

5. RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all the information contained in this Prospectus, including the risks described below, before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks. The market price of our Shares could decline due to any of these risks, and you may lose all or part of your investment.

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 We are highly dependent on our doctors, nursing staff and other healthcare professionals

Our operations depend on the efforts, ability and experience of our doctors, nursing staff and other healthcare professionals at our hospitals. Our performance and the execution of our business strategy depend substantially on our ability to attract and retain leading doctors, nursing staff and other healthcare professionals across the specialties and regions relevant to our growth plans. We compete with other healthcare service providers in the markets in which we operate and from overseas markets such as Singapore, in recruiting and retaining doctors, nursing staff and other healthcare professionals.

The factors that doctors typically consider important before deciding where to practise include competitive compensation, the hospital's reputation, the volume and complexity of clinical cases that the hospital can generate, the quality of facilities and infrastructure available at the hospital, nursing staff and other healthcare professionals, research opportunities and community relations, as well as the availability of administrative and management support. We may not compare favourably with other healthcare service providers on one (1) or more of these factors and, as a result, may not be able to attract or retain doctors.

In particular, we rely heavily on our consultant specialists, who play a key role in delivering quality medical care across our hospitals, especially in CONGO-R, which are higher acuity specialties for us. In the FYE 31 March 2024, FYE 31 March 2025 and FYE 31 March 2026, our CONGO-R specialties accounted for approximately 44.0%, 56.0% and 60.0% of our patient-related revenue respectively, based on the Combined Financial Information. Based on the Supplementary Financial Information, our CONGO-R specialties accounted for approximately 49.0% and 58.0% of our patient-related revenue for the FYE 31 March 2024 and FYE 31 March 2025, respectively. The Supplementary Financial Information is provided for information only and users should not place undue reliance on such information. See Section 5.1.12 of this Prospectus for more details. We have granted share awards and options to certain of our medical professionals, some of which are still outstanding, and may grant further share awards and options to such persons pursuant to our equity incentive plans. Such retention awards may cease to be effective at retaining such professionals once the awards vest and the options are exercised. On the other hand, if we fail to recruit and retain these skilled personnel, our business, financial condition, results of operations, cash flows and prospects would be materially and adversely affected. The quality of our healthcare services may also suffer, as we would be limited in the range of healthcare services we are able to offer. If we are unable to attract or retain consultant specialists, particularly those with established patient bases and strong referral networks, our ability to deliver quality patient care and our patient volumes could be materially and adversely affected.

5. RISK FACTORS (Cont'd)

As at the LPD, 704 of our 750 resident consultant specialists (i.e. approximately 93.9%) and all of our visiting consultant specialists are independent contractors engaged under practising agreements and are not our employees. For more information, see Section 7.16 of this Prospectus. Such practising agreements are generally for fixed terms of three (3) to five (5) years for resident consultant specialists and one (1) to two (2) years for visiting consultant specialists, and there can be no assurance that they will not terminate their contracts before expiry of the term or renew their contracts with us upon expiry. While most of our practising agreements with resident consultant specialists generally require approval for practising or accepting any appointments or engagements to practise and/or set up practice outside our hospitals, including in any hospital (whether public or private), healthcare facility, medical centre and/or clinic during the term of their contracts, our agreements with visiting consultant specialists do not contain any such arrangements. As such, some of our visiting consultant specialists may also practise in other hospitals and clinics, which may give rise to potential conflicts of interest and/or time-allocation constraints. For risks associated with such arrangements, see Section 5.1.23 of this Prospectus.

Malaysia is currently facing a significant shortage of doctors across multiple medical disciplines, mainly due to limited training pathways recognised by the MMC coupled with a heavy reliance on the public sector to provide sub-specialty training programmes. According to the IMR Report, Malaysia had 2.5 doctors per 1,000 population in 2025 and is projected to reach 2.9 per 1,000 population by 2030, both below the OECD average of 4.0. Furthermore, a decline in the number of newly graduated doctors in Malaysia by almost 50% between 2019 and 2025 has exacerbated this situation, which is likely to intensify competition for talent across both public and private healthcare services sectors, and constrain providers' ability to scale up operations and staff new capacity. Additionally, Malaysia is also facing a shortage of consultant specialists, with the current pool of 9,040 consultant specialists, falling significantly short of the 2030 target of 22,435, underscoring the challenge of closing the healthcare workforce gap, according to the IMR Report.

Our performance also depends on our ability to identify, attract and retain nursing staff and other healthcare professionals. We are experiencing, and expect to continue to experience, significant wage and benefit pressures driven by the global nursing shortage, with many Malaysian nursing staff pursuing opportunities overseas. According to the IMR Report, Malaysia had approximately 3.7 nurses per 1,000 population in 2025 and is projected to reach 3.9 nurses per 1,000 population in 2030, both significantly below the OECD average of 9.2 per 1,000, and more than 18,000 nursing positions were unfilled as at July 2026.

We expect the global and domestic nursing shortage to persist, and we have enhanced and may need to further enhance wages, benefits and training programmes to maintain adequate staffing. In Malaysia, the PHFS Regulations 2006 prescribe nursing staff-to-patient ratios that tie our licensed bed count to nursing staff availability. If we are unable to maintain sufficient nursing staff for our existing or future hospitals, we may be required to reduce the number of licensed beds, which could adversely affect our business, operations and prospects.

5. RISK FACTORS (Cont'd)

In addition, due to challenges in recruiting sufficient local healthcare professionals in Malaysia, we employ a number of foreign nationals, primarily from India and Sri Lanka, as our nursing staff and other healthcare professionals. As at the LPD, approximately 2.0% of our nursing staff in Malaysia are non-Malaysians. Our operations could be impacted if we are restricted from hiring such foreign nursing staff or other healthcare professionals or if such hiring restrictions are further tightened. Any changes in the hiring and employment policies of Malaysia or Vietnam or the countries of origin of our foreign national employees could affect the availability of foreign nationals for employment by our Group and could potentially impact our business operations and financial performance. For example, in 2023, the MOH exempted foreign nurses from having to obtain a post-basic qualification to work in private hospitals in Malaysia, and such exemption has been extended to 2027. If the exemption is not renewed or extended, the number of foreign nurses that we can employ may be reduced. Furthermore, healthcare professionals qualified in one (1) country may not have their qualifications automatically recognised in Malaysia and may not be able to easily move between countries due to immigration policies, foreign worker quotas or differing registration requirements imposed by the MMC, the Malaysian Nursing Board or the equivalent regulatory bodies in Vietnam. This further constrains our ability to draw on the international talent pool to address domestic shortfalls across our operations in both countries.

In the event the number of foreign healthcare professionals that we can employ is reduced, or if we have to turn to costlier sources of labour, our financial performance could be adversely affected. There is no assurance that policies relating to the hiring and employment of foreign nationals, whether in Malaysia, Vietnam or the home countries of our foreign employees will not be amended or tightened. In such event, we may not be able to comply with the amended policies or restrictions, or we may be required to incur additional costs to ensure compliance.

We also rely on other healthcare professionals, such as radiology technicians, physiotherapists, pharmacists and laboratory technicians, and any failure to recruit or retain them could adversely affect our business and operations.

Our ability to attract, recruit and/or retain doctors (especially consultant specialists), nursing staff and other healthcare professionals remains critical to sustaining service quality and patient volumes. Failure to do so could reduce patient admissions, lower demand for our services and require us to scale back expansion plans. We have increased recruitment and retention efforts and costs and expect these to continue rising in the future. Such cost increases, together with any operational disruption from staffing shortfalls, could have a material adverse effect on our business, financial position and results of operations.

5.1.2 Our revenue is dependent on the demand from individual patients and corporate clients for private healthcare services

Our primary source of revenue is from inpatient care. Sustaining or growing inpatient income is closely tied to maintaining high occupancy rates at our hospitals, and the case mix of our patients, both of which are dependent on various factors, including our brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain leading doctors, our ability to offer desired and efficient services in the communities in which we operate, and our ability to handle complex medical cases and compete effectively with other hospitals and healthcare services providers. As such, any decline in demand for our services, whether due to shortcomings in these areas or external pressures, could result in a material adverse effect on our business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

Growth in revenue from inpatient care may also be impaired by a decrease in medical tourists at our hospitals. Medical tourism contributes to our revenue at certain of our hospitals, particularly Subang Jaya Medical Centre, ParkCity Medical Centre and our tertiary hospitals with specialty focus. See also Section 5.1.7(c) of this Prospectus for more details. In addition to inpatient care, our revenue is dependent on the provision of outpatient services, including health screening. Our inability to increase revenue from inpatient treatments (particularly complex, high revenue intensity procedures), manage inpatient occupancy effectively, or increase revenue from outpatient primary care and ancillary services, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are also affected by the financial ability and the willingness or ability of individual patients to pay for private healthcare services, including through payors. If payors reduce the coverage or reimbursement level of our services, increase deductible limits, or introduce restrictions or longer processing times for claims, including as a result of regulatory changes or government reforms, this may result in individual patients becoming more cost-conscious and selective in their medical service usage, which may in turn affect demand for our business. See Section 5.2.1 of this Prospectus for further details. A slowdown in the economies in which we operate as well as the countries of origin of our foreign patients may lead to reduced demand for private healthcare services as more individual patients may opt for subsidised public healthcare services or turn to more price-competitive private healthcare service providers. A decrease in the demand for private healthcare services from individual patients could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.3 We depend heavily on our relationships with private insurance companies, who represent a significant portion of our payor base

We rely on continued relationships with private healthcare insurers who cover the cost of treatment for patients enrolled in their schemes and who seek care at our hospitals. Payments from private insurance companies comprised an aggregate of 46.0%, 43.6% and 39.6% of our patient-related revenue for the FYE 31 March 2024, FYE 31 March 2025 and FYE 31 March 2026, respectively. Payments from our top three (3) private insurance companies comprised an aggregate of 38.2%, 39.3% and 37.6% of our patient-related revenue for the FYE 31 March 2024, FYE 31 March 2025 and FYE 31 March 2026, respectively.

