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**Health Management International Ltd**

(UEN/Reg. No: 199805241E)

(Incorporated in Singapore)

**PanAsia Health Limited**

(Company Registration No: 352109)

(Incorporated in the Cayman Islands)

**JOINT ANNOUNCEMENT**

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**PROPOSED ACQUISITION BY PANASIA HEALTH LIMITED OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF HEALTH MANAGEMENT INTERNATIONAL LTD BY WAY OF A SCHEME OF ARRANGEMENT**

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**1. INTRODUCTION**

**1.1 The Scheme.** The respective boards of directors of Health Management International Ltd (the “**Company**” or “**HMI**”) and PanAsia Health Limited (the “**Offeror**”) are pleased to announce the proposed acquisition (the “**Acquisition**”) of all the issued ordinary shares in the capital of the Company (the “**HMI Shares**”) by the Offeror, a special purpose vehicle incorporated under the laws of the Cayman Islands, which is (indirectly) controlled by EQT Mid Market Asia III GP B.V. (“**EQT GP**”), acting in its capacity as general partner of EQT Mid Market Asia III Limited Partnership (“**EQT LP**”)¹. The Acquisition will be effected by the Company by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

**1.2 Implementation Agreement.** In connection with the Acquisition, the Offeror and the Company (each, a “**Party**” and collectively, the “**Parties**”) have on 5 July 2019 entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Parties will implement the Scheme.

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<sup>1</sup> EQT Mid Market Asia III GP B.V., a private company with limited liability (“besloten vennootschap met beperkte aansprakelijkheid”) under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, and its office address at Cornelis Schuytstraat 74, 1071 JL Amsterdam, the Netherlands, registered with the commercial register of the Chambers of Commerce under number 64683869, acting in its capacity as general partner of EQT Mid Market Asia III Limited Partnership, a limited partnership under the laws of England and Wales, having its office address at Cornelis Schuytstraat 74, 1071 JL Amsterdam, the Netherlands, registered with Companies' House under number LP017107.

### 1.3 Scheme Consideration and Premium

**The Scheme Consideration (as defined below) for each HMI Share will be:**

**S\$0.730** in cash (the “**Cash Consideration**”);

**OR**

in lieu of the Cash Consideration, **one** new ordinary share in the capital of the Offeror (the “**Offeror Share**”) which the Offeror shall allot and issue duly authorised, fully paid up and free from all Encumbrances, at an issue price of **S\$0.730** (the “**Issue Price**”) per Offeror Share (the “**Securities Consideration**”).

In the event that the aggregate number of HMI Shares that are elected for the Securities Consideration exceeds the Maximum Number (as defined below), the Adjustment Mechanism (as defined below) will apply. Please see paragraph 3.1.2 of this Joint Announcement for additional details.

The Issue Price of each Offeror Share under the Securities Consideration will be the same as the Cash Consideration.

The Scheme presents the shareholders of the Company (the “**HMI Shareholders**”) with an opportunity to realise their investment in the HMI Shares at an attractive premium of approximately 27.4 per cent. and 29.7 per cent. over the three-month and six-month volume weighted average prices (“**VWAP**”) of the HMI Shares respectively, as transacted on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), up to and including 14 June 2019 (the “**Last Undisturbed Trading Day**”)<sup>2</sup> (please see paragraphs 9 and 10 of this Joint Announcement for additional details).

## 2. INFORMATION ON THE PARTIES

**2.1 The Company.** The Company was incorporated in Singapore on 26 October 1998 and was listed on the Secondary Board of the SGX-ST on 15 October 1999 and the Main Board of the SGX-ST on 10 March 2008. The Company and its subsidiaries (collectively, the “**HMI Group**” and each, a “**HMI Group Company**”) together operate as a regional private healthcare provider with a presence in Singapore, Malaysia and Indonesia.

The board of directors of the Company (the “**Board**”) comprises the following:

- (i) Dr. Gan See Khem (Executive Chairman and Managing Director);
- (ii) Ms. Chin Wei Jia (Executive Director and Group Chief Executive Officer);
- (iii) Mr. Chin Wei Yao (Executive Director and Group Chief Investment Officer);
- (iv) Professor Annie Koh (Lead Independent Director);
- (v) Dr. Cheah Way Mun (Independent Non-Executive Director);

<sup>2</sup> Being the last full trading day immediately preceding the date on which the Company released the holding announcement in respect of a possible transaction, i.e. 17 June 2019.

- (vi) Professor Tan Chin Tiong (Independent Non-Executive Director); and
- (vii) Mr. Chong Ton Nen @ Peter Chong (Independent Non-Executive Director).

As at the date of this Joint Announcement (the “**Joint Announcement Date**”), the Company has an issued and paid-up share capital of S\$187,277,412.58, comprising 837,337,946 HMI Shares, excluding 1,642,934 treasury shares.

**2.2 The Offeror, NewCo, TopCo, EQT GP.** The Offeror is a special purpose vehicle incorporated in the Cayman Islands for the purposes of the Acquisition.

As at the Joint Announcement Date:

- (i) the sole shareholder of the Offeror is PanAsia Health Management B.V. (“**NewCo**”), and the sole shareholder of NewCo is PanAsia Health Holdings Coöperatief U.A. (“**TopCo**”), which in turn is ultimately wholly-controlled by EQT GP, acting in its capacity as general partner of EQT LP;
- (ii) each of NewCo and TopCo are special purpose vehicles incorporated in the Netherlands for the purposes of the Acquisition. EQT GP is advised by its professional advisor EQT Partners Singapore Pte. Ltd. (“**EQT Singapore**”);
- (iii) the share capital of the Offeror is S\$1.00, divided into one share with no par value; and
- (iv) the members of the board of directors of the Offeror are:
  - (a) Chang Kuang Hsian (Brian) (a partner of EQT Singapore);
  - (b) Marie Louise van Dam (a director and board member of EQT Netherlands Management B.V.); and
  - (c) Lars Adam Ludvig Larsson (a director and board member of EQT Netherlands Management B.V.).

EQT LP is part of the wider EQT group. EQT is a leading investment firm with more than EUR 61 billion in raised capital across 29 funds and around EUR 40 billion in assets under management. EQT funds have portfolio companies in Europe, Asia and the United States of America with total sales of more than EUR 21 billion and approximately 127,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

**3. THE SCHEME**

**3.1 The Acquisition.** Under the Scheme:

- 3.1.1 all the HMI Shares held by the HMI Shareholders as at a books closure date to be announced by the Company on which the transfer books and the register of members of the Company will be closed in order to determine the entitlements of the HMI Shareholders in respect of the Scheme (the “**Books Closure Date**”) will be transferred to the Offeror:

- (i) fully paid up;
- (ii) free from all charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, security, title retention, preferential rights, trust arrangements or any other security interests or any other agreements, arrangements or obligations to create any of the foregoing (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Joint Announcement Date. If any dividend, right or other distribution is declared, paid or made by the Company to the HMI Shareholders on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Scheme Consideration (as defined below) by the amount of such dividend, right or distribution. In this connection, the Company has, pursuant to the Implementation Agreement, undertaken that it will not, during the period from the date of the Implementation Agreement up to (and including) the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”), declare or pay any dividend or make any distribution (in cash or in kind) to HMI Shareholders; and

3.1.2 in consideration for such transfer, each of the HMI Shareholders as at the Books Closure Date will be entitled to receive for each HMI Share (the “**Scheme Consideration**”), at their election:

- (i) the Cash Consideration; **OR**
- (ii) the Securities Consideration,

provided always that no more than 686,218,454 HMI Shares<sup>3</sup> may be elected for the Securities Consideration (the “**Maximum Number**”).

In the event that the aggregate number of HMI Shares that are elected for the Securities Consideration exceeds the Maximum Number:

- (a) the Maximum Number will be allocated among the HMI Shareholders who elected for the Securities Consideration on a pro-rata basis according to the number of HMI Shares they hold as at the Books Closure Date (relative to one another); and
- (b) in respect of the balance number of HMI Shares that are elected for the Securities Consideration in excess of the Maximum Number, each relevant HMI Shareholder who elected for the Securities Consideration shall receive in

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<sup>3</sup> Representing approximately 81.95 per cent. of all of the HMI Shares, based on 837,337,946 HMI Shares in issue (excluding 1,642,934 treasury shares) as at the Joint Announcement Date.

cash an amount equivalent to the Issue Price of each Offeror Share which cannot be allotted and issued to such HMI Shareholder,

(the “**Adjustment Mechanism**”).

The Issue Price of each Offeror Share under the Securities Consideration will be the same as the Cash Consideration. **The Offeror Shares will not be listed on any securities exchange when allotted and issued on the date of settlement of the Scheme Consideration (the “Settlement Date”).**

In respect of the Cash Consideration or the cash component of the Securities Consideration (in the event that the Adjustment Mechanism applies), the aggregate cash amount that is payable to any HMI Shareholder in respect of the HMI Shares held by such HMI Shareholder shall be rounded to the nearest S\$0.01.

