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**IHH Healthcare Berhad**

(Company No. 901914-V)

(Incorporated in Malaysia under the Companies Act 1965)

**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF AUTHORITY FOR IHH HEALTHCARE BERHAD ("IHH" OR "COMPANY") TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

**TO BE TABLED AS A SPECIAL BUSINESS  
AT THE COMPANY'S SEVENTH ANNUAL GENERAL MEETING**

The Notice of the Seventh Annual General Meeting ("**AGM**") of our Company and the Form of Proxy are set out in the Annual Report 2016 of our Company despatched together with this Statement. The AGM of our Company will be held at Nexus 2 Ballroom, Level 3A, Connexion@Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Monday, 22 May 2017 at 10.00 a.m.

If you are unable to attend and vote at the AGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must deposit the Form of Proxy at the office of our Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time appointed for the taking of the poll indicated below or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at our AGM should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy	: Sunday, 21 May 2017 at 10.00 a.m.
Date and time of the AGM	: Monday, 22 May 2017 at 10.00 a.m. or any adjournment thereof
Venue of the AGM	: Nexus 2 Ballroom, Level 3A, Connexion@Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia

This Statement is dated 28 April 2017

## DEFINITIONS

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In this Statement, the following abbreviations shall have the following meanings unless otherwise stated:

Acibadem Holding	:	Acibadem Saglik Yatirimlari Holding A.S.
Acibadem Holding's Shareholders' Agreement	:	Shareholders' agreement dated 23 December 2011 entered into between our Company, Integrated Healthcare Hastaneler Turkey Sdn Bhd, Bagan Lalang and Mehmet Ali Aydinlar
Act	:	Companies Act 2016
AGM	:	Annual General Meeting
Aydinlar	:	Collectively, Mehmet Ali Aydinlar and Hatice Seher Aydinlar together with their permitted transferees
Aydinlar Option	:	The right of Aydinlar to convert shares of Acibadem Holding into new IHH Shares pursuant to Acibadem Holding's Shareholders' Agreement
Bagan Lalang	:	Bagan Lalang Ventures Sdn Bhd
Bagan Lalang Option	:	The right of Bagan Lalang to convert shares of Acibadem Holding into new IHH Shares pursuant to Acibadem Holding's Shareholders' Agreement
Board	:	Board of Directors of IHH
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Malaysian Code on Take-Overs and Mergers 2016
EOS	:	Enterprise option scheme of IHH
EOS Options	:	Options granted pursuant to the EOS
EPS	:	Earnings per Share
FYE	:	Financial year ended
IHH or Company	:	IHH Healthcare Berhad
IHH Group or Group	:	Collectively, IHH and its subsidiaries
IHH Shares or Shares	:	Ordinary shares in our Company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 March 2017, being the latest practicable date prior to the printing of this Statement
LTIP	:	Long term incentive plan
LTIPs	:	Collectively, LTIP of our Company, LTIP of Parkway Holdings Limited, LTIP of Pantai Holdings Sdn Bhd and LTIP of IMU Health Sdn Bhd
LTIP Units	:	Units granted pursuant to the LTIPs

## DEFINITIONS (Cont'd)

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Market Day	:	A day on which the stock market of Bursa Securities is open for trading in securities
Minister	:	The Minister charged with the responsibility for companies
NA	:	Net assets
Proposed Renewal of Share Buy-Back Authority	:	The proposed renewal of authority for our Company to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company
Pulau Memutik	:	Pulau Memutik Ventures Sdn Bhd
Purchased Shares	:	Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act, 1991
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions, including any amendments from time to time, which shall be read together with the Code
WAMP	:	Weighted average market price

## CURRENCY

RM and sen	:	Ringgit Malaysia and sen
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All references to “**you**” in this Statement are to our shareholders. All references to “**our Company**” and “**IHH**” in this Statement are to IHH Healthcare Berhad. All references to “**IHH Group**” and “**our Group**” in this Statement are to our Company and our subsidiaries. All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and our subsidiaries.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural, and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Statement is a reference to that enactment as amended or re-enacted from time to time.

