on 23 July 2010, the hospital project, which is located in Dikmen District Çankaya in Ankara, will have 16 floors and closed area of 10,000 m². The hospital is planned to be opened in July 2012.

Acıbadem Bodrum Hospital

Acıbadem Sağlık has a hospital project, which is located Ortakent District in the town of Bodrum in Muğla province with closed area of 11,500 m^2. The hospital is planned to be opened in June 2012.

10 Intangible assets

For the year ended 31 December 2011, movement in the intangible assets is as follows:

	Rights	**Other intangible assets**	**Total**
Cost			
1 January 2011	2,428,831	5,424,893	7,853,724
Acquisition through business combination	36,867	414,728	451,595
Additions	2,921,783	1,694,479	4,616,262
Disposals	(800)	(6,000)	(6,800)
31 December 2011	**5,386,681**	**7,528,100**	**12,914,781**
Accumulated Amortization			
1 January 2011	1,353,963	3,455,903	4,809,866
Acquisition through business combination	--	1,474	1,474
Charge for year	288,396	365,716	654,112
Disposals	(44)	(100)	(144)
31 December 2011	**1,642,315**	**3,822,993**	**5,465,308**
Net Book Value			**7,449,473**

10 Intangible assets *(continued)*

For the year ended 31 December 2010, movement in the intangible assets is as follows:

	Rights	Other intangible assets	Total
Cost			
1 January 2010	2,041,462	4,737,282	6,778,744
Additions	315,502	594,752	910,254
Acquisition through business combination	61,058	2,245	63,303
Transfer	10,809	90,614	101,423
31 December 2010	**2,428,831**	**5,424,893**	**7,853,724**
Accumulated Amortization			
1 January 2010	1,173,011	3,146,573	4,319,584
Charge for year	146,654	308,867	455,521
Additions from acquisitions	34,298	463	34,761
31 December 2010	**1,353,963**	**3,455,903**	**4,809,866**
Net Book Value			**3,043,858**

For the year ended 31 December 2011, amortization expenses amounting to TL 654,112 (31 December 2010: TL 455,521) have been included in administrative expenses.

As at 31 December 2011 and 2010, Acıbadem Sağlık utilizes intangible assets which have nil net book value on its accounts (31 December 2011 Cost: TL 4,062,829, Accumulated Amortization: TL 4,062,829; 31 December 2010 Cost: TL 3,900,693, Accumulated Amortization: TL 3,900,693).

11 Acquisition of subsidiary and non controlling interests

As at 31 December, the goodwill was recognized as a result of the acquisitions shown below:

	31 December 2011	31 December 2010
Acıbadem Sağlık	773,424,095	773,424,095
Acıbadem Sistina Hospital and Medikal	50,441,978	--
Yeni Sağlık	46,417,257	--
International Hospital	39,292,955	39,292,955
Acıbadem Poliklinikleri	6,234,605	6,234,605
Konur Sağlık	1,547,107	1,547,107
	917,357,997	**820,498,762**

11 Acquisition of subsidiary and non controlling interests *(continued)*

Acıbadem Sağlık

Following the formation of its Almond Holding subsidiary in July 2007, the Group entered into several share purchase agreements with the investors of Acibadem Sağlık and acquired equity shares in the Company to provide the Group with a controlling interest in Acıbadem Sağlık. Goodwill resulting from the acquisition in stages was calculated based on the net assets of Acıbadem Sağlık on each acquisition date and the consideration paid by the Group. The payments for the share purchases were completed via capital increases by the Group based on the fair value of the shares at each acquisition date.

On 16 August 2007, the Group acquired 24.99% of the outstanding equity shares of Acıbadem Sağlık. On 10 January 2008 (on which the control was acquired) and 27 May 2008, the Group acquired additional 49.19% and 17.79% of the outstanding equity shares respectively. As a result of these share purchases, the Group became Acıbadem Sağlık's parent company.

The following summarizes the Group's holdings in Acıbadem Sağlık, the subsequent increases in its holdings and the computation of goodwill at each acquisition date:

1st Acquisition	
Consideration transferred	244,297,803
Subsidiary's net book value (24.99 percent)	(33,224,485)
Goodwill (1st acquisition in year 2007)	**211,073,318**
2nd Acquisition	
Consideration transferred	471,324,121
Subsidiary's net book value (49.19 percent)	(64,991,646)
Goodwill (2nd acquisition in year 2008)	**406,332,475**
3rd Acquisition	
Consideration transferred	177,157,252
Subsidiary's net book value (17.79 percent)	(21,138,950)
Goodwill (3rd acquisition in year 2008)	**156,018,302**
Total	**773,424,095**

11 Acquisition of subsidiary and non controlling interests *(continued)*

International Hospital

In the accompanying consolidated financial statements, details of the goodwill according to acquisition dates for International Hospital is given below:

1st Acquisition	
Consideration transferred	33,182,500
Subsidiaries net book value (50 percent)	(10,054,636)
Fair value adjustment of land	(8,983,435)
Fair value adjustment of buildings	(6,842,863)
Goodwill (1st acquisition on 20 August 2005)	**7,301,566**

2nd Acquisition	
Consideration transferred	53,462,129
Subsidiaries net book value (additional 40%)	(5,535,407)
Fair value adjustment of buildings	(11,281,569)
Fair value adjustment of furniture and fixtures	(2,032,335)
Fair value adjustment of machinery and equipment	(2,142,673)
Fair value adjustment of vehicles	(50,008)
Fair value adjustment of rights	(428,748)
Goodwill (2nd acquisition on 27 March 2009)	**31,991,389**
Total	**39,292,955**

Acıbadem Poliklinikleri

Under the growth strategies of the 'Group', Acıbadem Sağlık acquired 736,802 shares of Acıbadem Poliklinikleri amounting to USD 5,710,217 and those shares correspond 36.84 % of the share capital. Before the acquisition, Acıbadem Sağlık owned 63.15 % of the share capital, so the company increased its share to 99.95% in Acıbadem Poliklinikleri.

The detail of the goodwill computed is as below:

Consideration transferred	6,948,763
Subsidiaries net book value (additional 36.84 percent)	(714,158)
Goodwill (10 July 2008)	**6,234,605**

11 Acquisition of subsidiary and non controlling interests *(continued)*

Konur Sağlık

As at 13 February 2010, Acıbadem Poliklinikleri, the consolidated subsidiary of the Acıbadem Sağlık purchased the 50 % of the shares of Konur Sağlık Hizmetleri Anonim Şirketi, a medical center operating in Bursa, Turkey. The detail of the goodwill computed is as follows:

Acquisition cost	2,046,814
Subsidiaries net book value (50.00 %)	(499,707)
Goodwill (13 February 2010)	**1,547,107**

Yeni Sağlık

Based on the Board of Director's decision of Acıbadem Sağlık taken on 28 April 2011, 99.90% of the shares of Yeni Sağlık which owns and operates Göztepe Şafak Hospital in Göztepe district of İstanbul and John F. Kennedy Hospital ("JFK") in Bahçelievler district of İstanbul have been acquired. The agreed amount for the acquisition of these shares is amounting to USD 28,239,250 and the payments will be done from the end of the 11st month following the actual share transfer with the installments of USD 1,000,000. The control of the shares is taken on 1 June 2011. Goodwill arising from the acquisition of shares is shown in the following table.

Acquisition cost	47,823,972
Subsidiaries net book value (99.90 %)	(1,406,715)
Goodwill (1 June 2011)	**46,417,257**

Acıbadem Sistina Hospital / Acıbadem Sistina Medikal

On 21 October 2011, Acıbadem Sağlık acquired 50.32% of Acıbadem Sistina Hospital and 50.00% of Acıbadem Sistina Medikal's by a total cash consideration of Euro 20,000,000. Both companies together meet the definition of a business in accordance with IFRS 3. Accordingly, the goodwill has been computed on the total net asset of both companies. The detail of goodwill computed is as follows:

Acquisition cost	50,950,000
Subsidiaries net book value of Acıbadem Sistina Medikal (50.00%)	(6,514)
Subsidiaries net book value of Acıbadem Sistina Hospital (50.32 %)	(501,508)
Goodwill (21 October 2011)	**50,441,978**

12 Provisions

As at 31 December, short-term provisions comprised the following:

	31 December 2011	31 December 2010
Provision for doctor payments	18,587,294	13,564,343
Lawsuit provisions	4,816,801	3,677,494
Accrued Social Security Institution ("SGK") expenses	506,515	286,608
Provisions for miscellaneous expenses	101,493	264,311
Consultancy commission provisions	--	669,953
Other	153,320	1,271,697
	24,165,423	**19,734,406**

There are 95 lawsuits (31 December 2010: 72) against the Group amounting to TL 17,560,461 (31 December 2010: TL 15,132,129) and 164 related to personnel (31 December 2010: 118) amounting to TL 951,933 (31 December 2010: TL 706,034). The Group has provided provisions for the lawsuits which the probability of losing is greater than the probability of winning in the accompanying consolidated financial statements.

The movement of provisions for year ended 31 December 2011 is as follows:

	1 January 2011	*Additions*	*Payments*	*Reversals*	*31 December 2011*
Provision for doctor payments	13,564,343	18,587,294	(13,564,343)	--	18,587,294
Lawsuit provisions	3,677,494	1,344,109	(12,750)	(192,052)	4,816,801
Accrued Social Security Institution ("SGK") expenses	286,608	506,515	(286,608)	--	506,515
Provisions for miscellaneous expenses	264,311	101,493	(264,311)	--	101,493
Consultancy commission provisions	669,953	--	(669,953)	--	--
Provisions for invoices returned from contracted institutions	326,491	--	(326,491)	--	--
Other	945,206	153,320	(945,206)	--	153,320
	19,734,406	**20,692,731**	**(16,069,662)**	**(192,052)**	**24,165,423**

12 Provisions *(continued)*

The movement of provisions for year ended 31 December 2010 is as follows:

	1 January 2010	*Additions*	*Payments*	*Reversals*	*31 December 2010*
Provision for doctor payments	12,509,028	13,564,343	(12,509,028)	--	13,564,343
Lawsuit provisions	869,914	2,966,263	(158,683)	--	3,677,494
Consultancy commission provisions	--	669,953	--	--	669,953
Provisions for invoices returned from contracted institutions	146,250	180,241	--	--	326,491
Accrued Social Security Institution ("SGK") expenses	22,538	286,608	(22,538)	--	286,608
Provisions for miscellaneous expenses	194,415	264,311	(194,415)	--	264,311
Other	153,333	945,206	(153,333)	--	945,206
	13,895,478	**18,876,925**	**(13,037,997)**	**--**	**19,734,406**

Annotations

There is a decision which was given by the Bakırköy Municipality to demolish the supplement International Hospital building since the amount is immaterial the Group does not book any impairment. On the same property there are two annotations of 99 yearly rent statements in favor of Turkish Electricity Administration ("TEIAŞ"). Additionally, there are two annotations of 99 yearly rent statements in favor of İstanbul Public Transportation Administration ("IETT") and also two annotations in favor of Avcılar Municipality on the land owned by the Group at Avcılar District.

13 Commitments

According to the decision of CMB on 9 September 2009 related to the commitments of publicly owned companies given to the guarantee third party's debts;

The commitments given;

i) For their own corporate identities,
ii) In favor of consolidated subsidiaries,
iii) In favor of third parties to continue their operations will not be limited.

After the decision is published at the Public Disclosure Platform, publicly owned companies will not give commitments to real people or corporations other than mentioned at the bullets (i) and (ii) above or to third parties other than mentioned at the bullet (iii). If any commitments are already given they will be reduced to nil until 31 December 2014.

13 Commitments *(continued)*

As at 31 December 2011, commitments given are as follows:

	31 December 2011		
	TL Equivalents	**TL**	**USD**
A Commitments given on behalf of own corporate identities	--	--	--
B Commitments given on behalf of consolidated subsidiaries	1,685,237,697	1,356,215,805	174,187,036
C Commitments given on behalf of third parties to continue its operations			
D Other commitments given	1,564,445	1,470,000	50,000
- on behalf of parent company			
- on behalf of group companies other than mentioned in bullets B and C	1,564,445	1,470,000	50,000
- on behalf of third parties other than mentioned in bullet iii)	--	--	--
Total	**1,686,802,142**	**1,357,685,805**	**174,237,036**

As at 31 December 2010, commitments given are as follows:

	31 December 2010		
	TL Equivalents	**TL**	**USD**
A Commitments given on behalf of own corporate identities	--	--	--
B Commitments given on behalf of consolidated subsidiaries	1,621,403,205	1,342,371,849	180,486,000
C Commitments given on behalf of third parties to continue its operations	--	--	--
D Other commitments given	4,397,300	4,320,000	50,000
- on behalf of parent company	--	--	--
- on behalf of group companies other than mentioned in bullets B and C	4,397,300	4,320,000	50,000
- on behalf of third parties other than mentioned in bullet iii)	--	--	--
Total	**1,625,800,505**	**1,346,691,849**	**180,536,000**

13 Commitments *(continued)*

The total value of mortgages and pledges on the Group's land and buildings are as follows:

Mortgages

Collateral type	Duration	Cause of collateral and place	Pledged asset	31 December 2011(USD)
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Bursa Hospital	77,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	International Hospital	32,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Adana Hospital	24,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Vakıfbank	Acıbadem Kayseri	13,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı building	12,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı warehouse	2,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Erkan Apt. various flats and apartments	1,820,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Manolya Apt. No: 2-3	1,695,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Cumhuriyetköy Acıbadem Eğitim ve Sosyal Tesisleri	1,350,000
				164,865,000

Collateral type	Duration	Cause of collateral and place	Pledged asset	31 December 2010 (USD)
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Bursa Hospital	77,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	International Hospital	32,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Adana Hospital	24,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Vakıfbank	Acıbadem Kayseri	13,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı building	12,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Acıbadem Küçükyalı warehouse	2,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Erkan Apt. various flats and apartments	1,820,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Cumhuriyetköy Acıbadem Eğitim ve Sosyal Tesisleri	1,350,000
Mortgage 1st degree	Relevance of the mortgage	Loan Collateral – Garanti Bankası	Manolya Apt. No: 2-3	1,695,000
				164,865,000

13 Commitments *(continued)*

Pledges

Acıbadem Sağlık has ceded 80% of account receivable and blockage on the bank deposit amounting to TL 30,638,517 related with the bank borrowing from Garanti Bankası. The shares of Acıbadem Sağlık owned by Almond Holding, which constitute 18.62% of Acıbadem Sağlık's capital has been pledged at first degree and 63.82% of Acıbadem Sağlık's shares has been pledged at second degree, 50% share of International Hospital has been pledged at first degree, 99.99% share of Acıbadem Kayseri has been pledged at first degree, 49.99% share of Acıbadem Labmed has been pledged at first degree, 99,99% share of Acıbadem Poliklinikleri has been pledged at first degree.

The Group has given letter of guarantees to different institutions amounting to TL 13,681,887 (2010: TL 13,090,385).

14 Employee benefits

Reserve for Employment Termination Benefits

Under the Turkish Labour Law, the Company and its subsidiaries are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed, there are certain transitional provisions relating to length of service prior to retirement.

The termination benefits is calculated as one month gross salary for every employment year and as at 31 December 2011 the ceiling amount has been limited to TL 2,732 (31 December 2010: TL 2,517). Termination benefits is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its Turkish subsidiaries and joint ventures arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries arising from the retirement of employees. IFRSs require actuarial valuation methods to be developed to estimate the Group's obligation. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2011, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2011 has been calculated assuming an annual inflation rate of 5 % and a discount rate of 9.11% resulting in a real discount rate of approximately 3.91% (31 December 2010: annual inflation rate of 5.10% and a discount rate of 10.00% resulting in a real discount rate of approximately 4.66 %).

	31 December 2011	**31 December 2010**
Opening balance	2,111,563	1,863,931
Interest cost	134,998	3,519,952
Cost of services	238,260	653,881
Payments made during the period	(3,003,714)	(2,629,722)
Actuarial gains	2,452,317	(1,296,479)
	1,933,424	**2,111,563**
Provision for employee termination benefits from the acquisition of a subsidiary – for cash flows	**(376,138)**	**(15,876)**

14 Employee benefits *(continued)*

***Reserve for Employment Termination Benefits** (continued)*

Actuarial gains or losses arise from the changes in interest rates and changes in expectations about the salary increases. Actuarial differences are recorded as incurred. As at 31 December 2011, TL 2,404,640 of interest cost, cost of services and actuarial gains or losses are recorded as cost of sales (31 December 2010: TL 2,711,499 expense), TL 350,498 is recorded as general administrative expenses (31 December 2010: TL 163,713 expense) and TL 2,769 is recorded as selling, marketing and distribution expenses (31 December 2010: TL 2,142).

15 Post employment benefits

None.

16 Other assets and liabilities

As at 31 December, other current assets comprised the following:

	31 December 2011	31 December 2010
Income accrual for SGK receivables	13,841,917	11,905,903
Income accrual for patients	9,246,137	5,654,774
Prepaid rent expenses	5,768,403	5,855,445
Value added tax receivable	5,726,677	10,471,935
Prepaid insurance expense	4,774,805	2,947,928
Prepaid taxes and funds	4,266,894	1,591,200
Advances given to personnel	2,250,868	2,399,761
Advances given for inventory	1,657,567	1,310,437
Prepaid maintenance expense	167,840	173,007
Job advances	91,136	69,103
Prepaid advertisement expenses	25,168	3,230,830
Prepaid subscription expense	17,434	22,402
Other	532,713	249,836
	48,367,559	**45,882,561**

As at 31 December, other non-current assets comprised the following:

	31 December 2011	31 December 2010
Prepaid rent	9,965,137	4,054,360
Advances given	2,677,500	--
Advances given for fixed assets	2,314,227	1,231,714
Prepaid insurance	15,012	15,590
Other	18,486	7,483
	14,990,362	**5,309,147**

(*) The Company has advances given amounting to TL 2,677,500 for a new operator agreement of a clinic.

As at 31 December, other current liabilities comprised the following:

	31 December 2011	31 December 2010
Social security and taxes payable	23,796,898	12,926,860
Payable to personnel	14,208,152	10,505,163
Deferred income (*)	1,520,009	82,032
	39,525,059	**23,514,055**

16 Other assets and liabilities *(continued)*

(*) This amount consists of short term portion of income according to the bank agreement related to transfer of salary payment rights in 2011.

As at 31 December 2011, other long term liabilities amounting to TL 4,938,537 (31 December 2010: TL 500,388) consists the income according to the bank agreement related to transfer of salary payment rights in year 2011.

17 Equity

Paid-in capital

As at 31 December 2011 paid-in capital of the Group is TL 668,000,000 (31 December 2010: TL 668,000,000) made up of 334.000.000 shares classified as A group and 334.000.000 shares classified as B group. As at 31 December 2010 and 2009, the composition of shareholders and their respective percentage of ownership are summarized as follows:

	31 December 2011		31 December 2010	
Shareholder's name	**Share (%)**	**Amount**	**Share (%)**	**Amount**
Almond Holding Cooperatie U A	50.00	334,000,000	50.00	334,000,000
Mehmet Ali Aydınlar	46.41	310,010,990	46.41	310,010,990
Hatice Seher Aydınlar	3.59	23,989,008	3.59	23,989,008
Ethem Erhan Aydınlar	0.00	1	0.00	1
Zeynep Aydınlar	0.00	1	0.00	1
	100.00	**668,000,000**	**100.00**	**668,000,000**

The favorable vote of Group A shares is required in order to decide on an increase in share capital. Group A shareholder has the right to nominate four out of five board members, and Group B shareholders has the right to nominate one out of five board members. Each Group A share has 100 votes against one vote of Group B shareholders.

Pledges on Shares

According to the Share Pledge Agreements which are signed on 10 January 2008 and additional amendments of the agreements which are signed on 6 February 2008 and 6 August 2008, the shares of Almond Holding, Acıbadem Sağlık and its subsidiaries were pledged (1^{st} and 2^{nd} degree) on behalf of T. Garanti Bankası as the guarantee of the loans, amounted to USD 200,000,000 for Acıbadem Sağlık and USD 200,000,000 for Almond Holding.

Reserves

(i) Legal reserves

The legal reserves consist of first and second legal reserves in accordance to the Turkish Commercial Code ("TCC"). The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with CMB regulations, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. As at 31 December 2011, the Group's legal reserves amounting to TL 4,069,977 (31 December 2010: TL 2,541,510).

(ii) Share Premium

Share premium arises from the initial public offering of Acıbadem Sağlık in Istanbul Stock Exchange. Share premium cannot be distributed.

17 Equity *(continued)*

Dividend distribution:

Publicly traded companies distribute dividends based on the Capital Market Board ("CMB") regulations as explained below:

According to CMB's decision on 27 January 2010 numbered 02/51 Companies traded on the stock exchange market are not obliged to distribute a specified amount of dividends (2010: 20 percent). For companies that will distribute dividends, in relation to the resolutions in their general meeting the dividends may be in cash, may be bonus shares by adding the profit into equity, or may be mixture of cash and bonus shares, it is also permitted not to distribute determined first party dividends falling below 5 percent of the paid-in capital of the company but, companies that increased capital before distributing the previous year's dividends and as a result their shares are separated as "old" and "new" are obliged to distribute first party dividends in cash.

There is no requirement for profit distribution in year 2011 for Acıbadem Sağlık, which is publicly traded.

Retained Earnings / (Accumulated Losses)

	31 December 2011	31 December 2010
Extraordinary reserves	48,741,842	42,835,820
Retained earnings / (Accumulated losses)	(236,036,418)	(204,750,215)
	(187,294,576)	**(161,914,395)**

The movement of retained earnings / (accumulated losses) is as follows:

	31 December 2011	31 December 2010
Beginning balance	(161,914,395)	(146,485,893)
Change in non-controlling interest	(743,575)	(5,761,782)
Transfer to legal reserves	(1,528,467)	--
Transfer of period profit to retained earnings	(23,108,139)	(9,666,720)
	(187,294,576)	**(161,914,395)**

18 Revenues

For the years ended 31 December, revenues and cost of revenues comprised the following:

	2011	2010
Domestic sales	1,103,595,853	812,136,178
Unearned finance expense	(4,675,533)	(3,151,060)
Sales returns and discounts	(89,450,304)	(77,402,588)
Net revenues	**1,009,470,016**	**731,582,530**
Cost of revenues	(793,348,551)	(586,157,703)
Gross profit	**216,121,465**	**145,424,827**

19 Selling, marketing and distribution expenses, general administrative expenses

Selling, marketing and distribution expenses

For the years ended 31 December, selling, marketing and distribution expenses comprised the following:

	2011	2010
Advertisement and sponsorship expenses	15,142,285	19,225,656
Personnel expenses	5,863,774	4,208,630
Commission expenses	4,808,372	5,090,999
Representation expenses	1,110,039	1,006,434
Travel expenses	751,177	579,278
Consultancy expenses	675,528	871,289
Published material expenses	846,792	811,851
Vehicle rent expenses	295,520	210,190
Mail, newspaper, magazine expenses	219,816	180,096
Depreciation and amortization expenses	131,976	106,398
Other	948,307	305,310
	30,793,586	**32,596,131**

General administration expenses

For the years ended 31 December, general administrative expenses comprised the following:

	2011	2010
Personnel expenses	29,891,090	23,609,219
Depreciation and amortization	4,567,419	3,032,177
Rent expense	2,365,799	1,416,014
Consultancy, legal, notary expenses	1,951,584	5,151,724
Cleaning and meal expenses	1,474,402	1,240,902
Communication and other office expenses	1,330,273	2,358,418
Energy expenses	964,965	1,302,346
Representation and travel expenses	839,330	889,192
Repair and maintenance expenses	751,999	630,277
Other	1,353,047	2,353,152
	45,489,908	**41,983,421**

20 Expenses by nature

For the years ended 31 December, expenses by nature comprised the following:

Amortization and depreciation expenses	2011	2010
Cost of revenue	72,914,412	68,595,744
General administrative expenses	4,567,419	3,032,177
Selling, marketing and distribution expenses	131,976	106,398
	77,613,807	**71,734,319**

Personnel expenses	2011	2010
Cost of revenue	439,157,621	313,994,521
General administrative expenses	29,891,090	23,609,219
Selling, marketing and distribution expenses	5,863,774	4,208,630
	474,912,485	**341,812,370**

21 Other operating income and expenses

For the years ended 31 December, other operating income comprised the following:

	2011	2010
Insurance compensation gain (*)	3,810,569	2,302,306
Premium from bank related salary payment right assignment (**)	699,433	468,007
Recovery of impairment for doubtful receivables	283,163	734,322
Gain on sale of property and equipment	269,789	325,761
Other income	3,089,933	1,666,263
	8,152,887	**5,496,659**

(*) The gain obtained from the insurance companies when equipments are damaged during transportation.
(**) The premium arose from the change of the bank from which salary payments are made.

For the years ended 31 December, other operating expense comprised the following:

	2011	2010
Donations	10,658,556	1,372,777
Damage loss (*)	5,788,104	3,034,808
Allowance for doubtful receivables	3,197,914	2,166,622
Provision for lawsuits	1,139,307	2,988,143
Tax expenses regarding law number 6111	405,822	--
Other	1,685,465	1,657,478
	22,875,168	**11,219,828**

(*) Losses incurred when equipments are damaged during transportation.