Subject to the Adjustment Mechanism, in respect of the Securities Consideration, the aggregate number of Offeror Shares which each HMI Shareholder will be entitled to pursuant to the Scheme, based on the HMI Shares held by such HMI Shareholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Offeror Shares to be issued to any HMI Shareholder pursuant to the Scheme.

The Offeror Shares to be allotted and issued pursuant to the Securities Consideration will, when issued, be duly authorised, fully paid up and validly allotted, and free from all Encumbrances and all consents, authorisations, approvals or waivers from any governmental agencies or third parties necessary for such issuance have been or will be, prior to such issuance, obtained.

### **3.2 Election.** Each HMI Shareholder:

**3.2.1** who is holding HMI Shares as a depositor (as defined under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”)) or in scrip form (“**Directly-Held HMI Shares**”) shall only be entitled to elect to receive the Cash Consideration or, in lieu thereof, the Securities Consideration for all of its Directly-Held HMI Shares, but not a mixture of both; and

**3.2.2** who is holding HMI Shares in its capacity as a depository agent on behalf of sub-account holder(s) (as defined under the SFA) (“**Indirectly-Held HMI Shares**”), shall in respect of each sub-account holder, be entitled to elect to receive the Cash Consideration or, in lieu thereof, the Securities Consideration for all the Indirectly-Held HMI Shares held on behalf of such sub-account holder, but not to elect a mixture of both,

(each HMI Shareholder under paragraph 3.2.1 and depository agent (for and on behalf of each sub-account holder under paragraph 3.2.2) shall be referred to as an “**Electing Party**”). If a HMI Shareholder holds both Directly-Held HMI Shares and Indirectly-Held HMI Shares through securities sub-account(s) with depository agent(s), such HMI Shareholder shall elect to receive either the Cash Consideration or the Securities Consideration (and not a combination of the two) in respect of all of its Directly-Held HMI Shares, and direct the

depository agent(s) to elect to receive the same form of the Scheme Consideration in respect of all of its Indirectly-Held HMI Shares.

In the event that any Electing Party:

- (i) fails to elect to receive a Scheme Consideration within the period given to Electing Parties to elect whether to receive either the Cash Consideration or the Securities Consideration (the “**Election Period**”), whether due to an absence or failure of a valid election;
- (ii) to the extent applicable under the laws of the Cayman Islands and upon being notified by the Offeror, fails to provide such details and/or information as may be required to satisfy the requirements of the anti-money laundering regulations of the Cayman Islands;
- (iii) elects to receive the Securities Consideration or Cash Consideration in respect of some only and not all of its HMI Shares;
- (iv) holds both Directly-Held HMI Shares and Indirectly-Held HMI Shares through securities sub-account(s) with depository agent(s) and does not elect to receive and direct its depository agent(s) to elect to receive the same form of the Scheme Consideration in respect of all its Directly-Held HMI Shares and Indirectly-Held HMI Shares respectively, and the Offeror is notified of such occurrence; and/or
- (v) maintains an address recorded in the register of members of the Company or the Depository Register (as defined in Section 81SF of the SFA) (as the case may be) that is not within Singapore and does not provide HMI with an address in Singapore prior to the end of the Election Period,

such Electing Party shall be deemed to have elected to receive the Cash Consideration for all of its HMI Shares, and shall be entitled only to receive the Cash Consideration for all of its HMI Shares as at the Books Closure Date.

### **3.3 Offeror Shares**

**3.3.1 Offeror Shares.** The Offeror Shares to be allotted and issued pursuant to the Securities Consideration will, on issue, be duly authorised, fully paid up and validly allotted and issued, and free from all Encumbrances and ranking *pari passu* in all respects with all other shares of the Offeror as at the date of their issue.

**3.3.2 Offeror Articles.** The rights, privileges and restrictions attaching to the Offeror Shares shall be set out in the articles of association of the Offeror (the “**Offeror Articles**”) which, pursuant to the Implementation Agreement, shall be amended on or prior to the Effective Date. Certain provisions of the proposed Offeror Articles relating to (i) certain transfer restrictions in respect of the Offeror Shares, and (ii) the rights of holders of Offeror Shares in respect of capital, dividends and voting, are summarised in **Schedule 5** to this Joint Announcement. An extract of the salient provisions of the proposed Offeror Articles will be set out in the document to be issued by the Company to the HMI Shareholders in respect of the Scheme (the “**Scheme Document**”).

**3.3.3 Risk Factors.** As set out in paragraph 3.1.2 of this Joint Announcement above, the Offeror Shares will not be listed on any securities exchange when allotted and issued on the Settlement Date. In addition, there are certain other risk factors that relate principally to the Offeror and to the ownership of the Offeror Shares, including:

- (i) the Offeror being subject to the risks relating to the economic, political, legal or social environments of the Cayman Islands;
- (ii) the Offeror Shares being subject to a 24-month moratorium whereby they cannot be transferred without the prior written approval of major shareholders of the Offeror holding at least 12 per cent. of the Offeror Shares (as set out in **Schedule 5** to this Joint Announcement);
- (iii) the financing that have been undertaken by the Offeror in connection with the Acquisition (details of which are set out in **Schedule 6** to this Joint Announcement);
- (iv) there being no assurance that the Offeror will declare dividends on the Offeror Shares; and
- (v) given that the Offeror Shares will not be publicly traded on the Settlement Date, as well as the transfer restrictions referred to in this paragraph 3.3.3 and **Schedule 5** to this Joint Announcement, holders of the Offeror Shares may face difficulties liquidating their investments in the Offeror Shares; and
- (vi) the Offeror not being subject to the same corporate and listing disclosure requirements that the Company is subjected to.

Further details will be set out in the Scheme Document. Shareholders should carefully consider and evaluate the risk factors, together with all of the other information contained in this Joint Announcement and the Scheme Document before deciding to elect for the Securities Consideration.

**3.4 Scheme Document.** Further information on the Scheme, the material terms of the Offeror Shares which are being offered to the HMI Shareholders under the Securities Consideration (including the rights of holders of the Offeror Shares in respect of capital, dividends and voting), and the terms and conditions upon which the Scheme will be implemented by the Company and the Offeror will be set out in the Scheme Document. The indicative timetable for the Acquisition is set out in **Schedule 7** to this Joint Announcement.

**3.5 Delisting.** Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

## 4. SCHEME CONDITIONS

**4.1 Scheme Conditions.** The Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the “**Scheme Conditions**”) which are set out in **Schedule 1** to this Joint Announcement.

### 4.2 Benefit of Scheme Conditions.

**4.2.1 The Offeror’s Benefit.** The Offeror alone may waive the Scheme Conditions in paragraphs 6, 8 (insofar as it relates to any Prescribed Occurrence set out in **Schedule 2** to this Joint Announcement in relation to any HMI Group Company), 9 and 11 of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

**4.2.2 The Company’s Benefit.** The Company alone may waive the Scheme Conditions in paragraphs 8 (insofar as it relates to any Prescribed Occurrence set out in **Schedule 2** to this Joint Announcement in relation to the Offeror) and 10 of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Company. The Company may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

**4.2.3 Mutual Benefit.** The Offeror and the Company may jointly waive the Scheme Conditions in paragraphs 5 and 7 of **Schedule 1** to this Joint Announcement (in each case, to the extent legally permissible). For the avoidance of doubt, the Scheme Conditions in paragraphs 1 to 4 of **Schedule 1** to this Joint Announcement are not capable of being waived by either or both of the Company and the Offeror.

## 5. TERMINATION

**5.1 Right to Terminate.** The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the Business Day (being a day other than a Saturday, Sunday and gazetted public holiday on which commercial banks are open for business in Singapore) falling before the Effective Date (the “**Relevant Date**”), subject to prior consultation with the Securities Industry Council (“**SIC**”), and the SIC giving its approval for, and stating that it has no objection to, such termination:

**5.1.1 Court Order:** by either the Offeror or the Company, if any court of competent jurisdiction or any foreign or Singaporean government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity (“**Governmental Agency**”) has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;



**5.1.2 Breach:** by either:

- (i) the Offeror, if the Company (a) is in breach of its representations and warranties in respect of the HMI Group set out in the Implementation Agreement (or would be if the representations and warranties were repeated at that time) which are material in the context of the Scheme, and the Company fails to remedy such breach (if capable of remedy) within 30 days after being given written notice by the Offeror to do so; or (b) has failed to perform and comply in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by the HMI Group Companies and which are material in the context of the Scheme, on or prior to the Relevant Date; or
- (ii) the Company, if the Offeror (a) is in breach of its representations and warranties in respect of the Offeror set out in the Implementation Agreement (or would be if the representations and warranties were repeated at that time) which are material in the context of the Scheme, and the Offeror fails to remedy such breach (if capable of remedy) within 30 days after being given written notice by the Company to do so; or (b) has failed to perform and comply in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it and which are material in the context of the Scheme, on or prior to the Relevant Date;

**5.1.3 HMI Shareholders' Approval:** by either the Offeror or the Company, if the resolutions in respect of the Scheme are not approved by the requisite majority of the HMI Shareholders at the meeting of the HMI Shareholders to be convened pursuant to the order of the High Court of the Republic of Singapore (the "**Court**") to approve the Scheme and any adjournment thereof (the "**Scheme Meeting**"); or

**5.1.4 Competing Offer:** by either the Company or the Offeror, if a Competing Offer<sup>4</sup> becomes or is declared unconditional in all respects (or its equivalent) and/or is completed.

