

**MEDIA STATEMENT**  
**Kuala Lumpur, 17 August 2010**

**Khazanah and Integrated Healthcare Holdings Sdn Bhd, via its wholly owned subsidiary Integrated Healthcare Holdings Limited, announces the successful close of its Voluntary General Offer for Parkway Holdings Limited**

Khazanah Nasional Berhad (“Khazanah”) today announced that its main healthcare investment holding company, Integrated Healthcare Holdings Sdn Bhd (“IHHSB”) through its wholly owned subsidiary, Integrated Healthcare Holdings Limited (“IHHL”) has successfully closed the Voluntary General Offer (“VGO”) for Parkway Holdings Limited (“Parkway”). The VGO closed at 5.30pm on 16th August 2010, at which time IHHL holds and had received acceptances for 95% of the shares outstanding in Parkway.

This offer by IHHL, which was initially launched as a Partial Offer for 313 million shares of Parkway at an offer price of SGD3.78 per share on the 27th May 2010, was subsequently revised to a VGO for all the remaining shares in Parkway not already owned by IHHL on the 26th July 2010 at a revised offer price of SGD3.95 per share, representing an increase of less than 4.5%.

This acquisition of Parkway by IHHL represents a major step in fulfilling Khazanah’s strategic objectives in the healthcare sector. As part of this initiative, Khazanah will consolidate its existing healthcare assets including Pantai Holdings Berhad (“Pantai”), International Medical University (“IMU”) and Apollo Hospitals Enterprises Limited (“Apollo”) under IHHSB, its newly established platform for its investments in the healthcare sector.

With this portfolio of leading healthcare assets in the region, IHHSB is uniquely positioned as the best-in-class healthcare provider with a growing footprint of high quality assets across Asia and as the dominant private healthcare provider in Malaysia, Singapore and India as well as with presence in China, Brunei and Abu Dhabi. Managed and staffed by highly experienced professionals with established track record and globally acknowledged brands in the regional healthcare markets, IHHSB is also looking to tap the growing wellness market and the huge potential for medical tourism in the region. IHHSB is also looking to harness the growing medical education franchise within the group which is focused on recruitment, development and retention of leading medical talent.

Khazanah would also like to announce its nominations of Chairman of the Boards of its key healthcare investee companies. The appointment of these Chairmen will follow due process at the relevant companies. Each of the three individuals below have previously served as Board members in Khazanah’s healthcare companies:

***IHHSB and IMU Chairman: Tan Sri Abu Bakar Suleiman***

Tan Sri Abu Bakar is currently the President of IMU. Tan Sri Abu Bakar will transition from his current role as President of IMU and assume the Chairmanships of IHHSB and IMU in the course of the year.

***Parkway Chairman: Dato' Azlan Hashim***

Dato' Azlan is currently a Director of Parkway and the Chairman of Pantai. Dato' Azlan will hand over his position as the Chairman of Pantai to focus on his role at Parkway. Dato' Azlan will also serve on the Board of IHHSB.

***Pantai Chairman: Khairil Anuar Abdullah***

Khairil has served as Khazanah's nominee on the Board of Apollo since 2005. Khairil will also join the Board of IHHSB.

Resumes of the Chairman nominees are attached.

**END**

*For further media enquiries, kindly contact Mohd Asuki Abas at [asuki.abas@khazanah.com.my](mailto:asuki.abas@khazanah.com.my) or call +603-2034 0000.*

*In order to facilitate any questions that may arise, a set of questions and answers is being provided for reference.*

**Questions and Answers**

**Investment rationale**

**1. What are your plans for Parkway including its listing status?**

A: Khazanah is committed to maintain Parkway's status as a premier regional healthcare services provider with the highest clinical standards. The existing management team will continue to have Khazanah's support in fulfilling this vision. Khazanah, through IHHSB, intends to further integrate and consolidate Parkway's role within its regional healthcare group.

IHHL is currently evaluating its position with respect to the listing status of Parkway, in light of the level of acceptances received and the prevailing market conditions and an announcement will be made in due course.

**2. Why did Khazanah not look to pursue its investment in Parkway earlier?**

A: Khazanah first invested in Parkway in April 2008. Khazanah has been very familiar with the Parkway team since 2006, when Khazanah jointly invested in Pantai Holdings. At the time, the Hospitals Division of Pantai Holdings, which was managed by Parkway, had generated an EBITDA of RM60.3m for 2005. By the end of 2009, the EBITDA had grown by 147 percent to RM149.0m.

Shortly after Khazanah's investment in Parkway, we encountered the global financial crisis. Khazanah got to better understand Parkway's business including its business resilience (including the commitment of its management team and staff, some of whom underwent substantial pay cuts during this period).

The very successful launch of the Novena Medical Suites which was announced to the public at the end of March 2010 and the strong business performance in 2010 has given Khazanah the confidence to increase its investment in Parkway with lower risk.

Khazanah and IHHL, on a standalone basis, have secured funding on very competitive terms, which has enabled us to make a larger investment than we would have otherwise been able to under different market conditions. The competitive rates secured adds to our confidence that the investment in Parkway will result in strong returns over the medium and long term.

