IHH Healthcare Berhad

IHH HEALTHCARE BERHAD (FORMERLY KNOWN AS INTEGRATED HEALTHCARE HOLDINGS BERHAD) ("IHH" OR THE "COMPANY")

ANNOUNCEMENT OF SUCCESSFUL BID BY WAY OF PUBLIC TENDER BY GHK HOSPITAL LIMITED ("GHK"), A 60%-OWNED INDIRECT SUBSIDIARY OF IHH, FOR THE ACQUISITION OF A SITE, AND CONSTRUCTION, DEVELOPMENT AND OPERATION OF A PRIVATE HOSPITAL LOCATED IN HONG KONG SPECIAL ADMINISTRATIVE REGION

Pursuant to Paragraph 9.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of IHH is pleased to announce that GHK had, on 13 March 2013, signed a definitive Memorandum of Agreement and Conditions of Sale (Land Grant) as well as Service Deed with The Government of Hong Kong Special Administrative Region, upon having successfully won the bid by way of public tender for the acquisition of a site identified as Aberdeen Inland Lot No. 458, Nam Fung Path, Wong Chuk Hang, Hong Kong with a total site area and maximum gross floor area of approximately 27,500 square metres and 46,750 square metres respectively (the "**Site**"), as well as the construction, development and operation of a private hospital (the "**Hospital**") on the Site (the "**Project**").

Background Information of GHK

GHK is a 60%-owned subsidiary of Parkway HK Holdings Limited ("**Parkway HK**") whilst Media Year Investments Limited ("**Media Year**") owns the remaining 40%.

Parkway HK is a wholly-owned indirect subsidiary of IHH.

Media Year is a wholly-owned subsidiary of NWS Holdings Limited, a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited, which in turn is a 60.7%-owned subsidiary of New World Development Company Limited, a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Details of the Project

It is estimated that the Project will involve a capital investment of approximately HKD5 billion (equivalent to RM2,000,630,000[i]) which is inclusive of land cost for the acquisition of the Site amounting to HKD1.688 billion (equivalent to RM675,412,688[i]).

The said capital investment, including land cost, will be funded by internally generated funds and bank borrowings, the breakdown of which has yet to be determined at this juncture.

The Site is expected to be fully developed for hospital use in late 2016 when the Hospital is scheduled to commence operations. The Hospital will provide a full range of clinical service with more than 15 specialties, including general medicine, general surgery, orthopaedics, and gynaecology, and others, with a total bed capacity of 500 beds.

The Li Ka Shing Faculty of Medicine of The University of Hong Kong will act as the clinical partner of the Hospital and oversee its clinical governance, professional standards, appointment of doctors and the training of doctors, nurses and allied healthcare staff.

Financial Effects

The Project will not have any effect on IHH's issued and paid-up share capital and substantial shareholders' shareholdings. There shall be no material effect on the group's earnings and net assets for the financial year ending 31 December 2013. Going forward, upon completion of the Project and commencement of the operation of the Hospital, the potential profit contribution from the Hospital is expected to enhance the future earnings of the group.

Directors and Major Shareholders' Interest

None of the directors and major shareholders of IHH or any person connected to them have any interests, direct or indirect, in the Project.

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[i] Based on the exchange rate of RM0.400126:HKD1.00 on 13 March 2013 as set out in the Bank Negara website, subject to rounding.