**5.2 Termination on Non-fulfilment of Scheme Conditions.** Subject to paragraph 4.2 of this Joint Announcement, if for any reason:

**5.2.1** any of the Scheme Conditions set out in paragraphs 1 to 5 and 7 of **Schedule 1** to this Joint Announcement is not satisfied (or, if applicable, has not been waived), or if the Scheme has not become effective on or before 11.59 p.m. on the date falling six months from the date of the Implementation Agreement or such other date as the Parties may agree in writing (the "**Conditions Long-Stop Date**"), either the Offeror or

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<sup>4</sup> "**Competing Offer**" means any expression of interest, offer or proposal by any person other than the Offeror involving (i) a sale, transfer or other disposal of any direct or indirect interest in some or all of the shares in a Relevant Target Group Entity (as defined in footnote 5 below) or substantially all of the assets, business and/or undertakings of a Relevant Target Group Entity; (ii) a general offer for the shares in a Relevant Target Group Entity; (iii) a scheme of arrangement involving a Relevant Target Group Entity or the merger of a Relevant Target Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); or (iv) any other arrangement having an effect similar to any of (i) to (iii), including a merger or amalgamation proposal. For the purpose of this definition, a Competing Offer will be deemed to be for substantially all of the assets, business and/or undertakings of a Relevant Target Group Entity if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code.

the Company may immediately terminate the Implementation Agreement (save for certain surviving provisions), the Acquisition and the Scheme by notice in writing to the Company or the Offeror (as the case may be);

**5.2.2** any of the Scheme Conditions set out in paragraphs 6, 8 (in relation to any Prescribed Occurrence as set out in **Schedule 2** to this Joint Announcement relating to any Relevant Target Group Entity<sup>5</sup>), 9 and 11 of **Schedule 1** to this Joint Announcement is not satisfied (or, if applicable, has not been waived), on or before 11.59 p.m. on the Conditions Long-Stop Date, the Offeror may immediately terminate the Implementation Agreement (save for certain surviving provisions), the Acquisition and the Scheme by notice in writing to the Company; or

**5.2.3** any of the Scheme Conditions set out in paragraphs 8 (in relation to any Prescribed Occurrence as set out in **Schedule 2** to this Joint Announcement relating to the Offeror) and 10 of **Schedule 1** to this Joint Announcement is not satisfied (or, if applicable, has not been waived), on or before 11.59 p.m. on the Conditions Long-Stop Date, the Company may immediately terminate the Implementation Agreement (save for certain surviving provisions), the Acquisition and the Scheme by notice in writing to the Offeror,

in each case, provided that: (i) the non-fulfilment of any Scheme Condition is material in the context of the Acquisition, (ii) there was prior consultation with the SIC, and (iii) the SIC has given its approval for, and stated that it has no objection to, such termination.

**5.3 Effect of Termination.** In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (save for certain surviving provisions) and there shall be no liability on the part of any of the Company or the Offeror except that in the event of termination of the Implementation Agreement by either the Offeror or the Company, to the extent that there is a breach by the Company of the non-solicit provision in Clause 5.2.15 of the Implementation Agreement (as set out in **Schedule 3** to this Joint Announcement), the Company shall fully compensate the Offeror for all the costs and expenses incurred by or on behalf of the Offeror in connection with the Acquisition, the Scheme and/or any debt facilities obtained or to be obtained by the Offeror or its affiliates in relation to, or in connection with, the Acquisition, including any debt facilities to be obtained for the purposes of refinancing any such first-mentioned facilities (the “**Acquisition Debt Financing**”), including the fees and disbursements of counsel, auditors, advisers and/or underwriters engaged by or on behalf of the Offeror in connection with the Acquisition, the Scheme and/or the Acquisition Debt Financing, subject to a maximum amount of S\$1.5 million.

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<sup>5</sup> “**Relevant Target Group Entity**” means any of (i) HMI, (ii) Mahkota Medical Centre Sdn Bhd, (iii) Regency Specialist Hospital Sdn Bhd, (iv) Mahkota Land Sdn Bhd, (v) StarMed @ Farrer Square Pte Ltd, (vi) StarMed Specialist Centre Pte Ltd, or (vii) HMI Institute of Health Sciences Pte Ltd, and “**Relevant Target Group Entities**” means the foregoing entities collectively.

## 6. VOTING AND/OR ELECTION UNDERTAKINGS

**6.1 Voting and/or Election Undertakings.** Each of Nam See Investment (Pte) Ltd. (“**NSI**”), Maju Medik (Malaysia) Sdn Bhd (“**MMSB**”), Dr. Gan See Khem (“**GSK**”), Dr. Chin Koy Nam (“**CKN**”), Ms. Chin Wei Jia (“**CWJ**”), Mr. Chin Wei Yao (“**CWY**”), Ms. Chin Wei Shan (“**CWS**”) and the other Undertaking Shareholders set out in **Schedule 4** to this Joint Announcement (the “**Other Undertaking Shareholders**” and together with NSI, MMSB, GSK, CKN, CWJ, CWY and CWS, the “**Undertaking Shareholders**”) has given an irrevocable undertaking to the Offeror (the “**Voting and/or Election Undertaking**”) to, *inter alia*:

- 6.1.1 vote, or procure the voting, in favour of (or in the case of NSI<sup>6</sup>, GSK, CKN, CWJ, CWY and CWS only, abstain, or procure the abstaining, from voting on) the Scheme at the Scheme Meeting;
- 6.1.2 vote, or procure the voting, against and reject any and all resolutions or proposals to approve, implement, carry out or give effect to any Competing Offer by a third party;
- 6.1.3 comply with certain non-solicitation and no-talk provisions, in their capacity as a HMI Shareholder;
- 6.1.4 where applicable, elect to accept or procure to elect to accept, in respect of the relevant Undertaking Shareholder’s HMI Shares:
  - (i) in the case of GSK, CKN, CWJ, CWY and CWS, the Cash Consideration; and
  - (ii) in the case of NSI<sup>7</sup>, MMSB and certain Other Undertaking Shareholders as set out in **Schedule 4** to this Joint Announcement, the Securities Consideration.

The Undertaking Shareholders have each given the Voting and/or Election Undertaking to the Offeror in respect of 517,505,054 HMI Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 61.8 per cent. of all the HMI Shares, as at the Joint Announcement Date. Further details of the HMI Shares held by the Undertaking Shareholders as at the Joint Announcement Date are set out in **Schedule 4** to this Joint Announcement.

**6.2 Termination.** The Voting and/or Election Undertakings will terminate on the earlier of the following dates:

- 6.2.1 if the Implementation Agreement is not terminated, the Effective Date; or

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<sup>6</sup> Out of the 297,755,183 HMI Shares owned by NSI, 4,000,000 HMI Shares (representing approximately 0.48 per cent. of the total number of HMI Shares in issue as at the Joint Announcement Date) are subject to a share pledge given in favour of Sing Investments & Finance Ltd. As such, the irrevocable undertakings given by NSI as described in paragraphs 6.1.1 and 6.1.4 of this Joint Announcement in respect of these 4,000,000 HMI Shares held beneficially by NSI are subject to and contingent upon the release of the share pledge in respect of these 4,000,000 HMI Shares.

<sup>7</sup> Please see footnote 6 above.

**6.2.2** if the Implementation Agreement lapses or is terminated, the date on which the Implementation Agreement is terminated or lapses without the Scheme becoming effective in accordance with its terms.

**6.3 No Other Voting and/or Election Undertakings.** Save for the Voting and/or Election Undertakings, neither the Offeror nor any Relevant Person (as defined below) has received any irrevocable undertaking from any party to vote in favour of, or abstain from voting on, the Scheme as at the Joint Announcement Date.

**6.4 Shareholding Structure of the Offeror.** For illustration purposes only, the possible shareholding structures of the Offeror immediately following settlement of the Scheme Consideration, based on two different scenarios, are set out below:

**6.4.1 Scenario 1** – Assuming that only NSI, MMSB and the relevant Other Undertaking Shareholders as set out in **Schedule 4** to this Joint Announcement elect to receive the Securities Consideration, and no other HMI Shareholders elect to receive the Securities Consideration. In such a scenario, as the number of HMI Shares that are elected for the Securities Consideration falls below the Maximum Number, the Adjustment Mechanism does not apply:

	<b>NewCo</b>	<b>NSI</b>	<b>MMSB</b>	<b>Relevant Other Undertaking Shareholders</b>
Pro Forma Shareholding Percentage in the Offeror (per cent.)	30.5	42.4	19.8	7.3

**Notes:** Scenario 1 also assumes the following:

- (1) a total sum of S\$105 million being drawn down from the Acquisition Debt Financing (from which any draw down fees incurred by, or amounts funded into any interest reserve accounts of, the Offeror pursuant to the terms and conditions of the Acquisition Debt Financing, shall be net off against the principal amount being drawn down therefrom);
- (2) a maximum sum of S\$4 million in the aggregate being incurred as transaction costs in connection with the Scheme and the Acquisition, and any costs incurred in relation to the financing of the foregoing (excluding any draw down fees incurred by, or amounts funded into any interest reserve accounts of, the Offeror set out in Note (1) above); and
- (3) each of the Undertaking Shareholders elects to receive the Scheme Consideration based on the number of HMI Shares set out against their respective names in **Schedule 4** to this Joint Announcement.

