

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS I. PROPOSED ACQUISITION OF TOKUSHUKAI-SOFIA EOOD BY ACIBADEM SAGLIK HIZMETLERI VE TICARET A.S. (ACIBADEM), AN INDIRECT SUBSIDIARY OF IHH (PROPOSED ACQUISITION OF TOKUDA GROUP); AND II. PROPOSED ACQUISITION OF CITY CLINIC GROUP BY ACIBADEM (PROPOSED ACQUISITION OF CITY CLINIC GROUP)

IHH HEALTHCARE BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	I. PROPOSED ACQUISITION OF TOKUSHUKAI-SOFIA EOOD BY ACIBADEM SAGLIK HIZMETLERI VE TICARET A.S. (ACIBADEM), AN INDIRECT SUBSIDIARY OF IHH (PROPOSED ACQUISITION OF TOKUDA GROUP); AND II. PROPOSED ACQUISITION OF CITY CLINIC GROUP BY ACIBADEM (PROPOSED ACQUISITION OF CITY CLINIC GROUP)

Please refer attachment below.

Attachments

[Announcement_4_Acquisition of Tokuda Group and City Hospital \(20.04.2016\) \(final\).pdf](#)
103.2 kB

Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	21 Apr 2016
Category	General Announcement for PLC
Reference Number	GA1-20042016-00089



IHH Healthcare Berhad

Company No. 901914-V
(Incorporated in Malaysia)

IHH HEALTHCARE BERHAD (“IHH” OR THE “COMPANY”)

TYPE : GENERAL ANNOUNCEMENT

DESCRIPTION : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS): NON-RELATED PARTY TRANSACTIONS

- I. PROPOSED ACQUISITION OF TOKUSHUKAI-SOFIA EOOD BY ACIBADEM SAGLIK HIZMETLERI VE TICARET A.S. (“ACIBADEM”), AN INDIRECT SUBSIDIARY OF IHH (“PROPOSED ACQUISITION OF TOKUDA GROUP”); AND**
 - II. PROPOSED ACQUISITION OF CITY CLINIC GROUP BY ACIBADEM (“PROPOSED ACQUISITION OF CITY CLINIC GROUP”)**
- (COLLECTIVELY REFERRED AS “TRANSACTIONS”)**

Pursuant to Paragraph 10.05(2) 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 the following transactions:

1. PARTICULARS OF THE TRANSACTIONS

1.1 Proposed Acquisition of Tokuda Group

Acibadem Saglik Hizmetleri Ve Tic. A.S (“**Acibadem**”), an indirect 59.6%-owned subsidiary of IHH, had on 20 April 2016 entered into a Share Purchase Agreement (“**Tokuda Group SPA**”) with Dr. Torao Tokuda and Tokushukai Incorporated in relation to the sale and purchase of company common stock of Tokushukai-Sofia EOOD whereby Dr. Torao Tokuda has agreed to sell and Acibadem has agreed to buy the entire issued and outstanding share capital of Tokushukai-Sofia EOOD (“**Tokuda**”) and its subsidiaries as listed in Appendix I of this announcement (collectively “**Tokuda Group**”). Tokushukai Incorporated has agreed to guarantee the obligations of Dr. Torao Tokuda pursuant to the Tokuda Group SPA.

Acibadem had incorporated a fully controlled company under the laws of The Netherlands, Acibadem City Clinic B.V. (“**Acibadem SPV**”) to undertake the Proposed Acquisition of Tokuda Group and Acibadem will guarantee the obligations of Acibadem SPV pursuant to the Tokuda Group SPA.

The completion of Proposed Acquisition of Tokuda Group is subject to satisfaction of certain conditions precedent, which includes the competition clearance decision having been obtained for joint filing on acquisition of Tokuda Group and City Clinic Group (as detailed below).

Upon completion of the Proposed Acquisition of Tokuda Group, Tokuda Group will be consolidated as indirect subsidiaries of IHH.