22 Financial income

For the years ended 31 December, financial income comprised the following:

	2011	2010
Net change in fair value of derivatives	8,737,186	--
Imputed interest on cost of revenue	4,636,138	3,058,162
Discount on trade payables	1,455,549	1,075,127
Interest income on time deposits	1,203,181	812,766
Other	54,058	23,303
	16,086,112	**4,969,358**

23 Financial expenses

For the years ended 31 December, financial expenses comprised the following:

	2011	**2010**
Foreign exchange loss	193,452,935	25,456,064
Interest expense on bank loans	48,112,764	39,162,844
Credit card commission expenses	6,968,991	5,411,959
Finance lease interest expense	6,202,183	5,877,668
Imputed interest on revenue	1,671,477	909,554
Net change in fair value of derivatives	912,560	4,299,190
Actuarial interest cost	134,998	3,519,952
Letter of credit and other bank commission expenses	73,476	622,195
Change in fair value of forward transactions	--	96,928
Other	185,973	118,687
	257,715,357	**85,475,041**

24 Tax assets and liabilities

Corporate tax

In Turkey

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilised. In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate at 31 December 2011 is 20%.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

According to the Corporate Tax Law, 75 percent of the capital gains arising from the sale of property and equipment and investments owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in equity from the date of the sale. The remaining 25 percent of such capital gains are subject to corporate tax.

The transfer pricing law is covered under Article 13 “disguised profit distribution via transfer pricing” of the Corporate Tax Law. The General Communique on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductable for corporate income tax purposes.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

24 Tax assets and liabilities *(continued)*

Corporate tax *(continued)*

In Macedonia

Macedonian corporate income tax is levied at a rate of 10% on dividend distribution and tax on non deductible items. Unless there is a dividend distribution, no corporate tax is levied. Losses cannot be carried forward in determining corporate tax base. Corporate taxpayers should pay tax on their non-deductible items at a rate of %10. The tax base established on the basis of unrecognized expenditures for tax purposes is decreased by the amount of the expenditures subject to taxation for which the time period for their recognition has matured. If formed tax base for the tax period is less than the amount of its decrease for the same tax period, than the taxpayer shall declare tax loss. Tax losses can be carried forward for five years according to the amendment on tax legislation.

Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

As at 31 December, current year corporate tax payable comprised the following:

	31 December 2011	31 December 2010
Corporate tax provision	4,169,704	8,419,341
Prepaid taxes and funds	(3,794,935)	(5,765,515)
	374,769	**2,653,826**

For the years ended 31 December, tax expenses comprised the following:

	2011	2010
Current year corporate tax provision	(4,169,704)	(8,419,341)
Deferred tax credit / (charge)	(1,186,563)	329,511
	(5,356,267)	**(8,089,830)**

24 Tax assets and liabilities *(continued)*

The reported tax expense for the years ended 31 December is different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2011		2010	
		%		%
Profit/(loss) before tax	(116,513,555)		(15,383,577)	
Tax rate		20		20
Taxes on reported profit per statutory tax rate	23,302,711	(20.00)	3,076,715	(20.00)
Effect of tax rates in foreign jurisdictions	(8,362)	--	--	--
Non-deductible expenses	(2,352,654)	2.02	(280,101)	1.82
Donations	(2,131,662)	1.83	--	
Tax exception on investment allowance	(325,036)	0.28	--	
Tax exempt income	--	--	132,109	(0.86)
Recognition of previously unrecognized tax losses	(658,986)	0.57	--	--
Tax penalty charge	--	--	(3,734,431)	24.28
Statutory tax losses for which no deferred tax assets recognized	(23,094,070)	19.82	(6,728,996)	43.74
Other	(88,208)	0.08	(555,126)	3.61
Taxation credit/ (charge)	**(5,356,267)**	**4.60**	**(8,089,830)**	**52.59**

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the Communiqué No: XI-29 and the statutory tax financial statements. Related temporary differences are subject to different period records according to articles and to tax laws for profit and lost items.

According to the decision of the Turkish Constitutional Court promulgated in the Official Gazzette no.27456 dated 8 January 2010, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption. As per this decision, the Group has provided deferred tax asset amounting to TL 11,540,235 over the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity amounting to TL 57,701,175.

Deferred tax assets and liabilities deducted for the factors that there is a legally applicable right to deduct the current year tax assets and liabilities and there is intent of the occurrence of the current year tax assets and liabilities concurrently are valid.

The unrecorded deferred taxes are re-evaluated at every balance sheet date. If it is possible to make profits in the future the unrecorded deferred tax assets are reflected to the financial statements

24 Tax assets and liabilities *(continued)*

Deferred tax assets and liabilities *(continued)*

Deferred tax assets and deferred tax liabilities as at 31 December were attributable to the items detailed in the table below:

	31 December 2011		31 December 2010	
	Deferred tax base	**Deferred tax asset/(liability)**	**Deferred tax base**	**Deferred tax asset/(liability)**
Property, equipment and intangible assets – *Deferred tax asset*	9,587,880	1,917,576	654,789	130,958
Property, equipment and intangible assets – *Deferred tax liability*	(14,437,018)	(2,887,404)	(6,717,934)	(1,343,587)
Financial liabilities	(1,639,220)	(327,843)	(2,435,875)	(487,175)
Employee benefits	1,933,425	386,685	2,111,554	422,311
Investment allowance	57,701,175	11,540,235	66,654,156	13,330,831
Trade and other receivables	(5,945,825)	(1,189,165)	(10,646,766)	(2,129,353)
Financial investments at fair value - *Interest rate swaps*	5,211,751	1,042,350	4,299,190	859,838
Financial investments at fair value - *Forwards*	(7,663,240)	(1,532,648)	96,928	19,386
Provisions	23,464,060	4,692,812	16,769,442	3,353,888
Tax loss carry-forwards	33,259,175	6,651,835	36,619,494	7,323,899
	101,472,163	**20,294,433**	**107,404,978**	**21,480,996**

	31 December 2011	31 December 2010
Deferred tax assets	26,231,493	25,441,111
Deferred tax liabilities	(5,937,060)	(3,960,115)
Deferred tax assets, net	**20,294,433**	**21,480,996**

For the years ended 31 December, the movement of the deferred tax assets/(liabilities) are as follows

	2011	2010
Beginning balance	21,480,996	21,151,485
Period tax credit/ (expense)	(1,186,563)	329,511
Ending balance	**20,294,433**	**21,480,996**
Deferred tax charges from the acquisition of a subsidiary – for cash flows	(379,463)	7,776

Unrecognized deferred tax assets

Deferred tax asset amounting to TL 23,094,070 (31 December 2010: TL 6,278,996) has not been recognized in respect of the current year statutory tax losses, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits there from.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. The Group management anticipated that there will be taxable profits in the following years. Therefore, as at 31 December 2011, deferred tax asset is recognized in the accompanying consolidated financial statements for tax losses carried forward amounting to TL 33,259,175 (31 December 2010: TL 36,619,494).

24 Tax assets and liabilities *(continued)*

Expiration dates of tax losses are as follows:

	31 December 2011	31 December 2010
2016	12,545,733	--
2015	1,827,009	17,151,501
2014	17,853,331	17,853,331
2013	995,117	995,117
2012	37,985	37,985
2011	--	581,560
	33,259,175	**36,619,494**

25 Earnings per share

The calculation of basic and diluted earnings/ (losses) per share was calculated by dividing the income attributable to ordinary shareholders in consolidated statement of comprehensive income of this report to the weighted average number of ordinary shares outstanding:

	2011	2010
Net income/ (loss) for the period	(122,154,317)	(23,108,139)
Weighted average number of shares	668,000,000	668,000,000
Basic and Diluted Earnings/ (losses) per 1.000 Shares	**(182.866)**	**(34.593)**

26 Related parties

Since intra-group balances and transactions between the Company and its subsidiaries are eliminated at the preparation of the consolidated financial statements they are not disclosed in this note.

As at 31 December, short-term trade receivables from related parties as follow:

	31 December 2011	31 December 2010
Trade receivables	9,514,653	8,655,743
Other receivables	251,970	36,867
	9,766,623	**8,692,610**

As at 31 December, short-term trade payables to related parties as follow:

	31 December 2011	31 December 2010
Trade payables	29,156,434	9,571,893
Other payables	578,943	503,601
	29,735,377	**10,075,494**

26 Related parties *(continued)*

Due from related parties

	31 December 2011		31 December 2010	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Shareholders				
Mehmet Ali Aydınlar	--	--	--	149
Receivables from other shareholders	--	11	--	--
Related Companies				
Acıbadem Sigorta	9,289,246	160,910	7,458,385	735
Acıbadem Proje	80,648	--	--	--
Acıbadem Diş	55,419	389	185,569	13,068
Acıbadem Holding	52,578	1,170	24,988	--
Aydınlar Sağlık Hizmetleri	25,537	92	24,637	882
Akademia	7,282	731	17,342	1,668
Kerem Aydınlar Vakfı	3,064	11	--	266
Acıbadem Sigorta Aracılık	879	--	--	--
Acıbadem Üniversitesi	--	12,616	5,312	--
Aplus	--	73,038	--	17,692
Telepati Tanıtım	--	2,466	--	2,141
BLAB	--	416	--	266
Acıbadem Yatırım	--	60	--	--
Almond Holding	--	60	--	--
Çukurova Bilim	--	--	939,510	--
	9,514,653	**251,970**	**8,655,743**	**36,867**

Acıbadem Sigorta transactions with this company include receivables from the treatment of Acıbadem Sigorta's customers at Acıbadem hospitals and outpatient clinics.

Acıbadem Proje pertains to amounts billed by Acıbadem Sağlık for the sale of Acıbadem Sağlık's fixed assets.

A Plus transactions are related to the laundry, catering and cleaning services provided at various Acıbadem hospitals and outpatient clinics.

Acıbadem Proje pertain to amounts billed to Acıbadem Sağlık for planning, design and construction work of new Acıbadem facilities including improvements for existing facilities.

Acıbadem Sigorta Aracılık transactions represent the commissions paid to the company in regards to the customers of Acıbadem Sigorta Aracılık being exclusively at Acıbadem hospitals and outpatient clinics only.

Telepati Tanıtım transactions are for advertising services rendered to promote Acıbadem brand on various media channels.

26 Related parties *(continued)*

Due to related parties

	31 December 2011		31 December 2010	
	Trade Payables	Other Payables	Trade Payables	Other Payables
Shareholders				
Mehmet Ali Aydınlar	--	18,888	--	15,461
Hatice Seher Aydınlar	--	1,889	--	1,546
Said Haifawi	--	520,798	--	36,070
Other	--	2,098	--	1,755
Related Companies	--			
A Plus	13,872,341	--	6,454,852	--
Acıbadem Proje	8,938,931	18,478	1,373,412	38,277
Acıbadem Sigorta Aracılık	3,238,720	--	--	--
Telepati Tanıtım	1,206,912	--	912,545	--
Acıbadem Sigorta	1,080,179	325	278,768	332,536
Aydınlar Sağlık Hizmetleri	455,556	--	--	--
Acıbadem Diş	288,617	13,522	440,519	77,503
Acıbadem Üniversitesi	51,770	--	60	--
Acıbadem Holding	21,137	437	111,737	437
Acıbadem Vakfı	--	2,508	--	16
Akademia	2,271	--	--	--
	29,156,434	**578,943**	**9,571,893**	**503,601**

26 Related parties *(continued)*

Related party transactions (Sales)

For the years ended 31 December, sales and services to related parties are as follows:

	2011		
	Service	**Fixed Asset**	**Other**
Acıbadem Sigorta	66,035,990	--	524,008
Aplus	103,313	10,300	4,049,200
Acıbadem Proje Yönetimi	16,591	--	239,123
Acıbadem Üniversitesi	12,262	--	--
Acıbadem Holding	1,179	--	259,040
Acıbadem Diş	--	--	37,424
Aydınlar Sağlık	--	--	112,711
Telepati Tanıtım Hizmetleri	--	--	73,786
Akademia	--	--	9,900
Çukurova Bilim	--	--	3,300
Acıbadem Sağlık Yatırımları	--	--	3,240
	66,169,335	**10,300**	**5,311,732**

	2010		
	Services	**Fixed Assets**	**Others**
Acıbadem Sigorta	52,252,824	--	499,616
Çukurova Bilim	935,132	--	3,600
Acıbadem Holding	225,857	700	--
Aplus	41,614	--	145,343
Acıbadem Proje Yönetimi	1,910	--	178,088
Akademia	128	--	--
Acıbadem Diş	107	--	48,037
Aydınlar Sağlık Hizmetleri	--	--	90,920
Telepati Tanıtım	--	--	62,400
	53,457,572	**700**	**1,028,004**

26 Related parties *(continued)*

Related party transactions (Purchases)

For the years ended 31 December, the purchases from related parties are as follows:

	2011		
	Service	**Fixed Asset**	**Other**
Aplus	45,002,029	2,514	683,233
Acıbadem Proje	27,642,794	26,942	--
Acıbadem Sigorta	13,547,288	--	56,124
Telepati Tanıtım	2,188,909	--	--
Aydınlar Sağlık	1,102,417	--	--
Acıbadem Diş	557,267	--	--
Acıbadem Üniversitesi	47,796	--	--
Akademia	11,393	--	--
	90,099,893	**29,456**	**739,357**

	2010		
	Services	**Fixed Assets**	**Others**
Aplus	34,187,926	--	111,502
Acıbadem Proje	30,773,162	76,494	--
Acıbadem Sigorta	5,946,472	--	467,487
Telepati Tanıtım	5,261,870	--	--
Acıbadem Diş	489,932	--	--
Acıbadem Holding	182,808	--	----
Akademia	47	--	--
	76,842,217	**76,494**	**578,989**

26 Related parties *(continued)*

Guarantees and similar obligations

As at 31 December 2011, the details of the guarantees given as security for the credits used by related parties are as follows:

On behalf of	Date	Bank Name	Currency Type	Original Amount	TL Amount
Aplus	12.02.2008	Garanti Bankası	TL	--	500,000
Aplus	06.09.2007	Garanti Bankası	TL	--	420,000
Aplus	05.10.2007	Garanti Bankası	TL	--	200,000
Acıbadem Proje	28.12.2005	Garanti Bankası	TL	--	200,000
Aplus	20.09.2006	Garanti Bankası	TL	--	150,000
Acıbadem Proje	27.01.2005	Garanti Bankası	USD	50,000	94,445
					1,564,445

***Guarantees and similar obligations** (continued)*

As at 31 December 2011, the Acıbadem Poliklinikleri, consolidated subsidiary has given guarantees on behalf of International Hospital regarding to cash credit line up to TL 6,000,000 and on behalf of Acıbadem Sağlık regarding to cash credit line up to TL 14,134,500 and Euro 5,289,899 from İş Bankası, which are available for use in the future.

As at 31 December 2011, Mehmet Ali Aydınlar, shareholder of Acıbadem Sağlık and Acıbadem Poliklinikleri, consolidated subsidiary gave guarantees on behalf of Acıbadem Sağlık regarding to the cash credit line up to TL 1,760,181 and non-cash credit line up to USD 7,887,794 (LC) from İş Bankası which are available for use in the future.

Key management compensation

For the year ended 31 December 2011 , sum of the compensation to key management is amounting to TL 8,045,686 (2010: TL 7,412,679). Total compensation amount contains wages and salaries paid to the key management.

Donations

For the year ended 31 December 2011, the Group made donations to Acıbadem University amounting to TL 4,067,054 (2010: TL 1,372,777), Kerem Aydınlar Vakfı TL 6,591,258 (2010: None).

27 Nature and level of risks arising from financial instruments

Financial Risk Management Policies

The main financial instruments of the Group are bank loans, receivables, payables, cash and short term bank deposits. The main reason for the usage of these financial instruments is providing funds for the Group's activities. The Group also has trade receivables and trade payables that directly occur during the main activities.

The financial risks are currency risk, interest risk, credit risk and liquidity risk. The Group management manages these risks as explained below:

Capital Risk Management

The primary objective of the Group is ensuring the continuity of operations while increasing profitability by using the balance between liabilities and equity in a most effective way. The capital structure of the Group is consists of the items which include the liabilities, cash and cash equivalents, paid-in capital which is explained in Note 18, capital reserves and profit reserves.

The cost of capital and the risks associated with each share capital component are evaluated by the key management of the Group. During these evaluations, if the acceptance of Board of Directors is needed, the key management represents the evaluation to the Board of Directors for their evaluation.

The general policy and procedure of the Group is not different from the previous period's.

Credit Risk

Credit risk is the risk of handling a financial loss which is caused by another related party by not fulfilling the obligations regarding to a financial instrument.

Having the financial instruments gives the risk of not fulfilling the requirements of the agreement by the other parties. The collection risk of the Group is mainly caused from its trade receivables and cash. Trade receivables are evaluated by management according to the Group's procedure and policies and are carried in the balance sheet as the net of impairment provision (Note 6).

27 Nature and Level of Risks Arising from Financial Instruments

***Credit risk** (continued)*

As at 31 December 2011, credit risk details are as follows:

	Receivables					
	Trade receivables		Other receivables			
	Related party	Other party	Related party	Other party	Bank deposits	Other
31 December 2011						
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	9,514,653	110,652,398	251,970	7,939,398	38,798,280	4,378,927
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--
A, Carrying amount of financial assets that are not overdue and not impaired	9,514,653	95,403,453	251,970	7,939,398	38,798,280	4,378,927
B, Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--
C, Carrying amount of assets that are overdue but not impaired	--	15,248,945	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
D, Carrying amount of assets that are impaired	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	8,387,210	--	--	--	--
- Impairment (-)	--	(8,387,210)	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
- Not overdue (gross carrying amount	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
E, Factors that include off balance sheet credit risks	--	--	--	--	--	--

27 Nature and Level of Risks Arising from Financial Instruments *(continued)*

***Credit risk** (continued)*

As at 31 December 2010, credit risk details are as follows:

	Receivables					
	Trade receivables		Other receivables			
31 December 2010	Related party	Other party	Related party	Other party	Bank deposits	Other
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	8,655,743	69,570,714	36,867	1,464,090	23,269,309	2,325,072
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--
A, Carrying amount of financial assets that are not overdue and not impaired	8,655,743	60,015,507	36,867	1,464,090	23,269,309	2,325,072
B, Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--
C, Carrying amount of assets that are overdue but not impaired	--	9,555,207	--	--	--	--
- Carrying amount secured with collateral	--	---	--	--	--	--
D, Carrying amount of assets that are impaired	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	5,473,602	--	--	--	--
- Impairment (-)	--	(5,473,602)				--
- Carrying amount secured with collateral	--	--	--	--	--	--
- Not overdue (gross carrying amount	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
E, Factors that include off balance sheet credit risks	--	--	--	--	--	--

Liquidity Risk

The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets.

Liquidity risk is probability of not fulfill fund obligations of the Group. Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages its present and future funding risk by maintaining a balance between continuity and availability of funding through the use of bank loans and other borrowing sources from high quality lenders.

27 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk *(continued)*

The tables listed below are representing the maturities of non-derivative financial liabilities.

As at 31 December 2011, maturities of non-derivative financial liabilities are as follows:

Contractual maturities	Carrying value	Total cash outflow per agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (II)	Over 5 years (III)	Without maturity
Non-derivative financial liabilities							
Financial liabilities	958,127,449	1,005,309,986	40,642,053	61,054,293	803,391,751	100,221,889	--
Financial lease liabilities	103,786,952	120,144,221	4,218,123	21,420,572	80,980,612	13,524,914	--
Expected maturities	**Carrying value**	**Expected total cash out flow (=I+II+III)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (II)**	**Over 5 years (III)**	**Without maturity**
Non-derivative financial liabilities							
Trade payables	131,484,737	132,645,804	92,904,807	31,267,098	8,473,899	--	--
Due to related parties	29,156,434	29,278,050	20,660,244	8,617,806	--	--	--
Other payables (*)	69,275,269	69,275,269	14,208,152	18,206,729	36,860,388	--	--

(*) Other payables comprise; other liabilities amounting to TL 39,525,059, due to related parties TL 578,943, other payables amounting to TL 21,404,614, other non-current liabilities amounting to TL 4,938,537 excluding social security and tax payables, deferred income and advances received from patients.

27 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk *(continued)*

As at 31 December 2010, maturities of non-derivative financial liabilities are as follows:

Contractual maturities	Carrying value	Total cash outflow per agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (II)	Over 5 years (III)	Without maturity
Non-derivative financial liabilities							
Financial liabilities	758,725,304	828,186,531	46,029,958	47,167,258	623,544,420	111,444,895	--
Financial lease liabilities	97,810,592	129,403,083	2,934,928	18,828,820	94,671,661	12,967,674	--
Expected maturities	**Carrying value**	**Expected total cash out flow (=I+II+III)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**	**Over 5 years (IV)**	**Without maturity**
Non-derivative financial liabilities							
Trade payables	79,107,904	79,709,086	60,878,704	12,037,193	6,793,189	--	--
Due to related parties	9,571,893	9,658,830	9,371,924	286,906	--	--	--
Other payables (*)	29,599,494	29,599,494	10,543,893	19,055,601	--		

(*) Other payables comprise, other liabilities amounting to TL 23,514,055, other payables amounting to TL 20,527,300 excluding social security tax payables, deferred rent income and advances received.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk

The Group is exposed to market risk arising from changes in interest rates, foreign currency or in the fair value of financial assets and other financial contracts that may affect the Group adversely. The major risks for the Group are currency risk and interest rate risk, which result from operating activities.

Foreign currency risk and related sensitivity analysis

Foreign exchange risk of Group mainly results from that the Group has liabilities denominated in USD, CHF and Euro.

Additionally, the Group has foreign exchange risk resulting from the transactions it makes. These risks are derived from good purchases and sales and use of loans and finance leases in foreign currency which is different from the Group's functional currency.

As at 31 December 2011 and 2010, the net foreign currency position of the Group is TL 1,050,430,059 and TL 835,235,230 (short) position, respectively.

	31 December 2011	**31 December 2010**
Foreign currency denominated assets	1,843,518	3,644,951
Foreign currency denominated liabilities	(1,121,218,427)	(855,259,958)
	(1,119,374,909)	**(851,615,007)**
Foreign currency derivatives	68,944,850	16,379,777
Net foreign currency position	**(1,050,430,059)**	**(835,235,230)**

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

As at 31 December 2011, market risk details are as follows:

	31 December 2011						
CONSOLIDATED	**TL Equivalent (Functional currency)**	**USD**	**Euro**	**MKD**	**GBP**	**CHF**	**Other**
1. Trade receivables	57,380	7,620	17,590	--	--	--	--
2a.Monetary financial assets (include cash and bank deposit)	1,582,112	432,123	312,277	--	225	1,035	--
2b. Non-monetary financial assets	--	--	--	--	--	--	--
3. Other	--	--	--	--	--	--	--
4. Current Assets (1+2+3)	**1,639,492**	**439,743**	**329,867**	--	**225**	**1,035**	--
5. Trade receivables	--	--	--	--	--	--	--
6a. Monetary financial assets	204,026	--	83,487	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--
8. Non Current Assets (5+6+7)	**204,026**	--	**83,487**	--	--	--	--
9. Total Assets (4+8)	**1,843,518**	**439,743**	**413,354**	--	**225**	**1,035**	--
10. Trade payables	16,674,007	3,093,216	4,410,041	--	18,503	--	--
11. Financial liabilities	102,245,713	41,407,971	4,148,789	130,833,453	--	4,297,976	--
12a. Other monetary liabilities	16,892,910	8,943,253	--	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	**135,812,630**	**53,444,440**	**8,558,830**	**130,833,453**	**18,503**	**4,297,976**	--
14. Trade payables	5,451,602	2,876,000	7,826	--	--	--	--
15. Financial liabilities	944,356,671	453,732,630	10,038,015	333,622,773	--	24,591,218	--
16a. Other monetary liabilities	35,597,524	18,845,637	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--	--

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

As at 31 December 2011, market risk details are as follows:

17. Non-Current Liabilities (14+15+16)	**985,405,797**	**475,454,267**	**10,045,841**	**333,622,773**	--	**24,591,218**	--
18. Total Liabilities (13+17)	**1,121,218,427**	**528,898,707**	**18,604,671**	**464,456,226**	**18,503**	**28,889,194**	--
19. Off balance sheet foreign currency denominated derivatives net assets/liabilities position (19a-19b)	68,944,850	36,500,000	--	--	--	--	--
19a. Off balance sheet foreign currency denominated derivatives assets amount	68,944,850	36,500,000	--	--	--	--	--
19b. Off balance sheet foreign currency denominated derivatives liabilities amount	--	--	--	--	--	--	--
20. Net foreign currency denominated assets /(liabilities) position (9-18+19)	(1,050,430,059)	(491,958,964)	(18,191,317)	(464,456,226)	(18,278)	(28,888,159)	(1,050,430,059)
21. Monetary accounts net foreign currency denominated assets /(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(1,119,374,909)	(528,458,964)	(18,191,317)	(464,456,226)	(18,278)	(28,888,159)	(1,119,374,909)
22. Fair value of hedging financial instruments	--	--	--	--	--	--	--
23. Hedged foreign currency denominated assets	--	--	--	--	--	--	--
24. Hedged foreign currency denominated liabilities			--	--	--	--	--
25. Export	--	--	--	--	--	--	--
26. Import	--	--	--	--	--	--	--

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

As at 31 December 2010, market risk details are as follows:

		31 December 2010					
CONSOLIDATED	**TL Equivalent (Functional currency)**	**USD**	**Euro**	**MKD**	**GBP**	**CHF**	**Other**
1. Trade receivables	287	186	--	--	--	--	--
2a.Monetary financial assets (include cash and bank deposit)	2,904,708	774,977	829,344	--	2,673	487	--
2b. Non-monetary financial assets	--	--	--	--	--	--	--
3. Other	2,002	--	--	--		1,218	--
4. Current Assets (1+2+3)	**2,906,997**	**775,163**	**829,344**	--	**2,673**	**1,705**	--
5. Trade receivables	--	--	-	--	--	--	--
6a. Monetary financial assets	737,954	--	360,136	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--
8. Non Current Assets (5+6+7)	**737,954**	**--**	**360,136**	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**3,644,951**	**775,163**	**1,189,480**	--	**2,673**	**1,705**	--
10. Trade payables	10,452,615	3,077,757	2,778,340	--	547	--	--
11. Financial liabilities	55,830,853	25,546,360	4,144,047	--	--	4,772,243	--
12a. Other monetary liabilities	18,552,000	12,000,000	--	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	**84,835,468**	**40,624,117**	**6,922,387**	--	**547**	**4,772,243**	--
14. Trade payables	6,310,079	3,500,000	438,768	--	--	--	--
15. Financial liabilities	764,114,411	444,495,333	14,072,921	--	--	29,254,048	--
16a. Other monetary liabilities	--	--	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--	--

17. Non-Current Liabilities (14+15+16)	**770,424,490**	**447,995,333**	**14,511,689**	--	-	**29,254,048**	--
18. Total Liabilities (13+17)	**855,259,958**	**488,619,450**	**21,434,076**	--	**547**	**34,026,291**	--
19. Off balance sheet foreign currency	--	--	--	--	--	--	--
denominated derivatives	--	--	--	--	--	--	--
net assets/liabilities position (19a-19b)	16,379,777	10,594,940		--			
19a. Off balance sheet foreign currency	--	--	--	--	--	--	--
denominated derivatives assets amount	16,379,777	10,594,940	--	--	--	--	--
19b. Off balance sheet foreign currency	--	--	--	--	--	--	--
denominated derivatives liabilities amount	--	--	--	--	--	--	--
20. Net foreign currency denominated assets /(liabilities) position (9-18+19)	**(835,235,230)**	**(477,249,347)**	**(20,244,596)**	--	**2,126**	**(34,024,586)**	--
21. Monetary accounts net foreign currency denominated assets /(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	**(851,617,007)**	**(487,844,287)**	**(20,244,596)**	--	**2,126**	**(34,025,804)**	--
22. Fair value of hedging financial instruments	--	--	--	--	--	--	--
23. Hedged foreign currency denominated assets	--	--	--	--	--	--	--
24. Hedged foreign currency denominated	--	--	--	--	--	--	--
liabilities	--	--	--	--	--	--	--
25. Export	--	--	--	--	--	--	--
26. Import	--	--	--	--	--	--	--

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

The foreign currency risk of the Group is related to the bank loans borrowed and financial lease liabilities. The Group has a pricing policy that changes according to the deviations in the long term borrowings and volatility of foreign exchange rates for minimizing this risk. Furthermore, Acıbadem Sağlık hedges 18 months portion of principals and the related interest payments related to the long term bank loans of USD 200,000,000 used from Garanti Bankası at the "Future Transactions Market".