**6.4.2 Scenario 2** – Assuming that all HMI Shareholders elect to receive the Securities Consideration, save for GSK, CKN, CWJ, CWY and CWS, who will elect to receive the Cash Consideration. In such a scenario, as the number of HMI Shares that are elected for the Securities Consideration exceeds the Maximum Number, the Adjustment Mechanism shall apply:

	<b>NewCo</b>	<b>NSI</b>	<b>MMSB</b>	<b>Relevant Other Undertaking Shareholders</b>	<b>Other HMI Shareholders</b>
Pro Forma Shareholding Percentage in the Offeror (per cent.)	18.6	30.0	14.0	5.2	32.2

**Notes:** Scenario 2 also assumes the following:

- (1) no amount being drawn down from the Acquisition Debt Financing;
- (2) a maximum sum of S\$4 million in the aggregate being incurred as transaction costs in connection with the Scheme and the Acquisition, and any costs incurred in relation to the financing of the foregoing; and
- (3) each of the Undertaking Shareholders elects to receive the Scheme Consideration based on the number of HMI Shares set out against their respective names in **Schedule 4** to this Joint Announcement.

## 7. ADDITIONAL UNDERTAKINGS

**7.1 Additional Undertakings.** In addition to their respective Voting and/or Election Undertakings, and subject to and following the Scheme becoming effective in accordance with its terms:

**7.1.1** NSI has additionally undertaken to NewCo to:

- (i) facilitate NewCo's exit from the Offeror after the fourth anniversary of the Effective Date by:
  - (a) working towards an initial public offering of the Offeror Shares in conjunction with a listing of the Offeror Shares on a stock exchange (the "**IPO**") within 18 months after the fourth anniversary of the Effective Date;
  - (b) on and after the fifth anniversary of the Effective Date, and if the IPO has not been completed at such time, assisting with preparations for a sale of NewCo's entire stake in the Offeror (the "**Stake Sale**"); and
  - (c) if the IPO or the Stake Sale has not been completed on or prior to the sixth anniversary of the Effective Date, granting NewCo a put option, being the right of NewCo to require NSI to purchase all of the Offeror Shares held by NewCo at such time (the "**Put Option**"). The purchase price of such Offeror Shares shall be determined by reference to an agreed formula which is based on the future performance of the Offeror and its subsidiaries, from time to time (the "**Offeror Group**") and calculated by reference to the earnings before interest, tax, depreciation and amortisation (excluding extraordinary and one-off items) and other financial metrics of the Offeror Group for

the relevant reference period, and applying a valuation multiple which is a percentage of the current valuation multiple implied by the Scheme Consideration;

- (ii) if there is misconduct by key executives in the key operating businesses of the HMI Group or material underperformance of the HMI Group, work with NewCo to implement NewCo's decisions in relation to the appointment, removal and replacement of such key executives; and
- (iii) comply and/or procure that its shareholders comply, with customary non-competition and non-solicitation undertakings in relation to the HMI Group; and

7.1.2 each of GSK, CWJ and CWY, in their capacity as shareholders of NSI, has given an irrevocable undertaking to the Offeror and NewCo to comply with customary non-competition and non-solicitation undertakings in relation to the HMI Group,

(collectively, the "**Additional Undertakings**").

**7.2 SIC Confirmation.** Pursuant to an application made by EQT Singapore to the SIC to seek certain rulings and confirmations in relation to the Acquisition and the Scheme (the "**SIC Application**"), the SIC has confirmed that the Additional Undertakings do not constitute special deals for the purposes of Rule 10 of the Code.

**7.3 NewCo's Representations, Warranties and Undertakings in respect of the Offeror.** Pursuant to the Additional Undertakings, NewCo has represented, warranted and undertaken to and with NSI, *inter alia*, as follows:

7.3.1 as at the Joint Announcement Date, it is the sole legal and beneficial owner of all the Offeror Shares, and from the Joint Announcement Date up to such time falling immediately prior to the Settlement Date, there are and will be no other issued shares or securities in the capital of the Offeror. The Offeror Shares as at the Joint Announcement Date are ordinary shares in the capital of the Offeror;

7.3.2 it shall remain the sole legal and beneficial owner of all the Offeror Shares until the Settlement Date and shall procure and ensure that the Offeror will only issue and allot new Offeror Shares to (i) HMI Shareholders who have validly elected to accept the Securities Consideration in respect of their HMI Shares pursuant to the Scheme and (ii) NewCo pursuant to the Equity Financing (as defined in paragraph 2 of **Schedule 6** to this Joint Announcement below);

7.3.3 as at the Joint Announcement Date, the Offeror has not incurred any indebtedness (save for the Equity Financing and Acquisition Debt Financing); and

7.3.4 as at the Joint Announcement Date and save for in connection with the Acquisition and the Scheme (including but not limited to the Equity Financing and Acquisition Debt Financing) or as disclosed in writing to NSI:

- (i) the Offeror is wholly a special purpose vehicle for purposes of making the Acquisition with no other business, operations or liabilities;

- (ii) the Offeror is not a party to or subject to any binding contract, transaction, arrangement, understanding or obligation;
- (iii) there are no outstanding or contingent obligations or liabilities on the part of the Offeror and/or affecting the Offeror;
- (iv) the Offeror has not extended any guarantee or indemnity to any person or in respect of any obligation or liability;
- (v) the Offeror is in compliance with all applicable laws or to any requirement of any competent governmental or statutory authority or rules or regulations of any relevant regulatory, administrative or supervisory body; and
- (vi) no action, claim, demand, appeal, litigation, arbitration or dispute resolution proceeding, or any disciplinary or enforcement proceeding, in any jurisdiction is currently taking place or is pending or, to the best of the knowledge of the Offeror is threatened, against the Offeror; and

**7.3.5** NewCo will procure and ensure that the Offeror will not, incur any indebtedness from the Joint Announcement Date to the Settlement Date (both inclusive), save for in connection with the Acquisition and the Scheme (including but not limited to the Equity Financing and Acquisition Debt Financing).

Similar representations, warranties and undertakings have been given by the Offeror to HMI in the Implementation Agreement.

## **8. OFFEROR'S RATIONALE FOR THE ACQUISITION AND FUTURE INTENTIONS FOR HMI**

**8.1** The Acquisition represents an opportunity for the Offeror to invest in a reputable private healthcare provider with a regional presence in Singapore, Malaysia and Indonesia.

**8.2** There is presently no intention by the Offeror to (i) introduce any major changes to the business of HMI, (ii) re-deploy the fixed assets of HMI, or (iii) discontinue the employment of the employees of the HMI Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the HMI Group which may be implemented after the Effective Date.

**8.3** However, the board of directors of the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the HMI Group which may present themselves and which it may regard to be in the interest of the HMI Group. In this regard, and assuming the Scheme becomes effective in accordance with its terms, the Offeror Articles provide that NewCo will provide a committed equity line to the Offeror of:

**8.3.1** up to S\$100 million between the Effective Date and the date falling 15 months from the Effective Date ("**Step-Down Date**"); and

**8.3.2** up to S\$50 million between the Step-Down Date and the date falling nine months from the Step-Down Date,

for any potential acquisitions or investments to be undertaken by the HMI Group following the Effective Date, subject to such acquisitions or investments being approved as a Reserved Matter (as defined in **Schedule 5** to this Joint Announcement).