Any reference to a time of day in this Statement is a reference to Malaysia time, unless otherwise stated.

Any discrepancy in the figures included in this Statement between the amounts stated and the totals thereof are due to rounding.

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IHH Healthcare Berhad  
(Company No. 901914-V)  
(Incorporated in Malaysia under the Companies Act 1965)

## PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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### 1. INTRODUCTION

At the Sixth AGM of IHH held on 27 May 2016, our Company had obtained its shareholders' approval for the renewal of the authority to purchase its own shares of up to ten percent (10%) of the prevailing issued and paid-up share capital of our Company.

The aforesaid shareholders' approval shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Seventh AGM unless such authority is renewed by an ordinary resolution to be passed by the shareholders at the forthcoming Seventh AGM.

On 23 February 2017, we announced our Company's intention to seek your approval for the Proposed Renewal of Share Buy-Back Authority at our forthcoming Seventh AGM.

**The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority, together with our Board's recommendation and to seek your approval for the Proposed Renewal of Share Buy-Back Authority to be tabled as a Special Business at our forthcoming Seventh AGM. The Notice of the Seventh AGM together with the Form of Proxy are enclosed in our Company's Annual Report 2016. An extract of the resolution in connection with the Proposed Renewal of Share Buy-Back Authority is enclosed in Appendix I of this Statement.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AS A SPECIAL BUSINESS AT OUR FORTHCOMING SEVENTH AGM.**

### 2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if granted, will provide our Company with the renewed authority to purchase up to ten percent (10%) of the prevailing total number of issued shares of our Company at the point of purchase through stockbroker(s) to be appointed by our Company at a later date. The purchases pursuant to the Proposed Renewal of Share Buy-Back Authority will be effected on Bursa Securities subject to compliance with Section 127 of the Act, the Listing Requirements and the prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

The Proposed Renewal of Share Buy-Back Authority, if approved at our forthcoming Seventh AGM, will be effective immediately and shall continue to be in force until:

- (i) the conclusion of the next AGM of our Company at which time the authority shall lapse unless by ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by shareholders at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by our Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

For illustrative purposes, the maximum number of Shares that can be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority is 823,173,323 Shares based on the total number of issued shares of our Company as at the LPD of 8,231,733,239 Shares and assuming that all the outstanding 7,047,400 LTIP Units and 21,806,000 EOS Options as at the LPD are fully surrendered/exercised. For the avoidance of doubt, for illustrative purposes throughout this Statement including the proforma effects as disclosed in Section 7 below, we have not taken into account (i) any further grant of LTIP Units and EOS Options to the eligible employees and/or Directors of our Group after the LPD; and (ii) the issuance of new Shares pursuant to the exercise of Aydinlar Option and Bagan Lalang Option in view that the actual number of new Shares to be issued are dependent on various factors including, but not limited to, the relative prices at which the Acibadem Holding shares are to be sold, and the IHH Shares are to be issued, which will be based on the fair market value of these shares at the time the option is exercised, which cannot be verified at this juncture. As such, the maximum number of Shares, representing ten percent (10%) of the prevailing total number of issued shares of our Company that we can purchase pursuant to the Proposed Renewal of Share Buy-Back Authority may change from time to time during the validity period of the Proposed Renewal of Share Buy-Back Authority.

In accordance with Section 127 of the Act, our Board may, at its discretion, deal with the Purchased Shares in the following manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force:

- (i) cancel all or part of the Purchased Shares; and/or
- (ii) retain all or part of the Purchased Shares as treasury shares (as defined in Section 127 of the Act); and/or
- (iii) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
- (iv) distribute the treasury shares as share dividends to the shareholders of our Company; and/or
- (v) transfer the treasury shares for the purposes of or under the employees' share scheme established by the Group; and/or
- (vi) transfer the treasury shares as purchase consideration; and/or
- (vii) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe,

or in any other manner as may be prescribed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by our Directors.