This significant dependence on payments from private insurance companies, and in particular the top three private insurance companies, underscores our reliance on our relationships with such private insurance companies. As such, any inability to renew or maintain our contracts with such private insurance companies on favourable terms or at all, or failing to be on their panel of hospitals for cashless payments, could lead to significantly reduced patient demand, with patients potentially choosing to obtain medical services from other hospitals or clinics on the respective panels of such private insurance companies. This would in turn result in a material adverse effect on our business, financial condition and results of operations. Private insurance companies may also change their reimbursement policies and coverage plans in the future such that certain services we have provided to patients are no longer covered, which could adversely affect our revenue and results of operations. There can be no assurance that our hospitals (including our new hospitals) and doctors will continue to be listed on their panels in a timely manner, or at all. For example, ALTY Orthopaedic Hospital was taken off the panel of an insurer in the past. Although ALTY Orthopaedic Hospital was reinstated to that insurer's panel within three (3) months following the removal, there can be no assurance that any of our hospitals will be reinstated, if at all, and any extended exclusion could materially affect our business, financial condition and results of operations. For more details on our relationships with private insurance companies, see Section 7.11.1 of this Prospectus.

5. RISK FACTORS (Cont'd)

In addition, our contracts with such private insurance companies generally allow for termination without cause, subject to prior notice ranging from 30 days to 180 days. As such, we are exposed to periodic negotiations on pricing and discounts from them, which may be influenced by regulatory changes. For example, in 2024, BNM introduced interim measures for medical and health insurance repricing under which changes in premiums arising from medical claims inflation are to be spread over a minimum of three (3) years, with at least 80% of affected policyholders expected to experience yearly premium adjustments due to medical claims inflation of less than 10%. In January 2026, the MOF, the BNM and the MOH announced the development of a standardised base MHIT plan which is intended, among others, to provide a standard platform for the phased transition from the existing fee-for-service provider payment system towards a DRG-based payment system. In July 2026, the base MHIT plan was branded as “MediAsas”, and a pilot programme is being conducted in the Klang Valley from end-July to October 2026 to test and refine operational processes, customer experience and implementation readiness. Nationwide implementation of MediAsas is targeted for January 2027. The MediAsas framework is also intended to support the phased transition from the existing fee-for-service payment model towards a DRG-based payment system. See Section 5.2.1 of this Prospectus for further details. Given that our Group is materially dependent on such private insurance companies, measures aimed at curbing rising medical cost inflation have placed additional pressure on insurance companies and could indirectly affect our reimbursement rates and contract terms, which could, in turn, materially affect our business, financial condition and results of operations.

5.1.4 The success of our business is dependent on our reputation and brand strength of our hospitals and hospital groups. Any adverse impact on the perception or value of these brands or our reputation may materially and adversely affect our business, financial condition, results of operations and prospects

Our reputation and brand strength of our hospitals and hospital groups directly affect our ability to attract patients and maintain business relationships, and our continued growth depends on protecting and enhancing them. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brand and reputation and may negatively impact our brand and reputation if not properly addressed, such as:

- our ability to maintain advanced medical equipment, facilities and infrastructure, retain and attract healthcare professionals and provide high quality healthcare services;
- our ability to effectively control service quality in our hospitals, including doctor expertise, staff friendliness, waiting times, and ease of access to healthcare professionals, and to monitor their performance as we expand our network;
- our ability to progressively broaden the range of specialities and sub-specialties across our hospitals in line with evolving patient needs and advancements in medical practice, including the management of more complex cases;
- any complaints from our patients regarding the adequacy of patient care, treatment outcome and pricing;
- high rates of mortality that may reflect on the quality of our medical staff and advice;
- any penal action by regulators or any statutory authority against any of our hospitals, our management, including our Promoter or our doctors; and
- our ability to maintain quality standards and supervise healthcare professionals deployed at our clinics/centres and occupational health centres located at third-party corporate premises, where any adverse incident or service deficiency could reflect negatively on our brand.

5. RISK FACTORS (Cont'd)

Furthermore, the rapid expansion and pervasive use of social media in recent years have significantly increased the risk of negative publicity arising from any event. Such publicity can spread quickly and widely, often without affording us the opportunity for timely redress or correction, causing our brand value and reputation to be affected. An erosion of trust in our business or our brand could undermine our patients' confidence in us, reduce demand for our services and adversely affect our relationships with our stakeholders, which in turn could adversely impact our business, financial condition, results of operations and prospects.

In particular, as our core business is in the provision of healthcare and healthcare-related services, we are also susceptible to the risks of being exposed to potential proceedings involving medical malpractice or negligence. Any potential suits or proceedings that remain unresolved, regardless of their merit, could also affect the image and perception of our hospitals and healthcare professionals in terms of quality of service and standards of care, which could in turn adversely affect our reputation, business, financial condition and results of operations.

The MMC, being a statutory body under the purview of the MOH, governs the medical profession and oversees the professional conduct of medical practitioners in Malaysia. The MMC regulates, among others, the registration of medical practitioners and the ethics and discipline of registered medical practitioners. Any inquiry by the MMC, or regulators in the countries in which we operate on the conduct of any of our medical practitioners which results in such medical practitioner being suspended from practice or struck-off from the medical register could have an adverse impact on the reputation of our Group, which could result in a reduction in patient load, and could in turn affect our business, financial condition, results of operations and prospects.

In addition, in connection with our Listing, the Indonesia operations of Indonesia Business Entities, which currently operate under the "Columbia Asia" and "Asia OneHealthcare" brands, will be transferred to SHPL, which is not part of our Group, pursuant to the Reorganisation Exercise. Following the completion of the Reorganisation Exercise, the relevant Indonesia Business Entities will no longer be under our ownership or operational control, although we will provide services including advisory and support services as well as information technology services to certain Indonesia Business Entities such as PTNM and PTAHI. See Section 10.1.1(1) of this Prospectus for further details. However, to the extent that the relevant Indonesia Business Entities continue to use the "Columbia Asia" and "Asia OneHealthcare" brand names or any similar branding pursuant to the Trademark Licensing Agreement, any material adverse events, regulatory actions or negative publicity which attracts significant public attention and is associated with the use of "Columbia Asia" and "Asia OneHealthcare" brands could potentially have an adverse impact on the public's perception of the brands, and in turn our reputation.

5.1.5 The outbreak of infectious disease pandemics such as COVID-19 or other health epidemics or other incidents or natural disasters beyond our control could adversely affect our business, financial condition and results of operations

Our business operations may be affected by an outbreak of COVID-19 or any other contagious or virulent disease. The outbreak of COVID-19 or other communicable diseases in Malaysia, Southeast Asia or other parts of the world could disrupt global and regional businesses. Several countries in Asia have experienced or are experiencing outbreaks of communicable diseases such as Influenza A and Middle East Respiratory Syndrome. Such an outbreak may lead to, among others, supply chain interruptions, increases in the costs of medical supplies and cash flow disruptions, which could have a material adverse effect on our operations and financial position.

5. RISK FACTORS (Cont'd)

For example, as a result of the COVID-19 pandemic and accompanying government measures implemented during 2020 and 2021, our business activities were impacted as patients were restricted from visiting hospitals and consequently elective procedures were postponed or delayed, resulting in lower bed occupancy rates. There was also a reduction in revenue attributed to medical tourists due to travel restrictions and the cancellation of flights. In addition, in the early stages of the COVID-19 pandemic, a global shortage coupled with a price surge of hospital gowns, gloves, surgical masks and respirators had caused significant disruptions to our operations. While these initial shortages were gradually eased later during the pandemic, they underscored the vulnerability of the healthcare supply chain. The COVID-19 pandemic also led to disruptions in workforce availability, particularly among nursing staff and other healthcare frontliners. Any such outbreak could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.6 The integration of newly acquired hospitals and healthcare businesses with our existing operations, is subject to inherent complexities, where anticipated synergies and operational benefits may not be fully realised

We have grown rapidly through acquisitions, with our hospital network expanding from 13 facilities as at April 2023 to 23 facilities as at the LPD (comprising 22 hospitals in Malaysia and one (1) in Vietnam), primarily through the RSD Acquisition which completed in December 2023 (which included four (4) Malaysian hospitals, namely Subang Jaya Medical Centre, Ara Damansara Medical Centre, Bukit Tinggi Medical Centre and ParkCity Medical Centre) and five (5) hospitals through the TE Asia Acquisition which completed in August 2024 (namely, ALTY Orthopaedic Hospital, Beacon Hospital, Cardiac Vascular Sentral Kuala Lumpur, Hospital Picaso and Northern Heart Hospital Penang). Our rapid growth has placed, and will continue to place, increased demands on our management, operational and financial information systems and other resources. Each of these transactions brought multiple hospitals with different cultures, clinical standards and operational systems into our network simultaneously, heightening integration complexity. We may face difficulties in achieving the desired level of profitability from such acquisitions and expansion within the expected timeframe.

The acquisitions we have undertaken could be subject to certain additional risks, including:

- difficulties arising from operating a larger platform, including the need to navigate differing healthcare regulations, licensing requirements and government and regulatory authorities;
- difficulties in the integration of the assets, operations and clinical workflows of acquired hospitals and healthcare businesses with our existing hospitals and healthcare businesses;
- challenges in renovating, rebuilding or re-positioning existing hospitals and healthcare businesses that we have acquired to meet the required operational standards and to align with our network's clinical positioning and brand proposition;
- the potential loss of patients or key consultant specialists 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, growth or synergies, including cost savings from group procurement, shared services, joint marketing and cross-referrals within our hospital network;

5. RISK FACTORS (Cont'd)

- difficulties arising from coordinating and consolidating corporate and administrative functions across our expanded network, including the integration of information technology systems, internal controls, financial reporting procedures and data analytics platforms; and
- unforeseen legal, regulatory, contractual, labour or other issues arising in connection with acquired businesses, including liabilities for past non-compliance with healthcare laws and regulations in Malaysia, Vietnam or other markets in which acquired hospitals operate.

If we are unable to manage the growth of 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.