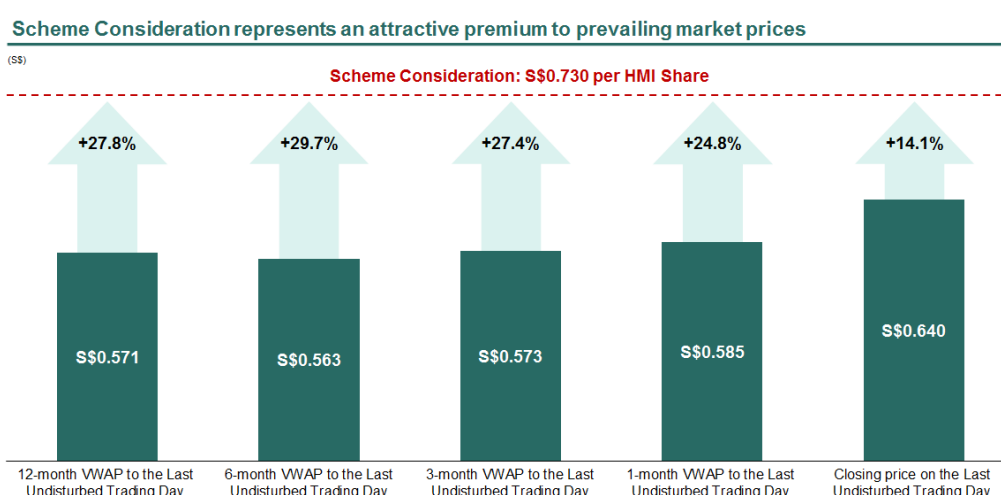
**8.4** In addition, as the Offeror intends and desires that there is continuity of management and minimal interruption of the HMI Group’s business, it is envisaged that the Offeror will establish a management equity incentive plan (the “**Management Incentive Arrangements**”) which shall come into effect after the Effective Date and will replace the existing performance share plan of the Company, to grant the senior executives and/or key employees of the HMI Group certain equity incentives if certain conditions and/or targets are met. The Offeror has not considered the specific terms of the Management Incentive Arrangements and will only finalise such terms after the Effective Date.

**9. RATIONALE FOR THE SCHEME**

**9.1 Opportunity for HMI Shareholders to Realise their Investment at an Attractive Valuation without incurring Brokerage Fees**

**9.1.1 The Scheme Consideration represents an attractive premium to prevailing market prices**

The Scheme Consideration represents a premium of approximately 27.8 per cent., 29.7 per cent., 27.4 per cent. and 24.8 per cent. over the 12-month, six-month, three-month and one-month VWAP of the HMI Shares respectively, as transacted on the SGX-ST, up to and including the Last Undisturbed Trading Day. The Scheme Consideration also represents a premium of approximately 14.1 per cent. over the last traded price per HMI Share as quoted on the SGX-ST on the Last Undisturbed Trading Day.



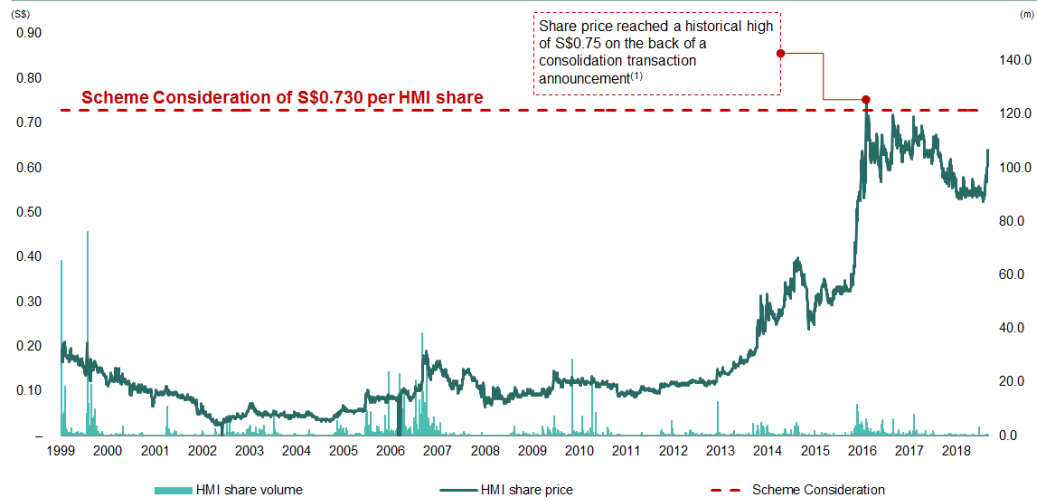
Source: Bloomberg, L.P. as at 14 June 2019.

**9.1.2 Since the listing of the Company on the SGX-ST in 1999, the closing share price of HMI Shares has only exceeded the Scheme Consideration on one trading day.**



Since the listing of the Company in 1999 on the SGX-ST, the closing share price of the HMI Shares has only exceeded the Scheme Consideration on one trading day, namely on 14 November 2016.

**Since its listing in 1999, the closing price of the HMI Shares has only exceeded the Scheme Consideration on one trading day**



Source: Bloomberg, L.P. as at 14 June 2019.

**Note:**

- (1) An announcement was made on 11 November 2016 on HMI's proposed consolidation of its ownership in Mahkota Medical Centre and Regency Specialist Hospital.

**9.1.3 Opportunity for HMI Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity of HMI Shares**

The historical trading liquidity of the HMI Shares has been low, with a total trading volume of approximately 7,223,600 HMI Shares, 13,615,300 HMI Shares, and 19,551,332 HMI Shares during the one-month, three-month and six-month periods respectively up to and including the Last Undisturbed Trading Day. These represent only 0.9 per cent., 1.6 per cent. and 2.3 per cent. of the total number of HMI Shares in issue as at the Joint Announcement Date for each of the respective aforementioned relevant periods.

	<b>Average daily trading volume<sup>(1)</sup></b>	<b>Average daily trading volume as a percentage of total issued HMI Shares (per cent.) <sup>(2),(3)</sup></b>
<b>One-month period up to and including the Last Undisturbed Trading Day</b>	328,345	0.04
<b>Three-month period up to and including the Last Undisturbed Trading Day</b>	226,922	0.03
<b>Six-month period up to</b>	170,012	0.02

<b>and including the Last Undisturbed Trading Day</b>		
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**Notes:**

- (1) Calculated using the total volume of HMI Shares traded divided by the number of days on which HMI Shares were traded on the SGX-ST, with respect to the relevant period.
- (2) Calculated using the average daily trading volume of HMI Shares for the relevant period divided by the total number of HMI Shares in issue as at the Joint Announcement Date, expressed as a percentage.
- (3) Rounded to the nearest two decimal places.

Pursuant to the Scheme, HMI Shareholders who find it difficult to exit their investment in the Company as a result of the low trading volume in HMI Shares are presented with an opportunity to liquidate and realise their investment in the Company at a premium to the prevailing market prices, if they elect to receive the Cash Consideration.

## **9.2 StarMed Start-up Costs**

The Company announced the acquisition of a 62.5 per cent. equity stake in StarMed @ Farrer Square Pte. Ltd. ("**StarMed**") on 14 May 2018, and further announced an increase in its equity stake in StarMed to 70 per cent. on 15 October 2018. StarMed commenced the soft launch of its operations in September 2018 and the Company has announced that it expects gestation start-up costs from StarMed's operations to be incurred for potentially up to three years.

The Scheme provides HMI Shareholders with the opportunity to realise their investment in the Company at a premium to the prevailing market prices and avoid any potential share price volatility that may arise due to fluctuations in earnings as a result of the gestation start-up costs that may be incurred from StarMed's operations.

## **9.3 Access to an Efficient Source of Capital in Support of the Company's Future Growth**

The Company has an established track record in developing and growing healthcare businesses. Since the Company's incorporation in 1998 and listing on the SGX-ST in 1999, the Company has grown from operating a single hospital into a regional private healthcare provider with a presence in Singapore, Malaysia and Indonesia.

In recent years, large pools of capital, including private equity funds, have focused on healthcare investments in Southeast Asia, leading to increased competition for healthcare assets. Amidst the intensifying competition and consolidation amongst the healthcare players in the region, the Company believes that in order to compete effectively, it will require a significant amount of capital for potential strategic investments and opportunistic acquisitions. Should the Company remain a listed company at this scale, raising capital successfully (e.g. through rights issues and/or private placements) may take time and may be highly dependent on the market conditions. Such capital raisings may also entail higher costs and may result in the dilution of the interests of HMI Shareholders.

EQT will provide the Company with access to an efficient source of capital through the committed equity line referenced in paragraph 8.3 of this Joint Announcement above, which will allow the Company to operate more efficiently in achieving its growth objectives. Upon the Scheme becoming effective and binding in accordance with its terms, the Company will have secured a strategic long-term investor and partner to support its growth. The Company will also be able to leverage on EQT's global network of advisors and a strong investment track record in healthcare platforms around the world.

#### **9.4 HMI Shareholders have an option to elect to accept the Securities Consideration**

HMI Shareholders will have an option to elect for the Securities Consideration in the form of the Offeror Shares. The Offeror Shares are in a private offshore entity, and HMI Shareholders should carefully consider the risk factors and restrictions set out in this Joint Announcement and the Scheme Document should they wish to elect to receive the Securities Consideration.

### **10. FINANCIAL EVALUATION OF THE SCHEME CONSIDERATION**

The Scheme Consideration for each HMI Share is either (i) the Cash Consideration, being S\$0.730 in cash, or (ii) the Securities Consideration (the Issue Price of which is the same as the Cash Consideration).

The figures set out in this paragraph are based on data extracted from Bloomberg, L.P. as at the last full trading day immediately preceding the Joint Announcement Date (the "**Latest Practicable Date**").

