



IHH Healthcare to expand footprint in Penang with acquisition of Island Hospital

- IHH to acquire 600-bed capacity Island Hospital from Affinity Equity Partners for a total equity consideration of RM3,923.7 million in cash
- Acquisition is aligned to IHH's continued investment and growth plans for Malaysia, leveraging a proven track record of robust operations and successful M&A integration
- Strong value-creation and growth potential, with synergies of more than RM200 million over the next 5 years and greater participation in Malaysia's medical tourism aspirations

"Island Hospital presents a transformative opportunity for us in Malaysia. Its leading position in Penang, extensive specialist pool and clinical offerings, as well as its status as the hospital of choice for foreign patients, make it an asset that complements our growth plans in the country.

Together, we will leverage and build on our shared leadership in clinical and care excellence to better serve the needs of both local and foreign patients in Penang and Malaysia. We expect significant synergies from the transaction and a unique opportunity to elevate Island Hospital as a leading integrated medical facility in Asia. In keeping with our "ACE" framework, we will continue to drive sustainable growth in Malaysia and across our global network to deliver value for our stakeholders."

Dr Prem Kumar Nair
Group Chief Executive Officer, IHH Healthcare

"With the acquisition of Island Hospital, we are strengthening IHH Healthcare Malaysia's footprint in Penang and enhancing our position as the leading private healthcare provider in Malaysia. This strategic move affirms our commitment to excellence and dedication to providing world-class healthcare, both for our local and international patients who place their trust in us."

Jean-François Naa
Chief Executive Officer, IHH Healthcare Malaysia

IHH Healthcare ("IHH" or the "Group"), a world-leading integrated healthcare provider, is strengthening its leadership position in Malaysia with the acquisition of the 600-bed capacity Island Hospital in Penang.

Through its wholly owned subsidiary Pantai Holdings Sdn Bhd, IHH has today entered into a sales and purchase agreement ("SPA") with Comprehensive Care Sdn. Bhd., a company established and majority controlled by leading Asian private equity firm Affinity Equity Partners, to acquire a 100% stake in Island Hospital Sdn. Bhd. for a total equity consideration of RM3,923.7 million in cash.

Robust operations supported by deep specialist pool

Island Hospital will integrate seamlessly into IHH's portfolio of high-quality healthcare brands and enhance our clinical capabilities in Penang. Established in 1996, Island Hospital currently has nearly 119 resident and visiting specialists across 9 Centres of Excellence ("COE") and is known for its comprehensive medical services and high-quality patient and clinical care. This is evident by the hospital being accredited by the Australian Council on Healthcare Standards ("ACHS") and its position as one of a select few hospitals in Southeast Asia with an ACHS cancer care COE and cardiology COE. Its core specialties encompass orthopaedics, cardiology, oncology, gastroenterology and general surgery. These clinical capabilities will complement our existing hospitals in Penang.

Extending IHH's leading position in Penang; elevating Malaysia's aspiration in medical tourism

Penang is IHH's second largest cluster in Malaysia. Adding Island Hospital – the largest private hospital in the state – will allow IHH to build on its leadership position in Penang and provide a platform for further growth. Post acquisition, IHH¹ will have more than 1,000 operational beds in Penang.

The Group will also gain a larger share of medical travel into Malaysia, elevating its support for the country's medical tourism aspirations. Island Hospital is the leading hospital for medical tourism, attracting approximately 1 in 3 inbound foreign patients to Malaysia, supported by a well-established ecosystem built over three decades and its strong brand name. Under Affinity's ownership, Island Hospital's foreign patient volume has more than tripled.

Strong synergies and value creation potential

IHH expects more than RM200.0 million in synergies over the next five years following the acquisition. By aligning on commercial practices and operations with IHH, including consolidating procurement, Island Hospital can enhance efficiency in its operations. As part of the broader IHH network, it can also drive more cross-referral opportunities to better serve more patients in Penang and across Malaysia for greater revenue synergies.

Island Hospital holds landbank valued at RM223.4 million, with approvals secured for future development. This will future proof IHH's growth in the region and meet increasing healthcare demand from both local and foreign patients.

Aligned with Group's growth plans for Malaysia

This strategic acquisition of Island Hospital is in line with IHH's growth plans for Malaysia – expanding bed capacity, increasing the quality and accessibility of healthcare services to local patients, strengthening medical tourism contribution to support Malaysia's aspiration and evaluating accretive opportunities aligned with its cluster strategy.

