

Company Name : IHH Healthcare Berhad
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IHH Raises Its Stake In Acibadem Holdings To 90%

PETALING JAYA: IHH Healthcare Bhd is raising its stake in Turkey-based healthcare group Acibadem Holdings by an additional 30%, bringing its stake to about 90%.

The stake increase is in relation to the shareholders' agreement it had entered into in 2011 when it first acquired the 60% equity interest in Acibadem Holdings.

Under the agreement, the founder of Acibadem Holdings – Mehmet Ali Aydinlar and his wife Hatice Seher Aydinlar – have the option of converting up to 15% of the equity interest they hold in the company into new IHH shares, for a duration of 10 years from Jan 24, 2012.

Bagan Lalang Ventures Sdn Bhd, which currently owns a 15% equity interest in Acibadem Holdings, also has the option to convert up to 15% of its equity interest into new IHH shares, on condition that the option is also exercised by Aydinlar.

Bagan Lalang is an indirect unit of Khazanah Nasional Bhd and also a substantial shareholder in IHH.

IHH announced yesterday that Aydinlar and his wife have exercised their option to convert 229.2 million shares, representing a 15% equity interest in Acibadem Holdings, for about 262.2 million new IHH shares.

It said Bagan Lalang has also exercised its option on identical terms, effectively marking Khazanah's potential exit from Acibadem Holdings.

In a filing with the stock exchange, the group said the number of new IHH shares issued to the three parties would be based on the relative fair market value of RM5.59 per share.

Upon completion of the transaction, Aydinlar's shareholding in IHH will increase from 3.23% to 6.21%, while Khazanah's shareholding will increase from 40.33% to 40.91%.

IHH, on the other hand, will acquire about a 30% equity interest in Acibadem Holdings, via its indirect unit, Integrated Healthcare Hastaneler Turkey Sdn Bhd.

At the moment, IHH's 60% stake in Acibadem Holdings contributes about a third of its revenue.

In a statement, IHH said the transaction would simplify the shareholding structure of Acibadem Holdings and allow IHH to further consolidate its control in the Turkish operations.

It added that IHH would have the financial and operational flexibility to deleverage Acibadem Holdings' balance sheet.

"Increasing our majority interest in Acibadem Holdings presents a clear opportunity for IHH to improve Acibadem Holdings' financial and operational performance in the long run.

"Upon completion of this transaction and subsequent deleveraging of Acibadem Holdings' balance sheet, Acibadem Holdings will be better positioned to ride out the forex volatility," IHH managing director and chief executive officer Dr Tan See Leng said in the statement.

Acibadem Holdings is among Turkey's leading private healthcare providers, managing 21 hospitals and 16 clinics across Turkey, Macedonia and Bulgaria.

The acquisition is expected to be completed in the fourth quarter of 2018, subject to regulatory approval, including from Bank Negara.

IHH shares closed 20 sen higher at RM5.30.