

# TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS FURTHER DISPOSAL OF 4.78% OF THE EQUITY INTEREST IN APOLLO HOSPITALS ENTERPRISE LIMITED

## IHH HEALTHCARE BERHAD

<b>Type</b>	Announcement
<b>Subject</b>	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
<b>Description</b>	FURTHER DISPOSAL OF 4.78% OF THE EQUITY INTEREST IN APOLLO HOSPITALS ENTERPRISE LIMITED

Please refer attachment below.

### Attachments

[IHH Announcement - Divestment of shares in Apollo.pdf](#)  
60.6 kB

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### Announcement Info

<b>Company Name</b>	IHH HEALTHCARE BERHAD
<b>Stock Name</b>	IHH
<b>Date Announced</b>	19 May 2017
<b>Category</b>	General Announcement for PLC
<b>Reference Number</b>	GA1-19052017-00055



## IHH Healthcare Berhad

Company No. 901914-V  
(Incorporated in Malaysia)

### TRANSACTION (CHAPTER 10 OF LISTING REQUIREMENTS) NON-RELATED PARTY TRANSACTION

#### IHH HEALTHCARE BERHAD (“IHH” OR THE “COMPANY”) FURTHER DISPOSAL OF 4.78% OF THE EQUITY INTEREST IN APOLLO HOSPITALS ENTERPRISE LIMITED

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We refer to the announcement dated 3 March 2017 in relation to the disposal of 6.07% equity interest in Apollo Hospitals Enterprise Limited (“**Apollo**”) (hereinafter referred to as “**Tranche 1**”).

#### 1. INTRODUCTION

Pursuant to Paragraph 10.06 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”), the Board of Directors of IHH wishes to announce that Integrated (Mauritius) Healthcare Holdings Limited (“**IMHHL**”), an indirect wholly-owned subsidiary of the Company, has on 18 May 2017 disposed its remaining shareholdings in Apollo comprising 6,654,712 ordinary shares of INR5.00 each (“**Apollo Shares**”), representing 4.78% of the subscribed and paid-up share capital of Apollo, via a book-building process for a total cash consideration of INR8.198 billion (RM551.1 million equivalent\*) net of transaction costs, brokerage, taxes and stamp duty (“**Sale Consideration**”) (hereinafter referred to as “**Tranche 2**”). Tranche 2 was effected via direct business transactions under the rules and regulations of the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

(Tranche 1 and Tranche 2 are collectively referred to as “**Transactions**”)

Post Tranche 2, IMHHL has completed its divestment of 10.85% of the equity interest in Apollo.

#### 2. INFORMATION ON APOLLO

2.1 Apollo is listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and is primarily involved in the provision of healthcare services and standalone pharmacies. Apollo has an authorised share capital of INR1,100.0 million (RM73.9 million equivalent\*) with subscribed and paid up capital of INR695.6 million (RM46.8 million equivalent\*) based on the information extracted from Apollo's latest Annual Report available for the financial year ended 31 March 2016. The net assets and net profits after tax of Apollo as at 31 March 2016, based on the latest audited accounts available, are INR34,301.3 million (RM2,305.7 million equivalent\*) and INR3,694.4 million (RM248.3 million equivalent\*) respectively.

## 2.2 Financial information on Apollo

The key financial information of Apollo is as follows:

	<-----Audited financial year ended 31 March----->					Unaudited 9 month financial period ended 31 December
	2012	2013	2014	2015	2016	2016
	INR'mil	INR'mil	INR'mil	INR'mil	INR'mil	INR'mil
Revenue	28,000.7	35,394.3	41,171.2	45,927.9	54,090.7	47,801.3
Profit before taxation	3,375.2	3,990.8	4,067.1	4,673.3	4,521.3	3,003.2
Taxation	(1,065.3)	(1,050.4)	(1,017.6)	(1,207.3)	(826.9)	(633.3)
Profit after taxation	2,309.9	2,940.4	3,049.5	3,466.0	3,694.4	2,369.9

The above information was sourced from Apollo's annual reports for the years 2012 to 2016 and Apollo's quarterly results for the financial period ended 31 December 2016.