The changes in foreign currency position of the Group as of the balance sheet date are as follows:

Foreign currency sensitivity analysis				
31 December 2011				
	Profit/Loss		Equity	
	Increase of foreign currency	Decrease of foreign currency	Increase of foreign currency	Decrease of foreign currency
Change of USD exchange rate against TL by 10%:				
1- USD denominated net assets/liabilities	(99,820,614)	99,820,614	--	--
2- Hedged amount against USD Dollar risk (-)	6,894,485	(6,894,485)	--	--
3- Net effect of USD (1+2)	**(92,926,129)**	**92,926,129**	**--**	**--**
Change of Euro exchange rate against TL by 10%:				
4- Euro denominated net assets/liabilities	(4,445,594)	4,445,594	--	--
5- Hedged amount against Euro risk (-)				--
6- Net effect of Euro (4+5)	**(4,445,594)**	**4,445,594**	**--**	**--**
Change of other currencies against TL by 10%:				
7- Other foreign currency denominated net assets/liabilities	(7,671,283)	7,671,283	--	--
8- Hedged amount against other foreign risk (-)			--	--
9- Net effect of other foreign currency (7+8)	**(7,671,283)**	**7,671,283**	**--**	**--**
TOTAL (3+6+9)	**(105,043,006)**	**105,043,006**	**--**	**--**

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Foreign currency sensitivity analysis				
31 December 2010				
	Profit/Loss		Equity	
	Increase of foreign currency	Decrease of foreign currency	Increase of foreign currency	Decrease of foreign currency
Change of USD exchange rate against TL by 10%:				
1- USD denominated net assets/liabilities	(75,420,727)	75,420,727	--	--
2- Hedged amount against USD Dollar risk (-)	1,637,978	(1,637,978)	--	--
3- Net effect of USD (1+2)	**(73,782,749)**	**73,782,749**	**--**	**--**
Change of Euro exchange rate against TL by 10%:				
4- Euro denominated net assets/liabilities	(4,148,320)	4,148,320	--	--
5- Hedged amount against Euro risk (-)		--	--	--
6- Net effect of Euro (4+5)	**(4,148,320)**	**4,148,320**	**--**	--
Change of other currencies against TL by 10%:				
7- Other foreign currency denominated net assets/liabilities	(5,592,454)	5,592,454	--	--
8- Hedged amount against other foreign risk (-)		--		--
9- Net effect of other foreign currency (7+8)	**(5,592,454)**	**5,592,454**	**--**	**--**
TOTAL (3+6+9)	**(83,523,523)**	**83,523,523**	**--**	**--**

27 Nature and level of risks arising from financial instruments *(continued)*

Interest rate risk

The Group is exposed to interest rate risk arising from interest rate sensitive financial liabilities. As part of its fund management policy, the interest risk of interest bearing assets is calculated by performing sensitivity analysis. The sensitivity of interest sensitive assets in response to changes in market interest rates is computed based on the average maturities and average interest sensitive assets; the interest rate risk arising from the securities portfolio held as part of fund management function is monitored within expectations of market rates by closely watching the financial markets.

Additionally, as at 31 December 2011, the Company has interest rate swap transactions which are hedging USD 88,200,000 portion of outstanding USD 196,000,000 credit used from Garanti Bankası from the risk of interest rate changes. The interest rate position table is as follows:

Interest rate position			
		31 December 2011	**31 December 2010**
Fixed interest bearing financial instruments			
Financial assets	Time deposits	35,839,887	18,249,666
Financial liabilities		192,549,027	136,307,040
Variable interest bearing financial instruments			
Financial assets		--	--
Financial liabilities		869,050,106	716,508,037

As at 31 December 2011, interest bearing assets and liabilities consist of bank loan, bank deposits and financial leases, if the interest rates applied to Group increase by 1 percent, the net profit of the period will decrease by TL 6,808,694; if the interest rates applied to Group decrease by 1 percent, the net profit of the period will increase by TL 6,808,694.

28 Financial Instruments: Fair Value Disclosure

As at 31 December, fair value of financial assets and liabilities are as below:

		2011		**2010**	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets					
Cash and cash equivalents (*)	4	43,177,207	43,177,207	25,594,381	25,594,381
Trade receivables	6	110,652,398	110,652,398	69,570,714	69,570,714
Trade receivables from related parties	26	9,514,653	9,514,653	8,655,743	8,655,743
Other receivables from related parties	26	251,970	251,970	36,867	36,867
Other receivables	7	7,553,421	7,553,421	1,109,405	1,109,405
Other current and non-current assets (**)	16	568,632	568,632	26,846,686	26,846,686
		171,718,281	**171,718,281**	**131,813,796**	**131,813,796**

(*) For the fair value measurement, cash on hand is excluded from cash and cash equivalents.
(**) For the fair value measurement; various prepaid expenses, prepaid taxes and funds and income accruals, advances given are excluded from other current and non-current assets.

28 Financial Instruments: Fair value disclosure *(continued)*

		2011		2010	
Financial liabilities	**Note**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial liabilities	5	1,061,914,401	1,061,914,401	856,535,896	856,535,896
Trade payables	6	131,484,737	131,484,737	79,107,904	79,107,904
Trade payables to related parties	26	29,156,434	29,156,434	9,571,893	9,571,893
Other payables to related parties	26	578,943	578,943	503,601	503,601
Other payables (*)	7	54,488,174	54,488,174	20,527,300	20,527,300
Other liabilities (*)	17	14,208,152	14,208,152	10,587,195	10,587,195
		1,291,830,841	**1,291,830,841**	**976,833,789**	**976,833,789**

(*) For the fair value measurement, social security, taxes payable, advances received and deferred income is excluded from other liabilities.

Fair value is the amount which can be measurable with closest market price that can be obtained in a sale process except forced sale or liquidation in which there are applicants for both selling and buying.

The estimated fair values of financial instruments have been determined using available market information by the Group, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Company has used available market information in estimating the fair values, the market information may not be fully reflective of the value that could be realized in the current circumstances. The following methods and assumptions are used for the determination of fair values of financial instruments:

Fair values of cash and cash equivalents, including accrued interest, and other financial assets are assumed to approximate their carrying amounts due to their short-term maturity and being subject to insignificant credit risk. Fair values of trade receivables net of doubtful receivables are assumed to approximate their carrying amounts.

Classification of fair value measurement

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

31 December 2011	**Level 1**	**Level 2**	**Level 3**
Fair value through profit/loss -Interest rate swap	--	5,211,751	--
Fair value through profit/loss –forward	--	7,663,242	--
Mutual funds	484,910		

31 December 2010	**Level 1**	**Level 2**	**Level 3**
Fair value through profit/loss -Interest rate swap	--	4,299,190	--
Fair value through profit/loss –forward transactions	--	96,928	--
Mutual funds	147,676	--	--

29 Subsequent events

The Group has evaluated subsequent events through the date the financial statements were issued and determined that following subsequent events require disclosure:

On 23 December 2011, a share transfer agreement between owners of the Group, Integrated Healthcare Holdings SDN BHD ("IHH") and Bagan Lalang Ventures Sdn. Bhd. ("Bagan Lalang"), a subsidiary of Khazanah Nasional Berhad pertaining to the sale of 75% ownership shares of the Group. Following the completion of the acquisition on 24 January 2012, the new shareholder structure of the Group has come to 60% to be held by IHH, 25% to be held by Aydınlar Family and remaining 15% will be held by Bagan Lalang.

On February 1, 2012, Acıbadem Sağlık executed the share purchase agreement regarding its acquisition for 65.00% shares of Jinemed Sağlık Hizmetleri ve Ticaret A.Ş. ("Jinemed") for TL 13,650,000. The business purpose of Jinemed is to provide healthcare services at two different locations in Istanbul. There is no capital and management relationship between the Group and previous owners of Jinemed. The closing of the transaction between two parties will take place following the approval of Competition Authority.

The Company has increased its share capital by TL 36,085,765 and Integrated Healthcare Holdings (IHH) and Bagan Lalang have paid TL 82,868,612 and 20,717,153 TL respectively on 24 January 2012. The amount between the share capital increase and payments made by IHH and Bagan Lalang has been recorded as share premium.

The Company has acquired 100% shares of A Plus and Acıbadem Proje on 24 January 2012. The total amount of this acquisition has been paid in cash.

Capital Market Board's Communiqué regarding "Designation and Application of Corporate Governance Principles" (Serial: IV, No: 56) has been amended on 11 February 2012.

This communiqué sets out regulations including use of shareholder rights, inquiry and inspection rights of shareholders, general assembly participation rights, voting rights, scope of minority rights, dividends policy, and transfer of shares and communication of these events to the public. In addition to these regulations; as explained under "Role of Board of Directors", this communiqué sets the requirement for independent directors on the Board of Directors to be at least one third of total members of the Board and brought a veto right on significant transactions. As our report date, the Company is evaluating the impact of the regulations set by the communiqué and related changes as a result of adoption by the Acıbadem Sağlık, which is publicly traded and subject to Capital Market Board regulations.

On January 24, 2012, Lim Cheok Peng, Kaichi Yokoyama, Ganendran Sarvananthan, Selçuk Yorgancıoğlu and Mohammad Azlan Bin Hashim appointed as new board members of ASYH replacing previous members, Arif Masood Naqvi, Mustafa Ahmed Talaat Abde Wadood, Waqar Hassan Siddque and Zeynep Aydınlar Eröğüt, effective immediately. In addition to the new members, total number members on the Board were increased from a total of six to seven members.

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Convenience Translation into English of Consolidated Financial Statements as at and For The Three-Month Period Ended 31 March 2012

With Independent Auditor's Report Thereon

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

22 May 2012

This report includes 2 pages of independent auditors' report and 74 pages of consolidated financial statements together with their explanatory notes

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Table of Contents

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

Muhasebeci Mali Müşavirlik A.Ş.
Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

Independent Auditors' Report on Interim Consolidated Financial Statements

To the Board of Directors of

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

Introduction

We have audited the accompanying interim consolidated financial statements of Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and its subsidiaries (collectively "the Group"), which comprise the consolidated statement of financial position as at 31 March 2012, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information (the "Interim Financial Information").

Management's Responsibility for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the Interim Financial Information in accordance with the financial reporting standards promulgated by Capital Market Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Interim Financial Information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the Interim Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Interim Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Interim Financial Information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Interim Financial Information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the Interim Financial Information 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group management, as well as evaluating the overall presentation of the Interim Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

KPMG

Opinion

In our opinion, the Interim Financial Information gives a true and fair view of the consolidated financial position of the Group as at 31 March 2012, and of its consolidated financial performance and its consolidated cash flows for the three month period ended in accordance with the financial reporting standards promulgated by Capital Markets Board of Turkey (see Note 2).

Corresponding Interim Financial Information

We have reviewed the unaudited corresponding interim financial information of the Group comprising of consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the three months period ended 31 March 2011, and other explanatory notes (the "Corresponding Interim Financial Information").

The Management of the Group is responsible for the preparation of the Corresponding Interim Financial Information in accordance with the financial reporting standards promulgated by Capital Market Board. of Turkey. Our responsibility is to express a conclusion on the Corresponding Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Corresponding Interim Financial Information is not prepared, in all material respects, in accordance with the financial reporting standards promulgated by Capital Markets Board of Turkey (see Note 2).

Additional paragraph for convenience translation to English

Accounting policies applied by the Group may differ from the accounting principles generally accepted in countries other than Turkey in material aspects and the effects of such differences have not been quantified in the accompanying interim consolidated financial statements. Accordingly, the accompanying interim consolidated financial statements are not intended to present the financial position and results of operations, and changes in cash flow of the Group in accordance with the accounting principles generally accepted in such countries of the users of these financial statements.

Istanbul, 22 May 2012

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.

Özkan Genç
Partner

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statement of Financial Position as at 31 March 2012

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

	Notes	31 March 2012	31 December 2011
ASSETS			
Current Assets		**428,792,541**	**243,595,411**
Cash and Cash Equivalents	*4*	178,536,501	44,159,489
Financial Investments	*28*	1,754,116	7,663,242
Trade Receivables		142,864,773	120,167,051
- Due from Related Parties	*26*	*12,426,807*	*9,514,653*
- Other Trade Receivables	*6*	*130,437,966*	*110,652,398*
Other Receivables		12,135,225	1,323,665
- Other Receivables from Related Parties	*26*	*1,946,464*	*251,970*
- Other Receivables	*7*	*10,188,761*	*1,071,695*
Inventories	*8*	24,752,451	21,914,405
Other Current Assets	*16*	68,749,475	48,367,559
Non-Current Assets		**1,636,599,927**	**1,520,019,865**
Other Receivables	*7*	6,561,343	6,867,703
Property and Equipment	*9*	555,349,134	547,122,837
Intangible Assets	*10*	7,517,704	7,449,473
Goodwill	*11*	1,031,292,588	917,357,997
Deferred Tax Assets	*24*	17,754,966	26,231,493
Other Non-Current Assets	*16*	18,124,192	14,990,362
TOTAL ASSETS		**2,065,392,468**	**1,763,615,276**
LIABILITIES			
Current Liabilities		**402,551,121**	**359,316,220**
Financial Liabilities	*5*	131,856,261	115,814,216
Other Financial Liabilities	*28*	3,715,464	5,211,751
Trade Payables		133,339,788	152,241,445
- Due to Related Parties	*26*	*13,204,826*	*29,156,434*
- Other Trade Payables	*6*	*120,134,962*	*123,085,011*
Other Liabilities		28,473,697	21,983,557
- Due to Related Parties	*26*	*707,419*	*578,943*
- Other Payables	*7*	*27,766,278*	*21,404,614*
Tax Liability	*24*	5,618,370	374,769
Provisions	*12*	54,655,839	24,165,423
Other Liabilities	*16*	44,891,702	39,525,059
Non-Current Liabilities		**907,734,191**	**1,004,169,320**
Financial Liabilities	*5*	855,616,766	946,100,185
Trade Payables	*6*	6,081,033	8,399,726
Other Payables	*7*	29,851,688	36,860,388
Employee Benefits	*14*	4,107,912	1,933,424
Deferred Tax Liabilities	*24*	7,138,257	5,937,060
Other Non-Current Liabilities	*16*	4,938,535	4,938,537
EQUITY		**755,107,156**	**400,129,736**
Shareholders' Equity		**735,538,280**	**385,402,162**
Paid-in Capital	*17*	704,085,765	668,000,000
Capital Advances	*17*	153,612,315	--
Share Premium		112,809,940	22,809,940
Legal Reserves	*17*	4,069,977	4,069,977
Accumulated Losses	*17*	(315,499,568)	(187,294,576)
Translation Reserves		(48,392)	(28,862)
Net Profit/(Loss) For The Period/Year		76,508,243	(122,154,317)
Non-Controlling Interest		**19,568,876**	**14,727,574**
TOTAL LIABILITIES		**2,065,392,468**	**1,763,615,276**

The accompanying notes are an integral part of these consolidated financial statements

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statement of Comprehensive Income for the Three-Month Period Ended 31March 2012

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

	Note	31 March 2012	*Unaudited* 31 March 2011
Revenues	18	338,988,196	245,344,263
Cost of Revenue	18	(259,953,985)	(187,911,998)
GROSS PROFIT		**79,034,211**	**57,432,265**
Selling, Marketing and Distribution Expenses (-)	19	(5,102,828)	(7,243,427)
General Administrative Expenses (-)	19	(14,795,934)	(12,024,166)
Other Operating Income	21	4,177,656	2,779,277
Other Operating Expense (-)	21	(4,075,794)	(1,076,532)
PROFIT FROM OPERATIONS		**59,237,311**	**39,867,417**
Finance Income	22	68,567,185	4,048,942
Finance Expense	23	(30,857,688)	(16,355,261)
INCOME FROM CONTINUING OPERATIONS BEFORE TAX		**96,946,808**	**27,561,098**
Tax Expense from Continuing Operations		**(15,208,793)**	**(7,978,005)**
Current Tax Expense	24	(5,640,290)	(5,806,781)
Deferred Tax Expense	24	(9,568,503)	(2,171,224)
INCOME FROM CONTINUING OPERATIONS AFTER TAX		**81,738,015**	**19,583,093**
NET INCOME FOR THE PERIOD		**81,738,015**	**19,583,093**
Other Comprehensive Income		(19,530)	--
TOTAL COMPREHENSIVE INCOME		**81,718,485**	**19,583,093**
Distribution of Net Income		**81,738,015**	**19,583,093**
Non-Controlling Interest		5,229,772	2,485,070
Owners of the Company		76,508,243	17,098,023
Earnings/ (Loss) per Share (for 1000 shares)	25	**110.152**	**25.596**
Diluted and Basic Earnings / (Losses) per Share (for 1000 shares)		110.152	25.596
Earnings/ (Loss) per Share from Continuing Operations (for 1000 shares)		110.152	25.596
Diluted and Basic Earnings / (Losses) per Share from Continuing Operations (for 1000 shares)		110.152	25.596

The accompanying notes are an integral part of these consolidated financial statements.

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statement of Changes in Equity For the Three-Month Period Ended 31 March 2012

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

	Note	Paid-in Capital	Share Premium	Capital Advances	Legal Reserves	Translation Reserves	Accumulated Losses	Net Profit/(Loss)	Total before Non-Controlling Interest	Non-Controlling Interest	Total
As of 1 January 2011	17	**668,000,000**	**22,809,940**	**--**	**2,541,510**	**--**	**(161,914,395)**	**(23,108,139)**	**508,328,916**	**15,709,283**	**524,038,199**
Total Comprehensive Income*(Unaudited)*						--					
Net Loss***(Unaudited)***		--	--	--	--	--	--	17,098,023	17,098,023	2,485,070	19,583,093
Other Comprehensive Income		--	--	--	--	--	--	--	--	--	--
Total Other Comprehensive Income		**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Comprehensive Income*(Unaudited)*		--	--	--	--	--	--	17,098,023	17,098,023	2,485,070	19,583,093
Acquisition of Non-Controlling Interest Without a Change In Control ***(Unaudited)***		--	--	--	--	--	(611,485)	--	(611,485)	(538,603)	(1,150,088)
Transfers ***(Unaudited)***		--	--	**--**	269,460	--	(23,377,599)	23,108,139	--	--	--
As of 31 March 2011 *(Unaudited)*	17	**668,000,000**	**22,809,940**	--	**2,810,970**	**--**	**(185,903,479)**	**17,098,023**	**524,815,454**	**17,655,750**	**542,471,204**
As of 1 January 2012	17	**668,000,000**	**22,809,940**	--	**4,069,977**	**(28,862)**	**(187,294,576)**	**(122,154,317)**	**385,402,162**	**14,727,574**	**400,129,736**
Total Comprehensive Income											
Net Profit		--	--	--	--	--	--	76,508,243	76,508,243	5,229,772	81,738,015
Total Other Comprehensive Income		--	--	--	--	(19,530)	--	--	(19,530)	--	(19,530)
Total Comprehensive Income		**--**	**--**	**--**	**--**	**(19,530)**	**--**	**76,508,243**	**76,488,713**	**5,229,772**	**81,718,485**
Issuance of ordinary shares		36,085,765	90,000,000	--	--	--	--	--	126,085,765	--	126,085,765
Capital Advances Received		--	--	153,612,315	--	--	--	--	153,612,315	--	153,612,315
Acquisition of Non-Controlling Interest Without a Change In Control		--	--	--	--	--	(6,050,675)	--	(6,050,675)	(388,470)	(6,439,145)
Transfers		--	--	--	--	--	(122,154,317)	122,154,317	--	--	--
As of 31 March 2012		**704,085,765**	**112,809,940**	**153,612,315**	**4,069,977**	**(48,392)**	**(315,499,568)**	**76,508,243**	**735,538,280**	**19,568,876**	**755,107,156**

The accompanying notes are an integral part of these consolidated financial statements.

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Cash Flows For the Three-Month Period Ended 31 March 2012
Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

			Unaudited
		31 March 2012	**31 March 2011**
A. CASH FLOWS FROM OPERATING ACTIVITIES	***Note***		
Net Income		**81,738,015**	**19,583,093**
Adjustments:			
Amortization and depreciation expense	*20*	20,645,345	19,561,169
Provision for employee termination benefits	*14*	1,292,240	899,171
Provision on doubtful receivables	*6*	1,154,045	388,776
Unrealized finance income / (loss)		(724,464)	(572,962)
Income accruals on inpatients	*16*	(10,313,761)	(3,283,041)
Expense accruals on doctors	*12*	46,159,383	15,889,024
Deferred tax expense	*24*	9,568,503	2,171,224
Provision on corporate taxes	*24*	5,640,290	5,806,781
Provision for legal cases	*12*	1,267,542	(3,677,494)
Change in fair value of forward transactions		5,909,126	--
Change in fair value of interest rate swap		(1,496,287)	530,113
Interest income	*22*	(313,998)	(126,622)
Interest expense	*23*	15,394,973	954,585
Unrealized foreign exchange (gain)/losses		(61,953,100)	3,808,769
Gain on sale of property and equipment (net)	*21*	(195,146)	--
Net operating profit before changes in assets and liabilities		**113,772,706**	**61,932,586**
Change in trade receivables		12,337,737	(15,828,243)
Change in inventory		(1,913,667)	408,639
Change in other receivables		(16,697,275)	(2,210,120)
Change in other current assets		(3,148,820)	(4,590,511)
Change in other non-current assets		(3,861,090)	(12,176,731)
Change in trade payables		(26,377,607)	(1,895,832)
Change in due to related parties		(19,101,632)	2,708,857
Change in provisions		2,594,323	6,741,455
Corporate taxes paid		(396,689)	(2,669,208)
Change in other trade payables		(647,037)	(3,304,082)
Change in other liabilities		5,366,640	3,992,502
Employee severance indemnity paid	*14*	(936,830)	(701,304)
Provisions paid		(19,530,832)	(17,506,148)
Net cash from operating activities		**41,459,927**	**14,901,860**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Acquisition of property and equipment	*9*	(26,360,121)	(13,723,211)
Proceeds from sale of property and equipment	*9*	420,536	12,727,422
Acquisition of intangible assets	*10*	(296,567)	(263,115)
Proceeds from sale of intangible assets	*9*	--	2,267
Cash outflow from acquisition of subsidiaries		(126,796,279)	--
Interest received		335,675	126,622
Net cash (used in)/from investing activities		**(152,696,756)**	**(1,130,015)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of ordinary shares		126,085,767	--
Capital advances received		153,612,315	--
Proceeds from bank borrowings		14,443,133	10,618,022
Repayment of bank borrowings		(42,447,657)	(34,660,309)
Finance lease liabilities		4,103,800	3,120,014
Proceeds from borrowings obtained from related parties		128,476	(25,603)
Acquisition of non-controlling interest		(6,393,942)	(1,493,100)
Interest paid		(3,918,051)	(954,585)
Change in restricted cash		13,980,189	6,687,797
Net cash (used in)/from financing activities		**259,594,030**	**(16,707,764)**
Net decrease (increase) in cash and cash equivalents		148,357,201	(2,935,919)
Cash and cash equivalents at 1 January		13,520,972	9,507,004
Cash and cash equivalents 31 March	**4**	**161,878,173**	**6,571,085**

The accompanying notes are an integral part of these consolidated financial statements.