**3. Why would Khazanah want a controlling interest in Parkway now, after having been a substantial minority shareholder for some time?**

A: Khazanah wishes to strengthen its long-term commitment to Parkway and, in line with its core commercial objectives, further enhance its presence in the healthcare industry in the region.

Khazanah is a disciplined and reputable financial investor who is committed to build an excellent regional healthcare platform in Asia. Aside from Parkway, Khazanah already owns a diverse portfolio of healthcare assets in Asia including:

- A 60 percent holding in Pantai, Malaysia's premier private hospital network. Pantai is a JV between Khazanah and Parkway, which holds the remaining 40 percent of Pantai shares;
- A 12.2 percent stake in Apollo, one of India's largest and most reputable integrated healthcare providers. Apollo is listed on the Indian Stock Exchange and owns a successful JV hospital with Parkway in Kolkata; and
- An indirect 67.5 percent shareholding in IMU Education Sdn Bhd, which owns and manages Malaysia's premier private medical university, International Medical University in Kuala Lumpur.

Khazanah will be able to create greater synergies across its healthcare investments as a controlling shareholder of Parkway and it will become a key platform for Khazanah's regional healthcare business.

Whilst controlling Parkway, Khazanah will also ensure that Parkway continues to be governed by a professional Board and professionally managed with a strong preference for continuity in the existing team, including senior management and some independent directors.

**4. Is Parkway considered a core/strategic investment?**

A: Parkway is currently the largest and most established premier healthcare services provider in South East Asia with presence in Singapore, Malaysia, Brunei, China, India and Abu Dhabi. Combined with Khazanah's controlling stakes in Pantai and IMU, as well as its significant interest in Apollo, Parkway will form the core of Khazanah's regional Healthcare services platform under IHHSB.

**5. What was Khazanah's strategy and approach in investing in Healthcare?**

A: As Khazanah embarked on its active investment strategy in 2005, the Healthcare sector was identified as a core investment sector that Khazanah sought to invest directly in alongside the Financial Institutions and Telecommunications sectors, amongst several others.

In the financial institutions space, a series of investments, co-investments, restructurings and mergers since 2005 have led to the successful creation of Axiata and CIMB Group. Examples of this include, for CIMB, the GK Goh acquisition in Singapore, the CIMB-Bank Bumiputra merger and the Southern Bank acquisition in Malaysia, the Lippo Bank acquisition which was subsequently merged with Bank Niaga in Indonesia.

Similarly with Axiata, an acquisition of a controlling stake in Excelcomindo of Indonesia and a strategic stake in Mobile One in Singapore were very key steps in establishing its regional platform. Axiata, in particular, is a very good example of a telecommunications investment holding company whose local management teams drive value creation via their local brands.

Similar to Khazanah's successful efforts in these two sectors, we are creating a synergistic regional network of healthcare assets. IHHSB is Khazanah's investment holding company for its healthcare investments and currently holds its investments in Parkway, Pantai, IMU and will soon hold its investment in Apollo. IHHSB will be Asia's largest private healthcare player by number of beds in its network.

## Valuation and pricing

### 6. How did Khazanah arrive at an offer price of SGD3.95? Are you satisfied that valuations are still attractive at this price?

A: Parkway's valuation of SGD3.95 per share is 5.9 percent above consensus 12 month target prices by analysts. The 20.4 percent above the one-month VWAP prior to the announcement and 5.9 percent above the consensus analyst target prices reflect the control premium that is lower than the typical control premium of 25-30 percent in precedent takeovers in the market.

This is an asset we know well. We've had the best opportunity for due diligence by being a shareholder and represented on the Board through a severe financial crisis and recovery. We understand the business' resilience. Parkway has traded on a 5 year historic EV/EBITDA average of 16.8x as a result of the growth profile of the private healthcare sector and its leadership position within it. When excluding Novena and the P-Life REIT stake, the SGD3.95 acquisition price represents a comparable historic EV/EBITDA multiple of 16.2x which is fair, when reflecting the control premium associated with such an acquisition.

## Transaction funding

### 7. How is Khazanah/IHHSB funding this transaction?

A: The acquisition will be funded through a combination of internally sourced equity by Khazanah and locally funded non-recourse debt at IHHL, with a target debt/equity structure for IHHSB Group of approximately 50:50. A portion of the equity funding by Khazanah was partially funded by the recent SGD1.5bn Sukuk issuance in Singapore.

## Investment approach

### 8. How will Khazanah's Healthcare investments be managed?

A: Each of the individual brands in Parkway, Pantai and IMU will be preserved. Each local region e.g. North Malaysia, Central and South will also have its own local management teams.

Parkway and Pantai, whose hospital operations have been managed with some level of synergies since 2006, will continue to look to areas of maximising synergies in the areas of procurement, hospital development, IT and systems, and hospital management expertise and training. IMU will also work with Parkway and Pantai to enhance nursing and allied health training for the needs of its network of hospitals and beyond. Parkway, Pantai and IMU will look to increase the ways in which it is able to collaborate with Apollo.