We record goodwill on our combined statement of financial position in connection with such acquisitions and investments. As at 31 March 2026, goodwill represented 39.3% of our total assets based on the Combined Financial Information. MFRS 136 requires us to review our goodwill for impairment annually or when changes in circumstances indicate that the carrying value may not be recoverable from external or internal sources of information, including indications of a significant slowdown in the overall healthcare service industry. Such impairment testing requires us to make assumptions and judgments regarding the estimated recoverable amounts of our reporting units, including projected future revenues and operating costs. If estimated recoverable amounts are less than the carrying values of our goodwill in future annual impairment tests, or if significant impairment indicators arise (for example, as a result of deterioration in the performance of acquired hospitals, adverse regulatory changes or increased competitive pressures), we may be required to record material impairment charges. In the FYE 31 March 2025, we recognised a goodwill impairment loss of RM362.7 million in relation to CMC Malaysia. The impairment loss arose as the carrying amount of the cash-generating unit exceeded its recoverable amount, which was determined based on a value-in-use calculation using discounted future cash flows expected to be generated from the continuing operations of CMC Malaysia. This was primarily attributable to the adoption of more conservative growth assumptions after taking into account regulatory developments concerning payors and the corresponding medical inflation at that time as well as broader macroeconomic and geopolitical conditions. Further details of the goodwill impairment assessment and the key assumptions applied are set out in Note 4.1 of the Accountants' Report. Any goodwill impairment could materially and adversely affect our results of operations and financial condition, which could in turn impact our compliance with financial covenants in our financing agreements and potentially restrict our ability to pay dividends. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, businesses or assets 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, completing acquisitions may involve various legal requirements or regulatory approvals, as well as additional transaction and integration costs. Post-completion purchase price adjustments may also have been contractually agreed upon at the time of the relevant acquisitions, which may create additional financial obligations. While we conduct due diligence on acquisition targets prior to completion, there can be no assurance that we will uncover all material liabilities or risks. If we are required to bear unexpected liabilities or costs arising from businesses we have acquired, our business, financial condition, results of operations and prospects may be materially and adversely impacted.

5. RISK FACTORS (Cont'd)

5.1.7 We may not be able to implement our strategies to grow our business which would limit our growth prospects

The scale of our business has increased significantly in recent years, primarily as a result of the RSD Acquisition and TE Asia Acquisition coupled with organic growth. Our present growth strategies depend on our ability to ramp up operations at our existing facilities, enhance our clinical capabilities and strengthen our presence in both local and international markets. However, our ability to successfully implement these strategies is subject to various risks, and our expansion efforts are also dependent on a number of factors, some of which may be beyond our control. As a result, our future growth trajectory may not reflect our historical performance.

(a) Our expansion projects may be subject to delays and may not achieve the operating levels that we expect

Our growth depends on our ability to expand our capacity through organic bed capacity additions, while continuing to improve our existing facilities and enhance our clinical capabilities across our network. As part of our expansion strategy, we plan to achieve a total bed capacity of approximately 3,900 beds by 31 March 2032 through executing planned brownfield expansion plans, while also upgrading our hospitals to increase case acuity and optimise case mix. We are also actively evaluating additional expansion projects that, if implemented, would increase our total bed capacity by approximately 600 to 1,000 additional beds. For further information on our expansion plans, see Section 7.7 of this Prospectus.

Our expansion plans are subject to delays or problems that may be beyond our control, such as the failure to receive licenses, approvals and permits, constraints on human and capital resources, the unavailability of equipment or supplies, or other unforeseen or unforeseeable events or circumstances. Any delay in obtaining these licenses, approvals and permits may adversely affect the implementation timeline for these projects. In addition, our projects may incur significant cost overruns and may not be completed on time or at all. We may not achieve the operating levels that we expect from our expansion projects, our targeted returns on investment on, or intended benefits or operating synergies from, these projects. Our expansion projects that are currently planned or under development are at various stages of planning or implementation. Some or all of these projects or developments may not be completed, may be altered or delayed, may exceed our cost expectations or may not materialise. If we are unable to achieve the expected ramp-up for expanded facilities, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, our additional expansion projects under evaluation are exploratory in nature and remain at a preliminary stage, and are subject to detailed feasibility studies, catchment area analysis and financial assessments. No decision has been made regarding the timing, scale and capital expenditure required for undertaking and implementing such projects, and no definitive agreements, including financing agreements, sale or purchase agreements for land, or contracts with consultant specialists have been signed. Accordingly, there is no assurance that these projects will proceed or materialise, or that any anticipated strategic or commercial benefits associated with these projects will be realised.

5. RISK FACTORS (Cont'd)

(b) We may not be able to identify attractive acquisition candidates or experience delays or other problems in implementing such acquisitions

Acquisitions have been a significant driver of our growth. The four (4) hospitals acquired through the RSD Acquisition and the five (5) tertiary hospitals with specialty focus acquired through the TE Asia Acquisition added a total of 1,265 built beds to our platform. Since our acquisitions of these hospitals, we have further expanded their operations and added 58 built beds to these hospitals as at the LPD. As at the LPD, these hospitals have a total built bed capacity of 1,323, representing 43.3% of our total built bed capacity.

Our growth strategy includes potential acquisitions of additional hospitals and healthcare businesses, which may be capital intensive. In addition, we may not be able to identify suitable candidates for acquisition purposes. The number of attractive candidates for acquisition purposes may be limited and may command high valuations, as such we may be unable to secure the necessary financing to implement acquisitions, any of which may adversely affect our prospects.

(c) We may not be able to successfully compete with other medical tourism-focused hospitals in strengthening our presence in the international medical tourism market

We derive a significant portion of our revenue from foreign patients (which comprise medical tourists as well as expatriates residing in Malaysia). Our revenue from foreign patients was RM44.1 million, RM173.9 million and RM296.2 million, representing 3.2%, 6.2% and 9.2% of our patient-related revenue for the FYE 31 March 2024, FYE 31 March 2025 and FYE 31 March 2026, respectively. Medical tourism is a driver at certain of our hospitals, namely Subang Jaya Medical Centre, ParkCity Medical Centre and our five (5) tertiary hospitals with specialty focus.

According to the IMR Report, Malaysia's medical tourism growth has been largely driven by patients from Indonesia, which accounted for 66% of the total medical tourists in 2025. The resource constraints of healthcare services in Indonesia, coupled with rising incomes and increasing insurance coverage, have driven more patients to seek treatment overseas, particularly in Malaysia. Additionally, Cambodia has emerged as one of Malaysia's fastest-growing medical tourism source markets. Any changes in these trends, including any factors that may limit or reduce medical tourists from source markets such as Indonesia and Cambodia, may adversely affect the number of our foreign patients, which could in turn adversely affect our business, results of operations, cash flows and financial condition.

While we aim to strengthen our presence in the international medical tourism market, there can be no assurance that our planned strategies and initiatives, when implemented, will be successful. For further details on our strategies to strengthen our presence in the international medical tourism market, see Section 7.11.2 of this Prospectus.

5.1.8 Our properties are subject to various land use, planning, development and compliance certification requirements in Malaysia and Vietnam which could materially affect our financial condition and results of operations

Our properties are subject to various laws, regulations and regulatory requirements in Malaysia and Vietnam. These include, among others, requirements relating to the use and occupation of our properties, land use rights and express conditions, planning and development, construction, and other regulatory requirements. We are required to comply with the applicable regulatory requirements in respect of our properties.

5. RISK FACTORS (Cont'd)

In respect of our properties, we are required to comply with regulations relating to the operation of a business on site, occupancy and land use categories and express conditions in Malaysia and Vietnam, respectively. Additionally, prior to carrying out any development or construction work, we are required to obtain planning permission and building plan approval from the relevant local authorities in the applicable jurisdiction. In Malaysia, we are also required to ensure the buildings we occupy have the requisite CCC, confirming that these buildings have been completed and built in conformity with the approved plans and statutory requirements and that these premises meet the prescribed health and safety requirements, are connected to essential utilities and are fit for occupation.

In Malaysia, in particular, the land on which Beacon Hospital is located is currently designated under the category of land use “industry” and an express condition for industrial use, which have yet to be updated to reflect the present hospital use.

The proposed transformation of the area into a healthcare hub and care economy corridor has been identified under the proposed Special Area Plan (Rancangan Kawasan Khas (“**RKK**”)) initiated by the relevant authorities. Until the gazettment of the RKK, the land remains subject to its existing category of land use and express condition, which are not aligned with the current hospital operations conducted on the land. We intend to submit an application through the e-Tanah portal for the change of category of land use and variation of the express condition of the land upon the gazettment of the RKK. However, there can be no assurance as to when the RKK will be gazetted or that the necessary approvals will be obtained.

In addition, Beacon Hospital has yet to obtain a CCC and the requisite fire certificate from the relevant authorities. Pending the issuance of the CCC, Beacon Hospital has obtained and renewed annually the Change of Material Use approval (Kelulusan Tukarguna Bangunan) and a temporary permit in respect of the premises from MBPJ. In the interim, Beacon Hospital has obtained the applicable fire safety documentation for the premises from Bomba, most recently a Premises Use Licensing Certificate (Perakuan Pelesenan Penggunaan Premis) for 2026. Further, there are certain existing structures and works at Beacon Hospital not presently reflected in the existing approved building plans and matters relating to the applicable building setback requirements. We intend to undertake the necessary steps to regularise these matters, however, there is no assurance that the relevant approvals or certifications will be obtained within the expected timeframe or at all. If we are unable to regularise these matters, we may be required to incur additional costs, undertake rectification works and/or implement alternative arrangements. Notwithstanding the approvals and support obtained from the relevant authorities in respect of the continued operation of Beacon Hospital, the land use and building-related matters described above remain subject to ongoing regularisation, and there can be no assurance that the requisite approvals and certifications will be obtained.

Any failure to regularise the outstanding property-related matters or to obtain the requisite approvals or certifications may result in penalties, additional costs, restrictions on the use or occupation of the relevant properties or other regulatory enforcement actions. While we do not currently expect these matters to have a material adverse effect on our Group based on the alternative arrangements available to us, there can be no assurance that future developments, regulatory actions or changes in circumstances will not result in operational disruptions, increased costs or other adverse consequences that may adversely affect our business operations, financial condition and results of operations. See Section 7.25.1 of this Prospectus for further details on the outstanding non-compliances and regulatory matters of our Group.

5. RISK FACTORS *(Cont'd)*

5.1.9 Our business operations are subject to various licensing, approval, permit and other regulatory requirements in Malaysia and Vietnam, and any failure to comply with such requirements could adversely affect our operations

Our business operations are subject to extensive laws, regulations and regulatory requirements in Malaysia and Vietnam, including requirements relating to the operation of our hospitals and ancillary service facilities, fire safety, licences, approvals, permits, certifications and other operational and regulatory requirements. We are required to obtain, maintain and, where applicable, regularly renew the requisite licences, approvals, permits and certifications and comply with the applicable regulatory requirements in respect of our business operations.