The premia of the Scheme Consideration over (i) the relevant VWAP, (ii) the closing price on the Last Undisturbed Trading Day, (iii) the closing price on the Latest Practicable Date, (iv) the 52-week high closing price up to and including the Last Undisturbed Trading Day and (v) the 52-week low closing price up to and including the Last Undisturbed Trading Day, of the HMI Shares, as transacted on the SGX-ST, are as follows:

	<b>HMI Share Price<sup>(1)</sup></b>	<b>Premium to HMI Share Price<sup>(2)</sup></b>
	<b>(S\$)</b>	<b>(per cent.)</b>
<b>12-month VWAP up to and including the Last Undisturbed Trading Day</b>	0.571	27.8
<b>Six-month VWAP up to and including the Last Undisturbed Trading Day</b>	0.563	29.7
<b>Three-month VWAP up to and including the Last Undisturbed Trading Day</b>	0.573	27.4
<b>One-month VWAP up to and including the Last Undisturbed Trading Day</b>	0.585	24.8
<b>Closing price on the Last Undisturbed Trading Day</b>	0.640	14.1

	HMI Share Price <sup>(1)</sup> (S\$)	Premium to HMI Share Price <sup>(2)</sup> (per cent.)
<b>Closing price on the Latest Practicable Date</b>	0.660	10.6
<b>52-week high closing price up to and including the Last Undisturbed Trading Day <sup>(3)</sup></b>	0.640	14.1
<b>52-week low closing price up to and including the Last Undisturbed Trading Day <sup>(3)</sup></b>	0.525	39.0

**Notes:**

- (1) Rounded to the nearest three decimal places.
- (2) Rounded to the nearest one decimal place.
- (3) Does not take into account intra-day trading prices.

## **11. APPROVALS REQUIRED**

### **11.1 Scheme Meeting and Court Sanction.** The Scheme will require, *inter alia*, the following approvals:

11.1.1 the approval of the Scheme by a majority in number of HMI Shareholders representing not less than three-fourths in value of the HMI Shares held by HMI Shareholders present and voting either in person or by proxy at the Scheme Meeting; and

11.1.2 the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the order of the Court sanctioning the Scheme has been lodged with the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”).

### **11.2 SIC Confirmations.** Pursuant to the SIC Application, the SIC has confirmed, *inter alia*, that:

11.2.1 the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

- (i) the Offeror and its concert parties abstain from voting on the Scheme;
- (ii) the common substantial shareholders of the Offeror and the Company, if any, abstain from voting on the Scheme;

- (iii) NSI and its concert parties (being GSK, CKN, CWJ, CWY and CWS) (being a person who would, with its concert parties, as a result of the Scheme, acquire 30 per cent. or more voting rights in the Offeror), abstain from voting on the Scheme;
- (iv) the directors of the Company who are also directors of the Offeror and its concert parties, if any, abstain from making a recommendation on the Scheme to the HMI Shareholders;
- (v) the Company appoints an independent financial adviser to advise the HMI Shareholders on the Scheme;
- (vi) the Scheme Document containing advice to the effect that by voting for the Scheme, the HMI Shareholders are agreeing to NSI and its concert parties acquiring or consolidating effective control in the Company without having to make a general offer for the Company; and
- (vii) the Scheme Document discloses the names of NSI and its concert parties, their current voting rights in the Company as of the latest practicable date in relation to the Scheme Document and their voting rights in the Company after the Scheme;

**11.2.2** it has no objections to the Adjustment Mechanism; and

**11.2.3** it has no objections to the Scheme Conditions.

In accordance with the SIC's rulings as set out in paragraphs 11.2.1(i) and 11.2.1(iii) of this Joint Announcement above, NSI, GSK, CKN, CWJ, CWY and CWS will abstain from voting on the Scheme and decline to accept appointment as proxy to attend and vote at the Scheme Meeting.

## **12. CONFIRMATION OF FINANCIAL RESOURCES**

Credit Suisse (Singapore) Limited, being the financial adviser to the Offeror in connection with the Acquisition and the Scheme, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Cash Consideration payable by the Offeror for all the HMI Shares to be acquired by the Offeror pursuant to the Scheme (excluding the amount which the Undertaking Shareholders have undertaken to receive in the form of Offeror Shares pursuant to the Securities Consideration), on the basis that all HMI Shareholders (other than the Undertaking Shareholders who have elected to receive the Securities Consideration) elect to receive the Cash Consideration.

## **13. FINANCIAL ADVISERS**

**13.1 Financial Adviser to the Offeror.** Credit Suisse (Singapore) Limited is the financial adviser to the Offeror (the "**Offeror Financial Adviser**") in respect of the Acquisition and the Scheme.

**13.2 Independent Financial Adviser to the Independent Directors.** After the Joint Announcement Date, the Company will appoint an independent financial adviser (the "**IFA**") to advise the directors of the Company who are considered to be independent for the purposes

of the Scheme (collectively, the “**Independent Directors**”) for the purposes of making a recommendation to the HMI Shareholders in connection with the Scheme. Full details of the Scheme including the recommendation of the Independent Directors along with the advice of the IFA (the “**IFA Letter**”) will be included in the Scheme Document.

## 14. SCHEME DOCUMENT

- 14.1 Scheme Document.** The Scheme Document containing full details of the Scheme (including the recommendation of the Independent Directors along with the IFA Letter) and giving notice of the Scheme Meeting will be despatched to HMI Shareholders in due course.

**HMI Shareholders are advised to refrain from taking any action in relation to their HMI Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors on the Scheme as well as the advice of the IFA set out in the Scheme Document.**

**Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## 15. DISCLOSURE OF INTERESTS

- 15.1 Company.** As at the Joint Announcement Date, the interests in HMI Shares held by the directors of the Company are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of HMI Shares	Per cent. <sup>(1)</sup>	No. of HMI Shares	Per cent. <sup>(1)</sup>
Dr. Gan See Khem	10,765,853 <sup>(2)</sup>	1.29	316,122,228 <sup>(3) (4) (5)</sup>	37.75
Ms. Chin Wei Jia	10,320,432 <sup>(4)</sup>	1.23	-	-
Mr. Chin Wei Yao	2,265,718 <sup>(5)</sup>	0.27	-	-
Professor Annie Koh	-	-	-	-
Dr. Cheah Way Mun	28,207,688	3.37	648,628 <sup>(6)</sup>	0.08
Professor Tan Chin Tiong	2,411,336	0.29	-	-
Mr. Chong Ton Nen @ Peter Chong	-	-	-	-

**Note:**

- (1) Rounded to the nearest two decimal places and based on 837,337,946 HMI Shares in issue (excluding 1,642,934 treasury shares) as at the Joint Announcement Date.
- (2) In addition to Dr. Gan See Khem's direct interest in 10,765,853 HMI Shares, she has an interest in an award comprising 1,320,000 HMI Shares granted to her under the Company's performance share plan, which was approved for adoption on 30 October 2017 (“**HMI PSP 2017**”).
- (3) Dr. Gan See Khem is deemed interested in the HMI Shares held by NSI, her spouse, Dr. Chin Koy Nam, and her children, Ms. Chin Wei Jia, Mr. Chin Wei Yao and Ms. Chin Wei Shan. She is also deemed to have an interest in an award comprising 1,440,000 HMI Shares granted to her daughter, Ms. Chin Wei Jia, under

the HMI PSP 2017, and an award comprising 840,000 HMI Shares granted to her son, Mr. Chin Wei Yao, under the HMI PSP 2017.

- (4) In addition to Ms. Chin Wei Jia's direct interest in 10,320,432 HMI Shares, she has an interest in an award comprising 1,440,000 HMI Shares granted to her under the HMI PSP 2017.
- (5) In addition to Mr. Chin Wei Yao's direct interest in 2,265,718 HMI Shares, he has an interest in an award comprising 840,000 HMI Shares granted to him under the HMI PSP 2017.
- (6) Dr. Cheah Way Mun is deemed interested in the 648,628 HMI Shares held by his spouse.
- (7) As at the Joint Announcement Date, none of the awards granted to directors of the Company have been vested. The share awards will only be vested upon the achievement of certain market and/or non-market conditions.

Save as disclosed in this Joint Announcement, no Director or controlling HMI Shareholder has any interest in the Scheme (other than by reason only of being a Director or HMI Shareholder). As disclosed in this Joint Announcement, the Undertaking Shareholders have given the Voting and/or Election Undertakings and each of NSI, GSK, CWJ and CWY has given the Additional Undertakings.

## 15.2 Offeror

**15.2.1 No Holdings.** As at the Joint Announcement Date, none of (i) the Offeror, NewCo and TopCo, (ii) the directors of the Offeror, NewCo and TopCo, (iii) EQT Singapore and (iv) the Offeror Financial Adviser, (collectively, the “**Relevant Persons**”) owns, controls or has agreed to acquire any (a) HMI Shares, (b) securities which carry voting rights in the Company and (c) convertible securities, warrants, options or derivatives in respect of such HMI Shares or securities which carry voting rights in the Company (collectively, the “**HMI Securities**”).