Both Parkway and Pantai's existing management teams will continue to manage their respective companies and be responsible to their respective Boards.

IHHSB will act as an investment holding company of these various investments and look to capitalise on the latest technological advancements and trends in the sector, outline an overall Asian strategy and explore new investment opportunities including new geographies in which IHHSB should have a presence.

### 9. Will healthcare prices be increased in Malaysia and Singapore as a result of this acquisition?

A: Healthcare prices will not change solely as a result of this acquisition. Khazanah has always been committed to find ways to bringing about cost effective healthcare services through the application of the best practices across its healthcare assets.

## **Resumes of Nominated Chairmen**

### **Tan Sri Dato' Dr Abu Bakar Suleiman**

Tan Sri Dato' Dr Abu Bakar Suleiman obtained his Bachelor of Medicine and Bachelor of Surgery from Monash University in 1968. He then gained a Master of Medicine degree from University of Singapore in 1974.

He began his career as a medical officer with the Ministry of Health Malaysia in 1969 and trained in internal medicine before he became a consultant physician with the Department of Nephrology at Hospital Kuala Lumpur. In 1975, he was visiting fellow to the Division of Nephrology of Georgetown University Hospital, Washington DC as well as Prince Henry's Hospital in Melbourne.

Tan Sri Abu Bakar was appointed as the Director of Medical Services in the Ministry of Health in 1987 and became Deputy Director General of Health in 1989 before rising to the rank of the Director General of Health in the Ministry from 1991 to 2001. After completing his services with the government, he joined the International Medical University, where he was appointed President in 2001.

Currently President of the Malaysian Health Informatics Association, National Kidney Foundation and Association of Private Hospitals of Malaysia, Tan Sri Abu Bakar is also Chairman of the Consultative Panel on Healthcare, National Productivity Corporation; and of the Ministry of Health Committee on Living Unrelated Donor Transplantation.

Tan Sri Abu Bakar is a Fellow of the Royal Australasian College of Physicians and an Honorary Fellow of the American College of Physicians. He currently sits on the board of KPJ Healthcare Berhad and several private limited companies.

### **Dato' Mohammed Azlan bin Hashim**

Dato' Mohammed Azlan bin Hashim was appointed as Director of Khazanah Nasional on 1 June, 2004. Dato' Mohammed Azlan is also the Chairman of D&O Ventures Berhad, SILK Holdings Berhad and a director of Scomi Group Bhd.

Dato' Azlan has extensive working experience in the corporate sectors including financial services and investments. Among others, he has served as Chief Executive, Bumiputra Merchant Bankers Berhad, Group Managing Director, Amanah Capital Malaysia Berhad and Executive Chairman, Bursa Malaysia Berhad (formerly known as Kuala Lumpur Stock Exchange) Group.

Dato' Azlan is a Board Member of various government and non-government related organisations including Labuan Offshore Financial Services Authority and Employees Provident Fund. He is the Chairman of Universiti Darul Iman Malaysia since 2006.

Dato' Azlan holds a Bachelor of Economics (Monash) and qualified as a Chartered Accountant (Australia). He is a Fellow Member of the Institute of Chartered Accountants, Australia, Malaysian Institute of Accountants, Fellow Member of Malaysian Institute of Directors, Fellow Member of the

Institute of Chartered Secretaries and Administrators and Hon. Member of The Institute of Internal Auditors, Malaysia.

### **Khairil Anuar Abdullah**

Khairil Anuar Abdullah graduated with a first degree in economics from the University of Malaya in 1972 and obtained his Master of Business Administration from Harvard Business School, USA in 1981. He is a Fellow of the Malaysian Institute of Banks.

En Khairil's career covers a diverse range of government and corporate experiences in the Economic Planning Unit of the Prime Minister's Department from 1973 to 1982, the Guthrie Group of Companies from 1983 to 1987, Batu Lintang Rubber Company (re-listed on Bursa Securities as Advance Synergy Berhad) and Arthur D Little from 1988 to 1992. In 1993, he joined the Securities Commission at its commencement as Director for Policy and Development.

His portfolio included regulations and law reform, product development, economic research, information technology, the Securities Industry Development Centre, accounting standards and Islamic capital market development. He also served in the advisory committee of the Malaysian Central Depository, the Board of the Labuan Offshore Financial Services Authority and chaired a working group on the regulation of secondary markets of the Emerging Markets Committee of the International Organisation of Securities Commission ("IOSCO"). He was a member of the Bank of International Settlement/IOSCO Task Force on clearing and settlement in 1996.

In 1997, he was appointed founding chairman of the Malaysian Exchange of Securities Dealing & Automated Quotation Bhd (MESDAQ), Malaysia's securities exchange catering to high growth and technology companies until it merged with Bursa Securities (then the Kuala Lumpur Stock Exchange) in 2002.

Currently, En. Khairil is the Chairman of The Media Shoppe Berhad and BCT Technology Berhad. He is also a director of Symphony House Berhad, Kuwait Finance House (M) Berhad, and Apollo Hospitals Enterprise Limited.