1.2 Proposed Acquisition of City Clinic Group

Acibadem and Clinical Hospital Acibadem Sistina Skopje ("**Acibadem Sistina**"), an indirect 30%-owned subsidiary of IHH, had on 20 April 2016 entered into a Share Sale Purchase Agreement ("**City Clinic Group SPA**") with the following persons/entities to buy the share capital of City Hospitals and Clinics AD ("**City Clinic Group**") and its subsidiaries as listed in Appendix II of this announcement:

- (1) Andrey Parvanov Markov;
- (2) Ivo Sprassov Petrov;
- (3) Ilian Georgiev Grigorov;
- (4) Venelina Filipova Atanasova;
- (5) Petar Tzvetanov Dudolenski;
- (6) Anguel Ivanov Anguelov;
- (7) Luka Angelov Angelov;
- (8) Saccoria Inc.;
- (9) Aneta Ivanova Dimitrova;
- (10) Empower Capital Fund Cooperatief U.A.; and
- (11) Alexander Dmitrievich Minov.

(The persons and entity listed from (1) through (9) above shall be collectively referred to as the "**SPV Sellers**", and individually as an "**SPV Seller**". The persons and entities listed in (8) through (11) shall be collectively referred to as the "**Cash-out Sellers**", and individually as a "**Cash-out Seller**". The SPV Sellers and the Cash-out Sellers shall be collectively referred to as the "**Sellers**", and individually as a "**Seller**". The persons listed in (1) through (7) shall be collectively referred to as the "**Roll-over Sellers**", and individually as a "**Roll-over Seller**".

As at the date of the City Clinic Group SPA, the direct shareholders of City Clinic Group are:

No.	Shareholders	No. of Shares	Percentage of the Total Issued Shares (%)	
(1)	City Healthcare S.a.r.l. incorporated under the laws of the Grand Duchy of Luxembourg (" City LuxCo ") ^(a)	6,825,078	76.4	
(2)	Empower Capital Fund Cooperatief U.A.	1,218,447	13.6	Empower Capital Fund Shares
(3)	Alexander Dmitrievich Minov	893,269	10.0	Alexander Minov Shares

Notes:

- (a) The SPV Sellers collectively and directly own 100% of the shares in City LuxCo. The SPV Sellers intend to liquidate City LuxCo prior to the closing of the Proposed Acquisition of City Clinic Group and, as a result, directly own the shares in City Clinic Group ("**City Clinic Group Shares**").

Pursuant to the City Clinic Group SPA, Acibadem (with Acibadem SPV acting as its nominee) will acquire from the Sellers, and:

- (i) the SPV Sellers (other than Saccoria Inc. and Aneta Ivanova Dimitrova) will contribute to the capital of Acibadem SPV the City Clinic Group Shares;
- (ii) Saccoria Inc. will sell to Acibadem SPV the City Clinic Group Shares that will be distributed to it upon liquidation of City LuxCo
- (iii) Aneta Ivanova Dimitrova will sell to Acibadem SPV the City Clinic Group Shares that will be distributed to her upon liquidation of City LuxCo;
- (iv) Empower Capital Fund will sell to Acibadem SPV the Empower Capital Fund Shares; and
- (v) Alexander Minov will sell to Acibadem SPV the Alexander Minov Shares.

As a result of the said transactions, Acibadem SPV will own shares representing 100% of the share capital of the City Clinic Group and the shareholding structure of Acibadem SPV will be changed as follows:

No.	Shareholders	Percentage of the Total Issued Shares (%)
(1)	Acibadem	61.5
(2)	Acibadem Sistina	15.0
(3)	Roll-over Sellers (proportionate to their contribution of City Clinic Group Shares to the capital of Acibadem SPV)	23.5

IHH's effective interest in Acibadem SPV would be 41.2%.

