

**IHEALTHCARE GROUP HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

Registration Number: 2019/155531/06

CTSE Share Code: 4AIHGH

ISIN: ZAE400000077

(“IHG Holdings”)

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**SUBSTANTIAL TRANSACTION ANNOUNCEMENT RELATING TO THE OFFER BY IHG HOLDINGS TO ACQUIRE ALL THE REMAINING ISSUED IHG SHARES WHICH IT DOES NOT ALREADY OWN FROM IHG SHAREHOLDERS**

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**1. INTRODUCTION**

- 1.1 Shareholders of IHG Holdings (“**IHG Holdings Shareholders**”) are referred to the detailed joint firm intention announcement (“**FIA**”) published by IHG Holdings and iHealthcare Group Limited (“**IHG**”) dated 25 November 2021, relating to IHG Holdings’ firm intention to make an offer (“**Offer**”) to acquire all the remaining issued ordinary shares of IHG (“**IHG Shares**”), which it does not already own, from the holders of IHG Shares other than IHG Holdings itself (“**IHG Shareholders**”).
- 1.2 The Offer to acquire all the remaining issued IHG Shares which IHG Holdings does not already own from IHG Shareholders, will be effected by way of a scheme of arrangement (“**Scheme**”) in terms of section 114 of the Companies Act 71 of 2008 (“**Companies Act**”) between IHG and the IHG Shareholders, to be proposed by the IHG board of directors (“**IHG Board**”) (on recommendation of the independent board) in terms of which IHG Holdings will acquire the IHG Shares at the Purchase Consideration (as defined below) and upon the terms and subject to the conditions set out in the circular to be distributed to the IHG Shareholders in due course (“**Combined Offer Circular**”).
- 1.3 Implementation of the Scheme will result in IHG delisting from the exchange operated by Cape Town Stock Exchange Proprietary Limited (“**CTSE**”) and becoming an unlisted wholly-owned subsidiary of IHG Holdings (“the **Proposed Transaction**”).
- 1.4 The purpose of this announcement is to set out brief details of the general nature of the Proposed Transaction, in compliance with the listing requirements (“**CTSE Listing Requirements**”) of the exchange operated by CTSE.

**2. RATIONALE FOR THE PROPOSED TRANSACTION**

The board of directors of IHG Holdings (“**IHG Holdings Board**”) seeks to implement the Proposed Transaction for, *inter alia*, the following reasons and/or to achieve the following objectives:

- 2.1 the successful implementation of the Scheme will result in the collapse of the current dual organisational structure between IHG Holdings and IHG, resulting in a simplified group structure, a substantial decrease in administrative costs and significantly less time and energy being required from the IHG Group’s executives in ensuring compliance with the listed dual organisational structure in accordance with the listing requirements of CTSE; and
- 2.2 the successful implementation of the Proposed Transaction will result in only the issued ordinary shares of IHG Holdings (“**IHG Holdings Shares**”) being listed on the exchange operated by CTSE.

### 3. PURCHASE CONSIDERATION

- 3.1 IHG Holdings currently holds approximately 65.26% (sixty-five point two six percent) of the IHG Shares and intends, subject to the fulfilment or waiver of certain conditions precedent, to acquire, pursuant to the Offer, the remaining 34.74% (thirty four point seven four percent) (approximately 819 675) of the IHG Shares, which will be settled by way of newly issued IHG Holdings Shares.
- 3.2 The Purchase Consideration (as defined below) will comprise of a share-for-share offer to IHG Shareholders in terms whereof the IHG Shareholders will exchange their existing IHG Shares for newly issued IHG Holdings Shares. For the avoidance of doubt, the memorandum of incorporation of IHG Holdings will be amended to remove any limitations whereby the IHGH Shares may only be held by shareholders who meet the eligibility requirements of a Medical Practitioner (as defined in the memorandum of incorporation of IHG Holdings).
- 3.3 Accordingly, IHG Shareholders, shareholders who do not satisfy the Medical Practitioners eligibility requirements (“**Non-MPs**”), will not be required to satisfy the Medical Practitioner eligibility requirements and therefore will receive issued ordinary shares of IHGH (“**IHGH Shares**”) as consideration of the Purchase Consideration. Each IHG Shareholder will each receive 1.12752 (one point one two seven five two) IHGH Shares for every 1 (one) IHG Share disposed of by a IHG Shareholder in terms of the Scheme (“**Purchase Consideration**”).
- 3.4 The Purchase Consideration was negotiated between the IHG Holdings Board and the IHG Board, after considering the valuation report conducted by a professional independent expert, BDO Corporate Finance Incorporated.

### 4. SHARE CAPITAL

- 4.1 As at the date of this announcement, IHG Holdings’ authorised and issued ordinary share capital were as follows:

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**AUTHORISED SHARE CAPITAL**

500 000 000 ordinary no par value shares

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**ISSUED SHARE CAPITAL**

1 547 278 ordinary no par value shares

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- 4.2 Should the Proposed Transaction be implemented, based on the assumption that the maximum number of IHG Holdings Shares are issued in terms of the Purchase Consideration, IHG Holdings' authorised and issued ordinary share capital shall be as follows:

**AUTHORISED SHARE CAPITAL**

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500 000 000 ordinary no par value shares

**ISSUED SHARE CAPITAL**

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2 471 478 ordinary no par value shares

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**5. FINANCIAL INFORMATION**

IHG Holdings Shareholders are referred to the FIA for the *pro forma* effects of the Proposed Transaction on earnings, assets and liabilities of IHG Holdings.

**6. CLASSIFICATION OF THE PROPOSED TRANSACTION**

The Proposed Transaction constitutes a "Substantial Transaction" in terms of the CTSE Listing Requirements, requiring IHG Holdings' Shareholder approval. A circular convening a special general meeting and providing further information on the Proposed Transaction will be sent to IHG Holdings Shareholders in due course.

**Pretoria**

**26 November 2021**

**TRANSACTION ADVISOR AND CTSE EXTERNAL ISSUER AGENT:**

**Pallidus Capital Proprietary Limited**