As at the LPD, we have identified certain outstanding non-compliances and regulatory matters in Malaysia, including, among others, the absence or expiry of certain licences and approvals and certain regulatory requirements applicable to our operations. We are taking steps to rectify and regularise such matters, including by submitting the relevant applications, renewing the requisite licences and certificates and engaging with the relevant authorities. Certain of these matters are subject to ongoing applications, inspections or regulatory processes, and there can be no assurance that the requisite approvals, licences, certificates or other regulatory authorisations will be obtained or renewed within the expected timeframe or at all. See Section 7.25.1 of this Prospectus for further details on the outstanding non-compliances and regulatory matters of our Group.

In addition to the outstanding matters described above, we have, from time to time, identified certain historical instances of non-compliance with applicable laws and regulatory requirements, as well as certain practices which may not have been fully compliant with applicable regulatory requirements. Such historical non-compliances and practices have since been rectified or regularised through the implementation of the necessary remedial measures, including, where appropriate, the cessation, discontinuation or modification of the relevant activities or practices and, where applicable, payment of the relevant compound and the subsequent renewal or issuance of the relevant approvals, licences, certificates or other regulatory authorisations.

Notwithstanding the rectification or regularisation of such historical non-compliances and/or the discontinuation or modification of such practices, there can be no assurance that the relevant regulatory authorities will not subsequently investigate such matters or, subject to applicable laws and statutory limitation periods, take regulatory or enforcement action against us in respect thereof.

In the event that any regulatory or enforcement action is taken against us, we may be subject to, among others, penalties, fines, sanctions, directives or other remedial measures, depending on the nature and circumstances of the relevant non-compliance or practice. We may also become subject to claims, proceedings or other actions in connection with such non-compliances, practices or related matters. Any such penalties, claims, proceedings or actions may result in financial losses, reputational damage, disruption to our business operations and diversion of management time and resources, which could materially and adversely affect our business operations, financial condition, results of operations and prospects.

Any failure to obtain, maintain or renew the requisite licences, approvals, permits, certificates or other regulatory authorisations in Malaysia or Vietnam may result in fines, penalties, suspension or cessation of operations at the relevant sites. This could impair our ability to operate hospitals and ancillary service facilities, which could in turn materially and adversely affect our business operations, financial condition and results of operations. See Section 7.25.1 of this Prospectus for further details on the non-compliances of our Group.

5. RISK FACTORS (Cont'd)

5.1.10 Cybersecurity and data breaches could harm our reputation, trigger legal action and impact our operations

We rely on our information technology infrastructure including software, hardware and cloud-based systems to manage clinical systems, patient records, medical records, inventory and our broader hospital operations. This infrastructure is exposed to disruptions from cyberattacks, malware, ransomware, human error, natural disasters, prolonged power outages, unauthorised access, data leakage, data corruption and data loss, any of which could impair our ability to deliver patient care and conduct ordinary operations.

For example, we have developed and deployed digital health applications as part of our platform, including the Columbia Asia app for patients, which provides patients with unified access across all Columbia Asia hospitals to book and manage doctor appointments, access test results, and the CALM (Care21 Light on Mobile) application, also known as the “Doctor’s App Suite” for our medical practitioners, which provides doctors with secure and instant access to aggregated patient medical records, including a unified view of laboratory reports, radiology images, clinical notes and prescriptions. These applications handle sensitive personal data, including patients’ health records, medical histories, diagnostic results and prescription information. Any security vulnerability, unauthorised access, data breach or system failure affecting these applications could result in the exposure, loss or misuse of confidential patient information, which could in turn give rise to regulatory action, legal liability, reputational harm and a loss of trust among our patients and healthcare professionals. The integration of these applications with our Hospital Information System and cloud-based infrastructure also increases the potential attack surface for cybersecurity threats, and any compromise of data transmitted through or stored by these applications could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our proprietary business data and patient information are stored on-premises or in data centres which are hosted in public cloud and transmitted over the internet, exposing us to cybersecurity threats including malware, hacking and unauthorised access. In the event of an incident of data loss and our failure to restore such lost data in a timely manner, our business operations may be disrupted and expose our patients or other persons who may be affected by the loss of their personal data to the risk of loss or misuse of their personal information.

Further, under the PDPA, we are classified as a data controller and must comply with the Personal Data Protection Principles set out in the PDPA, including securing explicit consent for processing sensitive personal data such as health records. Any failure to process our patients’ personal data in accordance with the Personal Data Protection Principles set out in the PDPA may result in legal action, reputational harm and penalties of up to RM1,000,000 or imprisonment for a term not exceeding three (3) years or both.

Further, the PHFS Regulations 2006 impose additional obligations to maintain the confidentiality of patients’ medical records and require us to implement adequate measures to protect such information from unauthorised access.

Medical practitioners such as our doctors are further bound by professional obligations under the MA 1971. The MMC, constituted under the MA 1971, has issued a Code of Professional Conduct which imposes a duty of confidentiality on all registered medical practitioners to maintain the confidentiality of patients’ personal data. A breach of this duty may lead to disciplinary action being taken against the medical practitioners by the MMC, including reprimand, suspension or removal from the medical register, which could in turn negatively affect our reputation, business, results of operations and financial condition.

5. RISK FACTORS (Cont'd)

There can be no assurance that the security systems and controls which we have put in place are adequate to avoid or deter any future security breaches, threats or vulnerabilities. In the event of such security breach resulting in data loss, we may be subject to claims for damages by our patients and/or any affected person (including fines, potential liabilities and legal proceedings from our patients and the relevant regulators), loss of business from our patients, as well as damage to our reputation which could in turn adversely affect our business, financial condition, results of operations and prospects.

Deficiencies in managing our information systems and data security practices may lead to leakage of sensitive personal data and information, patient records, test results, prescriptions and laboratory records, which could adversely impact our business and damage our reputation. Any breach of data privacy, including due to data leakages, faulty transfer of data upon change of service providers, lack of data backup or improper use of such data, notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, loss of business from our patients, as well as damage to our reputation. As cybersecurity attacks and similar events become increasingly sophisticated, we may need to incur substantial costs to implement enhanced data security and privacy measures, modify or enhance our protective measures or investigate and remediate any vulnerability to cybersecurity incidents, which could in turn have a material and adverse effect on our business, financial condition, results of operations and prospects.

5.1.11 **We are subject to anti-bribery, anti-corruption, and anti-money laundering laws. If we fail or are alleged to fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures, legal expenses, and reputational harm**

We are subject to anti-bribery, anti-corruption laws, anti-money laundering laws, anti-terrorism laws, export control laws, customs laws, sanctions laws, and other similar laws in the jurisdictions in which we operate. Our operations require sustained interaction with government and regulatory bodies and public officials, such as MOH under the PHFSA 1998, the Fire and Rescue Department, DOSH, and MSQH for licensing, renewals and inspections, as well as state officials and licensing bodies. We also procure significant volumes of medical equipment, devices, pharmaceuticals and consumables, both directly and through distributors or other intermediaries, and maintain commercial relationships with healthcare practitioners, hospitals, insurers, third-party administrators and other stakeholders.

We cannot assure you that our directors, officers, employees, representatives, consultant specialists, and agents have not engaged and will not engage in conduct for which we may be held responsible, will at all times act in compliance with our anti-bribery and anti-corruption compliance framework and policies, or that our internal controls and due diligence procedures will be effective in preventing, detecting or deterring improper conduct; nor can we assure you that our contractors, suppliers or business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to us, or even result in us being held liable for such conduct. Any investigation of a potential violation of anti-corruption, anti-bribery or similar laws could have an adverse impact on our reputation, and subject us to criminal and civil penalties, fines, or remedial measures. Even where such an investigation, inquiry or allegation does not result in any finding of wrongdoing against our Group, the existence of any investigation, inquiry or allegation could result in adverse publicity, reputational harm, and increased legal and compliance costs, any of which could materially affect our business, financial condition and results of operations. Further, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management. For example, in 2020, an internal audit we conducted identified certain procurement irregularities, such as non-compliance with tender requirements. Following an internal investigation, we terminated three (3) employees, including our chief operating officer at that time, and engaged an external auditor and legal counsel to conduct further investigations. We submitted our findings to the Malaysian Anti-Corruption Commission in September 2021, and two (2) of the employees were eventually charged and convicted of bribery offences. There can be no assurance that any such incidents will not occur in the future, which could in turn materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.1.12 The Combined Financial Information and operating information presented in this Prospectus are not directly comparable to each other across the Financial Years Under Review, and the presentation of Supplementary Financial Information and Supplementary Operating Information may differ from the presentation that would have been required had pro forma statements of profit or loss, financial position of cash flows been prepared

This Prospectus presents Combined Financial Information, which has 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 acquisitions. The operating information provided in this Prospectus is prepared on the same basis. In particular, we completed the RSD Acquisition on 28 December 2023, and the TE Asia Acquisition on 1 August 2024. The table below illustrates the approximate months of consolidation of our Group during the Financial Years Under Review and the corresponding effect on our results of operations in our Combined Financial Information and our operating information.

	FYE 31 March		
	2024	2025	2026
Columbia Asia hospitals	12 months	12 months	12 months
Hospitals acquired through the RSD Acquisition	3 months	12 months	12 months
Hospitals acquired through the TE Asia Acquisition	–	8 months	12 months

As a result, the Combined Financial Information and the operating information presented in this Prospectus for the Financial Years Under Review reflects the results of operations and financial position of entities that were not all part of our Group throughout all of the financial years presented and are not directly comparable across such financial years. For more information, see Section 12.2.2(i) of this Prospectus. The Combined Financial Information and the operating information presented in this Prospectus does not reflect the financial position, results of operations, cash flows or operating information that would have occurred had the formation of our Group in its current form been effected on 1 April 2023 (being the start of the FYE 31 March 2024).

We also present selected financial information for the FYE 31 March 2024 and FYE 31 March 2025, which present the results of operations of our Group together as though the acquisition date for the RSD Acquisition and the TE Asia Acquisition had been 1 April 2023 (being the start of the FYE 31 March 2024) and 1 April 2024 (being the start of the FYE 31 March 2025) respectively by adjusting for the partial-year impact of the RSD Acquisition and the TE Asia Acquisition in the respective years (the Supplementary Financial Information). Combined Financial information for the FYE 31 March 2026 is presented alongside the Supplementary Financial Information to provide a basis for period-on-period comparison. We also present selected operational information as though the acquisition date for the RSD Acquisition and the TE Asia Acquisition had been 1 April 2023 (being the start of the FYE 31 March 2024) and 1 April 2024 (being the start of the FYE 31 March 2025) respectively by adjusting for the partial-year impact of the RSD Acquisition and the TE Asia Acquisition in the respective years (the Supplementary Operational Information). Operational information for the FYE 31 March 2026 is presented alongside the Supplementary Operational Information to provide a basis for period-on-period comparison with the FYE 31 March 2026. Such information is provided for information only.