TABLE OF CONTENTS

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

1 Organization and nature of business

Acıbadem Sağlık Yatırımları Holding A.Ş. ("the Company") was incorporated in 2007 in İstanbul to invest into shares and assets of companies which operates in the Turkish insurance, advisory, hospital, healthcare and service sectors.

The head office is located at Fahrettin Kerim Gökay Caddesi, Altunizade Mahallesi, No: 49, Üsküdar-İstanbul.

Merger with IHH Healthcare Berhad

According to the share purchase agreement between Mehmet Ali Aydınlar, Hatice Seher Aydınlar, Almond Holding Cooperatie UA, IHH Healthcare Berhad (*known as Integrated Healthcare Holdings Sdn. Bhd. at the time of the acquisition),* for 60% and 15% of the shares of the Company were acquired by Integrated Healthcare Hastaneleri Turkey Sdn. Bhd. ("*IHH Turkey Sdn. Bhd.*" *which is a subsidiary of IHH Healthcare Berhad*) and Bagan Lalang Ventures Sdn. Bhd.

At 31 March 2012 and 31 December 2011, shareholder structure of the Company is as follows:

Shareholder's Name	31 March 2012 Share (%)	31 December 2011 Share (%)
Almond Holding Cooperatie	0.00	50.00
Mehmet Ali Aydınlar	23.20	46.41
IHH Turkey Sdn. Bhd.	60.00	0.00
Bagan Lalang Ventures Sdn. Bhd.	15.00	0.00
Hatice Seher Aydınlar	1.80	3.59
Ethem Erhan Aydınlar (*)	0.00	0.00
Zeynep Aydınlar (*)	0.00	0.00
	100.00	**100.00**

(*) Ethem Erhan Aydınlar and Zeynep Aydınlar hold shares less than 0.01%.

As part of the transaction, the paid-up capital of the Group has been increased from TL 668,000,000 to TL 704,085,765 along with the acquisition of Aplus Hastane Otelcilik Hizmetleri Anonim Şirketi ("Aplus") and Acıbadem Proje Anonim Şirketi Anonim Şirketi ("Acıbadem Proje") by the Group concurrently. Refer to Footnote 11 "Goodwill" for further details on the acquisition of these companies.

At 31 March 2012 consolidated subsidiaries comprised the following:

- Almond Holding Anonim Şirketi ("Almond Holding")
- Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş. ("Acıbadem Sağlık") and its subsidiaries
- Aplus
- Acıbadem Proje

1 Organization and nature of business *(continued)*

At 31 March 2012 consolidated subsidiaries of Acıbadem Sağlık comprised the following:

- Acıbadem Poliklinikleri Anonim Şirketi ("Acıbadem Poliklinikleri")
- Acıbadem Labmed Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Labmed")
- International Hospital İstanbul Anonim Şirketi ("International Hospital")
- Konur Sağlık Hizmetleri Anonim Şirketi ("Konur Sağlık")
- Yeni Sağlık Hizmetleri ve Ticaret Anonim Şirketi ("Yeni Sağlık")
- Acıbadem Mobil Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Mobil")
- Gemtıp Özel Sağlık Hizmetleri Sanayi ve Ticaret Limited Şirketi ("Gemtıp")
- Acıbadem Sistina Medikal Kompani Doo Skopje ("Acıbadem Sistina Medikal")
- Clinical Hospital Acıbadem Sistina Skopje ("Acıbadem Sistina Hospital")

At 31 December 2011 consolidated subsidiaries comprised the following:

- Almond Holding Anonim Şirketi ("Almond Holding")
- Acıbadem Sağlık Hizmetleri ve Ticaret A.Ş. ("Acıbadem Sağlık") and its subsidiaries

At 31 December 2011 consolidated subsidiaries of Acıbadem Sağlık comprised the following:

- Acıbadem Poliklinikleri Anonim Şirketi ("Acıbadem Poliklinikleri")
- Acıbadem Labmed Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Labmed")
- International Hospital İstanbul Anonim Şirketi ("International Hospital")
- Konur Sağlık Hizmetleri Anonim Şirketi ("Konur Sağlık")
- Yeni Sağlık Hizmetleri ve Ticaret Anonim Şirketi ("Yeni Sağlık")
- Acıbadem Mobil Sağlık Hizmetleri Anonim Şirketi ("Acıbadem Mobil")
- Gemtıp Özel Sağlık Hizmetleri Sanayi ve Ticaret Limited Şirketi ("Gemtıp")
- Acıbadem Sistina Medikal Kompani Doo Skopje ("Acıbadem Sistina Medikal")
- Clinical Hospital Acıbadem Sistina Skopje ("Acıbadem Sistina Hospital")

Acıbadem Sağlık Yatırımları Holding Anonim Şirketi and consolidated subsidiaries are collectively named as "Group".

1 Organization and nature of business *(continued)*

The nature of the activities of the consolidated subsidiaries is as follows:

Almond Holding

Almond Holding was incorporated on 30 July 2007 in İstanbul. The purpose of Almond Holding's establishment is to invest into any type of healthcare related institutions, hospitals and companies which operate in the healthcare and real estate sectors.

Acıbadem Sağlık

Acıbadem Sağlık was incorporated on 19 February 1990 in İstanbul, and provides health services in ten general purpose hospitals (Kadıköy, Bakırköy, Kozyatağı, Fulya, Eskişehir, Bursa, Kocaeli, Maslak, Kayseri, Adana). In addition to its core business in health care, the Company is engaged in healthcare related community services such as courses and seminars about first aid, diabetics, smokeless living and infant care.

Acıbadem Sağlık is subject to Capital Market Board ("CMB") regulations and its shares have been traded on the İstanbul Stock Exchange ("ISE") since 15 June 2000.

Acıbadem Sağlık also has Joint Commission International accreditation standards and ISO 9001 Quality Management System standards.

The head office is located at Fahrettin Kerim Gökay Caddesi, Altunizade Mahallesi, No: 49, Üsküdar-İstanbul.

Acıbadem Kayseri (which was a wholly owned subsidiary of Acıbadem Sağlık) was established on 23 March 2009 in Kayseri and merged with Acıbadem Sağlık on 29 July 2011.

The hospital certifications owned by the Group are indefinite.

Acıbadem Poliklinikleri

Acıbadem Poliklinikleri has six polyclinics at Etiler, Bağdat Caddesi, Ataşehir, Göktürk, Beylikdüzü and Uludağ locations for outpatients.

Acıbadem Göz Sağlığı Hizmetleri Anonim Şirketi was established on 16 March 1993 in İstanbul and merged with Acıbadem Poliklinikleri, on 24 October 2008.

Acıbadem Ayaktan Tedavi Merkezleri Anonim Şirketi was established on 17 April 2006 in Beylikdüzü, İstanbul and merged with Acıbadem Poliklinikleri on 24 October 2008.

Acıbadem Labmed

Acıbadem Labmed was established on 28 August 2001 under the name of Acıbadem Sağlık Yönetimi Anonim Şirketi, in İstanbul. On 24 February 2004 the name of the Company was changed to Acıbadem Labmed Sağlık, and a partnership was established with Labmed Dortmund GmbH (located in Germany) to engage in laboratory services. There are 2 branches in Adana and Antalya.

International Hospital

International Hospital was established on 12 December 1983 and was engaged in providing inpatient, outpatient and emergency care services in its hospital located in Yeşilköy, İstanbul. Acıbadem Sağlık acquired International Hospital, on 20 August 2005 (50%) and on 27 March 2009 (40%) and increased its shares to 90% of total shares.

International Hospital Sağlık Yatırımları A.Ş. (which was a wholly owned subsidiary of International Hospital) was established in December 2001 in İstanbul and merged with International Hospital on 31 March 2011.

1 Organization and nature of business *(continued)*

Acıbadem Mobil

Acıbadem Mobil was established on 7 July 2008 and providing emergency healthcare services and ambulance services.

Yeni Sağlık

On 1 June 2011, Acıbadem Sağlık has acquired 99.90% of the shares of Yeni Sağlık which owns and operates Aile Hospital Göztepe (previously known as "Göztepe Şafak Hospital") in Göztepe district of İstanbul and Aile Hospital Bahçelievler (previously known as "John F. Kennedy Hospital ("JFK")") in Bahçelievler district of İstanbul. Yeni Sağlık's core business is to provide health services with its health premises.

Konur Sağlık

Konur Sağlık was acquired by Acıbadem Poliklinikleri in 2010 and conducts its operations in Bursa region. The Medical services provided at the medical center are internal medicine, general surgery, neurology, neuropsychiatry, neurosurgery, pediatrics, pediatric surgery, cardiovascular surgery, gynecological and delivery surgery, plastic surgery, micro and hand surgery, urology, otorhinolaryngology diseases, eye, orthopaedics, traumatology, dermatology, physiotherapy, microbiology, inflectional diseases, pathology, nuclear medicine, radiology, biochemistry, algology, acupuncture, anaesthesiology and reanimation.

Gemtıp

Konur Sağlık, which is subsidiary of Acıbadem Poliklinikleri has acquired on 14 March 2011, 58% shares of Gemtıp which operates in Gemlik/Bursa district for outpatient.

Acıbadem Sistina Medikal / Acıbadem Sistina Hospital

Acıbadem Sistina Medikal was incorporated on 31 August 2011 and Acıbadem Sistina Hospital was incorporated on 7 April 2010 in Skopje, Macedonia. Main business purpose of the Acıbadem Sistina Medikal is to purchase and lease various medical equipment to be used in ongoing operations of Acıbadem Sistina Hospital whose business purpose is to provide healthcare services for inpatients and outpatients. Acıbadem Sistina Medikal also has a 20-year sub-lease agreement with Acıbadem Sistina Hospital regarding hospital building beginning 18 October 2011. On 21 October 2011, Acıbadem Sağlık has acquired 50.00% of Acıbadem Sistina Medikal and 50.32% of Acıbadem Sistina Hospital.

Aplus

Çamlıca Sağlık Organizasyon Hizmetleri Anonim Şirketi ("Çamlıca") was established in 30 December 1996 by Mehmet Ali Aydınlar and Hatice Seher Aydınlar to operate as a catering company. The name of the Çamlıca was changed as Aplus Hastane Otelcilik Hizmetleri Anonim Şirketi ("Aplus") on 8 August 2006.

Aplus's main operation is catering and laundry services rendered to Hospitals owned by the Group and operating cafeterias, restaurants in the hospitals. The catering services comprised both cooking and serving services. In 2009, Aplus started giving cleaning services.

The registered address of Aplus is Acıbadem, Tekin Sk. No: 8 Kadıköy, İstanbul, Turkey.

On 24 January 2012, the Group acquired 100.00% of Aplus.

1 Organization and nature of business *(continued)*

Acıbadem Proje

Acıbadem Proje was incorporated on 20 July 2004 to operate in the construction and contracting industry. Acıbadem Proje is mainly providing construction services to the Group.

On 24 January 2012, the Group acquired 100.00% of Acıbadem Proje as part of the merger transaction between the Group, IHH Turkey and Bagan Lalang as explained above.

The related parties of the Group are as follows:

- SZA Gayrimenkul Yatırım İnşaat ve Ticaret ("SZA") (Previously known as "Acıbadem Holding")
- Acıbadem Sağlık ve Hayat Sigorta Anonim Şirketi ("Acıbadem Sigorta")
- Acıbadem Grubu Sigorta Aracılık Hizmetleri Anonim Şirketi ("Acıbadem Sigorta Aracılık")
- Akademia Sağlık Hizmet ve Sistemleri Yönetim ve Danışmanlık Anonim Şirketi ("Akademia")
- Çamlıca Turizm ve Yatçılık Anonim Şirketi ("Çamlıca Turizm")
- Acıbadem Diş Sağlığı Hizmetleri Anonim Şirketi ("Acıbadem Diş")
- Acıbadem Eğitim ve Sağlık Vakfı ("Acıbadem Vakfı")
- Telepati Tanıtım Hizmetleri Anonim Şirketi ("Telepati Tanıtım")
- Çukurova Bilim Laboratuarları Anonim Şirketi ("Çukurova Bilim")
- Acıbadem Üniversitesi ("Acıbadem Üniversite")
- Kerem Aydınlar Vakfı ("Kerem Aydınlar")
- BLAB Laboratuvar Hizmetleri Anonim Şirketi ("BLAB")
- Aydınlar Sağlık Hizmetleri Limited Şirketi ("Aydınlar Sağlık")
- Abraaj Capital Limited (*) ("Abraaj")
- Integrated Healthcare Holdings Sdn. Bhd. ("IHH") (**)
- Bagan Lalang Ventures Sdn. Bhd ("Bagan Lalang") (**)

These companies have neither direct nor indirect capital and management relationships with the Group and accordingly are excluded from consolidation in the accompanying financial statements.

At 31 March 2012, the Group employed 11,659 personnel (31 December 2011: 9,383), consisting of 2,885 (31 December 2011: 966) administrative personnel, 7,086 (31 December 2011: 6,788) doctors, nurses and medical personnel and 1,688 (31 December 2011: 1,629) personnel employed on contractual basis.

(*) Abraaj was a related party until 24 January 2012.
(**) IHH and Bagan Lalang became related parties on 24 January 2012.

2 Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

2.1.1 Statement of compliance

The Group maintains its book of accounts and prepares its statutory financial statements in TL in accordance with the Turkish Uniform Chart of Accounts promulgated by Capital Markets Board of Turkey ("CMB"), Turkish Commercial Code and Turkish Tax Code.

According to the reflection the truth principle of financial statements, the accompanying consolidated financial statements, classification and adjustments based on the legal records are prepared in conformity with the principle of CMB accounting and reporting published by the appropriate authorities. The Group's accompanying consolidated financial statements was prepared in accordance with the provisions of Capital Market Board ("CMB") 9 April 2008, and 26842 of the Official Gazette Series XI, 29 No. "Basis for Financial Reporting in the Capital Markets" ("Communiqué No:XI-29").

According to the Article 5 of the Communiqué, companies will apply The International Accounting/Financial Reporting Standards ("IAS / IFRS") adopted by the European Union. However, according to the Transitional Article 2 included in the same Communiqué, IAS/IFRS will be applied until the differences between IAS/IFRS that are adopted by European Union and IAS/IFRS that are adopted by International Accounting Standards Board ("IASB"), are announced by Turkey Accounting Standards Board ("TASB").

With the governing decree law numbered 660 published in official gazette on 2 November 2011, the establishment article of TASB stated in the 2499 numbered law with an additional article number one has been superseded and the Council of Ministers decided to establish Public Oversight Accounting and Auditing Standards Agency ("Oversight Agency"). In accordance with the transitional article number one of the governing decree law, until the date of the issuing of standards and regulations by Oversight Agency, the existing regulations will be applied. Accordingly, as of reporting date, the Basis of Presentation has not been changed.

The accompanying consolidated financial statements of the Group have been approved by the Board of Directors of the Group on 22 May 2012. The general assembly of the shareholders and legal authorities has the authority to change the accompanying consolidated financial statements.

Additional paragraph for convenience translation to English:

The accompanying financial statements are not intended to present the financial position and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

2.1.2 Basis of Measurement

The CMB announced that, effective from 1 January 2005, the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards on 17 March 2005.The equity items including paid-in capital, share premium, legal reserves and special reserves are presented in accordance with the Turkish Commercial Code basis amounts and the effects of inflation over those equity items as at 31 December 2004 were reflected in retained earnings. The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value and balance sheet items affected by the implementation of IAS 29.

2.1.3 Functional and presentation currency

These consolidated financial statements are presented in TL, which is the Group's functional currency. All financial information presented in TL unless otherwise stated. All other currencies are stated full unless otherwise stated.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.1 Basis of presentation *(continued)*

2.1.4 Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent Company, ASYH, and its subsidiaries and the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared at the date of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. At 31 March 2012 and 31 December 2011, the subsidiaries in which the Group owns direct or indirect controls their operations and the ownership interests are given below:

	Ownership interest (%)	
Direct Ownership Interest on the Subsidiary	**31 March 2012**	**31 December 2011**
Almond Holding A.Ş.	99.99	99.99
Aplus	99.99	--
Acıbadem Proje	99.99	--
Acıbadem Sağlık	92.21	91.96

	Ownership interest (%)	
Effective indirect Ownership Interest on the Subsidiaries of Acıbadem Sağlık	**31 March 2012**	**31 December 2011**
Acıbadem Poliklinikleri	92.20	91.96
Acıbadem Labmed	46.09	45.97
International Hospital	82.99	82.76
Konur Sağlık	87.60	85.06
Acıbadem Mobil	92.19	91.95
Sistina Hospital	46.40	46.27
Sistina Medikal	46.11	45.98
Yeni Sağlık	92.12	91.87
Gemtıp	50.80	49.47

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

2 Basis of presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

2.1.4 Basis of consolidation

(ii) Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(iii) Acquisitions through business combinations:

The effects of such acquisition are presented as "acquisitions through business combinations" in the notes to the consolidated financial statements.

(iv) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, 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 recognized in the period in which the estimates are revised and in any future periods affected.

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are as follows:

Note 2.6.3- 2.6.4	- Useful life of property and equipment and intangible assets
Note 2.6.6-iv	- Derivative financial instruments
Note 6	- Provision for impairment on trade receivables
Note 12	- Provisions
Note 14	- Employee benefits
Note 24	- Tax assets and liabilities
Note 28	- Financial instruments: Fair value disclosures

2 Basis of presentation of the consolidated financial statements *(continued)*

2.3 Errors and changes in accounting policies

The accounting policies set out in 2.6 have been applied consistently by the Group to all periods presented in the consolidated financial statements. The Group consistently recognizes measures and presents the transactions, other events and situations with the same nature. Material changes in accounting policies or material errors (if any) are corrected, retrospectively; restating the prior period consolidated financial statements.

2.4 Changes in accounting estimates

Effect of changes in accounting estimates affecting current period (if any) is recognized in the current period; effect of changes in accounting estimates affecting current and future periods is recognized in the current and also in future periods.

2.5 Changes in IFRS

2.5.1 New standards and interpretations adopted in the three-month period ended 31 March 2012 that have no effect on the Group's financials

There are no new standards or interpretations adopted in the three –month period ended 31 March 2012.

2.5.2 New Standards and Interpretations Not Yet Adopted At 31 March 2012

A number of new standards, amendments to standards and interpretations are not yet effective At 31 March 2012, and have not been applied in preparing these consolidated financial statements. The Group management is assessing the effects of these standards which will be effective on or after the periods beginning 1 April 2012.

2.6 Summary of significant accounting policies

Significant accounting policies applied during the preparation of the consolidated financial statements are summarized as follows:

2.6.1 Revenue

Revenue of the Group comprised the income from the inpatient/outpatient services given at the hospitals, polyclinics, laboratories and ambulance services of the Group. The revenues for these services are mostly realized in cash or collectible from the insurance companies including State owned Social Security Institution ("SGK"). The interest rate which reduces the nominal value of the related service to its cash sale price is used to determine the present value of the receivables. The difference between the nominal value of the sale price and the fair value obtained by this way is reflected as interest income to the related periods.

When an uncertainty arises about the collectability of an amount already included in revenue, the doubtful receivable amount is recognized as an expense, rather than as an adjustment of the revenue already recognized. Net sales represents invoiced gross sales amount minus returns and discounts.

2.6.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost elements included in inventories are all procurement costs, conversion costs and all other relevant costs in bringing the inventories into their current state of location. The cost of inventories is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of the business, less the selling expenses.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.3 Property and equipment

i) Recognition and measurement

The costs of property and equipment purchased before 1 January 2005 are restated for the effects of inflation current at 31 December 2004 less accumulated depreciation and impairment losses if any. The costs of property and equipment purchased after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalized borrowing costs.

ii) Subsequent expenditures

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group. The costs of the day-to-day servicing of property and equipment are recognized in the consolidated statement of income comprehensive as incurred.

iii) Depreciation

Depreciation is recognized on a straight-line basis over the useful lives of the property and equipment from the date of acquisition or assembly. Leasehold improvements are depreciated on a straight-line basis over the lease period.

Depreciation expenses are presented mainly under cost of sales, general and administrative expenses and selling, marketing expense in the consolidated statement of comprehensive income.

Land is not depreciated, since useful live of it is accepted as infinite.

The estimated useful lives are as follows:

Buildings	50 years
Machinery and equipments	3-20 years
Vehicles	4-7 years
Furniture and fixtures	3-10 years
Leased assets	5-12 years
Other tangible assets	5 years
Leasehold improvements	During the lease period

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

iv) Disposal

Gains or losses on disposals of property and equipment are included in the relevant income and expense accounts and the cost and accumulated depreciation of property and equipment has been derecognized from the relevant accounts as appropriate.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.4 Intangible assets

Intangible assets consist of acquired software and other intangible assets. The costs of intangible assets purchased before 1 January 2005 are restated for the effects of inflation current at 31 December 2004 less accumulated amortization and impairment losses. The costs of intangible assets purchased after 31 December 2004 are carried at cost less accumulated amortization and impairment losses, if any. The carrying amount of an intangible asset is reduced to its recoverable amount if there is impairment.

i) Amortization

Intangible assets are amortized on a straight-line basis in the income statement over their estimated useful lives for a period.

The estimated useful lives for the current periods are as follows:

Software	3-10 year
Other intangible assets	3-10 year

Amortization method and economic useful lives values of intangible assets are revised at each reporting date end and adjusted if appropriate.

2.6.5 Goodwill

After 1 January 2005, in accordance with IFRS 3 "Business Combinations", the excess amount of fair value of identified assets, liabilities and conditional liabilities that are acquired over purchasing price is recorded as goodwill. The goodwill arising from the merger is not amortized. Goodwill is subject to impairment test once a year or more frequently when there is an indication of impairment.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.6 Financial instruments

i) Non derivative financial assets

The Group initially recognizes loans and the receivables on the date they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the inflows.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets: loans and receivables.

<u>Loans and receivables</u>

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

<u>Cash and cash equivalents</u>

Cash and cash equivalents comprise of cash, deposits with maturity periods of less than three-months and highly liquid investments with maturity periods of less than three-months and having no conversion risk exposure other than the impact of foreign currency changes.

ii) Non derivative financial liabilities

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.6 Financial instruments (continued)

ii) Non derivative financial liabilities (continued)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

iii) Paid-in capital and dividends

Ordinary shares are classified as paid-in capital. Dividends distributed on ordinary shares are offset with retained earnings in the period in which they are declared.

iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognized initially at acquisition cost; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. The Group's derivative financial instrument consists of mainly forward transactions and interest rate swap. Although these financial instruments provide effective economic protection against risks, they are accounted for as derivative financial instruments reflected as trading securities or other financial liabilities because they do not meet the hedge accounting criteria under IAS 39.

2.6.7 Impairment of assets

i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on items that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

The Group considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.7 Impairment of assets *(continued)*

ii) Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized in the profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Impairment losses recognized in respect of the cash generating units are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.8 Foreign Currency Transactions

Transactions in foreign currencies have been translated to TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated to TL with the exchange rates at the dates of transaction.

At 31 March 2012 and 31 December 2011, Central Bank of the Republic of Turkey ("Central Bank")'s buying foreign currency rates are as follows:

	31 March 2012	**31 December 2011**
American Dollar ("USD")	1.7729	1.8889
European Union Currency ("EUR")	2.3664	2.4438

2.6.9 Earnings per share

Earnings per share disclosed in the consolidated statement of comprehensive income is determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

2.6.10 Subsequent events

Subsequent events cover all the events between balance sheet date and the date of authorization for release of the financial statements even if these events arise after any announcement about profit or loss or disclosures of selected financial information to the public.

If there has been events after the balance sheet date that would require the restatement of the consolidated financial statements; the Group restates the consolidated financial statements accordingly. If such events are significant but do not require the restatement of the consolidated financial statements, they are disclosed in the related notes.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.11 Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are reviewed to determine if there is a possibility that the outflow of economic benefits will be required to settle the obligation. Except for the economic benefit outflow possibility is remote such contingent liabilities is disclosed in the notes to the financial statements. If the inflow of economic benefits is probable contingent assets have been disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur such asset and income statement effect has been recognized in the financial statements at the relevant period that income change effect occurs.

2.6.12 Leasing transactions

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The property and equipment acquired through financial leasing in the Group's consolidated balance sheet, are recorded on the asset side at the lower of its fair value or the present value of the minimum lease payments, and related obligation is reflected on the liability side at the present value of the minimum lease payments. Interest element included in the lease installments are reflected in the consolidated income statement. The property and equipment obtained by way of financial leases are depreciated through their useful lives.

When the lease period is shorter than the useful life of the leased asset and it is not certain whether the Group will purchase the leased asset at the end of the lease period, it is depreciated during the period of lease. When the leased asset's useful life is shorter than leased period, leased assets are depreciated during the useful life.

The lease transactions are classified as operational leasing where the risks and rewards are on the part of the lessor. Operational lease payments are recorded as expense in the consolidated statement of comprehensive income on a linear basis.

2.6.13 Related parties

Subsidiaries, shareholders of the Company and companies of the shareholders, and also other companies managed by these companies or related to these companies and managers and directors of these companies are referred to as related parties according to IAS 24 – Related party disclosures.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.14 Segment reporting

IFRS 8 requires that a measure of segment assets be disclosed only if the amounts are regularly provided to Chief Decision Maker, consistent with the equivalent requirement for the measure of segment liabilities.

The Group's main business activity consists of hospital, healthcare and non-healthcare services. As a result of the activity variation, the Group revenues are allocated as hospital, healthcare and non-healthcare branches. All Group revenues have been realized in domestic basis except newly acquired subsidiaries in Macedonia which have immaterial revenues compared to Group total revenue; accordingly no geographical classification has been presented.

The operating segments of the Group are presented in Note 3.

