

## OTHERS CHANGE IN THE COMPOSITION OF THE GROUP

### IHH HEALTHCARE BERHAD

|             |                                        |
|-------------|----------------------------------------|
| Type        | Announcement                           |
| Subject     | OTHERS                                 |
| Description | 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 Healthcare Berhad ("IHH" or "**the Company**") wishes to announce that Parkway Life Japan4 Pte Ltd ("**TK Investor**"), a special purpose entity of Parkway Life Real Estate Investment Trust ("**Parkway Life REIT**"), had on 28 November 2014 entered into a *Tokumei Kumiai* agreement (or silent partnership agreement, the "**TK Agreement**") with Godo Kaisha Samurai 9 (the "**TK Operator**"). Parkway Life REIT is an indirect 35.76% owned subsidiary of the Company.

Pursuant to the TK Agreement, the TK Investor has injected funds into the TK Operator in relation to the acquisition of the following nursing home by the TK Operator ("**Acquisition**") at a total purchase price of approximately ¥3,535,000,000 (approximately RM100,652,055<sup>1</sup>). The Acquisition is expected to complete in the fourth quarter of 2014.

| Property          | Location                        | No. of Rooms | Type of Property |
|-------------------|---------------------------------|--------------|------------------|
| Habitation Jyosui | Fukuoka City,<br>Fukuoka, Japan | 76           | Nursing home     |

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

TK Operator is a private limited liability company incorporated in Japan on 24 September 2014 with an issued and paid-up share capital of ¥10,000. The principal activity of TK Operator includes investment/divestment, management and holding of real estate and real estate interest and other related real estate activities.

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.

<sup>1</sup> Based on the exchange rate of ¥100: RM2.8473 on 28 November 2014 as set out in the Bank Negara website.

### Announcement Info

|                |                       |
|----------------|-----------------------|
| Company Name   | IHH HEALTHCARE BERHAD |
| Stock Name     | IHH                   |
| Date Announced | 28 Nov 2014           |
| Category       | General Announcement  |
| Reference No   | IH-141128-51095       |