**15.2.2 Financing Arrangements.** The details of the Offeror's financing arrangements as at the Joint Announcement Date are set out in **Schedule 6** to this Joint Announcement. Save as disclosed in this Joint Announcement, as at the Joint Announcement Date, the Offeror does not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, guarantees or other material contingent liabilities.

**15.2.3 Security Arrangements.** The details of the Offeror's security arrangements as at the Joint Announcement Date are set out in **Schedule 6** to this Joint Announcement. Save as disclosed in this Joint Announcement, neither the Offeror nor any of the other Relevant Persons has (i) granted a security interest relating to any HMI Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed any HMI Securities from another person (excluding borrowed HMI Securities which have been on-lent or sold) or (iii) lent any HMI Securities to another person.

**15.3 Confidentiality.** In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, the Offeror Financial Adviser has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

## 16. OVERSEAS SHAREHOLDERS

The applicability of the Scheme to HMI Shareholders whose addresses are outside Singapore, as shown on the register of members of the Company, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an “**Overseas HMI Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas HMI Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror and the Company reserve the right not to send such documents to the Overseas HMI Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all HMI Shareholders (including the Overseas HMI Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

As mentioned above in paragraph 3.2(iv) of this Joint Announcement above, where an Electing Party maintains an address recorded in the register of members of the Company or the Depository Register (as the case may be) that is not within Singapore and does not provide HMI with an address in Singapore prior to the end of the Election Period, such Electing Party shall be deemed to have elected to receive the Cash Consideration for all of its HMI Shares and be entitled only to receive the Cash Consideration for all of its HMI Shares registered in its name as at the Books Closure Date.

**Overseas HMI Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.**

Further details in relation to Overseas HMI Shareholders will be contained in the Scheme Document.

## 17. DOCUMENTS FOR INSPECTION

Copies of the Implementation Agreement and the Voting and/or Election Undertakings will be made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

## 18. RESPONSIBILITY STATEMENTS

- 18.1 Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement which relate to the Company (excluding information relating to the Offeror, NewCo, TopCo, EQT GP, EQT LP and/or EQT Singapore or any opinion expressed by the Offeror, NewCo, TopCo, EQT GP, EQT LP and/or EQT Singapore, such as the information set out in paragraphs 2.2, 6, 7, 8 and 15.2 and **Schedule 6** to this Joint Announcement) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of



which would make any statement in this Joint Announcement misleading. The directors of the Company jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, NewCo, TopCo, EQT GP, EQT LP and/or EQT Singapore, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Company do not accept any responsibility for any information relating to the Offeror, NewCo, TopCo, EQT GP, EQT LP and/or EQT Singapore or any opinion expressed by the Offeror, NewCo, TopCo, EQT GP, EQT LP and/or EQT Singapore.

**18.2 Offeror.** The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement which relate to the Offeror (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. The directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Offeror do not accept any responsibility for any information relating to the Company or any opinion expressed by the Company.

5 July 2019

By order of the Board

By order of the board of directors

**HEALTH MANAGEMENT INTERNATIONAL PANASIA HEALTH LIMITED  
LTD**

*Any queries relating to this Joint Announcement, the Acquisition or the Scheme should be directed to:*

**Credit Suisse (Singapore) Limited**

1 Raffles Link  
#03/#04-01 South Lobby  
Singapore 039393

Tel: +65 6212 2000

*Forward-Looking Statements*

*All statements other than statements of historical facts included in this Joint Announcement are or*

*may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or the Company’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. HMI Shareholders and investors of the Offeror and the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company undertakes any obligation to update publicly or revise any forward-looking statements.*

## **Schedule 1**

### **Scheme Conditions**

All capitalised terms used and not defined in this **Schedule 1** to this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

The completion of the Acquisition is conditional upon the following:

1. **Shareholder Approval:** the approval of the Scheme by the HMI Shareholders at the Scheme Meeting in compliance with Section 210(3AB) of the Companies Act;
2. **Court Order:** the grant of the order of the Court sanctioning the Scheme under Section 210 of the Companies Act (the “**Court Order**”) by the Court and such Court Order having become final;
3. **Lodgement of the Court Order:** the lodgement of the Court Order with ACRA pursuant to Section 210(5) of the Companies Act;
4. **Regulatory Approvals:** the following Regulatory Approvals being obtained prior to the grant of the order from the Court to convene the Scheme Meeting, and such approvals not being revoked or withdrawn on or before the Relevant Date:
  - (i) confirmations from the SIC that:
    - (a) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose;
    - (b) it has no objections to the conditions set out in this **Schedule 1** to this Joint Announcement; and
    - (c) the Additional Undertakings will not constitute special deals under the Code;
  - (ii) the approval-in-principle from the SGX-ST of the Scheme, the Scheme Document and for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms;
5. **Authorisations:** in addition to the approvals aforementioned in paragraph 4 in this **Schedule 1** to this Joint Announcement above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by either or both the Company and the Offeror under any and all applicable laws, from all Governmental Agencies, for or in respect of the Acquisition or the implementation of the Scheme and the transactions contemplated under this Agreement;
6. **Third Parties:** (i) the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company from the banks which have extended banking or credit facilities to the HMI Group or otherwise have financial arrangements with the HMI Group (the “**Third Parties**”), for or in respect of the implementation of the Scheme and/or

the Acquisition, and/or (ii) the repayment of all outstanding amounts under the relevant banking or credit facilities or financial arrangements maintained with the Third Parties (if applicable) and termination of the relevant banking or credit facilities or financial arrangements maintained with the Third Parties;

7. **No Legal or Regulatory Restraint:** between the date of the Implementation Agreement and up to the Relevant Date, there being no issuance of any order, injunction, judgment, decree or ruling by any Governmental Agencies or by any court of competent jurisdiction preventing the consummation of the Acquisition or the implementation of the Scheme, being in effect as at the Relevant Date;
8. **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence (as set out in **Schedule 2** to this Joint Announcement) in relation to the Offeror or the Relevant Target Group Entities (as the case may be), and no Prescribed Occurrence (as set out in **Schedule 2** to this Joint Announcement) which is material in the context of the Scheme occurs in relation to any HMI Group Company other than the Relevant Target Group Entities, in each case other than as required or contemplated by this Agreement, the Scheme or the Acquisition;
9. **Company Representations, Warranties and Covenants:**
  - (i) there being no breach of the representations and warranties in respect of any HMI Group Company set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)); and
  - (ii) the HMI Group Companies shall have, as at the Relevant Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by them, on or prior to the Relevant Date and which are material in the context of the Scheme;
10. **Offeror Representations, Warranties and Covenants:**
  - (i) there being no breach of the representations and warranties of the Offeror set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)); and
  - (ii) the Offeror shall have, as at the Relevant Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Relevant Date and which are material in the context of the Scheme; and
11. **Material Licences:** between the date of the Implementation Agreement and the Relevant Date, all material licences, namely the Borang 4 and Borang 7 licences, necessary or

required for the operation of any of HMI's private healthcare facilities which contributes at least 20 per cent. of the total revenue of the HMI Group or holds such assets representing more than 20 per cent. of the total value of the HMI Group's assets, as determined by reference to the consolidated unaudited accounts of the HMI Group for the three-month period ended 31 March 2019 ("**Material Licences**") have been obtained, are in full force and effect and all conditions applicable to any such Material Licence have been and are being complied with in all respects, and no Material Licence would likely be suspended, cancelled, refused, modified or revoked (whether as a result of entering into the Implementation Agreement, consummating the Acquisition or the Scheme or otherwise) and there is no investigation, enquiry or proceeding outstanding which would likely result in the suspension, cancellation, modification or revocation of any Material Licence.

## Schedule 2 Prescribed Occurrence

A “**Prescribed Occurrence**”, as referred to in paragraphs 4.2.1, 4.2.2, 5.2.2 and 5.2.3 of this Joint Announcement and paragraph 8 of **Schedule 1** to this Joint Announcement and defined in the Implementation Agreement, means, in relation to the Offeror, any Relevant Target Group Entity and/or any other HMI Group Company, as the case may be, any of the following:

1. **Conversion of Shares:** the Company converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
3. **Alteration of Share Capital:** the Company resolving to reduce or otherwise alter its share capital in any way;
4. **Allotment of Shares:** the Company making an allotment of, or granting an option to subscribe for, any shares or securities convertible into shares or agreeing to make such an allotment or to grant such an option or convertible security (including granting any contingent awards of HMI Shares granted under the Company's performance share plan approved and adopted by the HMI Shareholders on 30 October 2017), or any other HMI Group Company doing any of the foregoing with respect to its own securities;
5. **Issuance of Debt Securities:** the Company issuing, or agreeing to issue, convertible notes or other debt securities;
6. **Distributions:** the Company declaring, making or paying any dividends or any other form of distribution to its shareholders;
7. **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by either the Offeror or the Company;
8. **Resolution for Winding Up:** the Company (or any other HMI Group Company) or the Offeror resolving that it be wound up;
9. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Company (or of any other HMI Group Company) or the Offeror;
10. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Company (or of any other HMI Group Company) or the Offeror;

11. **Composition:** the Company (or any other HMI Group Company) or the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
12. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company (or of any other HMI Group Company) or the Offeror;
13. **Insolvency:** the Company (or any other HMI Group Company) or the Offeror becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts;
14. **Cessation of Business:** any Relevant Target Group Entity or the Offeror ceases or threatens to cease for any reason to carry on business in the usual course;
15. **Investigations and Proceedings:** if the Company (or any other HMI Group Company) or the Offeror or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding; or
16. **Analogous Event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing events.