The completion of this transaction is subject to satisfaction of certain conditions precedent, which includes the competition clearance decision having been obtained for joint filing on the acquisitions of Tokuda Group and City Clinic Group.

Upon completion of the Proposed Acquisition of City Clinic Group, City Clinic Group will be consolidated as indirect subsidiaries of IHH.

In addition, Acibadem, Acibadem Sistina and Roll-Over Sellers will enter into the Shareholders' Agreement to regulate their relationship as shareholders in Acibadem SPV. The Shareholders' Agreement contains a put option where the Roll-Over Sellers have the right to sell their shares in Acibadem SPV to Acibadem at a consideration to be determined.

2 DETAILS OF CONSIDERATION

2.1 Proposed Acquisition of Tokuda Group

The consideration for the Proposed Acquisition of Tokuda Group is EUR65.0 million (equivalent to RM286.13 million*) minus the outstanding amount as at completion that is owed by Tokuda Group to Tokushukai Incorporated, which will be settled in cash.

2.2 Proposed Acquisition of City Clinic Group

The aggregate consideration for the Proposed Acquisition of City Clinic Group that is payable to the Cash-out Sellers is EUR10.97 million (equivalent to RM48.29 million*). As consideration for the contribution and transfer of the respective City Clinic Group Shares by the Roll-over Sellers to Acibadem SPV, Acibadem SPV shall issue and allot to the Roll-over Sellers such number of shares in Acibadem SPV valued at EUR23.37 million (equivalent to RM102.87 million*) (which excludes the cash subscription from the Roll-over Sellers) representing an aggregate of 23.5% of the total share capital of Acibadem SPV.

3 BACKGROUND INFORMATION ABOUT TOKUDA GROUP AND CITY CLINIC GROUP

Tokuda Group is the largest private healthcare service provider in revenues located in Sofia, Bulgaria. The Tokuda Group operates a hospital, an outpatient medical centre, an international standard clinical research centre, a pharmacy and a hospice located in the city of Sofia.

City Clinic Group, founded in 2010, is a leading high-quality integrated healthcare provider in Bulgaria, operating in Sofia, Varna and Burgas. It operates three hospitals and three outpatient centers and has the only Joint Commission International accredited hospital in Bulgaria.

4 EFFECTS OF THE TRANSACTIONS

The Proposed Acquisition of Tokuda Group and the Proposed Acquisition of City Clinic Group will not have any effect on IHH's issued and paid-up share capital and substantial shareholders' shareholdings. There shall be no material effect on the earnings, net assets or gearing of IHH for the financial year ending 31 December 2016.

5 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO SUCH DIRECTORS AND/OR MAJOR SHAREHOLDERS

None of the Directors, major shareholders and persons connected to such Directors and/or major shareholders has any direct or indirect interest in the Proposed Acquisition of Tokuda Group and the Proposed Acquisition of City Clinic Group.

* Based on the exchange rate of EUR1:RM4.402 on 20 April 2016 as set out in the Bank Negara website, subject to rounding.

Subsidiaries of Tokuda

No	Name of Subsidiary	Percentage of Equity Interests Held by Tokuda (%)
1.	Tokuda Hospital Sofia EAD	100
2.	Tokuda Medical Centre EAD	100
3.	Tokuda Pharmacy EOOD	100
4.	Tokuda Hospis EOOD	100
5.	Tokuda Clinical Research Center AD	85

Subsidiaries of City Clinic Group

No	Name of Subsidiary	Percentage of Equity Interests Held by City Clinic Group (%)
1.	City Clinic University Multi-Profile for Acute Care EOOD	100
2.	City Clinic Diagnostic and Consultative Centre EOOD	100
3.	City Clinic Medical Center EOOD	100
4.	City Clinic Specialized Hospital for Cardiac Surgery OOD	70
5.	City Clinic Services EOOD	100
6.	City Clinic Pharmacies EOOD	100
7.	United Medical Center Varna EOOD	100