

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS
PROPOSED DIVESTMENT OF 29.9% OF THE SHARES IN
THE CAPITAL OF PCH HOLDING PTE. LTD. (FORMERLY
KNOWN AS PARKWAY CHINA HOLDING CO. PTE. LTD.)
("PCH"), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF
IHH HEALTHCARE BERHAD TO TK HEALTHCARE
INVESTMENT LIMITED ("TAIKANG") THROUGH A
COMBINATION OF SECONDARY SALE AND PROPOSED
ALLOTMENT OF SHARES BY PCH TO TAIKANG**

IHH HEALTHCARE BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	PROPOSED DIVESTMENT OF 29.9% OF THE SHARES IN THE CAPITAL OF PCH HOLDING PTE. LTD. (FORMERLY KNOWN AS PARKWAY CHINA HOLDING CO. PTE. LTD.) ("PCH"), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF IHH HEALTHCARE BERHAD TO TK HEALTHCARE INVESTMENT LIMITED ("TAIKANG") THROUGH A COMBINATION OF SECONDARY SALE AND PROPOSED ALLOTMENT OF SHARES BY PCH TO TAIKANG

Please refer attachment below.

Attachments

[IHH Announcement - Proposed Divestment of PCH Holding to TK Healthcare _final.pdf](#)
69.4 kB

Announcement Info

Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	11 Nov 2016
Category	General Announcement for PLC
Reference Number	GA1-11112016-00037



IHH Healthcare Berhad

Company No. 901914-V
(Incorporated in Malaysia)

IHH HEALTHCARE BERHAD

TYPE : GENERAL ANNOUNCEMENT

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

PROPOSED DIVESTMENT OF 29.9% OF THE SHARES IN THE CAPITAL OF PCH HOLDING PTE. LTD. (FORMERLY KNOWN AS PARKWAY CHINA HOLDING CO. PTE. LTD.) ("PCH"), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF IHH HEALTHCARE BERHAD TO TK HEALTHCARE INVESTMENT LIMITED ("TAIKANG") THROUGH A COMBINATION OF SECONDARY SALE AND PROPOSED ALLOTMENT OF SHARES BY PCH TO TAIKANG

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 that:

- (i) Parkway Group Healthcare Pte Ltd ("**PGH**"), an indirect wholly-owned subsidiary of the Company, has on 11 November 2016 entered into a Share Purchase Agreement (the "**SPA**") with Taikang, an indirect wholly-owned subsidiary of Taikang Insurance Group Inc. ("**TIG**"), to divest 20,690,131 shares in the capital of its wholly-owned subsidiary, PCH to Taikang for a consideration of RMB291,144,558 (equivalent to RM182,809,668*) in cash (the "**Secondary Proceeds**") (the "**Proposed Share Sale**"), subject to post-closing adjustments and transactional adjustments to be determined upon the completion of the Proposed Share Sale; and
- (ii) contemporaneously with the entry by PGH and Taikang into the SPA, PCH has on 11 November 2016 entered into a Share Subscription Agreement (the "**SSA**") with Taikang, to allot and issue to Taikang 57,357,343 new shares in the capital of PCH for a consideration of RMB807,113,219 (equivalent to RM506,786,390*) in cash, subject to closing adjustments (the "**Primary Proceeds**"), which will be retained with PCH to finance its future expansion activities in China,

(individually, the "**Proposed Transaction**" and collectively, the "**Proposed Transactions**").

Upon the completion of the Proposed Transactions, PGH and Taikang will hold 70.1% and 29.9% of the entire issued share capital in PCH respectively. Accordingly, on completion of the Proposed Transactions, PCH will become an indirect 70.1% subsidiary of IHH and the financials of PCH will continue to be consolidated under IHH.

Under the terms of the SPA and the SSA, the completion of each Proposed Transaction shall be conditional upon and contemporaneous with each other, and subject to the satisfaction of certain conditions precedent, including the receipt of the customary regulatory approvals.

PCH currently holds a portfolio consisting clinics and hospitals in China. The Proposed Transactions are expected to enhance the collaboration between PGH, PCH, Taikang and TIG in the area of healthcare and insurance businesses in China and will build a stronger platform for the growth of PCH's business in China. PGH and Taikang will, on the completion of the Proposed Transactions, be jointly responsible for the funding of the projects to be undertaken by PCH going forward, in proportion to their respective shareholding percentages in PCH.

Background information of TIG and Taikang

Established in 1996 and headquartered in Beijing, TIG (previously named as Taikang Life Insurance Co. Ltd.) is a leading and well-known insurance company and financial group in China. TIG has three core business lines covering insurance, asset management, and health and elderly care. As at 30 September 2016, TIG has assets under management exceeding RMB1 trillion.

Taikang is a wholly-owned subsidiary of TIG, which was established in Hong Kong on 27 September 2016 as the special purpose vehicle for the Proposed Transactions. Taikang has a total amount of share capital of USD250,000,000.

Financial Effects

The Proposed Transactions will not have any effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of IHH. The Proposed Transactions are not expected to have any material effect on the earnings, net assets or gearing of IHH for the financial year ending 31 December 2016.

Directors and Major Shareholders' Interest

None of the directors and/or major shareholders of IHH or persons connected to them, have any interest, whether direct or indirect, in the Proposed Transactions.

* Based on the exchange rate of RMB1: RM0.6279 on 11 November 2016 as set out in the Bank Negara website, subject to rounding.