OTHERS IHH HEALTHCARE BERHAD ("IHH" OR THE "COMPANY") CHANGE IN THE COMPOSITION OF THE GROUP

IHH HEALTHCARE BERHAD

Type	Announcement
Subject	OTHERS
Description	IHH HEALTHCARE BERHAD ("IHH" OR THE "COMPANY") CHANGE IN THE COMPOSITION OF THE GROUP

Pursuant to Paragraph 9.19(23) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of IHH wishes to announce that Parkway Life Japan2 Pte. Ltd. (**"TK Investor**"), a wholly-owned subsidiary of HSBC Institutional Trust Services (Singapore) Limited, which in turn is a trustee of Parkway Life Real Estate Investment Trust, an indirect 35.76%-owned subsidiary of the Company, had on 13 March 2014 entered into two *Tokumei Kumiai* agreements (or silent partnership agreements, collectively, the "**TK Agreements**") with Godo Kaisha Tenshi 1 and Godo Kaisha Tenshi 2 (collectively, the "**TK Operators**").

Pursuant to the TK Agreements, the TK Investor has injected funds into the respective TK Operators in relation to the acquisition of the following two nursing homes and one extended-stay lodging facility for the elderly located in Japan by the TK Operators ("**Acquisition**") at a total purchase price of approximately ¥3,000,000,000 (approximately RM95,820,000[1]). The Acquisition was completed on 28 March 2014.

	Property	TK Operator acquiring Property	Location	No. of Rooms	Type of Property
1.	Maison des Centenaire Hannan	Godo Kaisha Tenshi 1	Hannan City, Osaka, Japan	95	Nursing home
2.	Maison des Centenaire Ohhama	Godo Kaisha Tenshi 1	Sakai City, Osaka, Japan	47	Nursing home
3.	Sunhill Miyako	Godo Kaisha Tenshi 2	Hannan City, Osaka, Japan	34	Extended stay lodging facility

Due to the nature of the arrangements under the TK Agreements, the TK Operators are under established terms that impose strict limitations on decision-making powers of the TK Operators' management, resulting in the Group receiving the majority of the benefits relating to the TK Operators' operations and net assets, being exposed to the majority of the risks incident to the TK Operators' activities and retaining the majority of the residual or ownership risks related to the TK Operators and their assets. Consequently, the TK Operators are regarded as subsidiaries of the Group pursuant to MFRS 10: Consolidated Financial Statements ("**Change in Group Composition**").

Godo Kaisha Tenshi 1 is a private limited liability company incorporated in Japan on 6 February 2014 with an issued and paid-up share capital of Japanese Yen 10,000. The principal activity of Godo Kaisha Tenshi 1 is investment in real estate.

Godo Kaisha Tenshi 2 is a private limited liability company incorporated in Japan on 6 February 2014 with an issued and paid-up share capital of Japanese Yen 10,000. The principal activity of Godo Kaisha Tenshi 2 is investment in real estate.

The Change in Group Composition is not expected to have any material effect on the earnings per share, net assets or share capital of the Company and Group for the financial year ending 31 December 2014.

None of the Directors and major shareholders of IHH and persons connected to them has any interest, direct or indirect, in the Change in Group Composition.

[1] Based on the exchange rate of ¥100: RM3.1940 on 13 March 2014 as set out in the Bank Negara website, subject to rounding

Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	29 May 2014
Category	General Announcement
Reference No	IH-140526-61579