



**RH BOPHELO LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2016/533398/06)  
(JSE Share Code: RHB, ISIN: ZAE000244737)  
("RH Bophelo" or "the Company")

## **CATEGORY 2 ANNOUNCEMENT REGARDING THE ACQUISITION OF THE REMAINING 40.0% OF THE EQUITY IN AFRICA HEALTHCARE PROPRIETARY LIMITED ("AHC")**

### **1. INTRODUCTION**

In February 2018, RH Bophelo acquired 60% of the shares in AHC. Further to this, RH Bophelo is pleased to announce that on 3 September 2019 it entered into a Sale of Shares Agreement ("**Agreement**"), together with its wholly owned subsidiary, RH Bophelo Operating Company Proprietary Limited ("**RHB OpCo**"), in terms of which RHB OpCo, will acquire the remaining 40.0% of the issued share capital in AHC from the remaining shareholders, being Mandisa Joyce Gwendoline Maholwana and Stephanus Phillipus van Huyssteen (the "**Acquisition**"). On the effective date (described in paragraph 7 below), AHC will become a wholly owned subsidiary of RHB OpCo.

### **2. INFORMATION ON AHC**

AHC was established in 2014 as a medical facilities operating, management and services entity. AHC competes in the private and public healthcare sectors on a cost leadership and geographical coverage basis and is a new entrant in the hospital management sector, however, it is strategically underpinned by management with extensive hospital operating expertise. The following is relevant to AHC:

- Owns and operates the St Helena Private Hospital, a 131 bed licenced hospital in Welkom and the Fountain Private Hospital, a 163 bed licenced hospital in Carletonville;
- Manages a 115 bed private hospital in Nelspruit as well as a managed care facility in Welkom;
- Medical facilities and services are provided from the St Helena Private Hospital and the Fountain Private Hospital in Welkom and Carletonville respectively;
- AHC Pharmacy provides pharmaceutical services to patients and corporate clients from the aforementioned hospitals;
- AHC Emergency Services is a private ambulance service that provides services in Welkom and Carletonville; and
- AHC Complete Facilities Management provides facility management services to all other divisions of AHC.

Furthermore, AHC Nursing College, is a wholly-owned subsidiary of AHC and provides a comprehensive program of nurse training and education that ranges from basic qualification to highly qualified nurses. The facility is located in Carletonville and is an accredited Institution of Higher Learning by the Department of Higher Education and Training and registered with the South African Nursing Council. AHC Nursing College boasts a heritage of over 60 years training high calibre students.

### **3. RATIONALE FOR THE ACQUISITION**

RH Bophelo's rationale for the AHC Acquisition:

- AHC has performed well since RH Bophelo's 60% acquisition in February 2018 and the remaining 40% is in line with RH Bophelo's initial strategy to acquire AHC's entire share capital;

- The Acquisition is aligned with RH Bophelo’s investment mandate and presents an attractive opportunity to both RH Bophelo and its shareholders;
- AHC is one of RH Bophelo’s cross-cutting platform and anchor investments that RH Bophelo will use to address:
  - Administration;
  - Commissioning; and
  - Management of hospital infrastructure assets.
- AHC will also manage, administer and commission hospitals for other non-RH Bophelo affiliated parties;
- Will leverage its position in AHC to extract efficiencies and synergies across RH Bophelo’s portfolio; and
- RH Bophelo has intimate knowledge of the asset through its initial acquisition.

#### 4. SALIENT TERMS OF THE ACQUISITION

RH Bophelo (through RHB OpCo) will acquire 40.0% of the entire issued share capital in AHC for a total consideration of R60.0 million as follows:

- Cash of R36.0 million from RH Bophelo’s existing cash resources; and
- R24.0 million will be paid to the shareholders of AHC and will be paid in new RH Bophelo listed shares (the “**Consideration Shares**”), which shares will be issued at RH Bophelo’s 30 day volume weighted average price (“**VWAP**”) calculated up to the signature date of the Agreement.

#### 5. CONDITIONS PRECEDENT

The Agreement is subject to the condition precedent that the application for the admission of the Consideration Shares to the list maintained by the JSE Limited (the “**JSE**”) of securities admitted to listing and trading on the main board of the JSE is approved by the JSE.

#### 6. FINANCIAL INFORMATION

Per the unaudited IFRS compliant financial statements of AHC, as at 28 February 2019, AHC had a net asset value of R67.7 million and a net profit after tax of R11.8 million for the 11 months ending 28 February 2019.

#### 7. EFFECTIVE DATE

The Acquisition will become effective on the 5<sup>th</sup> business day after the date on which the condition precedent described in paragraph 5 is fulfilled or waived, as the case may be, which is anticipated to be on or about 13 September 2019.

#### 8. CATEGORISATION

The Acquisition is a Category 2 transaction which does not require RH Bophelo shareholder approval.

As noted in RH Bophelo’s investment policy, in order to provide shareholders with additional protection, shareholders are afforded the opportunity to vote on specific transactions up to a threshold of R300 million, however, subject to the categorisation requirements of Section 9 of the JSE Listings Requirements. Following the Acquisition, this threshold has now been exceeded and as a result, RH Bophelo will now implement transactions in terms of Section 15 of the JSE Listings Requirements.

Johannesburg  
4 September 2019

Sponsor to RH Bophelo: Deloitte & Touche Sponsor Services Proprietary Limited  
Legal Advisor to RH Bophelo: ENSafrica