2.6.15 Income taxes

Income tax comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of the Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.6 Summary of significant accounting policies *(continued)*

2.6.16 Employee Benefits

In accordance with the existing Labor Law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die.

In the accompanying consolidated financial statements, the Group has used actuarial valuation method to estimate its obligation.

At 31 March 2012 and 31 December 2011, the following assumptions were used in the calculation of the total liability:

	31 March 2012	**31 December 2011**
Discount Rate	3.91%	3.91%
Turnover Rate for the calculation of retirement	72%	72%

Reserve for employee termination benefits is calculated based on the ceiling amount which is determined by the Government. The management of the Group used some assumptions in the calculation of the retirement pay provision. At 31 March 2012 and 31 December 2011, the ceiling amount has been limited to TL 2,805 and TL 2,732 per year of employment, respectively. The liability is not funded, as there is no funding requirement.

2.6.17 Financial incomes and expenses

Finance income comprises interest income on funds invested; fair value gains on financial assets at fair value through profit or loss and gains on derivative instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, (other than trade receivables) and losses on derivative instruments that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3 Segment reporting

The Group's reportable segments are based on Hospital, Healthcare and Non-Healthcare segments.

At 31 March 2012 Hospital segment includes the following:

- Acıbadem Sağlık
- International Hospital
- Yeni Sağlık
- Acıbadem Sistina Hospital
- Acıbadem Sistina Medikal

At 31 March 2012 Non-Healthcare segment includes the following:

- Almond Holding
- Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

At 31 March 2012 Healthcare segment includes the following:

- Aplus
- Acıbadem Proje
- Acıbadem Labmed
- Acıbadem Poliklinikleri
- Acıbadem Mobil
- Konur Sağlık
- Gemtıp

At 31 March 2011 Hospital segment includes the following:

- Acıbadem Sağlık
- International Hospital
- Acıbadem Kayseri

At 31 March 2011 Non-Healthcare segment includes the following:

- Almond Holding
- Acıbadem Sağlık Yatırımları Holding Anonim Şirketi

At 31 March 2011 Healthcare segment includes the following:

- Acıbadem Labmed
- Acıbadem Poliklinikleri
- International Hospital Sağlık Yatırımları
- Acıbadem Mobil
- Konur Sağlık
- Gemtıp

Almond Holding and Acıbadem Sağlık Yatırımları Holding Anonim Şirketi are holding companies and do not have any revenue generating activity.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

3 Segment reporting *(continued)*

1 January– 31 March 2012:

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Revenues	312,670,162	59,279,477	--	(32,961,443)	338,988,196
Cost of revenue (-)	(243,186,324)	(47,816,284)	--	31,048,623	(259,953,985)
Gross Profit					**79,034,211**
Operating expenses					(19,898,762)
Other operating income/expense (net)					101,862
Financial income/expense (net)					37,709,497
Tax expense					(15,208,793)
Net income for the period					**81,738,015**

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Reportable segment assets	1,032,941,769	35,339,064	2,022,556,250	(1,025,444,615)	2,065,392,468
Capital expenditures	(25,222,921)	(1,433,767)	--	--	(26,656,688)
Reportable segment liabilities	797,028,491	87,202,698	486,286,294	(60,232,171)	1,310,285,312
Amortization and depreciation	(18,242,031)	(2,403,314)	--	--	(20,645,345)

1 January– 31 March 2011*(Unaudited)*

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Revenues	232,370,171	27,323,128	--	(14,349,036)	245,344,263
Cost of revenue (-)	(177,349,518)	(21,907,281)	--	11,344,801	(187,911,998)
Gross Profit					**57,432,265**
Operating expenses					(19,267,593)
Other operating income/expense (net)					1,702,745
Financial income/expense (net)					(12,306,319)
Tax expense					(7,978,005)
Net income for the period					**19,583,093**

1 January- 31 December 2011

	Hospital	Healthcare	Non-healthcare	Eliminations	Total
Reportable segment assets	946,946,311	58,313,964	777,666,341	(19,311,340)	1,763,615,276
Capital expenditures	(95,393,653)	(1,078,287)	--	--	(96,471,940)
Reportable segment liabilities	852,681,203	29,962,806	500,152,871	(19,311,140)	1,363,485,540
Amortization and depreciation	(72,545,759)	(5,068,048)	--	--	(77,613,807)

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

4 Cash and cash equivalents

At 31 March 2012 and 31 December 2011, cash and cash equivalents comprised the following:

	31 March 2012	**31 December 2011**
Cash on hand	1,052,426	982,282
Banks – demand deposits	6,113,128	2,958,393
Banks – time deposits	166,065,252	35,839,887
Mutual fund (B type liquid fund)	963,587	484,910
Credit card receivables	4,342,108	3,894,017
	178,536,501	**44,159,489**

At 31 March 2012, maturity of time deposits is between 2-30 days (31 December 2011: 2-87 days). The effective interest rates for the time deposits in TL is between 8.00% and 10.50% (31 December 2011: 8.00% - 9.75%), in USD is between 3.50% and 4.00% (31 December 2011: 4.25%) and there are no time deposits available in MKD (31 December 2012: 3.50%).

At 31 March 2012, the Group has blocked deposits at an amount of TL 16,658,328 (31 December 2011: TL 30,638,517) in Türkiye Garanti Bankası Anonim Şirketi ("Garanti Bankası") in purpose of a guarantee for six month-period interest and principle payments of bank borrowing amounting to USD 168,000,000.

At 31 March 2012, the interest and maturity details of time deposits at banks are as follows:

31 March 2012	**Interest Rate (%)**	**Maturity**	**Currency Type**	**Principal Amount (TL)**	**Interest Accruals**	**Total**
Time deposit	10.50	30.04.2012	TL	15,253,144	8,749	15,261,893
Time deposit	8.00	02.04.2012	TL	386,000	169	386,169
Time deposit	8.25	02.04.2012	TL	350,000	158	350,158
Time deposit	8.50	02.04.2012	TL	1,028,000	2,625	1,030,625
Time deposit	8.00	02.04.2012	TL	1,440,000	631	1,440,631
Time deposit	8.00	02.04.2012	TL	25,000	11	25,011
Time deposit	8.00	02.04.2012	TL	500,000	394	500,394
Time deposit	3.50	27.04.2012	USD	1,405,184	674	1,405,858
Time deposit	8.57	02.04.2012	TL	145,142,653	57,957	145,200,610
Time deposit	8.00	02.04.2012	TL	64,979	21	65,000
Time deposit	4.00	09.04.2012	USD	398,899	4	398,903
					71,393	**166,065,252**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

4 Cash and cash equivalents *(continued)*

31 December 2011	Interest Rate (%)	Maturity	Currency Type	Principal Amount (TL)	Interest Accruals	Total
Time deposit	8.75	10.01.2012	TL	30,039,668	14,387	30,054,055
Time deposit	8.00	02.01.2012	TL	1,795,000	787	1,795,787
Time deposit	8.00	01.01.2012	TL	1,650,000	723	1,650,723
Time deposit	9.75	02.01.2012	TL	1,000,000	4,541	1,004,541
Time deposit	8.00	02.01.2012	TL	280,000	123	280,123
Time deposit	4.25	27.01.2012	USD	598,850	155	599,005
Time deposit	3.50	21.03.2012	MKD	338,276	651	338,927
Time deposit	4.25	02.01.2012	USD	100,029	155	100,184
Time deposit	4.25	02.01.2012	USD	16,387	155	16,542
					21,677	**35,839,887**

For purposes of the statement of cash flows, cash and cash equivalents include bank deposits and short-term investments that are easily convertible to cash with high liquidity and with a maturity of up to three months.

Cash and cash equivalents included in the statement of cash flows for the years ended 31 March is comprised of the followings:

	31 March 2012	(Unaudited) 31 March 2011
Cash on hand	1,052,426	440,703
Banks – demand deposits	6,113,128	2,331,381
Banks – time deposits	166,065,252	10,396,597
Mutual fund (B type liquid fund)	963,587	287,853
Credit card receivables	4,342,108	2,938,968
Restricted cash	(16,658,328)	(9,824,417)
	161,878,173	**6,571,085**

5 Financial liabilities

At 31 March 2012 and 31 December 2011, short term financial liabilities comprised the following:

	31 March 2012	31 December 2011
Short term bank borrowings and short term portion of long term bank borrowings	109,938,006	95,339,861
Financial lease liabilities, net	21,918,255	20,474,355
	131,856,261	**115,814,216**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

5 Financial liabilities *(continued)*

At 31 March 2012 and 31 December 2011, long term financial liabilities comprised the following:

	31 March 2012	31 December 2011
Long term bank borrowings	769,644,268	862,787,588
Financial lease liabilities, net	85,972,498	83,312,597
	855,616,766	**946,100,185**

Bank borrowings

At 31 March 2012, the details of bank borrowings comprised the following:

Type		Currency	Nominal Interest Rate (%)	Year of Maturity	Face Value	Carrying amount
Investment(*)	Secured	USD	Libor + 5.75	2015	462,657,495	462,657,495
Investment (**)	Secured	USD	Libor + 3.90	2018	301,559,296	300,983,728
Investment (***)	Secured	USD	6.35	2018	51,116,833	51,116,833
Operating	Secured	TL	11.5 – 13.5	2012	27,057,640	27,057,640
Investment	Secured	MKD	5.50 – 7.40	2016	14,940,046	14,940,046
Investment	Secured	USD	Libor + 4.25	2014	12,214,246	12,212,518
Investment	Secured	Euro	Euribor +0.625	2012	3,774,631	3,774,366
Operating	Secured	USD	6.70	2012	3,640,168	3,640,168
Investment	Secured	Euro	7.50	2012	2,370,599	2,370,599
Operating	Secured	MKD	9.75	2012	828,881	828,881
					880,159,835	**879,582,274**

(*) a. Repayments of interest on semi-annual basis commenced from 10 January 2012. Principal amount will be paid in 2015.
b. Secured by total value of TL 690,000,000 pledge over Almond's shares.
(**) a. Repayments of both capital and interest on semi-annual basis, commencing from July 2008 with final repayment in January 2018;
b. Secured by 1st degree mortgages over certain land and buildings owned by the Group with a total value of USD164.8 million and blocked deposits of TL 16.6 million as at 31 March 2012. (For other pledges refer to Note 13).
c. According to the loan agreement; the Group has committed to comply with some financial covenants. As at 31 March 2012 and 31 December 2011 the Group complies with those covenants.
(***) a. Repayments of both capital and interest on semi-annual basis, commencing from October 2011 with final repayment in October 2018;

At 31 March 2012, repayment schedule of the long term bank borrowings Group is as follows:

Years	Currency	Original Currency Amount	TL Amount
2013	USD	20,190,936	35,796,510
2014	USD	34,815,936	61,725,173
2015	USD	289,433,706	513,137,017
2016	USD	32,315,936	57,292,923
2017	USD	32,315,936	57,292,922
2018	USD	18,324,354	32,487,247
2013	MKD	80,429,859	3,123,465
2014	MKD	109,820,853	4,264,854
2015	MKD	71,910,386	2,792,615
2015	MKD	44,587,550	1,731,542
			769,644,268

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

5 Financial liabilities *(continued)*

At 31 December 2011, the details of bank borrowings comprised the following:

Type		Currency	Nominal Interest Rate (%)	Year of Maturity	Face Value	Carrying amount
Investment	Secured	USD	Libor + 5.75	2015	500,103,356	500,103,356
Investment	Secured	USD	Libor + 3.90	2018	352,504,913	350,877,294
Investment	Secured	USD	6.35	2018	53,607,592	53,607,592
Investment	Secured	USD	Libor + 4.25	2014	14,195,006	14,195,006
Investment	Secured	MKD	5.50 – 7.40	2016	15,981,905	15,981,905
Investment	Secured	Euro	Euribor +0.625	2012	3,886,050	3,874,450
Investment	Secured	Euro	7.50	2012	2,601,883	2,601,883
Operating	Secured	TL	10.5 – 15.25	2012	11,953,841	11,953,841
Operating	Secured	USD	6.70	2012	3,814,361	3,814,361
Operating	Secured	MKD	9.75	2012	802,493	802,493
Tax	Unsecured	TL	--	2012	315,268	315,268
					959,766,668	**958,127,449**

At 31 December 2011, repayment schedule of the long term bank borrowings Group is as follows:

Years	Currency Type	Original Currency Amount	TL Amount
2013	USD	34,815,936	65,763,821
2014	USD	34,815,936	65,763,821
2015	USD	297,074,978	561,144,926
2016	USD	32,315,936	61,041,571
2017	USD	32,315,936	61,041,571
2018	USD	18,324,354	34,612,873
2013	MKD	105,302,901	4,240,647
2014	MKD	108,609,263	4,373,797
2015	MKD	82,558,019	3,324,689
2016	MKD	36,747,879	1,479,872
			862,787,588

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

5 Financial liabilities *(continued)*

Finance lease liabilities:

At 31 March 2012 and 31 December 2011, short term finance lease liabilities are as follows:

	31 March 2012	**31 December 2011**
Financial lease liabilities	27,256,512	25,638,695
Deferred financial lease liabilities (-)	(5,338,257)	(5,164,340)
	21,918,255	**20,474,355**

At 31 March 2012 and 31 December 2011, long term finance lease liabilities are as follows:

	31 March 2012	**31 December 2011**
Financial lease liabilities	97,183,757	94,505,526
Deferred financial lease liabilities (-)	(11,211,259)	(11,192,929)
	85,972,498	**83,312,597**

At 31 March 2012 and 31 December 2011, the maturities of finance lease liabilities are as follows:

	31 March 2012			**31 December 2011**		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	27,256,512	5,338,257	21,918,255	25,638,695	5,164,340	20,474,355
1 - 5 years	85,532,591	10,242,319	75,290,272	80,980,612	10,133,149	70,847,463
5 years and more	11,651,166	968,940	10,682,226	13,524,914	1,059,780	12,465,134
	124,440,269	**16,549,516**	**107,890,753**	**120,144,221**	**16,357,269**	**103,786,952**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

6 Trade receivables and payables

At 31March 2012 and 31 December 2011, trade receivable comprised the following:

	31 March 2012	31 December 2011
Trade receivable	129,633,218	109,984,583
Notes receivable	804,748	667,815
Doubtful receivables	8,622,596	8,387,210
Allowance for doubtful receivables(-)	(8,622,596)	(8,387,210)
	130,437,966	**110,652,398**

At 31 March 2012 and 31 December 2011, the aging analysis of the trade receivable is as follows:

	31 March 2012	31 December 2011
Overdue receivables	26,920,654	15,248,945
Not due receivables	103,517,312	95,403,453
	130,437,966	**110,652,398**

At 31 March 2012, overdue receivables amounted to TL 26,920,654 (31 December 2011: TL 15,248,945). No allowance has been recorded for these receivables as they were found to be overdue due to commercial reasons and were expected to be collected within a time period. Additionally 90 days overdue is accepted as normal trade term in the sector which the Group operates.

The Group records allowance for doubtful receivable on customer terms. Allowances comprised the customers which are not expected to repay. For the period ended 31 March 2012 and the year ended 31 December 2011, the movement of the allowances for doubtful receivable is as follows:

	31 March 2012	31 December 2011
Beginning balance	8,387,210	5,473,602
Additions	1,154,045	3,197,914
Acquisition of a subsidiary	107,302	--
Collections (-)	(1,024,818)	(283,163)
Write-offs (-)	(1,143)	(1,143)
	8,622,596	**8,387,210**

At 31 March 2012 and 31 December 2011, short term trade payable comprised the following:

	31 March 2012	31 December 2011
Payable to suppliers	114,692,137	114,324,389
Notes payable	5,442,825	8,760,622
	120,134,962	**123,085,011**

At 31 March 2012 and 31 December 2011, long term trade payable comprised the following:

	31 March 2012	31 December 2011
Payable to suppliers	4,897,833	6,200,306
Notes payable	1,183,200	2,199,420
	6,081,033	**8,399,726**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

7 Other receivables and payables

At 31 March 2012 and 31 December 2011, other short-term receivables comprised the following:

	31 March 2012	31 December 2011
Advances given to subcontractors (*)	3,571,928	--
Deposits and guarantees given	322,131	181,773
Receivables from ongoing construction projects	707,271	--
Receivables from tax office	536,529	452,507
Advances given to personnel	310,858	204,320
Other	4,740,044	233,095
	10,188,761	**1,071,695**

(*) Advances given to subcontractors comprise advances given by Acıbadem Proje for construction projects.

At 31 March 2012 and 31 December 2011, other long-term receivables comprised the following:

	31 March 2012	31 December 2011
Orka Holding AD ("Orka Holding") (*)	6,040,967	6,267,210
Deposits and guarantees given	333,337	204,204
Receivables from personnel	187,039	396,289
	6,561,343	**6,867,703**

(*) Amounts represent receivables from the minority shareholder of Acıbadem Sistina Hospital, Orka Holding AD.

At 31 March 2012 and 31 December 2011, other short-term payables comprised the following:

	31 March 2012	31 December 2011
Payables arising from acquisition of Yeni Sağlık	21,181,819	16,892,910
Advances received from patients	6,100,690	3,776,828
Orka Holding	442,470	303,113
Other	41,299	431,763
	27,766,278	**21,404,614**

At 31 March 2012 and 31 December 2011, other long-term payables comprised the following:

	31 March 2012	31 December 2011
Payables arising from acquisition of Yeni Sağlık	28,278,983	35,597,523
Orka Holding	1,092,325	1,262,865
Other	480,380	--
	29,851,688	**36,860,388**

8 Inventories

At 31 March 2012 and 31 December 2011, inventories comprised the following:

	31 March 2012	31 December 2011
Medical materials and medicine	23,403,619	20,612,271
Other inventories	1,348,832	1,328,438
Provision for slow moving inventories	--	(26,304)
	24,752,451	**21,914,405**

At 31 March 2012 and 31 December 2011, inventories are accounted at cost and no inventory was recognized at its net realizable value

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

9 Property and equipment

For the three-month period ended 31 March 2012, the movement in property and equipment is as follows:

Cost	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Other tangible assets	Construction in progress	Total
1 January 2012	33,780,497	183,902,854	331,527,154	5,081,893	89,481,542	121,502,629	206,297,243	2,070,761	29,568,931	1,003,213,504
Additions from acquisitions		17,324	629,296	587,527	2,797,674	1,501,389	1,925,510	--	--	7,458,720
Effect of movements in exchange rates	--	(1,941)	(626,700)	(6,154)	(99,828)	(4,827)	--	(53,757)	--	(793,207)
Additions	--	136,843	1,623,295	275,121	2,104,076	10,408,455	4,739,344	--	7,072,987	26,360,121
Disposals	--	--	(15,330)	(767,888)	(27,652)	(106,071)	--	--	--	(916,941)
At 31 March 2012	**33,780,497**	**184,055,080**	**333,137,715**	**5,170,499**	**94,255,812**	**133,301,575**	**212,962,097**	**2,017,004**	**36,641,918**	**1,035,322,197**
Accumulated depreciation										
1 January 2012	--	25,032,608	237,772,466	2,914,561	56,104,458	57,548,804	76,618,492	99,278	--	456,090,667
Additions from acquisitions	--	11,454	279,836	127,058	1,283,358	758,472	1,770,099	--	--	4,230,277
Effect of movements in exchange rates	--	(8)	(20,904)	(850)	(3,696)	(1,973)	--	--	--	(27,431)
Charge for the period	--	1,058,661	6,663,778	191,701	2,410,767	5,356,529	4,684,571	5,094	--	20,371,101
Disposals	--	--	(11,398)	(633,248)	(23,922)	(22,983)	--	--	--	(691,551)
At 31 March 2012	**--**	**26,102,715**	**244,683,778**	**2,599,222**	**59,770,965**	**63,638,849**	**83,073,162**	**104,372**	**--**	**479,973,063**
Net book value										**555,349,134**

For the three-month period ended 31 March 2012, property and equipment have been insured to the extent of TL 950,813,487 (31 December 2011: TL 974,520,407).

For the three month period ended 31 March 2012, depreciation expenses amounting to TL 19,646,222 has been recognized under cost of revenue and TL 703,050 has been included under administrative expenses and TL 21,829 has been included under selling, marketing and distribution expenses ((Unaudited)31 March 2011: TL 18,897,413 has been recognized under cost of revenue, TL 488,872 has been recognized under administrative expenses and TL 29,601 has been included under selling, marketing and distribution expenses).

At 31 March 2012, property and equipment are pledged to the extent of TL 292,289,159 (31 December 2011: TL 311,413,499).

For the three month period ended 31 March 2012, the Group utilizes property and equipment which have nil net book value on its accounts (31 March 2012: TL 232,908,522, Accumulated Depreciation: TL 232,908,522), (31 December 2011 Cost: TL 226,783,910 Accumulated Depreciation: TL 226,783,910).

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

9 Property and equipment *(continued)*

For the year ended 31 December 2011, the movement in property and equipment is as follows:

Cost	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Other tangible assets	Construction in progress	Total
1 January 2011	31,645,702	181,523,816	294,741,728	4,388,225	77,213,252	117,483,640	202,253,250	563,536	2,249,366	912,062,515
Additions from acquisitions	--	38,428	14,642,780	143,806	2,304,409	112,794	--	1,256,204		18,498,421
Additions	2,134,795	2,340,610	24,608,622	869,108	10,485,130	3,906,195	19,940,632	251,021	27,319,565	91,855,678
Disposals	--	--	(2,465,976)	(319,246)	(521,249)	--	(15,896,639)	--	--	(19,203,110)
At 31 December 2011	**33,780,497**	**183,902,854**	**331,527,154**	**5,081,893**	**89,481,542**	**121,502,629**	**206,297,243**	**2,070,761**	**29,568,931**	**1,003,213,504**
Accumulated depreciation										
1 January 2011	--	20,841,603	215,476,593	2,373,310	48,112,446	36,076,951	62,016,019	78,917	--	384,975,839
Additions from acquisitions	--	--	--	17,598	6,039	20,444		--	--	44,081
Charge for period	--	4,191,005	24,374,345	745,800	8,476,399	21,451,409	17,700,376	20,361	--	76,959,695
Disposals	--	--	(2,078,472)	(222,147)	(490,426)	--	(3,097,903)	--	--	(5,888,948)
At 31 December 2011	**--**	**25,032,608**	**237,772,466**	**2,914,561**	**56,104,458**	**57,548,804**	**76,618,492**	**99,278**	**--**	**456,090,667**
Net book value										**547,122,837**

9 Property and equipment *(continued)*

Construction in progress

	31 March 2012	
Project	**Expenditure Amount (TL)**	**Total Cost of Project (USD)**
Acıbadem Ankara Hospital	19,281,939	30,000,000
Acıbadem Bodrum Hospital	17,359,979	20,000,000
	36,641,918	**50,000,000**

Acıbadem Ankara Hospital

According to the agreement on 23 July 2010, the hospital project, which is located in Dikmen District Çankaya in Ankara, will have 16 floors and closed area of 10,000 m². The hospital is planned to be opened in second half of 2012.

Acıbadem Bodrum Hospital

Acıbadem Sağlık has a hospital project, which is located Ortakent District in the town of Bodrum in Muğla province with closed area of 11,500 m^2. The hospital is planned to be opened in June 2012.

10 Intangible assets

For the three-month period ended 31 March 2012, movement in the intangible assets is as follows:

	Rights	Other Intangible Assets	Total
Cost			
1 January 2012	5,386,681	7,528,100	12,914,781
Acquisition through business combination	7,880	279,753	287,633
Effect of movements in exchange rates	--	(17,814)	(17,814)
Additions	164,945	131,622	296,567
31 March 2012	**5,559,506**	**7,921,661**	**13,481,167**
Accumulated Amortization			
1 January 2012	1,642,315	3,822,993	5,465,308
Acquisition through business combination	2,720	221,711	224,431
Effect of movements in exchange rates	--	(520)	(520)
Charge for the period	100,624	173,620	274,244
31 March 2012	**1,745,659**	**4,217,804**	**5,963,463**
Net Book Value			**7,517,704**

For the three-month period ended 31 March 2012, amortization expenses amounting to TL 274,244 (Unaudited)31 March 2011: TL 145,283) have been included in administrative expenses.

At 31 March 2012 and 31 December 2011, Acıbadem Sağlık utilizes intangible assets which have nil net book value on its accounts (31 March 2012 Cost: TL 4,289,236, Accumulated Amortization: TL 4,289,236; 31 December 2011 Cost: TL 4,062,829, Accumulated Amortization: TL 4,062,829).

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

10 Intangible assets *(continued)*

For the year ended 31 December 2011, movement in the intangible assets is as follows:

	Rights	Other intangible assets	Total
Cost			
1 January 2011	2,428,831	5,424,893	7,853,724
Acquisition through business combination	36,867	414,728	451,595
Additions	2,921,783	1,694,479	4,616,262
Disposals	(800)	(6,000)	(6,800)
31 December 2011	**5,386,681**	**7,528,100**	**12,914,781**
Accumulated Amortization			
1 January 2011	1,353,963	3,455,903	4,809,866
Acquisition through business combination	--	1,474	1,474
Charge for year	288,396	365,716	654,112
Disposals	(44)	(100)	(144)
31 December 2011	**1,642,315**	**3,822,993**	**5,465,308**
Net Book Value			**7,449,473**

11 Acquisition of subsidiary and non controlling interests

At 31 March 2012 and 31 December 2011, the goodwill was recognized as a result of the acquisitions shown below:

	31 March 2012	31 December 2011
Acıbadem Sağlık	773,424,095	773,424,095
Aplus	76,290,045	--
Acıbadem Sistina Hospital and Medikal	50,441,978	50,441,978
Yeni Sağlık	46,417,257	46,417,257
International Hospital	39,292,955	39,292,955
Acıbadem Proje	37,644,546	--
Acıbadem Poliklinikleri	6,234,605	6,234,605
Konur Sağlık	1,547,107	1,547,107
Total	**1,031,292,588**	**917,357,997**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

11 Acquisition of subsidiary and non controlling interests *(continued)*

Acıbadem Sağlık

Following the formation of its Almond Holding subsidiary in July 2007, the Group entered into several share purchase agreements with the investors of Acıbadem Sağlık and acquired equity shares in the Company to provide the Group with a controlling interest in Acıbadem Sağlık. Goodwill resulting from the acquisition in stages was calculated based on the net assets of Acıbadem Sağlık on each acquisition date and the consideration paid by the Group. The payments for the share purchases were completed via capital increases by the Group based on the fair value of the shares at each acquisition date.