## 3. INFORMATION OF PURCHASERS

As Tranche 2 was effected through a book building exercise, there are multiple purchasers, almost all of which are institutional shareholders.

## 4. SALE CONSIDERATION DETAILS

Tranche 2 was done via a book building process at a gross price of INR1,246.00 per share amounting to a gross consideration of INR8.294 billion. The price represents a 2.7% discount to the closing market price of INR1,280.00 on 17 May 2017.

## 5. ORIGINAL COST OF INVESTMENT

The original cost and date of investment are as follows:

Date of Investment	No. of shares	Cost of Investment (USD'000)	Cost of Investment (RM'000)*
27 May 2011	11,000,000	117,239	507,351
18 October 2011	4,093,860	42,851	185,438
	15,093,860	160,090	692,789

Average cost per share is USD10.61 (RM45.91 equivalent\*).

## 6. EXPECTED GAIN FROM THE TRANSACTIONS

The expected gains from the Transactions are as follows.

	Date	Gain on disposal RM'000
Tranche 1	3 March 2017	313,417
Tranche 2	18 May 2017	245,621
		<u>559,038</u>

## 7. EFFECTS OF THE TRANSACTIONS

### 7.1 Share capital and substantial shareholders' shareholding

The Transactions do not have any effect on the share capital and substantial shareholders' shareholdings of the Company.

### 7.2 Earnings per share

Save for an extraordinary gain of RM559.038 million, the Transactions are not expected to have any material effect on the earnings per share of the Group for the financial year ending 31 December 2017.

### 7.3 Net assets ("NA") per share and gearing

The proforma effects of the Transactions on the NA, NA per share and gearing of IHH Group is as follows:

	Audited as at 31-Dec-16	After the Disposal
Total equity attributable to owners of the Company/ NA (RM'000)	21,985,740	22,223,635
NA per share (RM)	2.67	2.70
Debt to equity ratio / gearing	0.21	0.17

## 8. PROPOSED UTILISATION OF PROCEEDS FROM THE TRANSACTIONS – CASH CONSIDERATION

The proceeds from the Transactions would be applied to the working capital needs of IHH Group.

## 9. LIABILITIES TO BE ASSUMED BY THE PURCHASERS

There are no liabilities to be assumed by the purchasers in relation to the Transactions.

## 10. APPROVALS REQUIRED

The Transactions are not subject to the approval of the shareholders of the Company or any government authorities.

## **11. RATIONALE AND BENEFIT OF THE TRANSACTIONS**

The Transactions were undertaken as part of an ongoing and regular review of IHH Group's investment portfolio by the Board to maximize return to its stakeholders. In addition, having acquired Ravindranath GE Medical Associates Private Limited (Global Hospitals) and Continental Hospitals Private Limited group in 2015, IHH Group is consolidating and rationalizing its investment to these operating companies in India as its 4<sup>th</sup> home market.

## **12. PERCENTAGE RATIO**

The highest percentage ratio applicable to Tranche 2 pursuant to Paragraph 10.02(g) of the MMLR computed based on IHH's latest audited consolidated financial statements for the financial year ended 31 December 2016 is 2.5%.

The highest percentage ratio applicable to the Transactions upon aggregation pursuant to Paragraph 10.12 of the MMLR is 5.7%.

## **13. DIRECTORS' STATEMENT**

The Board of Directors of the Company, after having considered the Transactions, is of the opinion that the Transactions are in the best interest of IHH Group.

## **14. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST AND PERSONS CONNECTED TO THE DIRECTORS AND MAJOR SHAREHOLDER**

None of the directors and/or major shareholders of the Company or persons connected to the directors and/or major shareholders have any interest, direct or indirect in the Transactions.

\* Based on exchange rate of USD1.00:RM4.3275 and INR100:RM6.7218 published on the Bank Negara Malaysia website on 18 May 2017.