In the event our Company ceases to hold all or part of the Purchased Shares as a result of the above, our Company may further purchase such additional number of Shares provided that the total Purchased Shares (including Shares held as treasury shares) does not exceed ten percent (10%) of the total number of issued shares of our Company at the time of such purchase(s).

While the Purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in our Company for any purposes including the determination of substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the results of a vote on a resolution at a general meeting.

### **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The rationale for the Proposed Renewal of Share Buy-Back Authority is as follows:

- (i) it provides us with the flexibility in managing our dividend policy and capital structure in terms of debt and equity composition and size of equity;
- (ii) it enables us to utilise any of our surplus financial resources which is not immediately required for other uses, to purchase our own Shares from the market;
- (iii) it enables us to purchase our own Shares when the Shares are being traded at values that are grossly below what our Board believes to be their intrinsic value;
- (iv) the consolidated EPS of our Company is expected to increase as the consolidated earnings of our Company would be divided by a reduced number of Shares, assuming all other things being equal; and
- (v) it provides us with the flexibility to use the Purchased Shares which are held as treasury shares for the purposes of the employees' share scheme established by the Group or purchase consideration.

### **4. RETAINED PROFITS**

Based on the latest audited financial statements of our Company for the FYE 31 December 2016, the retained earnings of our Company was RM266.2 million.

### **5. FUNDING FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The maximum amount of funds to be allocated for the purchase of Shares under the Proposed Renewal of Share Buy-Back Authority will be subject to the amount of the retained profits of our Company. The number of Shares that may be purchased will depend on, among others, the availability of financial resources and prevailing market conditions.

The Proposed Renewal of Share Buy-Back Authority will be funded entirely from internally generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of our Company. In the event that our Company purchases the Shares using external borrowings, our Board will ensure that there are sufficient funds to repay the borrowings and such repayment is not expected to have a material effect on the cash flow of our Company.

## **6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

### **6.1 Potential advantages**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority, if implemented, are as follows:

- (i) enable us to take preventive measures against speculative activities particularly when the Shares are undervalued, which may in turn stabilise the market price and hence, enhance investors' confidence;
- (ii) enable us to utilise our financial resources more efficiently especially when there is no immediate use for such resources;
- (iii) provide us with opportunities for potential gains if the Purchased Shares which are held as treasury shares are subsequently resold at prices higher than the purchase price;
- (iv) provide the flexibility for our Company to distribute the Purchased Shares which are held as treasury shares as share dividends to our shareholders; and
- (v) provide the flexibility for our Company to use the Purchased Shares which are held as treasury shares for the purposes of the employees' share scheme established by the Group or purchase consideration.

### **6.2 Potential disadvantages**

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority, if implemented, are as follows:

- (i) the purchase(s) of our Shares pursuant to the Proposed Renewal of Share Buy-Back Authority will reduce the financial resources of our Group and may result in our Group foregoing other investment opportunities that may emerge in the future; and
- (ii) as the purchase(s) of our Shares pursuant to the Proposed Renewal of Share Buy-Back Authority must be backed by an equivalent amount of retained profits of our Company, the amount available from this account for distribution to our shareholders may decrease accordingly.

Notwithstanding the above, the Proposed Renewal of Share Buy-Back Authority is not expected to result in any material disadvantages to our Company and our shareholders as it will be implemented only after due consideration of our Group's available financial resources and the resultant impact on our Company and our shareholders. Our Board, in exercising any decision to purchase any Share, will be mindful of our Company's and our shareholders' interests.



## 7. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

### 7.1 Total number of issued shares

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of our Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The Proposed Renewal of Share Buy-Back Authority will result in a reduction in the total number of issued shares of our Company if the Purchased Shares are cancelled.

For illustrative purposes only, the proforma effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of our Company is based on the following scenarios:

**Minimum Scenario:** Assuming, (i) none of the outstanding LTIP Units and EOS Options as at the LPD are surrendered/exercised; and (ii) the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the Purchased Shares are cancelled.