On 16 August 2007, the Group acquired 24.99% of the outstanding equity shares of Acıbadem Sağlık. On 10 January 2008 (on which the control was acquired) and 27 May 2008, the Group acquired additional 49.19% and 17.79% of the outstanding equity shares respectively. As a result of these share purchases, the Group became Acıbadem Sağlık's parent company.

The following summarizes the Group's holdings in Acıbadem Sağlık, the subsequent increases in its holdings and the computation of goodwill at each acquisition date:

1st Acquisition	
Consideration transferred	244,297,803
Subsidiary's net book value (24.99 percent)	(33,224,485)
Goodwill (1st acquisition in year 2007)	**211,073,318**
2nd Acquisition	
Consideration transferred	471,324,121
Subsidiary's net book value (49.19 percent)	(64,991,646)
Goodwill (2nd acquisition in year 2008)	**406,332,475**
3rd Acquisition	
Consideration transferred	177,157,252
Subsidiary's net book value (17.79 percent)	(21,138,950)
Goodwill (3rd acquisition in year 2008)	**156,018,302**
Total	**773,424,095**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

11 Acquisition of subsidiary and non controlling interests *(continued)*

International Hospital

In the accompanying consolidated financial statements, details of the goodwill according to acquisition dates for International Hospital is given below:

1st Acquisition	
Consideration transferred	33,182,500
Subsidiaries net book value (50 percent)	(10,054,636)
Fair value adjustment of land	(8,983,435)
Fair value adjustment of buildings	(6,842,863)
Goodwill (1st acquisition on 20 August 2005)	**7,301,566**

2nd Acquisition	
Consideration transferred	53,462,129
Subsidiaries net book value (additional 40%)	(5,535,407)
Fair value adjustment of buildings	(11,281,569)
Fair value adjustment of furniture and fixtures	(2,032,335)
Fair value adjustment of machinery and equipment	(2,142,673)
Fair value adjustment of vehicles	(50,008)
Fair value adjustment of rights	(428,748)
Goodwill (2nd acquisition on 27 March 2009)	**31,991,389**
Total	**39,292,955**

Acıbadem Poliklinikleri

Under the growth strategies of the 'Group', Acıbadem Sağlık acquired 736,802 shares of Acıbadem Poliklinikleri amounting to USD 5,710,217 and those shares correspond 36.84 % of the share capital. Before the acquisition, Acıbadem Sağlık owned 63.15 % of the share capital, so the company increased its share to 99.95% in Acıbadem Poliklinikleri.

The detail of the goodwill computed is as below:

Consideration transferred	6,948,763
Subsidiaries net book value (additional 36.84 percent)	(714,158)
Goodwill (10 July 2008)	**6,234,605**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

11 Acquisition of subsidiary and non controlling interests *(continued)*

Konur Sağlık

At 13 February 2010, Acıbadem Poliklinikleri, the consolidated subsidiary of the Acıbadem Sağlık purchased the 50 % of the shares of Konur Sağlık Hizmetleri Anonim Şirketi, a medical center operating in Bursa, Turkey. The detail of the goodwill computed is as follows:

Acquisition cost	2,046,814
Subsidiaries net book value (50.00 %)	(499,707)
Goodwill (13 February 2010)	**1,547,107**

Yeni Sağlık

Based on the Board of Director's decision of Acıbadem Sağlık taken on 28 April 2011, 99.90% of the shares of Yeni Sağlık which owns and operates Aile Hospital Göztepe (previously known as "Göztepe Şafak Hospital") in Göztepe district of İstanbul and Aile Hospital Bahçelievler (previously known as "John F. Kennedy Hospital ("JFK")") in Bahçelievler district of İstanbul have been acquired. The agreed amount for the acquisition of these shares is amounting to USD 28,239,250 and the payments will be done from the end of the 11st month following the actual share transfer with the installments of USD 1,000,000. The control of the shares is taken on 1 June 2011. Goodwill arising from the acquisition of shares is shown in the following table.

Acquisition cost	47,823,972
Subsidiaries net book value (99.90 %)	(1,406,715)
Goodwill (1 June 2011)	**46,417,257**

Acıbadem Sistina Hospital / Acıbadem Sistina Medikal

On 21 October 2011, Acıbadem Sağlık acquired 50.32% of Acıbadem Sistina Hospital and 50.00% of Acıbadem Sistina Medikal's by a total cash consideration of Euro 20,000,000. Both companies together meet the definition of a business in accordance with IFRS 3. Accordingly, the goodwill has been computed on the total net asset of both companies. The detail of goodwill computed is as follows:

Acquisition cost	50,950,000
Subsidiaries net book value of Acıbadem Sistina Medikal (50.00%)	(6,514)
Subsidiaries net book value of Acıbadem Sistina Hospital (50.32 %)	(501,508)
Goodwill (21 October 2011)	**50,441,978**

Aplus

On 24 January 2012, the Group acquired 100.00% of Aplus by a total consideration of TL 84,717,370 through a capital increase from the shareholders of the Company. Accordingly, the goodwill has been computed on the total net assets. The detail of goodwill computed is as follows:

Acquisition cost - Aplus	84,717,370
Subsidiary net book value of Aplus (100.00%)	(8,427,325)
Goodwill – Aplus (24 January 2012)	**76,290,045**

Acıbadem Proje

On 24 January 2012, the Group acquired 100.00% of Acıbadem Proje by a total consideration of TL 43,672,678 through a capital increase from the shareholders of the Company. Accordingly, the goodwill has been computed on the total net asset of the company. The detail of goodwill computed is as follows for each company:

Acquisition cost – Acıbadem Proje	43,672,678
Subsidiaries net book value of Proje (100.00%)	(6,028,132)
Goodwill – Acıbadem Proje (24 January 2012)	**37,644,546**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

12 Provisions

At 31 March 2012 and 31 December 2011, short-term provisions comprised the following:

	31 March 2012	**31 December 2011**
Provision for doctor payments	46,159,383	18,587,294
Lawsuit provisions	6,084,343	4,816,801
Provisions for miscellaneous expenses	1,281,211	101,493
Other	1,130,902	659,835
	54,655,839	**24,165,423**

There are 105 lawsuits (31 December 2011: 95) against the Group amounting to TL 18,039,079 (31 December 2011: TL 17,560,461) and 179 related to personnel (31 December 2011: 164) amounting to TL 1,210,237 (31 December 2011: TL 951,933). The Group has provided provisions for the lawsuits which the probability of losing is greater than the probability of winning in the accompanying consolidated financial statements.

The movement of provisions for the three-month period ended 31 March 2012 is as follows:

	1 January 2012	***Additions***	***Payments***	***Reversals***	***31 March 2012***
Provision for doctor payments	18,587,294	46,159,383	(18,587,294)	--	46,159,383
Lawsuit provisions	4,816,801	1,862,703	(182,210)	(412,951)	6,084,343
Provisions for miscellaneous expenses	101,493	1,281,211	(101,493)	--	1,281,211
Other	659,835	1,130,902	(659,835)	--	1,130,902
	24,165,423	**50,434,199**	**(19,530,832)**	**(412,951)**	**54,655,839**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

12 Provisions *(continued)*

The movement of provisions for year ended 31 December 2011 is as follows:

	1 January 2011	*Additions*	*Payments*	*Reversals*	*31 December 2011*
Provision for doctor payments	13,564,343	18,587,294	(13,564,343)	--	18,587,294
Lawsuit provisions	3,677,494	1,344,109	(12,750)	(192,052)	4,816,801
Provisions for miscellaneous expenses	264,311	101,493	(264,311)	--	101,493
Consultancy commission provisions	669,953	--	(669,953)	--	--
Provisions for invoices returned from contracted institutions	326,491	--	(326,491)	--	--
Other	1,231,814	659,835	(1,231,814)	--	659,835
	19,734,406	**20,692,731**	**(16,069,662)**	**(192,052)**	**24,165,423**

13 Commitments

According to the decision of CMB on 9 September 2009 related to the commitments of publicly owned companies given to the guarantee third party's debts;

The commitments given;

i) For their own corporate identities,
ii) In favor of consolidated subsidiaries,
iii) In favor of third parties to continue their operations will not be limited.

After the decision is published at the Public Disclosure Platform, publicly owned companies will not give commitments to real people or corporations other than mentioned at the bullets (i) and (ii) above or to third parties other than mentioned at the bullet (iii). If any commitments are already given they will be reduced to nil until 31 December 2014.

Annotations

There is a decision which was given by the Bakırköy Municipality to demolish the supplement International Hospital building since the amount is immaterial the Group does not book any impairment. On the same property there are two annotations of 99 yearly rent statements in favor of Turkish Electricity Administration ("TEIAŞ"). Additionally, there are two annotations of 99 yearly rent statements in favor of İstanbul Public Transportation Administration ("IETT") and also two annotations in favor of Avcılar Municipality on the land owned by the Group at Avcılar District.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

13 Commitments *(continued)*

At 31 March 2012, commitments given are as follows:

	31 March 2012		
	TL Equivalents	**TL**	**USD**
A Commitments given on behalf of own corporate identities	--	--	--
B Commitments given on behalf of consolidated subsidiaries	1,637,516,723	1,326,115,702	175,645,000
C Commitments given on behalf of third parties to continue its operations	--	--	--
D Other commitments given	--	--	--
- on behalf of parent company	--	--	--
- on behalf of group companies other than mentioned in B and C	--	--	--
- on behalf of third parties other than mentioned in bullet iii	--	--	--
Total	**1,637,516,723**	**1,326,115,702**	**175,645,000**

At 31 December 2011, commitments given are as follows:

	31 December 2011		
	TL Equivalents	**TL**	**USD**
A Commitments given on behalf of own corporate identities	--	--	--
B Commitments given on behalf of consolidated subsidiaries	1,685,237,697	1,356,215,805	174,187,036
C Commitments given on behalf of third parties to continue its operations	--	--	--
D Other commitments given	1,564,445	1,470,000	50,000
- on behalf of parent company	--	--	--
- on behalf of group companies other than mentioned in B and C	1,564,445	1,470,000	50,000
- on behalf of third parties other than mentioned in bullet iii	--	--	--
Total	**1,686,802,142**	**1,357,685,805**	**174,237,036**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

13 Commitments *(continued)*

The total value of mortgages and pledges on the Group's land and buildings are as follows:

Mortgages

Collateral type	Duration	Cause of collateral and place	Pledged asset	31 March 2012 (USD)
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Acıbadem Bursa Hospital	77,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	International Hospital	32,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Acıbadem Adana Hospital	24,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Vakıfbank	Acıbadem Kayseri Hospital	13,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Küçükyalı Building	12,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Küçükyalı Warehouse	2,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Erkan Apt. various flats and apartments	1,820,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Manolya apt. no:2-3	1,695,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Cumhuriyetkoy Facilities	1,350,000
				164,865,000

Collateral type	Duration	Cause of collateral and place	Pledged asset	31 December 2011 (USD)
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Acıbadem Bursa Hospital	77,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	International Hospital	32,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Acıbadem Adana Hospital	24,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Vakıfbank	Acıbadem Kayseri Hospital	13,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Küçükyalı Building	12,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Küçükyalı Warehouse	2,000,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Erkan Apt. various flats and apartments	1,820,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Manolya apt. no:2-3	1,695,000
Mortgage 1st degree	Relevance of the mortgage	Loan collateral-Garanti Bankası	Cumhuriyetkoy Facilities	1,350,000
				164,865,000

13 Commitments *(continued)*

Pledges

Related with the bank borrowing from Garanti Bankası Acıbadem; Sağlık has ceded 80% of its account receivables and has blockage on the bank deposits which is accrued at the end of each month equal to the 1/6th of the total of next interest plus capital payment as the loan payments are semiannual.

The shares of the Almond Holding owned by the Company which constitute 100 % of Almond Holding's capital has been pledged at first degree, the shares of the Acıbadem Sağlık owned by Almond Holding which constitute 91.79 % Acıbadem Sağlık's capital has been pledged at first degree by Garanti Bankası Luxemburg branch.

The shares of the Acıbadem Sağlık owned by Almond Holding which constitute 91.79 % Acıbadem Sağlık's capital has been pledged at second degree, the shares of the Acıbadem Labmed owned by Acıbadem Sağlık which constitute 50 % Acıbadem Labmed's capital has been pledged at first degree, the shares of the International Hospital owned by Acıbadem Sağlık which constitute 37.59 % International Hospital's capital has been pledged at first degree, the shares of the Acıbadem Poliklinikleri owned by Acıbadem Sağlık which constitute 99.93 % Acıbadem Poliklinikleri's capital has been pledged at first degree by Garanti Bankası Altunizade branch.

The Group has given letter of guarantees to different institutions amounting to TL 15,209,705 (31 December 2011: TL 13,681,887).

14 Employee benefits

Reserve for Employment Termination Benefits

Under the Turkish Labour Law, the Company and its subsidiaries are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed, there are certain transitional provisions relating to length of service prior to retirement.

The termination benefits is calculated as one month gross salary for every employment year and at 31 March 2012 the ceiling amount has been limited to TL 2,805 (31December 2011: TL 2,732). Termination benefits is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its Turkish subsidiaries and joint ventures arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries arising from the retirement of employees. IFRSs require actuarial valuation methods to be developed to estimate the Group's obligation. Accordingly, the following actuarial assumptions were used in the calculation of the total liability: The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements At 31 March 2012, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 March 2012 has been calculated assuming an annual inflation rate of 5 % and a discount rate of 9.11% resulting in a real discount rate of approximately 3.91% (31 December 2011: annual inflation rate of 5% and a discount rate of 9.11 % resulting in a real discount rate of approximately 3.91%).

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

14 Employee benefits (continued)

***Reserve for Employment Termination Benefits** (continued)*

	31 March 2012	31 December 2011
Opening balance	1,933,424	2,111,563
Provision for employee termination benefits from the acquisition of a subsidiary	1,819,078	376,138
Interest cost	66,396	134,998
Cost of services	203,366	238,260
Payments made during the period	(936,830)	(3,003,714)
Actuarial gains	1,022,478	2,076,179
	4,107,912	**1,933,424**

Actuarial gains or losses arise from the changes in interest rates and changes in expectations about the salary increases. Actuarial differences are recorded as incurred. At 31 March 2012, TL 2,722,326 of interest cost, cost of services and actuarial gains or losses are recorded as cost of sales (31 December 2011: TL 2,404,640 expense), TL 385,943 is recorded as general administrative expenses (31 December 2011: TL 350,498 expense) and TL 3,049 is recorded as selling, marketing and distribution expenses (31 December 2011: TL 2,769).

15 Post employment benefits

None.

16 Other assets and liabilities

At 31 March 2012 and 31 December 2011, other current assets comprised the following:

	31 March 2012	31 December 2011
Income accrual for patients	19,559,899	9,246,138
Income accrual for SGK receivables	13,789,489	13,841,917
Prepaid insurance expense	11,918,328	5,386,306
Value added tax receivable	6,019,484	5,726,677
Prepaid taxes and funds	4,248,748	4,266,894
Prepaid rent expenses	4,209,043	5,768,403
Advances given to personnel	2,089,887	1,639,367
Advances given for a new operator (*)	2,677,500	--
Advances given for inventory	2,402,094	1,657,567
Prepaid maintenance expense	425,404	167,840
Prepaid advertisement expenses	315,174	91,136
Job Advances	251,990	25,168
Prepaid subscription expense	32,368	17,434
Other	810,067	532,712
	68,749,475	**48,367,559**

(*) The Company has advances given amounting to TL 2,677,500 for a new operator agreement of a clinic.

At 31 March 2012 and 31 December 2011, other non-current assets comprised the following:

	31 March 2012	31 December 2011
Prepaid rent	9,930,808	9,965,137
Advances given for fixed assets	4,810,343	2,314,227
Prepaid taxes from progress billings	1,950,239	--
Advances given	1,420,063	2,677,500
Prepaid insurance	--	15,012
Other	12,739	18,486
	18,124,192	**14,990,362**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

16 Other assets and liabilities *(continued)*

At 31 March 2012 and 31 December 2011, other current liabilities comprised the following:

	31 March 2012	31 December 2011
Social security and taxes payable	25,459,103	23,796,898
Payable to personnel	17,437,071	14,208,152
Deferred income (*)	1,519,106	1,520,009
Other	476,422	--
	44,891,702	**39,525,059**

(*) This amount consists of short term portion of income according to the bank agreement related to transfer of salary payment rights in 2011.

At 31 March 2012, other long term liabilities amounting to TL 4,938,535 (31 December 2011: TL 4,938,537) consists the income according to the bank agreement related to transfer of salary payment rights.

17 Equity

Paid-in capital

At 31 March 2012 paid-in capital of the Group is TL 704,085,765 (31 December 2011: TL 668,000,000) made up of 176.021.442 shares classified as A group and 528.064.323 shares classified as B group. At 31 March 2012 and 31 December 2011, the composition of shareholders and their respective percentage of ownership are summarized as follows:

	31 March 2012		31 December 2011	
Shareholder's name	**Share (%)**	**Amount**	**Share (%)**	**Amount**
Almond Holding Cooperatie U.A.	--	--	50.00	334,000,000
IHH Turkey Sdn Bhd	60.00	422,451,458	--	--
Bagan Lalang Ventures Sdn Bhd	15.00	105,612,865	--	--
Mehmet Ali Aydınlar	23.20	163,378,986	46.41	310,010,990
Hatice Seher Aydınlar	1.80	12,642,454	3.59	23,989,008
Ethem Erhan Aydınlar	--	1	--	1
Zeynep Aydınlar	--	1	--	1
	100.00	**704,085,765**	**100.00**	**668,000,000**

All shareholders have a pre-emptive right in the event of a capital increase. In the event of a non-participation by a shareholder for capital increase transaction, the remaining shareholders are entitled to exercise for the shares in proportion to their total percentage of ownership in the Company's total capital.

Group's operations and administration are executed by Board of Directors who are nominated by Group A shareholders and Group B shareholders in accordance with the each group's proportionate share in the Company with a maximum number of 10 directors. Group A shareholders have the right to nominate at least two shareholders as long as total shares owned by Group A shareholders represent at least 5% of the Company's total capital or, Group A shares which represent at least 5 % of the total capital of the Company are held by Aydınlar Family. The remaining directors are selected from the candidates nominated by Group B shareholders. Each group of shares is entitled to one vote for one share owned.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

17 Equity *(continued)*

Legal reserves

The legal reserves consist of first and second legal reserves in accordance to the Turkish Commercial Code ("TCC"). The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with CMB regulations, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 31 March 2012, the Group's legal reserves amounting to TL 4,069,977 (31 December 2011: TL 4,069,977).

Share Premium

Share premium arises from the initial public offering of Acıbadem Sağlık in Istanbul Stock Exchange along with the acquisition transaction occurred on 24 January 2012 as discussed in Note 1. Share premium cannot be distributed.

Capital advances

The Company has obtained share capital advances amounting to TL 153,612,315 from its shareholders to be used in Mandatory Tender Offering for the shares of Acıbadem Sağlık, which is publicly traded.

Dividend distribution:

Publicly traded companies distribute dividends based on the Capital Market Board ("CMB") regulations as explained below:

According to CMB's decision on 27 January 2010 numbered 02/51 Companies traded on the stock exchange market are not obliged to distribute a specified amount of dividends (2010: 20 percent). For companies that will distribute dividends, in relation to the resolutions in their general meeting the dividends may be in cash, may be bonus shares by adding the profit into equity, or may be mixture of cash and bonus shares, it is also permitted not to distribute determined first party dividends falling below 5 percent of the paid-in capital of the company but, companies that increased capital before distributing the previous year's dividends and as a result their shares are separated as "old" and "new" are obliged to distribute first party dividends in cash.

There is no requirement for profit distribution at 31 March 2012 for Acıbadem Sağlık, which is publicly traded.

Retained Earnings / (Accumulated Losses)

	31 March 2012	31 December 2011
Extraordinary reserves	55,964,353	48,741,842
Retained earnings / (Accumulated losses)	(371,463,921)	(236,036,418)
	(315,499,568)	**(187,294,576)**

The movement of retained earnings / (accumulated losses) is as follows:

	31 March 2012	31 December 2011
Beginning balance	(187,294,576)	(161,914,395)
Change in non-controlling interest	(6,050,675)	(743,575)
Transfer to legal reserves	--	(1,528,467)
Transfer of period profit to retained earnings	(122,154,317)	(23,108,139)
	(315,499,568)	**(187,294,576)**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

18 Revenues

For the three-month periods ended 31 March, revenues and cost of revenues comprised the following:

	2012	**(Unaudited) 2011**
Domestic sales	359,679,073	264,576,120
Imputed interest on revenue	(1,883,194)	(1,146,273)
Sales returns and discounts	(18,807,683)	(18,085,584)
Net revenues	**338,988,196**	**245,344,263**
Cost of revenues	(259,953,985)	(187,911,998)
Gross profit	**79,034,211**	**57,432,265**

19 Selling, marketing and distribution expenses, general administrative expenses

Selling, marketing and distribution expenses

For the three-month periods ended 31 March, selling, marketing and distribution expenses comprised the following:

	2012	**(Unaudited) 2011**
Personnel expenses	2,002,271	1,292,871
Advertisement and sponsorship expenses	1,499,604	4,087,854
Commission expenses	576,568	706,423
Representation expenses	246,149	143,190
Travel expenses	166,015	157,292
Consultancy expenses	143,086	145,653
Published material expenses	103,002	115,465
Vehicle rent expenses	93,282	59,045
Depreciation expenses	21,829	29,601
Other	251,022	506,033
	5,102,828	**7,243,427**

General administration expenses

For the three-month periods ended 31 March, general administrative expenses comprised the following:

	2012	**(Unaudited) 2011**
Personnel expenses	9,509,895	7,400,396
Consultancy, legal, notary expenses	1,006,709	358,575
Depreciation and amortization	977,294	634,155
Rent expenses	520,730	381,328
Cleaning and meal expenses	432,960	367,580
Representation and travel expenses	409,819	155,366
Energy expenses	326,284	249,810
Communication and other office expenses	283,608	295,820
Repair and maintenance expenses	229,349	214,451
Other	1,099,286	1,966,685
	14,795,934	**12,024,166**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

20 Expenses by nature

For the three-month periods ended 31 March, expenses by nature comprised the following:

Amortization and depreciation expenses	**2012**	**(Unaudited) 2011**
Cost of revenue	19,646,222	18,897,413
General administrative expenses	977,294	634,155
Selling, marketing and distribution expenses	21,829	29,601
	20,645,345	**19,561,169**

Personnel expenses	**2012**	**(Unaudited) 2011**
Cost of revenue	143,866,355	100,852,120
General administrative expenses	9,509,895	7,400,396
Selling, marketing and distribution expenses	2,002,271	1,292,871
	155,378,521	**109,545,387**

21 Other operating income and expenses

For the three-month periods ended 31 March, other operating income comprised the following:

	2012	**(Unaudited) 2011**
Insurance compensation gain (*)	1,025,327	1,279,215
Recovery of impairment for doubtful receivables	1,024,818	789
Rent income	853,489	858,124
Premium from bank related salary payment right assignment	264,831	--
Income from communication services	250,215	--
Gain on sale of property and equipment	230,621	76,698
Other income	528,355	564,451
	4,177,656	**2,779,277**

(*) The gain obtained from the insurance companies when equipments are damaged during transportation.

For the three-month periods ended 31 March, other operating expense comprised the following:

	2012	**(Unaudited) 2011**
Damage loss (*)	1,402,474	818,109
Provision for lawsuits	1,267,542	--
Allowance for doubtful receivables	1,154,045	--
Loss on sale of property and equipment	35,475	13,554
Donations	30,784	--
Other	185,474	244,869
	4,075,794	**1,076,532**

(*) Losses incurred when equipments are damaged during transportation.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

22 Financial income

For the three-month periods ended 31 March, financial income comprised the following:

	2012	(Unaudited) 2011
Foreign exchange gain (*)	62,736,170	--
Imputed interest on cost of revenue	3,991,567	2,211,758
Change in fair value of derivatives	1,496,287	633,892
Interest income on time deposits	313,998	127,770
Premium on swap transactions	--	1,073,944
Other	29,163	1,578
	68,567,185	**4,048,942**

(*) Foreign exchange gain and losses are presented on net basis.

23 Financial expenses

For the periods ended 31 March, financial expenses comprised the following:

	2012	(Unaudited) 2011
Interest expense on bank loans	15,394,973	7,048,989
Change in fair value of derivatives	5,909,126	1,164,005
Letter of credit and other bank commission expenses	4,474,376	239,540
Imputed interest on revenue	2,569,762	1,428,777
Credit card commission expenses	1,636,719	1,314,189
Finance lease interest expense	847,406	857,851
Foreign exchange loss (*)	--	4,282,068
Other	25,326	19,842
	30,857,688	**16,355,261**

(*) Foreign exchange gain and losses are presented on net basis.

24 Tax assets and liabilities

Corporate tax

In Turkey

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized. In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate at 31 March 2012 is 20%.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

According to the Corporate Tax Law, 75 percent of the capital gains arising from the sale of property and equipment and investments owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in equity from the date of the sale. The remaining 25 percent of such capital gains are subject to corporate tax.

