OTHERS CHANGE IN THE COMPOSITION OF IHH GROUP

IHH HEALTHCARE BERHAD

Type	Announcement
Subject	OTHERS
Description	CHANGE IN THE COMPOSITION OF IHH GROUP

Please refer attachment below.

Attachments

IHH_Change in the Composition of the Group.pdf
134.8 kB

Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	24 Mar 2016
Category	General Announcement for PLC
Reference Number	GA1-24032016-00035

IHH Healthcare Berhad

Company No. 901914-V
(Incorporated in Malaysia)

IHH HEALTHCARE BERHAD ("IHH" OR THE "COMPANY")
CHANGE IN THE COMPOSITION OF IHH 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 24 March 2016 entered into a *Tokumei Kumiai* agreement (or silent partnership agreement, the "**TK Agreement**") with Godo Kaisha Samurai 11 (the "**TK Operator**"). Parkway Life REIT is an indirect 35.74% owned subsidiary of the Company.

Pursuant to the TK Agreement, the purchase price of the property amounting to JPY1,100 million (approximately RM39.30 million[1]) will be injected into TK Operator by the TK Investor to facilitate the acquisition of the following nursing home facility by the TK Operator ("**Acquisition**"). The completion of the Acquisition will be subject to the satisfaction of a number of conditions including, inter alia, compliance with certain applicable laws and regulations and the obtaining of certain applicable governmental and regulatory approvals.

Property	Location	No. of Rooms	Type of Property
Silver Heights Hitsujigaoka Ichiban-kan & Niban-kan	Sapporo City, Hokkaido Prefecture, Japan	123	Nursing home

Although Parkway Life REIT does not have any direct or indirect equity interest in the TK Operator, the TK Operator is regarded as subsidiary of IHH Group pursuant to MFRS 10: Consolidated Financial Statements ("**Change in Group Composition**"). This is due to the nature of the arrangements under the TK Agreement where the TK Operator is under established terms that impose strict limitations on decision-making powers by the TK Operator, resulting in IHH 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.

TK Operator is a private limited liability company incorporated in Japan on 24 February 2016 with an issued and paid-up share capital of JPY10,000. 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 IHH Group for the financial year ending 31 December 2016.

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 JPY100: RM3.5730 on 24 March 2016 as set out in the Bank Negara Malaysia website