5. RISK FACTORS (Cont'd)

The Supplementary Financial Information and the Supplementary Operational Information has been prepared using financial and operating data derived from the respective entity's financial statements, other accounting records or operational records prior to its acquisition. The Supplementary Financial Information and the Supplementary Operational Information includes certain management estimates and is not necessarily indicative of the financial or operational results that would have been achieved had the RSD Acquisition and the TE Asia Acquisition actually occurred earlier as our Group had only gained control of CMC Malaysia and the ASC Entities in December 2023 and August 2024 respectively, nor is it necessarily indicative of our Group's future results of operations or financial position. No pro forma statements of profit or loss, financial position or cash flows have been prepared to illustrate the effects of the RSD Acquisition or the TE Asia Acquisition. Accordingly, the Supplementary Financial Information and the Supplementary Operational Information does not necessarily reflect any pro forma adjustments that would otherwise have been required to present pro forma financial or operational information in accordance with the Prospectus Guidelines or Regulation S-X under the U.S. Securities Act. Users should not place undue reliance on such information and should read it in conjunction with the Combined Financial Information and the related notes thereto and operational information included elsewhere in this Prospectus. See also Section 12.2.2(i) of this Prospectus for more information.

As our Group's statutory audited consolidated financial statements to be prepared following our Listing will be prepared on a going-forward basis, they may not be directly comparable to the financial information presented in this Prospectus. You should exercise caution in placing reliance on our historical financial information or historical trends as a basis for evaluating our future financial performance, the value of our Shares or the merits of an investment in our Company.

5.1.13 Our success depends on our Key Senior Management and our ability to attract and retain key talent

The expertise and experience of our Key Senior Management have been and will continue to be instrumental to the success of our business. For further details on our Key Senior Management, see Section 9.3 of this Prospectus.

The loss of any member of our Key Senior Management could impair our ability to operate and impede the execution of our strategies. While 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. There can be no assurance that we will be able to find suitable replacements within a reasonable time or at all. Competition for talented executives and other key personnel in the healthcare industry is intense, and we may need to offer competitive compensation and other incentives to attract and retain such personnel. Increases in the costs of attracting and retaining key personnel could adversely affect our profitability, and if we are unable to attract or retain key talent, our ability to implement our growth strategies could be impaired.

5.1.14 We may incur substantial additional indebtedness in the future or require additional capital, which may not be available on terms acceptable to us, or at all, and which may expose us to interest rate risks and economic downturns which could adversely affect our financial health and limit our investment plans

We have obtained both short-term and long-term borrowings in the ordinary course of our business to finance our operations and may continue to do so in the future. As at 31 July 2026, our total indebtedness was RM2.3 billion. See Section 12.3 of this Prospectus for further details.

Our ability to grow our business and maintain our market share in the industry in which we operate, including through the expansion of our existing hospitals or development of new hospitals, depends on our ability to raise additional capital. Such capital may be required to implement our business strategies, refinance our existing debt or support our working capital needs.

5. RISK FACTORS (Cont'd)

We continually evaluate various financing alternatives and may decide to fund our business and future growth through debt financing, equity financing or a combination of both. There can be no assurance that we will be able to procure financing on similar or more favourable terms compared to the terms of our existing financing agreements. Some of our existing debt is, and potentially future borrowings may be, at floating interest rates and consequently, our funding costs may be subject to fluctuations in interest rates. Any material fluctuations in these rates or the occurrence of a market disruption event may increase our financial burden and could have an adverse effect on our ability to service our debt obligations.

Moreover, additional financing may eventually lead to us having substantial indebtedness which could have a material impact on us, including:

- increasing our vulnerability to economic downturns, adverse industry or competitive conditions and changes in government regulations;
- requiring us to dedicate a substantial portion of our cash flow from operations to repay our indebtedness, thereby reducing the availability of our cash flow to fund our working capital, investments and for other general purposes;
- limiting our flexibility in planning for or reacting to changes in our business, including limiting our ability to make strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to borrow additional funds; and
- increasing our financing cost if additional funding is required,

which would, in each case, place us at a competitive disadvantage compared to our competitors who are less highly leveraged.

If we are unable to meet our debt obligations when they fall due or fail to comply with key financial covenants (if any) within applicable remedy periods, lenders may declare an event of default, accelerate repayment and (if applicable) terminate further credit commitments. In the case of secured borrowings, lenders may also exercise their rights and remedies as secured creditors under applicable laws, including to enforce collateral. If our cash flows are insufficient to meet debt service obligations, we could face substantial liquidity problems and may be required to reduce or delay investment and capital expenditure or to dispose of material assets or operations. There can be no assurance that such disposals can be completed or will generate sufficient proceeds.

We may also be required to refinance our indebtedness in the future. Our ability to refinance our indebtedness will depend upon our financial condition at the time, the restrictions in the agreements governing our indebtedness and other factors, including general market and economic conditions. Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which may be affected by prevailing economic and financial conditions, business and other factors, many of which are beyond our control.

5.1.15 Our inability to identify or adapt to evolving medical technologies, equipment failures and the use of artificial intelligence and other emerging digital health technologies could adversely affect our business and competitiveness

We use sophisticated and advanced medical equipment, which requires large amounts of capital expenditure, to provide our services. Within the healthcare services industry, product improvements occur and technology evolves, which could at times lead to earlier-than-planned redundancy of our medical equipment and result in asset impairment charges. The purchase and replacement of such equipment may involve significant costs. Our equipment is generally imported from other countries, which also exposes us to currency fluctuation risks.

5. RISK FACTORS (Cont'd)

As industry standards evolve, we may be required to enhance and develop our internal processes, procedures and training as well as our medical equipment to comply with the standards required for operating in this industry and to maintain our competitiveness and our facilities' accreditations. In addition, if equipment is damaged or breaks down after the expiry of its warranty period, the costs to repair such damage could be substantial. Due to the high costs of medical equipment, we may not maintain back-up equipment, and if such equipment is damaged or breaks down, our ability to provide the relevant services to our patients may be impaired. If equipment is damaged or breaks down with no available back-ups or alternatives (such as transfers to another hospital within our network), our ability to provide services to our patients could be disrupted, which could adversely affect our business.

Our future success will depend on our ability to take advantage of and adapt to technological advancements to compete with other healthcare services providers. If we are unable to keep up with technological advances, our doctors and patients may turn to other hospitals and healthcare providers which have more advanced equipment, and our competitive edge may be reduced. Our failure to understand, anticipate or adequately respond to evolving medical technologies, market demands or patient healthcare requirements may reduce our competitiveness and market share, which could in turn adversely affect our business, financial condition, results of operations and prospects.

Beyond physical medical equipment, we also use and may continue to adopt and expand our use of, digital health technologies, data analytics, automation tools, telemedicine platforms, AI and machine learning capabilities across certain clinical, operational and administrative functions. While these technologies may improve efficiency, decision support, patient engagement and service delivery, they also introduce operational, regulatory, data governance, cybersecurity and reputational risks, including inaccurate or inappropriate system outputs, data quality limitations, challenges in validating or explaining AI-generated outputs, system integration issues and evolving regulatory expectations. Where AI or digital tools are used, any failure to implement appropriate governance, validation, monitoring, human oversight, training and change management processes could result in operational disruption, inaccurate decision support, data privacy concerns, regulatory scrutiny, claims or reputational harm. Additionally, the evolving regulatory landscape for AI could impose new compliance burdens and operational constraints, and the difficulty in predicting AI's long-term impact also adds complexity to capital allocation decisions.

We may also rely on third-party vendors, software providers and cloud platforms for certain digital health, AI, analytics and technology capabilities. Any disruption, cybersecurity breach, data loss, service degradation, vendor non-compliance, or material change in service terms, pricing or product availability could impair our operations, require costly remediation or system migration, or adversely affect our ability to provide services, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.16 We may not be able to adequately protect the trademarks and brand names which we use in our business.

We own registered trademarks including "Columbia Asia", "CVS", "Beacon Hospital" and "ALTY", and we also operate under the names of our hospitals, including Subang Jaya Medical Centre.

5. RISK FACTORS (Cont'd)

However, certain names used in our operations, including the names of certain of our hospitals, may not be separately registered as trademarks. Accordingly, in respect of such names, we may not have the benefit of the statutory protections and remedies available to registered trademark proprietors and may instead be required to rely on other available legal rights and remedies to protect our interests, which may be more difficult, costly and time-consuming to establish and enforce. Further, if we are unable to secure registration of any such names for which registration is sought, especially where the name relates to our hospital brands, or if it is subsequently determined that a third party has superior rights in respect of any such name, we may be required to modify, restrict or cease the use of the affected name or undertake rebranding measures, which may result in additional costs and disruption to our operations and in turn could materially affect our business, financial condition, results of operations and prospects.

If we fail to protect and enhance our brand identities and/or trademarks, or if we fail to properly supervise the use of, and compliance with, our brands and/or trademarks 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.

There can be no assurance that any future trademark registrations will be issued for our pending or future applications, or that any of our current or future trademarks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, or otherwise provide adequate protection of our intellectual property. Third parties may also seek to oppose or challenge our registrations and assert intellectual property claims against us, particularly as we expand our business and broaden the range of healthcare services we offer. We may not be able to prevent the unauthorised use of our intellectual property by third parties. Any failure to adequately protect our intellectual property rights, or any successful challenge to or infringement of our intellectual property, could diminish the value of our hospital brands, harm our competitive position and have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.17 Our profitability and operational resilience could be materially impacted by rising costs of pharmaceutical products, medical consumables, operating costs (including employee benefit expenses) and capital investments, especially if we are unable to secure favourable supplier terms or pass on these costs to our patients

We incur substantial expenses for the procurement of pharmaceutical products and medical consumables, operating costs (including employee benefit expenses) and capital expenditure for medical equipment and the expansion of our hospital network and capacity. In a competitive healthcare landscape, the high demand for skilled healthcare professionals such as nursing staff may limit our ability to negotiate favourable compensation terms with them or pass on any such cost increases to our patients. Conversely, if we are unable to offer competitive remuneration and benefits to our healthcare professionals, we may face challenges in retaining them, which could impact our service delivery and patient trust. For further details on our reliance on healthcare professionals, see Section 5.1.1 of this Prospectus.

