

KZN Growth Fund partners with Busamed Holdings in two KZN Hospital Acquisitions

The KZN Growth Fund has partnered with Busamed Holdings (Proprietary) Limited (Busamed) to purchase the shares of Ross Healthcare (Pty) Ltd, previously a JT Ross entity. Ross Healthcare is the majority (60%) shareholder in each of the two hospitals, Hillcrest Private Hospital (Pty) Ltd and the Gateway Private Hospital (Pty) Ltd.

The KZN Growth Fund Trust was invited to unlock the transaction by investing equity alongside Busamed, who would then become the hospital operator in both hospitals going forward. Busamed is one of South Africa's first black owned healthcare groups, which owns and operates private hospitals nationwide. The private hospital group is led by Dr Diliza Mji, a medical surgeon with more than 30 years of medical practice experience.

Hillcrest Private Hospital is a 200-bed private hospital in Hillcrest, which opened in July 2011. This is a mature hospital and has reached maximum occupancy levels in most wards. To that extent, the Department of Health has approved an extension of the hospital with an additional 88 beds. Gateway Private Hospital is a 160-bed hospital in Gateway, which was opened in December 2014.

For the KZN Growth Fund, this investment diversifies the existing private hospital portfolio, adding brownfield investments that have successfully passed the higher risk construction phase with great prospects of improved profitability in the short term. The key elements of our mandate are also being met through the empowerment of a black hospital group in a sector where black-ownership is minimal, as well as job creation anticipated through the Hillcrest Hospital expansion. The installation of a dynamic hospital operator, Busamed, with relevant expertise to identify and implement revenue-enhancing strategies will secure a good return on investment on a commercial as well as developmental perspective.