

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS DISPOSAL OF 6.07% EQUITY INTEREST IN APOLLO HOSPITALS ENTERPRISE LIMITED

IHH HEALTHCARE BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	DISPOSAL OF 6.07% EQUITY INTEREST IN APOLLO HOSPITALS ENTERPRISE LIMITED

Please refer attachment below.

Attachments

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

Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	03 Mar 2017
Category	General Announcement for PLC
Reference Number	GA1-03032017-00084



IHH Healthcare Berhad

Company No. 901914-V
(Incorporated in Malaysia)

TRANSACTION (CHAPTER 10 OF LISTING REQUIREMENT) NON-RELATED PARTY TRANSACTION

IHH HEALTHCARE BERHAD (“IHH” OR THE “COMPANY”) DISPOSAL OF 6.07% EQUITY INTEREST IN APOLLO HOSPITALS ENTERPRISE LIMITED

1. INTRODUCTION

Pursuant to Paragraph 10.05 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 3 March 2017 disposed 8,439,148 ordinary shares of INR5.00 each (“**Apollo Shares**”), representing 6.07% of the subscribed and paid-up share capital of Apollo Hospitals Enterprise Limited (“**Apollo**”), via a book-building process for a total cash consideration of INR10.7 billion (RM710.9 million equivalent*) net of transaction costs, brokerage, taxes and stamp duty (“**Sale Consideration**”) (hereinafter referred to as “**the Disposal**”). The Disposal was effected via direct business transactions under the rules and regulations of Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Post the Disposal, IMHHL’s shareholdings in Apollo has dropped to 4.78%.

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 (RM73.3 million equivalent*) with subscribed and paid up capital of INR695.6 million (RM46.4 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 (RM2,286.3 million equivalent*) and INR3,694.4 million (RM246.2 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 the Disposal was effected through a book building exercise, there are multiple purchasers, almost all of which are institutional shareholders.

4. SALE CONSIDERATION DETAILS

The Disposal was done via a book building process at a gross price of INR1,280.00 per share amounting to a gross consideration of INR10.8 billion. The price represents a 3.07% discount to the closing market price of INR1,320.55 on 2 March 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	522,358
18 October 2011	4,093,860	42,851	190,923
	15,093,860	160,090	713,281

Average cost per share is USD10.61 (RM47.26 equivalent*).

6. EXPECTED GAIN FROM THE DISPOSAL

Upon completion of the Disposal, the expected gain from the Disposal is approximately RM312.1 million.

7. EFFECTS OF THE DISPOSAL

7.1 Share capital and substantial shareholders' shareholding

The Disposal does 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 RM312.1 million, the Disposal is 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 Disposal on the NA, NA per share and gearing of IHH Group is as follows:

	Audited as at 31-Dec-15	After the Disposal
Total equity attributable to owners of the Company/ (RM'000)	22,155,738	22,057,846
NA per share (RM)	2.69	2.68
Debt to equity ratio / gearing	0.19	0.18

8. PROPOSED UTILISATION OF PROCEEDS FROM THE DISPOSAL – CASH CONSIDERATION

The proceeds from the Disposal 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 Disposal.

10. APPROVALS REQUIRED

The Disposal is not subject to the approval of the shareholders of the Company or any government authorities.

11. RATIONALE AND BENEFIT OF THE DISPOSAL

The Disposal is 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 4th home market.

12. PERCENTAGE RATIO

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad computed based on IHH's latest audited consolidated financial statements for the financial year ended 31 December 2015 is 3.2%.

13. DIRECTORS' STATEMENT

The Board of Directors of the Company, after having considered the Disposal, is of the opinion that the Disposal is 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 Disposal.

* Based on exchange rate of USD1.00:RM4.4555 and INR100:RM6.6654 published on the Bank Negara Malaysia website on 3 March 2017.