Our profitability is susceptible to fluctuations in the cost of pharmaceutical products and medical consumables. If we are unable to obtain favourable pricing, discounts or rebates from suppliers (especially in a highly competitive procurement environment), it could affect our costs, business, operations, results of operations and financial condition. Further, we may not be able to pass on such increased costs in full to our patients due to competition from other hospital groups, which could in turn negatively impact our ability to deliver quality care to our patients at competitive prices. If we are unable to adopt alternative means to deliver value to our patients (in terms of quality and affordable healthcare services), our revenue and profitability may be materially and adversely affected.

5. RISK FACTORS (Cont'd)

Additionally, evolving global trade policies and tariffs, such as those recently imposed or adjusted by the United States government, have introduced uncertainty and volatility in the supply chain. Ongoing geopolitical conflicts, including the Russia-Ukraine conflict and conflicts in the Middle East, have further disrupted global supply chains, contributing to shortages, price increases and logistical challenges for medical supplies and equipment sourced from or routed through affected regions. As a significant portion of our pharmaceutical products, medical and non-medical consumables and medical equipment are imported from countries abroad, including from the United States, these factors may increase procurement costs, disrupt supply availability and extend delivery timelines. We also depend on a number of key suppliers for the provision of pharmaceutical products, medical consumables and equipment, and any disruption to these supplier relationships (including due to trade policy changes, geopolitical conflicts, financial difficulties of a supplier, regulatory restrictions on supply or other events) could affect our ability to procure critical medical supplies at acceptable prices or at all. Any of the foregoing may require us to modify our procurement strategies or business practices, potentially affecting our operations, financial condition and ability to deliver timely and high-quality care.

In addition, the complex nature of the treatments and procedures we perform or propose to introduce at certain of our hospitals requires us to invest in advanced, capital-intensive medical technologies and equipment from time to time. If we are unable to align revenue growth with rising costs, particularly during periods of economic downturn or revenue contraction, our profitability and financial stability could be materially and adversely affected.

5.1.18 Our insurance coverage may not adequately protect us against all losses or liabilities arising in connection with our operations

Our operations are subject to inherent risks of medical malpractice or negligence, personal injury and loss of life, damage to or destruction of property, plant and machinery and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. While we maintain takaful and insurance policies at levels that are customary in our industry to cover the various risks and liabilities customary to our business, these policies may not adequately cover all potential liabilities or losses, and certain risks may be uninsurable. There can be no assurance that our existing coverage will be sufficient, or that we will consistently comply with all policy terms and warranties which may limit insurer payouts. We are also subject to risks of increased premiums, higher deductibles, reduced coverage and additional or expanded exclusions in connection with our existing insurance policies, which may impose onerous renewal conditions or disrupt our business. The occurrence of any these risks, particularly where losses exceed coverage limits or fall outside policy scope and requiring us to make substantial payments, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

5.1.19 Any inability to comply with third-party intellectual property rights may have a material adverse effect on our business

Our business processes may infringe the intellectual property rights of third parties, and we cannot determine with certainty whether our current operations or future offerings infringe any existing third-party intellectual property rights. In addition, we cannot be certain that our equipment suppliers have obtained all requisite third-party consents and licences for the intellectual property used in the equipment they manufacture. Any claims of intellectual property infringement or misappropriation against us could result in costly litigation, divert management's attention and resources, subject us to significant liabilities, or require us to enter into royalty or licensing arrangements or cease or modify certain practices or require us to migrate to an alternative system, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.1.20 Exchange rate fluctuations and any weakening of the RM and VND may increase our costs of operations, which could materially affect our financial condition and results of operations

While the majority of our purchases are made through local suppliers and settled in local currencies, we remain indirectly exposed to foreign exchange fluctuations, particularly against the USD as a significant portion of pharmaceutical products, medical consumables and medical equipment used by our hospitals are manufactured or sourced from overseas. Accordingly, local suppliers may seek to pass on the impact of adverse currency movements to us through price adjustments which could in turn increase our procurement costs, and which we may not be able to immediately pass on to our customers, potentially impacting our margins and financial performance. As at the LPD, we have not entered into any hedging transactions to reduce our exposure to foreign currencies. Consequently, significant and sustained fluctuations in exchange rates or prolonged weakening of the RM and VND could increase our operating costs and may materially and adversely affect our financial condition, cash flows and results of operations.

5.1.21 If we do not receive timely payments from private insurance companies, third-party administrators and corporates or self-payors, our business and results of operations could be adversely affected

The primary collection risk of our account receivables relates to the failure by private insurance companies, third-party administrators and corporates or self-payors to pay us in full and in a timely manner for the services we have provided.

For the FYE 31 March 2026, the largest private insurance company in our payor base accounted for 19.4% of our patient-related revenue, while the largest contributor for third-party administrators and corporates in our payor base accounted for 12.1% of our patient-related revenue. On the other hand, while any individual self-payor on a standalone basis does not account for a material amount of our patient-related revenue, on an aggregate basis, self-payors collectively accounted for 27.0%, 31.1% and 35.1% of our patient-related revenue for the FYE 31 March 2024, FYE 31 March 2025 and FYE 31 March 2026, respectively. As such, any widespread collection risk relating to such self-payors may materially affect our business and results of operations. For more information on our payors, see Section 7.11.1 of this Prospectus.

Insurance policy coverage obtained by patients, or coverage by third-party administrators and corporates may be subject to various exclusions or limits. As a result, private insurance companies, third-party administrators or corporates may seek to exclude and not cover certain parts of the patient's bill, which may delay the process of collection, or deny payment of the bill entirely. This may result in patients having to bear part or the full cost out of pocket for certain services which we have provided. In addition, individual patients who do not have medical insurance may not be able to pay the full fees for the services they have received, if at all.

There can be no assurance that we will receive timely payments or payments at all from private insurance companies, third-party administrators, corporates or self-payors. The failure to do so could materially and adversely affect our operating cash flows and we may have to recognise impairments on our trade receivables, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.1.22 We are dependent on two (2) of our major suppliers, namely Zuellig Pharma and Supplier A, for the supply of pharmaceutical products and medical consumables

As with many private medical centres in Malaysia, we procure a substantial portion of our pharmaceutical and medical products through established distributors, including Zuellig Pharma and Supplier A. Our Group continues to maintain active purchase orders and ongoing business relationships with Zuellig Pharma and Supplier A for the products or inventory items. Our purchases from these suppliers, expressed as a percentage of total purchases for the Financial Years Under Review are as follows:

	FYE 31 March		
	2024	2025	2026
Zuellig Pharma	23.0%	23.8%	24.1%
Supplier A	6.3%	7.2%	7.8%

Zuellig Pharma and Supplier A are the appointed local distributors for certain brands in Malaysia. If the supply of products from these suppliers is disrupted or ceased, or if there are changes in our business relationship with them, this may affect our business operations and our costs may increase as sourcing replacements may involve delays and commercially unfavourable terms. Furthermore, any change in the brand of medicine provided to our patients may raise concerns regarding the efficacy and safety of the medication, which in turn could potentially impact our patients' confidence and satisfaction towards our Group. There can be no assurance that there will be no disruption in supply from, or change in the relationship with, these major suppliers in the future, which could, in the event of such occurrence, negatively affect our business operations, financial condition and patient trust.

5.1.23 Our arrangements with some of our consultant specialists may give rise to conflicts of interest and time-allocation constraints, adversely affecting our operations

As at the LPD, 650 of our 1,400 consultant specialists, representing approximately 46.4% of our total number of consultant specialists are visiting consultant specialists who are not concurrently engaged as a resident consultant specialist. Such visiting consultant specialists may also maintain practices at other hospitals and/or clinics. This significant proportion of such visiting consultant specialists emphasises our reliance on such arrangements, which may give rise to conflicts of interest in how these consultant specialists allocate their time and resources between our hospitals and other hospitals and/or clinics at which they practice, and where they refer patients. As such, these arrangements could result in patient diversion, reduced referrals to our hospitals, and scheduling challenges, potentially impacting service quality and patient experience at our hospitals.

Given that consultant specialists are key drivers of complex care across our hospitals and in key clinical disciplines, any reduction in their engagement or availability could disrupt our operations and affect our ability to maintain patient volumes and clinical outcomes. There can be no assurance any disruptions or changes in consultant specialist engagement will not occur, which could have a material adverse effect on our results of operations and financial performance.

5. RISK FACTORS (Cont'd)

5.2 RISKS RELATING TO OUR INDUSTRY

5.2.1 Pricing regulations and other related government reforms in the healthcare industry and the associated uncertainties could adversely affect our business, financial condition and results of operations

The healthcare industry in Malaysia is subject to extensive government regulation. The pricing of pharmaceutical products and medical services, as well as trade margins, are under active review.

In 2024, BNM, in collaboration with key stakeholders including the MOF, MOH, private insurance companies and takaful operators, private hospitals and clinics, and consumer groups, initiated efforts to curb medical inflation. For example, BNM introduced interim measures for medical insurance repricing in 2024, which capped annual premium increases at 10% and required insurance companies to spread adjustments over at least three (3) years, which have placed additional pressure on insurance companies and may indirectly affect our reimbursement rates and contract terms with them.

In addition, BNM has also introduced co-payment features for new medical and health insurance and takaful products, effective 1 September 2024, as part of broader efforts to control rising medical costs. Under these measures, insurance companies and takaful operators must offer products with co-payment options (including deductibles and co-insurance) at the point of sale or renewal. While this may help reduce fraudulent claims and contain cost inflation, it could also lead to reduced private healthcare expenditure in Malaysia in general as patients become more cost-conscious and selective in their healthcare usage, which could in turn adversely affect our business, financial condition and results of operations.