**Maximum Scenario:** Assuming, (i) all the outstanding 7,047,400 LTIP Units and 21,806,000 EOS Options as at the LPD are fully surrendered/exercised and a total of 28,853,400 Shares are issued pursuant thereto; and (ii) the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the Purchased Shares are cancelled.

	<b>Minimum Scenario</b>	<b>Maximum Scenario</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
As at the LPD	8,231,733,239	8,231,733,239
Number of Shares to be issued arising from the surrender of LTIP Units	-	7,047,400
Number of Shares to be issued arising from the exercise of EOS Options	-	21,806,000
	8,231,733,239	8,260,586,639
Less: Cancellation of the Purchased Shares	(823,173,323)	(826,058,663)
	<u>7,408,559,916</u>	<u>7,434,527,976</u>

The above illustration assumes that the Purchased Shares are cancelled. Nevertheless, if the Purchased Shares are retained as treasury shares, resold or distributed to our shareholders, the Proposed Renewal of Share Buy-Back Authority will have no effect on the existing total number of issued shares of our Company.

### 7.2 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of our Group are dependent on the number of the Purchased Shares, the purchase prices of the Purchased Shares, the effective funding cost to finance such purchases and/or loss in interest income to our Group, if internally generated funds are utilised. Further, the purchase of the Shares will result in a lower number of Shares being taken into account for purposes of EPS computation.

### **7.3 NA, NA per Share and gearing**

The potential effect of the Proposed Renewal of Share Buy-Back Authority on the consolidated NA of our Group will depend on the number of the Purchased Shares, the purchase prices of the Purchased Shares, the effective funding costs to our Group to finance such purchases and/or any loss in interest income to our Group, if internally generated funds are utilised.

The Proposed Renewal of Share Buy-Back Authority would increase the consolidated NA per Share of our Group if the purchase price is less than the consolidated NA per Share at the relevant point in time, and vice versa.

If the treasury shares are resold on Bursa Securities, the consolidated NA per Share upon the resale would increase if our Company realises a gain from the resale and vice versa.

If the treasury shares are distributed to shareholders as share dividends, the consolidated NA per Share of our Group would decrease.

The effects of the Proposed Renewal of Share Buy-Back Authority on the gearing of our Group will depend on the proportion of borrowing utilised to fund the purchase of the Purchased Shares. At this juncture, we have not determined whether to use borrowings for purposes of purchasing our own Shares.

### **7.4 Working capital**

The implementation of the Proposed Renewal of Share Buy-Back Authority will reduce our Group's working capital, the quantum of which will depend on, among others, the number of Shares purchased and the purchase prices of such Shares.

However, the resale of the Purchased Shares will increase our Group's working capital. The quantum of the increase in our Group's working capital will depend on the number of treasury shares resold on Bursa Securities and the actual selling price of such treasury shares.

### **7.5 Dividends**

The Proposed Renewal of Share Buy-Back Authority is not expected to have any impact on the policy of our Board in recommending dividends to shareholders. However, our Board may, at its discretion, deal with the Purchased Shares in the manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force, including but not limited to distribute future dividends in the form of treasury shares which are purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

## 8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AND INTERESTS

### 8.1 Directors

The proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors of our Company based on the Register of Directors' shareholdings of our Company as at the LPD, are as follows:

#### Minimum Scenario

	As at the LPD			After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	%		No. of Shares	%	No. of Shares	%
Tan Sri Dato' Dr Abu Bakar bin Suleiman	2,923,000	0.04	-	-	0.04	-	-
Dato' Mohammed Azlan bin Hashim	-	-	-	-	-	-	-
Dr Tan See Leng	8,763,800	0.11	-	8,763,800	0.12	-	-
Mehmet Ali Aydinlar	175,321,000	2.13	88,910,861 <sup>(1)</sup>	175,321,000	2.37	88,910,861 <sup>(1)</sup>	1.20
Bhagat Chintamani Aniruddha	-	-	-	-	-	-	-
Satoshi Tanaka	-	-	-	-	-	-	-
Chang See Hiang	100,000	<sup>(2)</sup>	-	100,000	<sup>(2)</sup>	-	-
Rossana Annizah binti Ahmad Rashid	-	-	-	-	-	-	-
Kuok Khoon Ean	250,000	<sup>(2)</sup>	-	250,000	<sup>(2)</sup>	-	-
Shirish Moreshwar Apte	-	-	-	-	-	-	-
Quek Pei Lynn	-	-	-	-	-	-	-
Koichiro Sato	-	-	-	-	-	-	-