The transfer pricing law is covered under Article 13 "disguised profit distribution via transfer pricing" of the Corporate Tax Law. The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductable for corporate income tax purposes.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

In Macedonia

Macedonian corporate income tax is levied at a rate of 10% on dividend distribution and tax on non deductible items. Unless there is a dividend distribution, no corporate tax is levied. Losses cannot be carried forward in determining corporate tax base. Corporate taxpayers should pay tax on their non-deductible items at a rate of %10. The tax base established on the basis of unrecognized expenditures for tax purposes is decreased by the amount of the expenditures subject to taxation for which the time period for their recognition has matured. If formed tax base for the tax period is less than the amount of its decrease for the same tax period, than the taxpayer shall declare tax loss. Tax losses can be carried forward for five years according to the amendment on tax legislation.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

24 Tax assets and liabilities *(continued)*

Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

For the three month period ended 31 March 2012 and for the year ended 31 December 2011, current period corporate tax payable comprised the following:

	31 March 2012	31 December 2011
Corporate tax provision	5,640,290	4,169,704
Prepaid taxes and funds	(21,920)	(3,794,935)
Tax payable	**5,618,370**	**374,769**

For the three-month periods ended 31 March, tax expenses comprised the following:

	2012	(Unaudited) 2011
Current year corporate tax provision	(5,640,290)	(5,806,781)
Deferred tax credit / (charge)	(9,568,503)	(2,171,224)
	(15,208,793)	**(7,978,005)**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

24 Tax assets and liabilities *(continued)*

The reported tax expense for the periods ended 31 March is different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2012		**(Unaudited) 2011**	
		%		**%**
Profit/(loss) before tax	96,946,808		27,561,098	
Tax rate		20		20
Taxes on reported profit per statutory tax rate	(19,389,362)	(20.00)	(5,512,220)	(20.00)
Effect of tax rates in foreign jurisdictions	103,381	0.11	--	--
Non-deductible expenses	(635,240)	(0.66)	(1,317,279)	(4.78)
Donations	6,157	0.01	200,000	0.73
Tax exception on investment allowance	1,255,997	1.30	--	0.00
Tax exempt income	72,904	0.08	7,473	0.03
Recognition of previously unrecognized tax losses	3,698,812	3.82	--	--
Statutory tax losses for which no deferred tax assets recognized	(292,740)	(0.30)	(1,331,005)	(4.83)
Other	(28,702)	(0.03)	(24,974)	(0.09)
Taxation credit/ (charge)	**(15,208,793)**	**(15.67)**	**(7,978,005)**	**(28.94)**

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the Communiqué No: XI-29 and the statutory tax financial statements. Related temporary differences are subject to different period records according to articles and to tax laws for profit and lost items.

According to the decision of the Turkish Constitutional Court promulgated in the Official Gazzette no.27456 dated 8 January 2010, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption. As per this decision, the Group has provided deferred tax asset amounting to TL 83,303 over the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity amounting to TL 416,517.

Deferred tax assets and liabilities deducted for the factors that there is a legally applicable right to deduct the current year tax assets and liabilities and there is intent of the occurrence of the current year tax assets and liabilities concurrently are valid.

The unrecorded deferred taxes are re-evaluated at every balance sheet date. If it is possible to make profits in the future the unrecorded deferred tax assets are reflected to the financial statements

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

24 Tax assets and liabilities *(continued)*

Deferred tax assets and liabilities *(continued)*

At 31 March 2012 and 31 December 2011, deferred tax assets and deferred tax liabilities were attributable to the items detailed in the table below:

	31 March 2012		31 December 2011	
	Deferred tax base	**Deferred tax asset/(liability)**	**Deferred tax base**	**Deferred tax asset/(liability)**
Property, equipment and intangible assets – *Deferred tax asset*	15,383,581	3,076,716	9,587,880	1,917,576
Property, equipment and intangible assets – *Deferred tax liability*	(29,729,110)	(5,945,822)	(14,437,018)	(2,887,404)
Financial liabilities	(156,720)	(31,344)	(1,639,220)	(327,843)
Employee benefits	4,107,912	821,582	1,933,425	386,685
Investment allowance	416,517	83,303	57,701,175	11,540,235
Trade and other receivables	145,468	29,093	(5,945,825)	(1,189,165)
Financial investments at fair value - *Interest rate swaps*	3,715,464	743,093	5,211,751	1,042,350
Financial investments at fair value - *Forwards*	(1,754,116)	(350,823)	(7,663,240)	(1,532,648)
Provisions	47,583,263	9,516,653	23,464,060	4,692,812
Deferred taxes recognized on IAS11 applications	(4,051,340)	(810,268)	--	--
Tax loss carry-forwards	17,422,625	3,484,526	33,259,175	6,651,835
	53,083,544	**10,616,709**	**101,472,163**	**20,294,433**

	31 March 2012	**31 December 2011**
Deferred tax assets	17,754,966	26,231,493
Deferred tax liabilities	(7,138,257)	(5,937,060)
Deferred tax assets, net	**10,616,709**	**20,294,433**

For the three-month period ended 31 March 2012 and for the year ended 31 December 2011, the movement of the deferred tax assets/ (liabilities) is as follows:

	31 March 2012	**31 December 2011**
Beginning balance	20,294,433	21,480,996
Period tax credit/ (expense)	(9,568,503)	(807,100)
Deferred tax charges from the acquisition of a subsidiary	(109,221)	(379,463)
Ending balance	**10,616,709**	**20,294,433**

Unrecognized deferred tax assets

Deferred tax asset amounting to TL 40,769,665 (31 December 2011: TL 44,175,736) has not been recognized in respect of the statutory tax losses, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits there from.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. The Group management anticipated that there will be taxable profits in the following years. Therefore, at 31 March 2012, deferred tax asset is recognized in the accompanying consolidated financial statements for tax losses carried forward amounting to TL 17,422,625 (31 December 2011: TL 33,259,175).

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

24 Tax assets and liabilities *(continued)*

Expiration dates of tax losses are as follows:

	31 March 2012	31 December 2011
2017	2,548,956	--
2016	215,128,072	233,424,415
2015	4,012,658	1,827,009
2014	1,962,667	17,853,331
2013	--	995,117
2012	--	37,985
	223,652,353	**254,137,857**

25 Earnings per share

The calculation of basic and diluted earnings/ (losses) per share was calculated by dividing the income attributable to ordinary shareholders in consolidated statement of comprehensive income of this report to the weighted average number of ordinary shares outstanding:

	31 March 2012	(Unaudited) 31 March 2011
Net income for the period	76,508,243	17,098,023
Weighted average number of shares	694.568.640	668.000.000
Basic and Diluted Earnings per 1.000 Shares	**110.152**	**25.596**

26 Related parties

Since intra-group balances and transactions between the Company and its subsidiaries are eliminated at the preparation of the consolidated financial statements they are not disclosed in this note.

At 31 March 2012 and 31 December 2011, short-term trade receivables from related parties as follow:

	31 March 2012	31 December 2011
Trade receivables	12,426,807	9,514,653
Other receivables	1,946,464	251,970
	14,373,271	**9,766,623**

At 31 March 2012 and 31 December 2011, short-term trade payables to related parties as follow:

	31 March 2012	31 December 2011
Trade payables	13,204,826	29,156,434
Other payables	707,419	578,943
	13,912,245	**29,735,377**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

26 Related parties *(continued)*

Due from related parties

	31 March 2012		31 December 2011	
	Trade Receivables	**Other Receivables**	**Trade Receivables**	**Other Receivables**
Shareholders				
Said Haifawi	--	303,885	--	--
Receivables from other shareholders	--	11	--	11
Related Companies				
Acıbadem Sigorta	10,916,052	1,635,740	9,289,246	160,910
SZA	539,360	3,328	52,578	1,170
Acıbadem Üniversitesi	792,886	301	--	12,616
Kerem Aydınlar Vakfı	63,532	92	3,064	11
Aydınlar Sağlık Hizmetleri	47,329	--	25,537	92
Acıbadem Diş	44,896	36	55,419	389
Telepati Tanıtım	8,030	2,591	--	2,466
Tolga Sağlık	7,219	--	--	--
Alfa Pazarlama	4,599	--	--	--
Acıbadem Sigorta Aracılık	2,904	--	879	--
Acıbadem Proje	--	--	80,648	--
Almond Holding	--	--	--	60
Acıbadem Vakfı	--	9	--	--
Akademia	--	55	7,282	731
Aplus	--	--	--	73,038
BLAB	--	416	--	416
Acıbadem Yatırım	--	--	--	60
	12,426,807	**1,946,464**	**9,514,653**	**251,970**

Acıbadem Sigorta transactions include receivables from the treatment of Acıbadem Sigorta's customers at Acıbadem hospitals and outpatient clinics.

Acıbadem Sigorta Aracılık transactions represent the commissions paid to the company in regards to the customers of Acıbadem Sigorta Aracılık being exclusively at Acıbadem hospitals and outpatient clinics only.

Telepati Tanıtım transactions are for advertising services rendered to promote Acıbadem brand on various media channels.

SZA Gayrimenkul (Previously known as "Acıbadem Holding") transactions comprises of construction services rendered and rent payables.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

26 Related parties *(continued)*

Due to related parties

	31 March 2012		31 December 2011	
	Trade Payables	**Other Payables**	**Trade Payables**	**Other Payables**
Shareholders				
Mehmet Ali Aydınlar	--	689,007	--	18,888
Hatice Seher Aydınlar	--	1,773	--	1,889
Zeynep Aydınlar	--	1,773	--	520,798
Other	--	209	--	2,098
Related Companies			--	
Acıbadem Sigorta	7,922,983	384	1,080,179	325
Acıbadem Sigorta Aracılık	4,264,256	--	3,238,720	--
Telepati Tanıtım	499,141	--	1,206,912	--
SZA Gayrimenkul	421,021	317		
Acıbadem Diş	57,104	11,438	288,617	13,522
Aydınlar Sağlık Hizmetleri	32,617	--	455,556	--
Akademia	4,893	--	2,271	--
Acıbadem Sağlık ve Eğitim Vakfı İktisadi İşletmesi	2,811	--		
A Plus	--	--	13,872,341	--
Acıbadem Proje	--	--	8,938,931	18,478
Acıbadem Üniversitesi	--	--	51,770	--
Acıbadem Holding	--	--	21,137	437
Acıbadem Vakfı	--	2,518	--	2,508
	13,204,826	**707,419**	**29,156,434**	**578,943**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

26 Related parties *(continued)*

Related party transactions (Sales)

For the three-month periods ended 31 March, sales and services to related parties are as follows:

	2012		
	Service	**Fixed Asset**	**Other**
Acıbadem Sigorta	23,673,982	--	46,822
SZA	3,336,091	--	--
Acıbadem Üniversitesi	715,250	--	--
Telepati Tanıtım Hizmetleri	4,998	--	17,550
Tolga Sağlık	1,852	20,000	--
Aydınlar Sağlık	841	--	37,641
SZA Holding	--	--	72,448
	27,733,014	**20,000**	**174,461**

	(Unaudited) 2011	
	Service	**Other**
Acıbadem Sigorta	16,327,104	130,686
SZA	--	65,807
Acıbadem Proje Yönetimi	11,058	48,221
Telepati Tanıtım Hizmetleri	--	32,400
Acıbadem Diş	41	9,356
Acıbadem Üniversitesi	--	9,051
Çukurova Bilim	--	900
A Plus	9,161	--
	16,347,364	**296,421**

Related party transactions (Purchases)

For the three-month period ended 31March, the purchases from related parties are as follows:

	2012
	Service
Acıbadem Sigorta	11,415,800
Acıbadem Üniversitesi	754,529
Telepati Tanıtım	298,783
Aydınlar Sağlık	145,694
Acıbadem Vakfı	2,479
	12,617,285

	(Unaudited) 2011	
	Service	**Other**
A Plus	9,947,627	11,580
Acıbadem Sigorta	6,641,961	12,600
Acıbadem Proje Yönetimi	3,587,201	--
Acıbadem Üniversitesi	1,000,000	--
Telepati Tanıtım	519,710	--
Acıbadem Diş	100,720	--
Akademia	2,500	
	21,799,719	**24,180**

26 Related parties *(continued)*

Key management compensation

For the three month period ended 31 March 2012, sum of the compensation to key management is amounting to TL 2,273,422 ((Unaudited) 31 March 2011: TL 2,086,227). Total compensation amount contains wages and salaries paid to the key management.

Donations

For the three month period ended 31 March 2012, the Group have donations amounting to TL 30,784 to other governmental institutions (31 March 2011: Acıbadem University amounting to (Unaudited) TL 1,000,000).

27 Nature and level of risks arising from financial instruments

Financial Risk Management Policies

The main financial instruments of the Group are bank loans, receivables, payables, cash and short term bank deposits. The main reason for the usage of these financial instruments is providing funds for the Group's activities. The Group also has trade receivables and trade payables that directly occur during the main activities.

The financial risks are currency risk, interest risk, credit risk and liquidity risk. The Group management manages these risks as explained below:

Capital Risk Management

The primary objective of the Group is ensuring the continuity of operations while increasing profitability by using the balance between liabilities and equity in a most effective way. The capital structure of the Group is consists of the items which include the liabilities, cash and cash equivalents, paid-in capital which is explained in Note 17, capital reserves and profit reserves.

The cost of capital and the risks associated with each share capital component are evaluated by the key management of the Group. During these evaluations, if the acceptance of Board of Directors is needed, the key management represents the evaluation to the Board of Directors for their evaluation.

The general policy and procedure of the Group is not different from the previous period's.

Credit Risk

Credit risk is the risk of handling a financial loss which is caused by another related party by not fulfilling the obligations regarding to a financial instrument.

Having the financial instruments gives the risk of not fulfilling the requirements of the agreement by the other parties. The collection risk of the Group is mainly caused from its trade receivables and cash. Trade receivables are evaluated by management according to the Group's procedure and policies and are carried in the balance sheet as the net of impairment provision (Note 6).

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and Level of Risks Arising from Financial Instruments

Credit risk *(continued)*

At 31 March 2012, credit risk details are as follows:

	Receivables					
	Trade receivables		Other receivables			
31 March 2012	Related party	Other party	Related party	Other party	Bank deposits	Other
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	12,426,807	130,437,966	1,946,464	10,188,761	172,178,380	5,305,695
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--
A, Carrying amount of financial assets that are not overdue and not impaired	12,426,807	103,517,312	1,946,464	10,188,761	172,178,380	5,305,695
B, Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--
C, Carrying amount of assets that are overdue but not impaired	--	26,920,654	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
D, Carrying amount of assets that are impaired	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	8,622,596	--	--	--	--
- Impairment (-)	--	(8,622,596)	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
- Not overdue (gross carrying amount	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
E, Factors that include off balance sheet credit risks	--	--	--	--	--	--

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and Level of Risks Arising from Financial Instruments *(continued)*

Credit risk *(continued)*

At 31 December 2011, credit risk details are as follows:

	Receivables					
	Trade receivables		Other receivables			
31 December 2011	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**	**Other**
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	9,514,653	110,652,398	251,970	1,071,695	38,798,280	4,378,927
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--
A, Carrying amount of financial assets that are not overdue and not impaired	9,514,653	95,403,453	251,970	1,071,695	38,798,280	4,378,927
B, Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--
C, Carrying amount of assets that are overdue but not impaired	--	15,248,945	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
D, Carrying amount of assets that are impaired	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	8,387,210	--	--	--	--
- Impairment (-)	--	(8,387,210)	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
- Not overdue (gross carrying amount	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--
E, Factors that include off balance sheet credit risks	--	--	--	--	--	--

Liquidity Risk

The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets.

Liquidity risk is probability of not fulfill fund obligations of the Group. Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages its present and future funding risk by maintaining a balance between continuity and availability of funding through the use of bank loans and other borrowing sources from high quality lenders.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk *(continued)*

The tables listed below are representing the maturities of non-derivative financial liabilities.

At 31 March 2012, maturities of non-derivative financial liabilities are as follows:

Contractual maturities	Carrying value	Total cash outflow per agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (III-)	Between 1-5 years (II)	Over 5 years (V)	Without maturity
Non-derivative financial liabilities							
Financial liabilities	879,582,274	997,525,129	80,195,665	99,324,746	752,364,277	65,640,441	--
Financial lease liabilities	107,890,753	124,440,269	4,275,005	22,981,507	85,532,590	11,651,167	--

Contractual maturities	Carrying value	Total cash outflow per agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (III-)	Between 1-5 years (II)	Over 5 years (V)	Without maturity
Non-derivative financial liabilities							
Trade payables	126,215,995	127,927,231	90,591,863	27,611,851	9,723,517	--	--
Due to related parties	13,204,826	13,957,064	9,643,052	4,314,012	--	--	--
Other payables (*)	71,110,213	71,110,213	19,150,468	22,108,057	29,851,688	--	--

(*) Other payables comprise; other liabilities amounting to TL 44,891,702, other short-term payables amounting to TL 27,766,277 and long term other payables amounting to 29,851,688; excluding social security and tax payables, deferred income and advances received from patients.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk *(continued)*

At 31 December 2011, maturities of non-derivative financial liabilities are as follows:

Contractual maturities	Carrying value	Total cash outflow per agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (II)	Over 5 years (III)	Without maturity
Non-derivative financial liabilities							
Financial liabilities	958,127,449	1,005,309,986	40,642,053	61,054,293	803,391,751	100,221,889	--
Financial lease liabilities	103,786,952	120,144,221	4,218,123	21,420,572	80,980,612	13,524,914	--
Expected maturities	**Carrying value**	**Expected total cash out flow (=I+II+III)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (II)**	**Over 5 years (III)**	**Without maturity**
Non-derivative financial liabilities							
Trade payables	131,484,737	132,645,804	92,904,807	31,267,098	8,473,899	--	--
Due to related parties	29,156,434	29,278,050	20,660,244	8,617,806	--	--	--
Other payables (*)	69,275,269	69,275,269	14,208,152	18,206,729	36,860,388	--	--

(*) Other payables comprise; other liabilities amounting to TL 39,525,059, due to related parties TL 578,943, other payables amounting to TL 21,404,614, other non-current liabilities amounting to TL 4,938,537 excluding social security and tax payables, deferred income and advances received from patients.

27 Nature and level of risks arising from financial instruments

Market risk

The Group is exposed to market risk arising from changes in interest rates, foreign currency or in the fair value of financial assets and other financial contracts that may affect the Group adversely. The major risks for the Group are currency risk and interest rate risk, which result from operating activities.

Foreign currency risk and related sensitivity analysis

Foreign exchange risk of the Group mainly results from liabilities denominated in USD, CHF and Euro.
Additionally, the Group has foreign exchange risk resulting from the transactions it makes. These risks are derived from good purchases and sales and use of loans and finance leases in foreign currency which is different from the Group's functional currency.

At 31 March 2012 and 31 December 2011, the net foreign currency position of the Group is TL 909,398,493 and TL 1,050,430,059 (short) position, respectively.

	31 March 2012	**31 December 2011**
Foreign currency denominated assets	9,676,303	1,843,518
Foreign currency denominated liabilities	(1,014,811,399)	(1,121,218,427)
	(1,005,135,096)	**(1,119,374,909)**
Foreign currency derivatives	95,736,600	68,944,850
Net foreign currency position	**(909,398,496)**	**(1,050,430,059)**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

At 31 March 2012, foreign currency position details are as follows:

	31 March 2012						
CONSOLIDATED	**TL Equivalent (Functional currency)**	**USD**	**Euro**	**MKD**	**GBP**	**CHF**	**Other**
1. Trade receivables	208,301	13,368	78,009	--	--	--	--
2a.Monetary financial assets (include cash and bank deposit)	5,070,078	2,279,797	428,061	--	4,465	1,324	--
2b. Non-monetary financial assets	--	--	--	--	--	--	--
3. Other	4,397,924	2,423,424	42,865	--	--	--	--
4. Current Assets (1+2+3)	**9,676,303**	**4,716,589**	**548,935**	--	**4,465**	**1,324**	--
5. Trade receivables	--	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--
8. Non Current Assets (5+6+7)	**--**	**--**	**--**	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**9,676,303**	**4,716,589**	**548,935**	--	**4,465**	**1,324**	--
10. Trade payables	16,876,562	5,248,678	3,192,757	--	5,584	--	--
11. Financial liabilities	100,336,584	43,947,883	5,900,229	--	--	4,313,876	--
12a. Other monetary liabilities	21,829,812	12,065,771	185,263	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	**139,042,957**	**61,262,332**	**9,278,249**	**--**	**5,584**	**4,313,876**	--
14. Trade payables	4,301,846	2,416,000	7,826	--	--	--	--
15. Financial liabilities	842,105,320	431,149,960	12,650,106	--	--	24,368,578	--
16a. Other monetary liabilities	29,361,276	15,950,692	457,359	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--	--

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

At 31 March 2012, foreign currency position details are as follows:

17. Non-Current Liabilities (14+15+16)	**875,768,438**	**449,516,652**	**13,115,291**	**--**	**--**	**24,368,578**	**--**
18. Total Liabilities (13+17)	**1,014,811,399**	**510,778,984**	**22,393,540**	**--**	**5,584**	**28,682,454**	**--**
19. Off balance sheet foreign currency denominated derivatives net assets/liabilities position (19a-19b)	95,736,600	54,000,000	--	--	--	--	--
19a. Off balance sheet foreign currency denominated derivatives assets amount	95,736,600	54,000,000	--	--	--	--	--
19b. Off balance sheet foreign currency denominated derivatives liabilities amount	--	--	--	--	--	--	--
20. Net foreign currency denominated assets /(liabilities) position (9-18+19)	(909,398,493)	(452,062,395)	(21,844,605)	**--**	(1,119)	(28,681,130)	--
21. Monetary accounts net foreign currency denominated assets /(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(1,009,533,020)	(508,485,819)	(21,887,470)	**--**	(1,119)	(28,681,130)	**--**
22. Fair value of hedging financial instruments	--	--	--	--	--	--	--
23. Hedged foreign currency denominated assets	--	--	--	--	--	--	--
24. Hedged foreign currency denominated Liabilities	--	--	--	--	--	--	--
25. Export	--	--	--	--	--	--	--
26. Import	--	--	--	--	--	--	--

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

At 31 December 2011, foreign currency position details are as follows:

	31 December 2011						
CONSOLIDATED	**TL Equivalent (Functional currency)**	**USD**	**Euro**	**MKD**	**GBP**	**CHF**	**Other**
1. Trade receivables	57,380	7,620	17,590	--	--	--	--
2a.Monetary financial assets (include cash and bank deposit)	1,582,112	432,123	312,277	--	225	1,035	--
2b. Non-monetary financial assets	--	--	--	--	--	--	--
3. Other	--	--	--	--	--	--	--
4. Current Assets (1+2+3)	**1,639,492**	**439,743**	**329,867**	--	**225**	**1,035**	--
5. Trade receivables	--	--	--	--	--	--	--
6a. Monetary financial assets	204,026	--	83,487	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--
8. Non Current Assets (5+6+7)	**204,026**	--	**83,487**	--	--	--	--
9. Total Assets (4+8)	**1,843,518**	**439,743**	**413,354**	--	**225**	**1,035**	--
10. Trade payables	16,674,007	3,093,216	4,410,041	--	18,503	--	--
11. Financial liabilities	102,245,713	41,407,971	4,148,789	130,833,453	--	4,297,976	--
12a. Other monetary liabilities	16,892,910	8,943,253	--	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	**135,812,630**	**53,444,440**	**8,558,830**	**130,833,453**	**18,503**	**4,297,976**	--
14. Trade payables	5,451,602	2,876,000	7,826	--	--	--	--
15. Financial liabilities	944,356,671	453,732,630	10,038,015	333,622,773	--	24,591,218	--
16a. Other monetary liabilities	35,597,524	18,845,637	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--	--	--

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

At 31 December 2011, foreign currency position details are as follows:

17. Non-Current Liabilities (14+15+16)	**985,405,797**	**475,454,267**	**10,045,841**	**333,622,773**	--	**24,591,218**	--
18. Total Liabilities (13+17)	**1,121,218,427**	**528,898,707**	**18,604,671**	**464,456,226**	**18,503**	**28,889,194**	--
19. Off balance sheet foreign currency denominated derivatives net assets/liabilities position (19a-19b)	68,944,850	36,500,000	--	--	--	--	--
19a. Off balance sheet foreign currency denominated derivatives assets amount	68,944,850	36,500,000	--	--	--	--	--
19b. Off balance sheet foreign currency denominated derivatives liabilities amount	--	--	--	--	--	--	--
20. Net foreign currency denominated assets /(liabilities) position (9-18+19)	(1,050,430,059)	(491,958,964)	(18,191,317)	(464,456,226)	(18,278)	(28,888,159)	(1,050,430,059)
21. Monetary accounts net foreign currency denominated assets /(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(1,119,374,909)	(528,458,964)	(18,191,317)	(464,456,226)	(18,278)	(28,888,159)	(1,119,374,909)
22. Fair value of hedging financial instruments	--	--	--	--	--	--	--
23. Hedged foreign currency denominated assets	--	--	--	--	--	--	--
24. Hedged foreign currency denominated liabilities			--	--	--	--	--
25. Export	--	--	--	--	--	--	--
26. Import	--	--	--	--	--	--	--

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

The foreign currency risk of the Group is arising from bank loans and financial lease liabilities and other transactions realized in currencies other than functional currency of the Group. Acıbadem Sağlık hedges a portion of principals and the related interest payments related to the long term bank loan in USD. National amount of forward contracts are USD 54,000,000.