Furthermore, BNM announced a strategic thrust to facilitate greater price transparency, with initiatives including the display of retail prices for drugs and the publication of price ranges for common healthcare services, so as to enable insurance and takaful policyholders and operators to compare prices across different medical providers and promote competition. The MOH also undertook a regulatory and legislative review of oversight arrangements for private hospitals to support these initiatives. With the coming into force of the Price Marking Order on 1 May 2025, all private healthcare facilities or community pharmacies are required to comply with price display requirements for drugs, which our Group adheres to. While there have been legal challenges and uncertainty surrounding the Price Marking Order and its enforcement, enforcement has continued in stages through educational inspections. Beginning 1 October 2025, warning letters would be issued for non-compliance, with compounds to be imposed on private healthcare facilities for repeat offences, and full enforcement had been expected to commence on 1 January 2026. However, an action was initiated by a group of medical professionals challenging the implementation of the Price Marking Order and in May 2026, the High Court granted a stay of enforcement of the Price Marking Order pending the disposal of the judicial review proceedings. As at the LPD, the stay remains in force and the Government has not appealed against the stay. Accordingly, while the Price Marking Order remains in force, the timing, manner and extent of enforcement of the requirements thereunder remain uncertain pending the outcome of the judicial review proceedings brought by a group of medical professionals.

5. RISK FACTORS (Cont'd)

In addition, in January 2026, the MOF, BNM and MOH introduced a standardised base MHIT plan to provide a standard platform for the phased implementation of a DRG-based payment system which is intended to replace the current fee-for-service payment mode adopted by hospitals. Under the DRG system, hospitals would be reimbursed based on a predetermined payment amount for each patient care episode, tied to clinically and resource-comparable standardised diagnosis and treatment costs, subject to adjustment based on severity, complications and complexity, with the aim of enhancing price predictability and controlling rising healthcare costs, particularly in the private healthcare sector. If enacted, such regulations could impose additional compliance obligations on our operations, potentially leading to increased operational costs, the need for strategic adjustments or changes in our business practices. As at the LPD, MediAsas is being implemented on a phased basis, with nationwide implementation targeted for January 2027, and is intended to support the phased transition towards a DRG-based payment system.

These reforms, some of which are still under consultation or review, may, if eventually implemented, impose new compliance obligations, increase operational costs and necessitate adjustments to our pricing and service models. While the full impact of these governmental initiatives on our business cannot be determined until the reforms are finalised, there can be no assurance that such regulatory changes would not materially affect our patient engagement, business, financial condition and results of operations.

5.2.2 We operate in a highly regulated industry, and compliance with applicable safety, health, environmental and other governmental regulations may be costly

The healthcare sector in Malaysia and Vietnam is highly regulated, with stringent regulations and standards governing the establishment and administration of a healthcare facility, supply handling, operation of medical equipment and clinical procedures to ensure the safety of the general public.

In addition to the various regulations and standards that may evolve from time to time, we are also subject to various healthcare policies adopted by the relevant government bodies. Changes in government policies may affect the healthcare industry or the general social and economic conditions in different countries. Likewise, a shift in such general conditions could also influence decision-making in government policies. Any unfavourable changes in these government policies may impose restrictions on our operations, result in an increase in operating costs or suppress demand for private healthcare services. For example, an increase of the national budget to provide free medical services for citizens may influence the public to seek public healthcare instead of private healthcare.

We are also subject to increasing ESG requirements and expectations from regulators, investors, patients and other stakeholders. In Malaysia, the government has established statutory regulations governing waste management, alongside introducing various sustainability-related initiatives, frameworks, and policies aimed at promoting energy efficiency, carbon emissions reduction, and responsible procurement. The progressive adoption of these evolving frameworks and policies by the healthcare industry may impact healthcare facility operators. Adoption of existing and evolving ESG-related regulations and standards may require us to incur significant capital expenditure and ongoing costs, including investments in renewable energy infrastructure such as rooftop solar panel installations, energy-efficient equipment upgrades, waste reduction and recycling programmes, the elimination of single-use plastics across our facilities, and the implementation of environmental monitoring and reporting systems. We may also face increased costs associated with meeting voluntary ESG standards or sustainability benchmarks that are increasingly expected by institutional investors, rating agencies and other stakeholders in connection with our Listing and as a publicly listed company. Any failure or perceived failure to meet applicable ESG standards or stakeholder expectations could result in reputational harm, reduced investor confidence, difficulty in accessing capital markets on favourable terms, and regulatory sanctions.

5. RISK FACTORS (Cont'd)

In the event we are unable to adjust our operations to comply with and adapt to any unfavourable changes in these government legislations, regulations and policies, our operations and financial performance could be adversely affected. In addition, compliance with new government legislations, regulations or policies may also increase our costs. Any significant increase in compliance costs arising from such new government legislations, regulations or policies which we cannot pass on to our patients, may also adversely affect our financial position and results, business operations and future growth and prospects.

(a) We may not be able to obtain or renew our licences, permits, registrations or approvals necessary to conduct our operations, which could have a material and adverse impact on our business, financial condition and results of operations

We are required to obtain and maintain various statutory and regulatory certifications, licences, permits and approvals to operate our business, details of which are set out in Annexure B of this Prospectus.

In particular, our healthcare facilities in Malaysia are subject to extensive regulatory oversight under the PHFSA 1990 and its subsidiary legislation, including the PHFS Regulations 2006, which govern licensing requirements, operational standards (such as nursing staff-to-patient ratios), medical procedures and detailed design specifications. All structural alterations require DGHM approval, and the number of licensed beds must comply with staffing requirements including nursing staff availability. Any reduction in our licensed bed count could have a material adverse effect on our business, financial condition and results of operations. Under the FSA 1988, hospitals and nursing homes with a total floor area of 2,000 square metres or above, or comprising five (5) or more storeys, must obtain a fire certificate. As at the LPD, Beacon Hospital does not have a valid fire certificate in place and the fire certificates for Subang Jaya Medical Centre (Menara Utara) and Columbia Asia Hospital Setapak have expired. Subsequent to the LPD, the fire certificate for Columbia Asia Hospital Cheras has also expired. In addition, in respect of Columbia Asia Hospital Batu Kawan which was newly completed, the application process for the issuance of the fire certificate remains ongoing as Columbia Asia Hospital Batu Kawan is currently awaiting inspection by the Bomba. Pursuant to Section 33 of the FSA 1988, where no fire certificates is in force in respect of any designated premises, the owner of such premises shall be guilty of an offence and, upon conviction, may be liable to a fine not exceeding RM50,000 or imprisonment for a term not exceeding five (5) years or both.

Save for Beacon Hospital, we have submitted the relevant applications for the renewal and issuance of the fire certificates and are in the process of obtaining the requisite approvals from the relevant authorities. We expect the fire certificates for the hospitals with expired fire certificates and the newly completed hospital to be obtained within six (6) months from the relevant date of inspection. Pending the issuance of the fire certificates, there remains a risk that the relevant authorities take enforcement action against us for non-compliance with the requirements under the FSA 1988.

We are also subject to the AELA 1984 and the RPL Regulations 1986, which regulate control over activities involving atomic energy, radioactive materials and nuclear materials in Malaysia.

5. RISK FACTORS (Cont'd)

We cannot guarantee that we and/or our medical practitioners will be able to obtain, maintain or renew any required statutory and regulatory certifications, licences, permits and approvals to operate our business and/or to practise in their respective fields in the future, or in a timely manner, or that no additional requirement or condition will be imposed in connection with such certifications, licences, permits and approvals. Any failure to obtain or renew such certifications, licences, permits and approvals, or any suspension or revocation of any of the certifications, licences, permits or approvals that have been or may be issued to us or our medical practitioners, or non-compliance with potentially onerous conditions, may restrict the extent of operations we are authorised to conduct at our healthcare facilities, and could adversely affect our business, financial condition and results of operations.

(b) We may be exposed to risks relating to the handling of scheduled wastes by third-party service providers

Our operations involve the generation of scheduled wastes, including clinical wastes, which are regulated under the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005. In Malaysia, the handling, deposit, transportation and disposal of such scheduled wastes are subject to relevant regulatory requirements enforced by the Department of Environment Malaysia.

We rely on licensed third-party service providers to carry out the collection and transportation of scheduled wastes generated from our operations for treatment and disposal at the service providers' designated waste treatment facilities. Any non-compliance with the regulatory requirements, whether due to internal lapses or inadequate control, or failures by our independent third-party service providers to comply with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005, may lead to enforcement actions, including fines and/or imprisonment. In addition, any injury or damage caused by the wrongful handling of scheduled wastes may expose us to civil claims from injured parties, which could in turn affect our business, financial condition and results of operations.

5.2.3 The private healthcare business is highly competitive

The private healthcare business is highly competitive. We compete with other private hospitals that may be more established and have greater financial, personnel and other resources than us and may price their services at a significant discount or offer greater convenience or better services. Patients may also favour other hospitals or healthcare facilities based on their preference for specific doctors, facilities or location. Any failure to compete effectively could adversely affect our business, financial condition and results of operations.

Our competitors, including foreign hospitals and healthcare services providers, may capture market share from us if we fail to execute our business strategies effectively, or if they develop a substantially more effective or lower cost means of meeting patients' needs, resulting in an adverse effect on our business, financial condition and results of operations.

In addition, effective 2 September 2024, the MOH removed the requirement to obtain pre-establishment zoning process for the establishment of new private hospitals, a measure that was previously implemented to ensure equitable access to healthcare services. The removal of this requirement aimed to reduce regulatory burdens on industry players and regulators and to improve processing timelines. However, it may also lower barriers to entry for new market participants, intensify competition and potentially impact our market share and pricing flexibility, which could in turn adversely affect our business, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.2.4 Our business is subject to the health and stability of the general economy and laws and regulations in Malaysia

Our financial performance is exposed to a wide range of domestic and global economic risks. These include, but are not limited to, economic slowdowns or recessions, market illiquidity, reduced availability of credit, declining household incomes, high unemployment, energy price volatility, inflationary pressures, natural disasters, terrorism, armed conflicts (such as the ongoing Russia-Ukraine, Israel-Palestine and Iran wars), political instability, expropriation, adverse changes in government policy, interest rate and currency fluctuations and global trade disruptions. Most recently, wide-ranging tariff measures announced by the United States in 2025 and 2026 have resulted in significant volatility in global financial markets and heightened economic uncertainty.

In addition to broader macroeconomic and geopolitical factors, changes in domestic tax policy and fiscal incentives may also directly affect our financial performance. For example, pursuant to the Income Tax (Exemption) (No. 2) Order 2020 and Income Tax (Exemption) (No. 2) 2020 (Amendment) Order 2021 (together, the “**Tax Exemption Order**”), some of our subsidiaries which provided private healthcare services to “health travellers” (as defined in the Tax Exemption Order) may be eligible for income tax exemptions on qualifying capital expenditure. This tax exemption, if approved by the MIDA, shall be for a period of five (5) consecutive years commencing from the year of assessment in which the first qualifying capital expenditure is incurred by the qualifying company. While we have been granted exemptions for HHHPL, IOCKL and PHSB, there can be no assurance that we will be able to obtain the approval from MIDA for the tax exemptions for our other subsidiaries.