#### Notes:

- <sup>(1)</sup> Deemed interested by virtue of his spouse's shareholding in our Company and SZA Gayrimenkul Yatırım İnşaat ve Ticaret A.Ş.'s (a company wholly-owned by Mehmet Ali Aydinlar and his spouse) shareholding in our Company pursuant to Section 8 of the Act.
- <sup>(2)</sup> Negligible

### Maximum Scenario

	As at the LPD			After full exercise of EOS Options and surrender of LTIP Units			After the Proposed Renewal of Share Buy-Back Authority		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%		No. of Shares	%	
Tan Sri Dato' Dr Abu Bakar bin Suleiman	2,923,000	0.04	-	-	0.04	-	3,242,000	0.04	-
Dato' Mohammed Azlan bin Hashim	-	-	-	-	-	-	-	-	-
Dr Tan See Leng	8,763,800	0.11	-	24,637,800	0.30	-	24,637,800	0.33	-
Mehmet Ali Aydinlar	175,321,000	2.13	88,910,861 <sup>(1)</sup>	176,182,000	2.13	88,910,861 <sup>(1)</sup>	176,182,000	2.37	88,910,861 <sup>(1)</sup>
Bhagat Chintamani Aniruddha	-	-	-	-	-	-	-	-	-
Satoshi Tanaka	-	-	-	-	-	-	-	-	-
Chang See Hiang	100,000	<sup>(2)</sup>	-	100,000	<sup>(2)</sup>	-	100,000	<sup>(2)</sup>	-
Rossana Annizah binti Ahmad Rashid	-	-	-	-	-	-	-	-	-
Kuok Khoon Ean	250,000	<sup>(2)</sup>	-	250,000	<sup>(2)</sup>	-	250,000	<sup>(2)</sup>	-
Shirish Moreshwar Apte	-	-	-	-	-	-	-	-	-
Quek Pei Lynn	-	-	-	-	-	-	-	-	-
Koichiro Sato	-	-	-	-	-	-	-	-	-

#### **Notes:**

- <sup>(1)</sup> Deemed interested by virtue of his spouse's shareholding in our Company and SZA Gayrimenkul Yatirim Insaat ve Ticaret A.S.'s (a company wholly-owned by Mehmet Ali Aydinlar and his spouse) shareholding in our Company pursuant to Section 8 of the Act.
- <sup>(2)</sup> Negligible

## 8.2 Substantial shareholders

The proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the substantial shareholders of our Company based on the Register of Substantial Shareholders of our Company as at the LPD, are as follows:

### Minimum Scenario

	As at the LPD			After the Proposed Renewal of Share Buy-Back Authority		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%	No. of Shares
Pulau Memutik	3,384,650,670	41.12	-	3,384,650,670	45.69	-
Khazanah Nasional Berhad ("Khazanah")	-	-	3,384,650,670 <sup>(1)</sup>	-	-	3,384,650,670 <sup>(1)</sup>
MBK Healthcare Partners Limited ("MBK Healthcare")	1,485,400,000	18.04	-	1,485,400,000	20.05	-
Mitsui & Co., Ltd	-	-	1,485,400,000 <sup>(2)</sup>	-	-	1,485,400,000 <sup>(2)</sup>
Employees Provident Fund Board ("EPF")	834,967,777 <sup>(3)</sup>	10.14	-	834,967,777 <sup>(3)</sup>	11.27	-

#### Notes:

- (1) Deemed interested by virtue of its shareholding in Pulau Memutik pursuant to Section 8 of the Act.  
(2) Deemed interested by virtue of its shareholding in MBK Healthcare pursuant to Section 8 of the Act.  
(3) The Shares are held through various nominees companies.

