

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

Proposed Divestment of Fortis Malar Hospital, Chennai by Fortis Healthcare Limited

IHH HEALTHCARE BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	Proposed Divestment of Fortis Malar Hospital, Chennai by Fortis Healthcare Limited

Please refer attachment below.

Attachments

[IHH Announcement_Transaction - Fortis Malar Divestment_24.11.2023.pdf](#)
149.1 kB

Announcement Info	
Company Name	IHH HEALTHCARE BERHAD
Stock Name	IHH
Date Announced	24 Nov 2023
Category	General Announcement for PLC
Reference Number	GA1-24112023-00087



IHH Healthcare

Registration No.: 201001018208 (901914-V)
(Incorporated in Malaysia)

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

Type : General Announcement

Subject : Transactions (Chapter 10 of Listing Requirements) Non Related Party Transactions

Description : Proposed Divestment of Fortis Malar Hospital, Chennai by Fortis Healthcare Limited

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

- (I) SUBSCRIPTION OF 235,294,117 NEW EQUITY SHARES OF FACE VALUE OF INDIAN RUPEES (“INR”) 10 EACH (“FORTIS SHARES”) IN FORTIS HEALTHCARE LIMITED (“FORTIS”) THROUGH PREFERENTIAL ALLOTMENT BY FORTIS TO AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF IHH, NORTHERN TK VENTURE PTE LTD (“NTK” OR THE “ACQUIRER”) (“SUBSCRIPTION”);
- (II) MANDATORY OPEN OFFER FOR ACQUISITION OF UP TO 197,025,660 FORTIS SHARES REPRESENTING ADDITIONAL 26.10% OF THE EXPANDED VOTING SHARE CAPITAL OF FORTIS BY THE ACQUIRER (“FORTIS OPEN OFFER”); AND
- (III) MANDATORY OPEN OFFER FOR ACQUISITION OF UP TO 4,894,308 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF INR 10 EACH (“MALAR SHARES”), REPRESENTING 26.11% OF THE FULLY DILUTED VOTING EQUITY SHARE CAPITAL OF FORTIS MALAR HOSPITALS LIMITED (“MALAR”) BY THE ACQUIRER (“MALAR OPEN OFFER”, AND COLLECTIVELY WITH THE FORTIS OPEN OFFER, THE “OPEN OFFERS”).

[THE SUBSCRIPTION, FORTIS OPEN OFFER, AND THE MALAR OPEN OFFER ARE HEREINAFTER COLLECTIVELY REFERRED AS THE “TRANSACTION”]

We refer to our earlier announcements dated 13 July 2018, 15 August 2018, 13 November 2018, 17 December 2018, 18 November 2019, 3 February 2020, 5 March 2020, 17 March 2020, 14 August 2020, 22 September 2022, 23 September 2022, 26 September 2022, 11 November 2022, 17 November 2022 and 14 November 2023 (“**Said Announcements**”) in relation to the Transaction. Unless otherwise expressed or defined herein, all capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Said Announcements (or any of them).

Pursuant to Paragraph 10.05(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, IHH wishes to announce that certain subsidiaries of Fortis have entered into definitive agreements with MGM Healthcare Private Limited (“**MGM Healthcare**”), in relation to the sale and divestment of Fortis Malar Hospital, Chennai (“**Malar Hospital**”) and related assets to MGM Healthcare (“**Proposed Divestment**”). The Proposed Divestment will be undertaken for an aggregate consideration of approximately INR1,28,00,25,000 (equivalent to approximately RM71.9 million¹) (subject to customary closing adjustments as agreed in the definitive agreements).

¹ Based on the exchange rate of INR100 : RM5.6190 as at 24 November 2023 as set out in the Bank Negara Malaysia’s website, subject to rounding.

The business operations of Malar Hospital are housed within listed subsidiary of Fortis, i.e., Malar and wholly owned subsidiary of Fortis, i.e., Fortis Health Management Limited ("**FHML**"). Further, the land and building comprising of Malar Hospital and related / adjacent real estate assets concerning Malar Hospital are housed in two wholly owned subsidiaries of Fortis namely, FHML and Hospitalia Eastern Private Limited ("**HEPL**").

In connection with the Proposed Divestment, following definitive agreements are entered on 24 November 2023:

- (i) Malar has entered into a business transfer agreement with MGM Healthcare for the sale and divestment of entire business operations of Malar Hospital (as housed in Malar), as a going concern on a slump sale basis, for a consideration of approximately INR45,50,00,000 (equivalent to approximately RM25.6 million¹) (subject to customary closing adjustments as agreed in the business transfer agreement);
- (ii) FHML has entered into a business transfer agreement with MGM Healthcare for the sale and divestment of outpatient department and radiology business operations related to the Malar Hospital (including the land and building on which the Malar Hospital is situated), as a going concern on a slump sale basis, for a consideration of approximately INR47,59,42,841 (equivalent to approximately RM26.7 million¹) (subject to customary closing adjustments as agreed in the business transfer agreement);
- (iii) FHML has entered into an agreement to sell with MGM Healthcare for the sale and divestment of land and building adjacent to Malar Hospital, as owned by FHML, for a consideration of approximately INR11,38,10,909 (equivalent to approximately RM6.4 million¹); and
- (iv) HEPL has entered into an agreement to sell with MGM Healthcare for the sale and divestment of vacant land adjacent to Malar Hospital, as owned by HEPL, for a consideration of approximately INR23,52,71,250 (equivalent to approximately RM13.2 million¹).

The Proposed Divestment will be undertaken in accordance with the terms of definitive agreements. The consummation of the Proposed Divestment is subject to fulfilment of certain conditions precedent and closing conditions, as agreed under the terms of the respective agreements specifically, the consummation of the Proposed Divestment is subject to the receipt of approval of the shareholders of (i) Fortis (by way of special resolution) and (ii) Malar (by way of special resolution and approval of majority of public shareholders).

The Company remains committed to completion of the Fortis Open Offer and the Malar Open Offer in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

None of the Directors and/or major shareholders of IHH or persons connected with them have any interest, direct or indirect, in the Proposed Divestment.

This announcement is dated 24 November 2023.

¹ Based on the exchange rate of INR100 : RM5.6190 as at 24 November 2023 as set out in the Bank Negara Malaysia's website, subject to rounding.