IHH is one of the largest private healthcare providers in Malaysia, with a network currently comprising 11 Pantai Hospitals, 4 Gleneagles Hospitals, as well as Prince Court Medical Centre and Timberland Medical Centre. It has a strong track record of driving robust operations and integrating acquired assets

¹ Through Island Hospital (approximately 500 operational beds), as well as Gleneagles Penang and Pantai Hospital Penang (approximately 550 operational beds combined)

successfully, including more recently with Prince Court Medical Centre and Timberland Medical Centre.

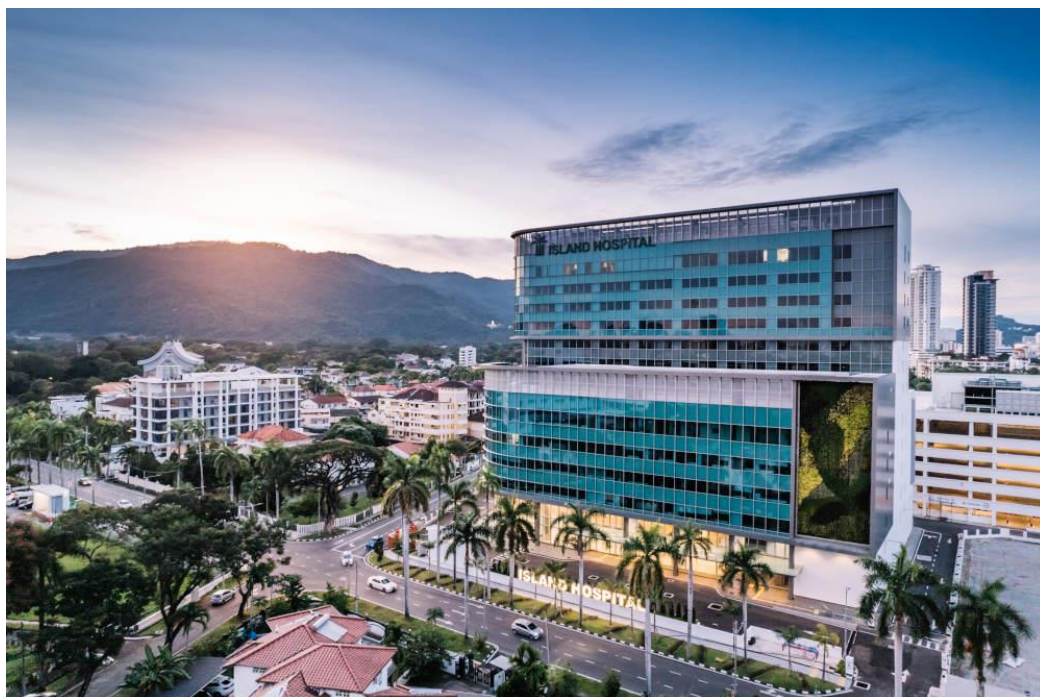
Island Hospital will become the 18th hospital in the IHH Malaysia network pending the completion of the acquisition, which is expected by the end of 2024.

Citigroup Global Markets Singapore Pte. Ltd is the sole financial advisor to IHH on this transaction.

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External view of Island Hospital – Macalister Wing



External view of Island Hospital – Peel Wing

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ABOUT IHH HEALTHCARE BERHAD (“IHH”)

A world-leading integrated healthcare provider, IHH believes that making a difference starts with our aspiration to Care. For Good.

Our team of more than 70,000 people commit to deliver greater good to our patients, people, the public and planet, as we live our purpose each day to touch lives and transform care.

Through our portfolio of trusted brands – Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai and Parkway – we offer our patients comprehensive and personalised care ranging from primary to quaternary, and even ancillary services such as laboratory, diagnostics, imaging and rehabilitation.

With our scale and reach in 10 countries, we continue to raise the bar in healthcare in our key markets of Malaysia, Singapore, Türkiye, India, Greater China (including Hong Kong) and beyond.

In partnership with our stakeholders, we will co-create a sustainable future for all as we work towards our vision to become the world’s most trusted healthcare services network.

More information can be found at www.ihhealthcare.com.

ABOUT AFFINITY EQUITY PARTNERS

Affinity Equity Partners is one of the largest independent private equity firms in Asia Pacific, investing in Asia Private Equity since 1998. Affinity has US\$14 billion of assets and funds under management, and is currently investing out of Fund V, a US\$6.0 billion fund. Affinity’s investment focus encompasses Asia-Pacific with an emphasis on Korea, Australia, New Zealand, Greater China and Southeast Asia.

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For more information or to speak to an IHH spokesperson, please contact:

Penelope Koh
Investor Relations, IHH Healthcare
t. +65 9820 8973
e. penelope.koh@ihhealthcare.com

Melissa Sim
WATATAWA Consulting
t. +65 9380 2938
e. msim@we-watatawa.com