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## Maximum Scenario

	As at the LPD				After full exercise of EOS Options and surrender of LTIP Units				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Pulau Memutik	3,384,650,670	41.12	-	-	3,384,650,670	40.97	-	-	3,384,650,670	45.53	-	-
Khazanah	-	-	3,384,650,670 <sup>(1)</sup>	41.12	-	-	3,384,650,670 <sup>(1)</sup>	40.97	-	-	3,384,650,670 <sup>(1)</sup>	45.53
MBK Healthcare	1,485,400,000	18.04	-	-	1,485,400,000	17.98	-	-	1,485,400,000	19.98	-	-
Mitsui & Co., Ltd	-	-	1,485,400,000 <sup>(2)</sup>	18.04	-	-	1,485,400,000 <sup>(2)</sup>	17.98	-	-	1,485,400,000 <sup>(2)</sup>	19.98
EPF	834,967,777 <sup>(3)</sup>	10.14	-	-	834,967,777 <sup>(3)</sup>	10.11	-	-	834,967,777 <sup>(3)</sup>	11.23	-	-

### Notes:

<sup>(1)</sup> Deemed interested by virtue of its shareholding in Pulau Memutik pursuant to Section 8 of the Act.

<sup>(2)</sup> Deemed interested by virtue of its shareholding in MBK Healthcare pursuant to Section 8 of the Act.

<sup>(3)</sup> The Shares are held through various nominees companies.

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### **8.3 Interests of the Directors, Major Shareholders and/or Persons Connected to them**

Save for the proportionate increase in the percentage shareholding and/or voting rights of our Directors who are holding the Shares and our major shareholders as a consequence of the implementation of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and major shareholders of our Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of the treasury shares, if any, in the future.

## **9. IMPLICATION OF THE CODE AND RULES**

The purchase of the Shares by our Company pursuant to the Proposed Renewal of Share Buy-Back Authority will effectively cause our shareholders' respective percentage shareholding in our Company to increase without any corresponding increase in the actual number of Shares held, assuming all other things being equal.

Pursuant to Paragraph 4.01, Note 9 under Rule 4, Part B, of the Rules, a person and/or any persons acting in concert with him/her ("**PACs**") will be obliged to make a mandatory take-over offer when:

- (a) a person obtains controls in a company as a result of a buy back scheme by the company; or
- (b) a person (holding more than thirty-three percent (33%) but not more than fifty percent (50%) of the voting shares or voting rights of a company), as a result of a buy back scheme by the company, increases his holding of the voting shares or voting rights of the company by more than two percent (2%) in any six (6) month period.

As at the LPD, our major shareholder, Pulau Memutik, holds 41.12% of the total voting shares of our Company. The shareholding of Pulau Memutik and its PACs (if any) will increase by more than two percent (2%) under both the Minimum Scenario and Maximum Scenario (as set out in Section 8.2 of this Statement) in the event that our Company purchases a maximum of ten percent (10%) of the prevailing total number of issued shares of our Company. Therefore, Pulau Memutik and its PACs (if any), will be obliged to extend a mandatory take-over offer if their shareholdings increase by two percent (2%) or more within any period of six (6) months as a result of the Shares bought back by our Company. If such circumstance arises, Pulau Memutik and its PACs (if any), will submit an application to Securities Commission Malaysia for a waiver from the obligation to undertake a mandatory take-over offer for the remaining Shares not already owned by them under Paragraph 4.06, Rule 4, Part B of the Rules at the appropriate time.

## **10. PURCHASE, RESALE AND CANCELLATION OF SHARES IN THE LAST FINANCIAL YEAR**

Our Company does not hold any treasury share as at 31 December 2016 and has not purchased, resold and/or cancelled any Share during the last FYE 31 December 2016.