Many of the factors identified above affect costs of labour, insurance and healthcare. Foreign exchange rate fluctuations, lease costs, barriers or increased costs associated with international trade and other economic factors also affect our ability to implement our strategy effectively, and may have other adverse consequences which we are unable to fully anticipate or control, all of which could adversely affect our revenue or profitability. We have limited or no ability to control many of these factors, such as, among others, the revision in minimum wage policy from RM1,500 per month to RM1,700 per month effective from 1 February 2025, and the revision in the base electricity tariff rate. If inflation continues to increase, our margins may be adversely affected as we may not be able to adjust our fixed prices to offset its effects without negatively impacting patient demand. Furthermore, as the majority of our pharmaceutical products, medical devices and equipment are imported, we are also subject to cost pressures arising from fluctuating exchange rates. See Section 5.1.20 of this Prospectus for further details.

In addition, the Malaysian Government has announced an expansion of the SST, effective 1 July 2025. This reform broadens the scope of taxable goods and services, including certain categories relevant to our operations. While private healthcare services for Malaysian citizens remain exempt, services provided to non-Malaysian patients will be subject to a 6% service tax. As a result, the expanded SST may increase our tax liabilities and overall cost base, while also affecting Malaysia's price competitiveness in the regional medical tourism market. These changes may impact our pricing strategies and profitability.

Given the concentration of our business and operations in Malaysia, we are sensitive to the economic and political outlook of Malaysia in particular. The growth in the Malaysian economy, household consumption and retail sector were important factors in our past performance and growth. According to the IMR Report, the Malaysian economy grew at a CAGR of 6.0% between 2020 and 2025 and is projected to grow at a CAGR of 6.2% between 2025 and 2030, which is also higher than the Southeast Asia level of 5.6% and global level of 5.1% during the same period, however there can be no assurance that Malaysian economic conditions will continue growing or be as favourable as they were in the past.

5. RISK FACTORS (Cont'd)

If a general economic downturn does occur, we may not be able to compete directly on price with larger hospitals, including public hospitals with significantly larger economies of scale than us. In an economic downturn, as consumer discretionary spending decreases, it is also possible that consumers will increasingly seek alternatives in public healthcare or defer medical tourism and we may as a result feel significant pressure to further reduce our pricing, which may impact our margins. Any adverse development in the Malaysian economy generally, or that impacts consumer discretionary spending, in particular, could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

5.3.1 The offering of our Shares may not result in an active and liquid market for our Shares

Prior to our IPO, there was no prior public market for our Shares. There can be no assurance as to the liquidity of the market that may develop for our Shares, the ability of shareholders to sell our Shares or the prices at which shareholders would be able to sell our Shares. Neither we nor our Promoter have an obligation to make a market for our Shares or, if such a market does develop, to sustain it. In addition, there can be no assurance that the trading price of our Shares will reflect our operations and financial condition, our growth prospects or the growth prospects of the industry in which we operate.

5.3.2 Our Share price and trading volume may be volatile

The performance of our Shares is dependent on external factors such as the performance of regional and global stock exchanges and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of various sectors of the economy. These factors contribute to trading volume volatility on Bursa Securities, thus adding risks to the market price of our Shares once they are traded.

In addition, the market price of our Shares could be affected by numerous factors, including the following:

- general market, political and economic conditions;
- trading liquidity of our Shares;
- fluctuations in stock market prices and volume;
- differences in our actual financial and operating results and those expected by investors and analysts;
- changes in earnings estimates and recommendations by financial analysts;
- changes in conditions affecting our industry, the general economic condition or stock market sentiments or other related events or factors;
- changes in market valuations of listed shares in general or shares of companies comparable to ours;
- perceived prospects of our business and the industry in which we operate;
- adverse media reports regarding us or our shareholders;
- success or failure of our Key Senior Management in implementing our business and growth strategies;
- additions or departures of our Key Senior Management;

5. RISK FACTORS (Cont'd)

- involvement in claims, litigation, arbitration or other form of dispute resolution;
- changes in government policy, legislation or regulation; and
- general operational and business risks.

In addition, many of the risks described in this Section could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price. Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that has affected the share prices of many companies. Share prices of many companies have experienced wide fluctuations that were not always related to the operating performance of such companies. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

5.3.3 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have 16,806,934,472 Shares in issue. Of these, 4,380,589,000 Shares (approximately 26.1%) will be held by investors participating in our IPO respectively, while 73.9% (assuming the Over-allotment Option is not exercised) or 70.0% (assuming the Over-allotment Option is fully exercised) will be held by our Promoter. Our Shares sold in our IPO will be tradable on the Main Market of Bursa Securities without restriction following our Listing.

A moratorium will apply to the shareholdings held by our Promoter for a period of six (6) months from the date of our Listing during which time, no sale or disposal of these Shares will be permitted. After the Post-Listing Distribution, our substantial shareholders will be HLHG, GOL and OHA 2. These substantial shareholders could dispose of some or all of our Shares pursuant to their own investment objectives. If our substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that are held, the market price for our Shares could be adversely affected.

5.3.4 There may be a delay in, or termination of, our Listing

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

- the Managing Underwriter's and Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, or the Joint Lead Global Coordinators', Joint Global Coordinators' and Joint Bookrunners' exercise of their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;
- our inability to meet the minimum public shareholding spread requirement pursuant to the Listing Requirements of having 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing; or
- the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

5. RISK FACTORS (Cont'd)

Where prior to the issuance and allotment or transfer of our IPO Shares:

- the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholder shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- our Listing is aborted other than pursuant to a stop order by the SC under Section 245(7)(a) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our Issue Shares and the proceeds from our Public Issue form part of our share capital:

- the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (b) a solvency statement from our Directors.

Where subsequent to the transfer of the Offer Shares, the SC issues a stop order under Section 245(1) of the CMSA, the issuance of such securities shall be deemed null and void, and the Selling Shareholder or such other person who received the monies shall:

- promptly repay, without interest, all monies received from the applicants and, if any such monies are not repaid within 14 days from the date of service of the stop order, the Selling Shareholder or such other person shall be liable to repay such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; and
- take all necessary steps to give effect to the stop order.

5. RISK FACTORS (Cont'd)

5.3.5 We may not be able to pay dividends

As part of our Board's guidance on dividends, we aim to declare a certain portion of our retained earnings for the financial year as dividends, subject to the approval of our Board and to any applicable law and contractual obligations, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. See Section 12.4 of this Prospectus for further details on our dividend policy. We propose to pay dividends after taking into account, among other factors, our working capital, maintenance capital and committed capital requirements, the level of cash and indebtedness, the required and expected interest expense, cash flows and cash requirements, profits, return on equity and retained earnings, our expected financial performance and working capital requirements, our projected levels of capital expenditure and expansion or other growth/investment plans, our gearing levels, any applicable law, license conditions or contractual obligations, including any restrictive covenants contained in our financing arrangements, and any material impact of tax laws and other regulatory requirements. Our Board is of the view that we will have sufficient working capital for at least 12 months from the date of this Prospectus, after taking into consideration our committed capital expenditure, expected cash flows from operations, our existing level of cash and cash equivalents, credit sources, the Pre-IPO Distribution and proceeds to be raised from the Public Issue. For more information on our liquidity and capital resources, see Section 12.2.6 of this Prospectus. However, there can be no assurance that our working capital will be sufficient or that we will be able to make dividend payments in the future. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends at all or at a lower payout ratio. Further, if we incur new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends. If we do not pay dividends, or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced.

Additionally, as our Company is a holding company and substantially all of our operations are conducted through our subsidiaries, we rely on dividends and other distributions from our subsidiaries as our principal source of income. Our Company or our subsidiaries may also enter into financing agreements which may limit our ability to pay dividends or other distributions, and we may incur expenses or liabilities that would reduce or eliminate the cash or profit available for distribution. The payment of dividends and the receipt of dividends from our subsidiaries may also be affected by the passing of new laws, adoption of new regulations and other events outside our control, and we or our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. In addition, changes in accounting standards may also affect our ability to pay dividends.

Further, the payment of dividends could adversely affect our ability to fund unforeseen capital expenditure. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all.

5. RISK FACTORS *(Cont'd)*

5.3.6 The interests of our substantial shareholders may not always align with our other shareholders

Immediately after the completion of our IPO, our Promoter and substantial shareholder, HSG, will own 73.9% of our enlarged issued Shares (assuming the Over-allotment Option is not exercised) or 70.0% of our enlarged issued Shares (assuming the Over-allotment Option is fully exercised). After the Post-Listing Distribution, our substantial shareholders will be HLHG, GOL and OHA 2. The interests of our substantial shareholders may differ from our interest or the interests of our other shareholders and our substantial shareholders may be able to exercise significant influence over the vote of our Shares, including voting on director appointments and consequently, may be able to influence the composition of our Board. Our substantial shareholders could also have significant influence in determining the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions to the extent that they are not required to abstain from voting (and procuring persons connected with them to abstain from voting) in respect of such transactions and corporate actions. Our substantial shareholders may also have the power to prevent or cause a change in control.

5.3.7 Any future issuance of our Shares may dilute prospective investors' shareholdings and could adversely affect the trading price of our Shares

We may be required to finance our future growth, expansion plans and business requirements, including opportunistic acquisitions, through additional securities offerings. Any future equity issuance by us, or any perception by investors that such issuances might occur, may dilute investors' shareholdings in our Company or affect the trading price of our Shares. There can be no assurance that we will not issue further Shares which may dilute prospective investors' shareholdings in our Company and/or adversely affect the trading price of our Shares.

We have entered into certain arrangements with the minority shareholders of IOCKL, HHHPL and PHSB. See Section 6.4 of this Prospectus for more details. The terms of these arrangements require us to issue shares to the minority shareholders of IOCKL, HHHPL and/or PHSB if certain conditions are met. The issuance of such shares if undertaken after our Listing may result in a dilution of our shareholdings of our existing shareholders including prospective investors who subscribe for our shares. In addition, if we are unable to issue such shares or obtain requisite shareholders' approval to do so, if required, we will need to negotiate alternative arrangements with such minority shareholders which may result in additional cost, delays and other adverse effects.