The changes in foreign currency position of the Group as of the balance sheet date are as follows:

Foreign currency sensitivity analysis				
31 March 2012				
	Profit/Loss		Equity	
	Increase of foreign currency	Decrease of foreign currency	Increase of foreign currency	Decrease of foreign currency
Change of USD exchange rate against TL by 10%:				
1- USD denominated net assets/liabilities	(89,719,802)	89,719,802	--	--
2- Hedged amount against USD Dollar risk (-)	9,573,660	(9,573,660)	--	--
3- Net effect of USD (1+2)	**(80,146,142)**	**80,146,142**	**--**	**--**
Change of Euro exchange rate against TL by 10%:				
4- Euro denominated net assets/liabilities	(5,169,307)	5,169,307	--	--
5- Hedged amount against Euro risk (-)	--	--		--
6- Net effect of Euro (4+5)	**(5,169,307)**	**5,169,307**	**--**	**--**
Change of other currencies against TL by 10%:				
7- Other foreign currency denominated net assets/liabilities	(5,624,400)	5,624,400	--	--
8- Hedged amount against other foreign risk (-)	--	--	--	--
9- Net effect of other foreign currency (7+8)	**(5,624,400)**	**5,624,400**	**--**	**--**
TOTAL (3+6+9)	**(90,939,849)**	**90,939,849**	**--**	**--**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Foreign currency sensitivity analysis				
31 December 2011				
	Profit/Loss		Equity	
	Increase of foreign currency	Decrease of foreign currency	Increase of foreign currency	Decrease of foreign currency
Change of USD exchange rate against TL by 10%:				
1- USD denominated net assets/liabilities	(99,820,614)	99,820,614	--	--
2- Hedged amount against USD Dollar risk (-)	6,894,485	(6,894,485)	--	--
3- Net effect of USD (1+2)	**(92,926,129)**	**92,926,129**	**--**	**--**
Change of Euro exchange rate against TL by 10%:				
4- Euro denominated net assets/liabilities	(4,445,594)	4,445,594	--	--
5- Hedged amount against Euro risk (-)	--	--	--	--
6- Net effect of Euro (4+5)	**(4,445,594)**	**4,445,594**	**--**	**--**
Change of other currencies against TL by 10%:				
7- Other foreign currency denominated net assets/liabilities	(7,671,283)	7,671,283	--	--
8- Hedged amount against other foreign risk (-)	--	--	--	--
9- Net effect of other foreign currency (7+8)	**(7,671,283)**	**7,671,283**	**--**	**--**
TOTAL (3+6+9)	**(105,043,006)**	**105,043,006**	**--**	**--**

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

27 Nature and level of risks arising from financial instruments *(continued)*

Interest rate risk

The Group is exposed to interest rate risk arising from interest rate sensitive financial liabilities. As part of its fund management policy, the interest risk of interest bearing assets is calculated by performing sensitivity analysis. The sensitivity of interest sensitive assets in response to changes in market interest rates is computed based on the average maturities and average interest sensitive assets; the interest rate risk arising from the securities portfolio held as part of fund management function is monitored within expectations of market rates by closely watching the financial markets.

Additionally, at 31 March 2012, the Company has interest rate swap transactions which are hedging USD 69,300,000 portion of outstanding USD 168,000,000 loan obtained from Garanti Bankası from the risk of interest rate changes. The interest rate position table is as follows:

Interest rate position			
		31 March 2012	**31 December 2011**
Fixed interest bearing financial instruments			
Financial assets	Time deposits	166,065,252	35,839,887
Financial liabilities		207,844,920	192,549,027
Variable interest bearing financial instruments			
Financial assets		--	--
Financial liabilities		779,628,107	869,050,106

At 31 March 2012, interest bearing assets and liabilities consist of bank loan, bank deposits and financial leases, if the interest rates applied to Group increase by 1 percent, the net profit of the period will decrease by TL 1,616,875; if the interest rates applied to Group decrease by 1 percent, the net profit of the period will increase by TL 1,674,620.

28 Financial Instruments: Fair Value Disclosure

At 31 March 2012 and 31 December 2011, fair value of financial assets and liabilities are as below:

		31 March 2012		**31 December 2011**	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets					
Cash and cash equivalents (*)	4	177,484,075	177,484,075	43,177,207	43,177,207
Trade receivables	6	130,437,966	130,437,966	110,652,398	110,652,398
Trade receivables from related parties	26	12,426,807	12,426,807	9,514,653	9,514,653
Other receivables from related parties	26	1,946,464	5,852,163	251,970	251,970
Other receivables	7	10,188,761	6,283,062	1,071,695	1,071,695
Other current and non-current assets (**)	16	842,436	842,436	568,632	568,632
		333,326,509	**333,326,509**	**165,236,555**	**165,236,555**

(*) For the fair value measurement, cash on hand is excluded from cash and cash equivalents.
(**) For the fair value measurement; various prepaid expenses, prepaid taxes and funds and income accruals, advances given are excluded from other current and non-current assets.

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

28 Financial Instruments: Fair value disclosure *(continued)*

		31 March 2012		31 December 2011	
Financial liabilities	**Note**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial liabilities	5	987,473,027	987,473,027	1,061,914,401	1,061,914,401
Trade payables	6	126,215,995	126,215,995	131,484,737	131,484,737
Trade payables to related parties	26	13,204,826	13,204,826	29,156,434	29,156,434
Other payables to related parties	26	707,419	707,419	578,943	578,943
Other payables (*)	7	51,517,275	51,517,275	54,488,174	54,488,174
Other liabilities (*)	17	17,437,071	17,437,071	14,208,152	14,208,152
		1,196,555,613	**1,196,555,613**	**1,291,830,841**	**1,291,830,841**

(*) For the fair value measurement, social security, taxes payable, advances received and deferred income is excluded from other liabilities and payables.

Fair value is the amount which can be measurable with closest market price that can be obtained in a sale process except forced sale or liquidation in which there are applicants for both selling and buying.

The estimated fair values of financial instruments have been determined using available market information by the Group, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Company has used available market information in estimating the fair values, the market information may not be fully reflective of the value that could be realized in the current circumstances. The following methods and assumptions are used for the determination of fair values of financial instruments:

Fair values of cash and cash equivalents, including accrued interest, and other financial assets are assumed to approximate their carrying amounts due to their short-term maturity and being subject to insignificant credit risk. Fair values of trade receivables net of doubtful receivables are assumed to approximate their carrying amounts.

Classification of fair value measurement

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

31 March 2012	**Level 1**	**Level 2**	**Level 3**
Fair value through profit/loss -Interest rate swap	--	3,715,464	--
Fair value through profit/loss –forward	--	1,754,116	--
Mutual funds	963,587	--	--

31 December 2011	**Level 1**	**Level 2**	**Level 3**
Fair value through profit/loss -Interest rate swap	--	5,211,751	--
Fair value through profit/loss –forward	--	7,663,242	--
Mutual funds	484,910	--	--

Amounts expressed in Turkish Lira ("TL") unless otherwise stated.

29 Subsequent events

The Group has evaluated subsequent events through the date the financial statements were issued and determined that following subsequent events require disclosure:

Mandatory Tender Offer

Communiqué Serial: IV No: 44 on the principles regarding the collection of corporation shares through takeover bid, requires mandatory tender offer ("MTO") and the Group's application was approved by the Capital Market Board during the meeting on 23 March 2012. The price for the offering was determined at TL 24.81 per each B class share with a nominal value of TL 1 each.

Prior to the offering, there were 8.038.878 B class shares available and held by third parties. MTO took place for 10 business days between 27 March 2012 and 9 April 2012. Almond Holding which is the subsidiary of the Group was the offering company for the collection shares on behalf of the Group.

As a result of the transaction, Almond Holding has increased its ownership in Acıbadem Sağlık's capital from TL 91,969,122 (91.97%) to TL 97,334,081 (97.33%). The ownership structure before and after the MTO was shown as below;

		Pre-MTO			Post-MTO		
Shareholder	**Class**	**Capital (TL)**	**Capital (Unit)**	**Ownership %**	**Capital (TL)**	**Capital (Unit)**	**Ownership %**
Almond Holding A.Ş.	A	4,249,973	4.249.973	4.25	4,249,973	4.249.973	4.25
Almond Holding A.Ş.	B	87,719,149	87.719.149	87.72	93,084,108	93.084.108	93.09
Mehmet Ali Aydınlar	B	395,826	395.826	0.40	30,001	30.001	0.03
Hatice Seher Aydınlar	B	1	1	0.00	1	1	0.00
Yunus Ergüz	B	1,000,000	1.000.000	1.00	20,000	20.000	0.02
Armağan Özel	B	998,314	998.314	1.00	50,000	50.000	0.05
Günhan Uğurlu	B	998,320	998.320	1.00	50,000	50.000	0.05
Other Real Persons	B	2,524,640	2.524.640	2.52	1,252,421	1.252.421	1.25
Floating shares	B	2,113,777	2.113.777	2.11	1,263,496	1.263.496	1.26
Total		**100,000,000**	**100.000.000**	**100.00**	**100,000,000**	**100.000.000**	**100.00**

Suspension of Göztepe Şafak Hospital

Effective from 17 April 2012, Göztepe Şafak Hospital which is under Yeni Sağlık Hizmetleri Ticaret ve A.Ş. has suspended its hospital operations according to an evaluation study on the static carriage system of hospital building which is leased from third parties. As a result of the study, the reinforcement work is required in order to continue hospital's ongoing operations.

Delisting of Acıbadem Sağlık from Istanbul Stock Exchange ("ISE") Quotation

As a result of MTO explained above, the Group's subsidiary, Almond Holding A.Ş., has increased its ownership shares in Acıbadem Sağlık to 97.33% from 91.97%. Group applied to Istanbul Stock Exchange and CMB for the acknowledgement and authorization of delisting of Acıbadem Sağlık in accordance with the CMB's decision at the meeting dated on 30 July 2010 and No. 22/675 and Principles of Delisting Transactions for Public Companies.

29 Subsequent Events *(continued)*

Acıbadem Maslak Hospital Expansion Project

During April 2012, Acıbadem Sağlık commenced an expansion project for an additional building to Maslak Hospital for the improvement of the hospital's ongoing operations and efficiency. Total estimated cost of the project is amounting to USD 56 million with a planned facility area of 50.000 square meters. As part of the project, current lease signed with Türkiye İşveren Sendikaları Konfederasyonu Mikrocerrahi ve Rekonstrüksiyon Vakfı has been amended effective from 9 April 2012. Existing lease agreement for the building has been extended until 2031.

This page has been intentionally left blank.

APPENDIX R:
COMPARISON BETWEEN THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES AND THE LISTING MANUAL OF THE SGX-ST

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
Rule 703 — Disclosure of Material Information	**Chapter 9 Part C — Immediate Disclosure of Material Information**
Under Rule 703 of the SGX-ST Listing Manual, an issuer (the **"Issuer"**) is, subject to certain exceptions described below, required to announce any information known to it concerning it or any of its subsidiaries or associated companies which: (a) is necessary to avoid establishment of a false market in the Issuer's shares; or (b) would be likely to materially affect price or value of the Issuer's shares. A false market exists when there is a non-disclosure of information which is likely to influence persons who commonly invest in securities in deciding whether to buy or sell securities.	Under paragraph 9.03 of the Listing Requirements, a listed issuer must make immediate public disclosure of any material information, except as set out in certain exceptions described below. Information is considered material, if it is reasonably expected to have a material effect on — (a) the price, value or market activity of any of the listed issuer's securities; or (b) the decision of a holder of securities of the listed issuer or an investor in determining his choice of action.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
Exceptions to Disclosure under Rule 703 **<u>Exception 1</u>** Where disclosure of information results in a breach of law (not just breach of contractual duty of confidentiality). **<u>Exception 2</u>** Where the relevant information meets the requirements of all 3 conditions below: *Condition 1:* a reasonable person would not expect the information to be disclosed; *Condition 2:* the information is confidential; and *Condition 3:* the information has one or more characteristics below: (i) concerns incomplete proposal or negotiation; (ii) matters of supposition or is insufficiently definite to warrant disclosure; (iii) generated for internal management purposes (e.g. internal estimates or earnings projections); or (iv) the information is a trade secret.	A listed issuer may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, the listed issuer must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time. The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure. **Exceptional circumstances where disclosure may be temporarily withheld** **<u>Exception 1</u>** When immediate disclosure would prejudice the ability of the listed issuer to pursue its corporate objectives. Public disclosure of a plan to acquire certain real estate for example, could result in an increase in the listed issuer's cost of the desired acquisition or could prevent the listed issuer from carrying out the plan at all. In such circumstances, if the unfavourable result to the listed issuer outweighs the undesirable consequences of non-disclosure, disclosure may properly be deferred to a more appropriate time.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
	Exception 2 When the facts are in a state of flux and a more appropriate moment for disclosure is imminent. Occasionally, corporate developments give rise to information which, although material, is subject to rapid change. If the situation is about to stabilise or resolve itself in the near future, it may be proper to withhold public announcement until a firm announcement may be made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public rather than enlighten it. In the course of a successful negotiation for the acquisition of another corporation, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly after that, it may become apparent to the parties that it is likely an agreement can be reached. Finally, an agreement in principle may be reached on specific terms. In such circumstances a listed issuer need not issue a public announcement at each stage of the negotiations, describing the current state of constantly changing facts but may await agreement in principle on specific terms. If, on the other hand, progress in the negotiations should stabilise at some other point, disclosure should then be made if the information is material.
	Exception 3 Where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
Chapter 9 — Interested Person Transactions	**Chapter 10 Part E — Related Party Transactions**
Chapter 9 of the Listing Manual deals with interested person transactions involving the Issuer. The objective of Chapter 9 is to guard against the risk that interested persons could influence an issuer, its subsidiaries and associated companies, to enter into transactions with interested persons, which may adversely affect the interests of the issuer or its shareholders. <u>Interested Person Transaction, Entity at Risk and Interested Person</u> An "interested person transaction" is defined in Chapter 9 of the Listing Manual as a transaction between an entity at risk and an interested person. There is no exhaustive list of all types of transactions which may constitute an interested person transaction. Chapter 9 of the Listing Manual provides that the following types of transactions are included: • the provision and receipt of financial assistance; • the acquisition, disposal or leasing of assets; • the provision or receipt of services; • the issuance or subscription of securities; • the granting of, or being granted, options; and • the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).	An "related party transaction" is defined in paragraph 10.02 of the Listing Requirements as a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party. Paragraph 10.02 of the Listing Requirements provides that the following types of transactions are included: • the acquisition, disposal or leasing of assets; • the establishment of joint ventures; • the provision of financial assistance; • the provision or receipt of services; or • any business transaction or arrangement entered into, by a listed issuer or its subsidiaries; and excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary. Paragraph 2 of the Listing Requirements define a "related party" as a director, major shareholder or person connected with such director or major shareholder.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD (“BURSA”) MALAYSIA MAIN MARKET LISTING REQUIREMENTS (“LISTING REQUIREMENTS”)
Chapter 9 of the Listing Manual defines an “entity at risk” to mean: • the Issuer; • a subsidiary of the Issuer that is not listed on the SGX-ST or an approved exchange; or • an associated company (being a company in which at least 20% but not more than 50% of its shares are held by the listed company or group) of the Issuer that is not listed on the SGX-ST or an approved exchange, provided that the Issuer and its subsidiaries (the “**Group**”), or the Group and its interested person(s), has control over the associated company (being a company in which at least 20% but not more than 50% of its shares are held by the issuer or the Group). Chapter 9 of the Listing Manual defines an “interested person” to mean, in the case of a company: • a director, chief executive officer or controlling shareholder (being a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the issuer, or a person who in fact exercises control over the issuer) of the issuer; or • an associate of any such director, chief executive officer or controlling shareholder.	A “major shareholder” means a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is – (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation. A “person connected” with such director or major shareholder means such person who falls under any one of the following categories: (a) a family member of the director or major shareholder, being the: (i) spouse; (ii) parent; (iii) child including an adopted child and step-child; (iv) brother or sister; or (v) spouse of the person referred to in subparagraphs (iii) and (iv) above. (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the director, major shareholder, or a family member of the director, major shareholder, is the sole beneficiary;

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD (“BURSA”) MALAYSIA MAIN MARKET LISTING REQUIREMENTS (“LISTING REQUIREMENTS”)
An “associate” is defined as follows: • in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:– (i) his spouse, child, adopted child, step-child, sibling and parent (“**immediate family**”); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and • in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.	(c) a partner of the director, major shareholder, management team member, or a partner of a person connected with that director or major shareholder; (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; (e) a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; (g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act; (h) a body corporate in which the director or major shareholder, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or (i) a body corporate which is a related corporation.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD (“BURSA”) MALAYSIA MAIN MARKET LISTING REQUIREMENTS (“LISTING REQUIREMENTS”)
(A) Announcement Requirement An issuer must make an immediate announcement of any interested person transaction (except for certain excepted categories of transactions) of a value equal to, or more than, 3% of the Group’s latest audited net tangible assets. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group’s latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. These announcement requirements do not apply to any transaction of a value below S$100,000.	(A) Announcement Requirement Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must announce the related party transaction to Bursa as soon as possible after terms of the transaction have been agreed, unless – (a) the value of the consideration of the transaction is less than RM250,000; or (b) it is a recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations (“Recurrent Related Party Transaction”). “percentage ratios” means the figures, expressed as a percentage, resulting from each of the following calculations: (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer; (ii) net profits (after deducting all charges and taxation and excluding extraordinary items) attributable to the assets which are the subject matter of the transaction, compared with the net profits of the listed issuer; (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed issuer; (iv) the equity share capital issued by the listed issuer as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares); (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares);

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
	(vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer; (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer compared with the total assets of the listed issuer or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed issuer. The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer; or (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years;
(B) Shareholder Approval An issuer must obtain shareholder approval for any interested person transaction (except for certain excepted categories of transactions) of a value equal to, or more than: (i) 5% of the Group's latest audited net tangible assets; or (ii) 5% of the Group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.	(B) Shareholder Approval An issuer must obtain shareholder approval of the related party transaction where any one of the percentage ratios of a related party transaction is 5% or more. This requirement to obtain shareholder approval does not apply to any transaction of a value below RM250,000. A listed issuer may seek a general mandate from shareholders for recurrent related party transactions such as the purchase and sale of supplies and materials, but not in respect of transactions out of the listed issuer's ordinary course of business. A general mandate is subject to annual renewal.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
This requirement to obtain shareholder approval does not apply to any transaction of a value below S$100,000. A listed issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.	
(C) Annual Report A listed issuer must disclose the aggregate value of all interested person transactions entered into during the financial year under review in its annual report.	(C) Annual Report A listed issuer must disclose the aggregate value of all Recurrent Related Party Transactions of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09 (1) of the Listing Requirements.
Chapter 10 — Acquisitions and Realisations	**Chapter 10 Part D — Acquisitions and Disposals**
Certain acquisitions and disposals by the Issuer and its subsidiaries require announcements and/or shareholders' approval, dependant on the category of transaction the acquisition or disposal falls under. Transactions under Chapter 10 are classified as (A) non-discloseable transactions; (B) discloseable transactions; (C) major transactions; or (D) very substantial acquisitions or reverse takeovers, according to the relative figures computed on any one of the following four bases: • net asset value of the relevant assets to be disposed, compared against the net asset value of the Issuer Group (not applicable to acquisitions) • net profits attributable to the relevant assets to be acquired or disposed, compared against the net profits of the Issuer Group	Pursuant to Chapter 10 of the Listing Requirements, certain acquisitions and disposals by the Issuer and its subsidiaries require announcements and/or shareholders' approval, dependant on the percentage ratios of a transaction. Where all the percentage ratios of a transaction are less than 5% and the consideration is satisfied in cash or unquoted securities, no announcement of the transaction to the Exchange is required. Where any one of the percentage ratios of a transaction is 5%, or more, the listed issuer must announce the transaction to the Exchange as soon as possible after terms of the transaction have been agreed. Where any one of the percentage ratios of a transaction is 25% or more, in addition to the announcement, the listed issuer must issue a circular and seek shareholder approval of the transaction in a general meeting.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
• consideration for the relevant assets to be acquired or disposed, compared against the market capitalisation of the Issuer • number of equity securities to be issued by the Issuer as consideration, compared against the number of equity securities previously in issue The SGX may aggregate separate transactions completed within the last 12 months and treat them as one transaction. **(A) Non-Discloseable Transactions** If all of the relative figures computed on the bases set out above amount to 5% or less, the transaction amounts to a non-discloseable transaction and no announcement of the transaction would be required. **(B) Discloseable Transactions** Where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the transaction amounts to a discloseable transaction and an announcement would be required. **(C) Major Transactions** Where any of the relative figures computed on the bases set out above exceeds 20%, the transaction amounts to a major transaction and both an announcement and shareholders' approval would be required.	Where a transaction is a very substantial transaction, which means that it is a disposal or acquisition of an asset where any of the percentage ratios is 100% or more, except an acquisition which will result in a significant change in the business direction or policy of a listed corporation, both an announcement and shareholders' approval would be required. Where a transaction will result in a significant change in the business direction or policy of the listed corporation, the listed issuer must first procure the SC's approval for the transaction, in addition to an announcement and shareholders' approval. Bursa may aggregate separate transactions and treat such transactions as if they were as one transaction if the terms of such transactions were agreed upon within a period of 12 months.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
(D) Very Substantial Acquisitions or Reverse Takeovers Where an acquisition of assets (whether or not in the ordinary course of business) is one where the relative figures computed on the bases set out above equals or exceeds 100%, or is one which results in a change of control of the Issuer, the transaction amounts to a very substantial acquisition or reverse takeover and, in addition to an announcement, both shareholders' approval and the approval of the SGX-ST would be required.	
Chapter 13 — Delisting	**Chapter 16 — Suspension, De-Listing and Enforcement**
Under Chapter 13 of the SGX-ST Listing Manual, the SGX-ST may delist an Issuer (without the agreement of the Issuer) if:– • the issuer is unable or unwilling to comply with, or contravenes, a listing rule; • in the opinion of the SGX-ST, it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market; • in the opinion of the SGX-ST, it is appropriate to do so; or • the Issuer has no listed securities. The SGX-ST may agree to an application by an Issuer to delist from the SGX-ST if:– • the Issuer convenes a general meeting to obtain shareholder approval for the delisting; • the resolution to delist the Issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the Issuer's directors and controlling shareholder need not abstain from voting on the resolution); and	Under paragraph 16.11 of the Listing Requirements, Bursa may at any time de-list a listed issuer in any of the following circumstances: • where the listed issuer fails to comply with these Requirements, subject to consultation with the SC; • in other circumstances as provided under paragraphs 8.03, 8.04, 9.28 or paragraphs 2, 3, and 4 of Practice Note 29, upon which Bursa will notify the SC of the same; • upon the de-listing of the listed issuer or the de-listing of such securities on another stock exchange; • where in the opinion of Bursa, circumstances exist which do not warrant the continued listing of a listed issuer or any class of its listed securities, subject to consultation with the SC where applicable. • pursuant to a directive, requirement or condition imposed by the SC, after which the Exchange will notify the SC of the decision to de-list; • upon the maturity or expiry of a class of securities; • upon the commencement of a voluntary winding-up of a listed issuer in accordance with the Companies Act, 1965;

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES BERHAD ("BURSA") MALAYSIA MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS")
• the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting. The above requirements do not apply to a delisting pursuant to a voluntary liquidation or a scheme of arrangement. If an issuer is seeking to delist from the SGX-ST: • a reasonable exit alternative, which should normally be in cash, should be offered to (a) the Issuer's shareholders and (b) holders of any other classes of listed securities to be delisted. • the Issuer should normally appoint an independent financial adviser to advise on the exit offer.	• upon a winding up order being made against a listed issuer; • where a structured warrant has been fully exercised before expiry or maturity; • in the case of a structured warrant, upon the de-listing of the underlying securities by the securities exchange where it is quoted; Bursa may grant a listed issuer's request for withdrawal from the Official List if: • the listed issuer convenes a general meeting to obtain its shareholder approval and a separate meeting for the approval of the holders of any other class of listed securities, if applicable and the circular sent to the shareholders and the holders of any other class of listed securities; • the resolution for the withdrawal of its listing is approved by a majority in number representing three fourths in value of the shareholders and holders of any other class of listed securities, if applicable, present and voting either in person or by proxy at the meetings and provided that such shareholders and holders of any other class of listed securities who object to the withdrawal is not more than 10% of the value of the shareholders and holders of any other class of listed securities present and voting either in person or by proxy. Where the constituent document of the listed issuer imposes a stricter condition in respect of the votes required to approve the withdrawal of listing, such stricter condition will apply in substitution of the foregoing provision; • the shareholders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative ("exit offer"); and • the listed issuer appoints an independent adviser, which meets the approval of the independent directors, to advise and make recommendations for the consideration of the shareholders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of its listing as well as the fairness and reasonableness of the exit offer.

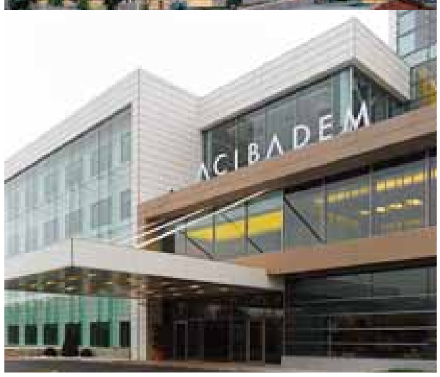
IHH Healthcare Berhad

(formerly known as
Integrated Healthcare Holdings Berhad)
(Company No. 901914-V)
(Incorporated in Malaysia under the
Companies Act 1965)

Registered Office:
IHH Healthcare Berhad
Suite 17-01, Level 17
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Hospitals in Singapore

Hospitals in Turkey



Hospitals in Malaysia