## **11. PUBLIC SHAREHOLDING SPREAD**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the point of purchase including compliance with twenty percent (20%) shareholding spread in the hands of public shareholders as approved by Bursa Securities vide its letter dated 14 March 2012.

The public shareholding spread of our Company based on our Record of Depositors as at the LPD was approximately 37.35%. For illustrative purposes, assuming that the purchase by our Company of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority is carried out in full based on the total number of issued shares of our Company as at the LPD of 8,231,733,239 Shares, the proforma public shareholding spread of our Company will be reduced to approximately 30.39%, on the basis that all the Shares are purchased from public shareholders and the Shares so purchased are held as treasury shares.

**12. APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is subject to your approval at our forthcoming Seventh AGM.

**13. DIRECTORS' STATEMENT**

Our Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority (including but not limited to the rationale and effects of the Proposed Renewal of Share Buy-Back Authority), is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of our Company.

**14. DIRECTORS' RECOMMENDATION**

Our Board recommends that you vote in favour of the resolution in relation to the Proposed Renewal of Share Buy-Back Authority to be tabled as a Special Business at our forthcoming Seventh AGM.

**15. OTHER INFORMATION**

There is no other information concerning the Proposed Renewal of Share Buy-Back Authority as shareholders and their professional advisers would reasonably require and expect to find in this Statement for the purpose of making informed assessment as to the merits of approving the Proposed Renewal of Share Buy-Back Authority and the extent of the risks involved in doing so.

**16. AGM**

Our forthcoming Seventh AGM will be held at Nexus 2 Ballroom, Level 3A, Connexion@Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Monday, 22 May 2017 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if deemed fit, passing with or without modifications, among others, the resolution to approve and give effect to the Proposed Renewal of Share Buy-Back Authority under the Special Business as set out in the Notice of the Seventh AGM which is enclosed in the Annual Report 2016 of our Company accompanying this Statement. An extract of the said resolution is enclosed in **Appendix I** of this Statement.

If you are unable to attend and vote in person at the Seventh AGM, you may appoint a proxy or proxies to attend and vote on your behalf. You should complete and deposit the Form of Proxy at the office of our Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by Sunday, 21 May 2017 at 10.00 a.m., or in the event that the Seventh AGM is adjourned, not less than twenty-four (24) hours before the adjourned Seventh AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Seventh AGM should you subsequently wish to do so.



## EXTRACT OF THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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### IHH HEALTHCARE BERHAD

(Company No. 901914-V)

(Incorporated in Malaysia under the Companies Act 1965)

### AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution:

### ORDINARY RESOLUTION 15

#### **PROPOSED RENEWAL OF AUTHORITY FOR IHH TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE PREVAILING TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

“THAT subject to the Companies Act 2016 (the “Act”), rules, regulations and orders made pursuant to the Act, the provisions of the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approvals of all relevant governmental and/or relevant authorities, the Company be and is hereby authorised, to the extent permitted by law, to purchase and/or hold such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- (i) the aggregate number of shares which may be purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten percent (10%) of the prevailing total number of issued shares of the Company at the point of purchase;
- (ii) the maximum funds to be allocated for the Company to purchase its own shares pursuant to the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company;
- (iii) upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares in the following manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force:
  - (a) cancel all or part of the Purchased Shares; and/or
  - (b) retain all or part of the Purchased Shares as treasury shares (as defined in Section 127 of the Act); and/or
  - (c) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
  - (d) distribute the treasury shares as share dividends to the shareholders of the Company; and/or
  - (e) transfer the treasury shares for the purposes of or under the employees’ share scheme established by the Group; and/or
  - (f) transfer the treasury shares as purchase consideration; and/or
  - (g) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe,

**EXTRACT OF THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Cont'd)**

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or in any other manner as may be prescribed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by the Directors.

THAT the authority conferred by this ordinary resolution shall be effective immediately upon passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless by ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

AND THAT the Directors of the Company be and are hereby empowered to do all acts and things (including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991) and to take all such steps and to enter into and execute all declarations, commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations (if any) as may be imposed by the relevant authorities."