**Schedule 3**  
**Clause 5.2.15 of the Implementation Agreement**

**No Solicitation:** Clause 5.2.15 of the Implementation Agreement provides that during the period from (and including) the date of the Implementation Agreement up to (and including) the date on which the Implementation Agreement is terminated in accordance with its terms, the Company will:

- (i) ensure that it and the other HMI Group Companies and their respective employees, consultants, advisers and representatives shall deal exclusively with the Offeror to complete the Scheme and do not directly or indirectly solicit, invite, induce, initiate, encourage or entertain approaches or participate in or enter into any negotiations or discussions, or communicate any intention to do any of these things (including allowing any third party to perform due diligence investigations on any HMI Group Company), with a view to obtaining or with respect to any expression of interest, offer or proposal by any person other than the Offeror in relation to:
  - (a) any proposal or offer to (whether directly or indirectly) acquire or become the holder (whether by share purchase, asset purchase, scheme, capital reconstruction, tender offer or otherwise) of, or otherwise have an economic interest in:
    - (I) any part of the businesses, assets (other than in the ordinary and usual course of business of the HMI Group) or undertakings of HMI and/or any other HMI Group Company; or
    - (II) any shares in HMI and/or any other HMI Group Company; or
  - (b) any proposal or offer to otherwise acquire or merge with HMI or any other HMI Group Company (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); or
  - (c) any other arrangement having an effect similar to any of items 1(i)(a) or 1 (i)(b), including a merger or amalgamation proposal; or
  - (d) any other transaction which would preclude, interfere with or prejudice the Acquisition and/or the Scheme; and
- (ii) notify the Offeror of the details of any approach or solicitations by any third party made in writing either to HMI or any HMI Group Company with a view to the making of any such offer, merger or sale upon becoming aware of the relevant matter, save that the restrictions in this Schedule shall not apply to (a) the making of normal presentations, by and on behalf of any HMI Group Company, to brokers, portfolio investors and analysis in the ordinary and usual course in relation to its business generally, and (b) the provision of information by or on behalf of HMI to the SGX-ST.

For the avoidance of doubt, nothing in this Schedule 3 shall prohibit or restrict HMI from receiving any unsolicited or uninitiated expression of interest, offer or proposal of a kind referred to in this Schedule. In the event that any HMI Group Company receives any such expression of interest, offer or proposal, HMI shall be entitled:

- (A) if required pursuant to the listing rules of the SGX-ST (the “**Listing Rules**”) and/or the Code, to announce such expression of interest, offer or proposal;



- (B) to enter into discussions or negotiations or otherwise entertain such expressions of interest, offer or proposal;
- (C) to make any recommendation or to refrain from making any recommendation to the HMI Shareholders as the directors of HMI may deem fit in respect of such expression of interest, offer or proposal; and
- (D) generally to perform all such acts as may be necessary for the directors of HMI to comply with and discharge their fiduciary duties, statutory, regulatory and/or legal obligations that they may be subject to under all applicable laws and regulations (including but not limited to their obligations under the Code),

provided that, in each instance, the Board has determined in good faith and acting reasonably that a failure to do any of the foregoing would constitute a breach of the Companies Act, the Listing Rules, the requirements of the SGX-ST, the Code or any applicable laws or regulations (including the fiduciary obligations of the directors of HMI).

**Schedule 4**  
**Undertaking Shareholders**

Name of Undertaking Shareholder	Description	Total Number of HMI Shares Owned Legally and/or Beneficially that are Subject to the Voting and/or Election Undertakings as at the Joint Announcement Date	Number of HMI Shares Owned Legally and/or Beneficially that are Subject to the Voting and/or Election Undertakings as at the Joint Announcement Date as a Percentage of the Total Number of HMI Shares <sup>(1)</sup>
GSK <sup>(2)</sup>	Executive Chairman, Managing Director and a substantial shareholder of HMI	10,765,853	1.29 per cent.
CKN <sup>(2)</sup>	Substantial shareholder of HMI	4,266,420	0.51 per cent.
CWJ <sup>(2)</sup>	Executive Director and Group Chief Executive Officer of the HMI Group	10,320,432	1.23 per cent.
CWY <sup>(2)</sup>	Executive Director and Group Chief Investment Officer of the HMI Group	2,265,718	0.27 per cent.
CWS <sup>(2)</sup>	Shareholder of HMI	1,514,475	0.18 per cent.
NSI <sup>(3)</sup>	Substantial shareholder of HMI	297,755,183 <sup>(4)</sup>	35.56 per cent. <sup>(4)</sup>
MMSB <sup>(3)</sup>	Substantial shareholder of HMI	139,203,259	16.62 per cent.
Dr. Cheah Way Mun ("CWM") <sup>(3)</sup>	Independent Non-Executive Director of HMI	28,207,688	3.37 per cent.
Professor Tan Chin Tiong ("TCT") <sup>(3)</sup>	Independent Non-Executive Director of HMI	2,411,336	0.29 per cent.
Dr. Chua Ee Chek ("CEC") <sup>(3)</sup>	Shareholder of HMI	7,495,527	0.90 per cent.
Dr. Ching Kwok Choy ("CKC") <sup>(3)</sup>	Shareholder of HMI	5,982,028	0.71 per cent.
Dr. Kwa Kie Tjong ("KKT") <sup>(3)</sup>	Shareholder of HMI	7,317,135	0.87 per cent.
<b>Total:</b>		<b>517,505,054</b>	<b>61.80 per cent.</b>

**Notes:**

- (1) Rounded to the nearest two decimal places and based on there being 837,337,946 HMI Shares (excluding 1,642,934 treasury shares) in issue as at the Joint Announcement Date.
- (2) Each of GSK, CKN, CWJ, CWY and CWS has given an irrevocable undertaking to the Offeror to elect to receive the Cash Consideration (see paragraph 6.1.4(i) of this Joint Announcement).

- (3) Each of NSI, MMSB, CWM, TCT, CEC, CKC and KKT has given an irrevocable undertaking to the Offeror to elect to receive the Securities Consideration (see paragraph 6.1.4(ii) of this Joint Announcement).
- (4) Out of these HMI Shares owned by NSI, 4,000,000 HMI Shares (representing approximately 0.48 per cent. of the total number of HMI Shares in issue as at the Joint Announcement Date) are subject to a share pledge given in favour of Sing Investments & Finance Ltd. As such, the irrevocable undertakings given by NSI as described in paragraphs 6.1.1 and 6.1.4 of this Joint Announcement in respect of these 4,000,000 HMI Shares held beneficially by NSI are subject to and contingent upon the release of the share pledge in respect of these 4,000,000 HMI Shares.

**Schedule 5**  
**Summary of Certain Provisions of the Offeror Articles**

Key Term	Summary of Key Term
<b>Transfer Restrictions &amp; Permitted Transfers</b>	<ul style="list-style-type: none"> <li>• No shareholder of the Offeror (“<b>Offeror Shareholder</b>”) may transfer its Offeror Shares during the period of 24 months commencing from the Effective Date (“<b>Moratorium Period</b>”) without the prior written approval of each Offeror Shareholder holding at least 12 per cent. of all the Offeror Shares at the relevant time (“<b>Major Shareholder</b>”).</li> <li>• During the Moratorium Period, any transfer by an Offeror Shareholder of all of his, her or its Offeror Shares to his, her or its immediate family members, or any corporation or trust which such individuals or immediate family members control, will be permitted.</li> <li>• After the Moratorium Period, Offeror Shares may not be transferred to any third party without first offering such Offeror Shares to all of the Major Shareholders.</li> </ul>
<b>Number of Directors</b>	<ul style="list-style-type: none"> <li>• Each Major Shareholder shall be entitled to appoint one director for every 10 per cent. shareholding in the Offeror held by such Major Shareholder.</li> </ul>
<b>Reserved Matters</b>	<ul style="list-style-type: none"> <li>• Certain specified matters as set out in the Offeror Articles may only be carried out with the prior written approval of each Major Shareholder (each, a “<b>Reserved Matter</b>”).</li> </ul>
<b>Tag-Along Rights</b>	<ul style="list-style-type: none"> <li>• All Offeror Shareholders holding at least one per cent. of all the Offeror Shares at the relevant time (each, a “<b>Qualifying Shareholder</b>”) are entitled to a tag-along right if the single largest shareholder at the relevant time (other than NewCo), or NSI (where it holds at least 20 per cent. of the Offeror Shares and at least one of its shareholders holds or has held a senior management position in the Offeror Group in a prescribed 12-month period) desires to sell all of its Offeror Shares.</li> </ul>
<b>Drag-Along Rights</b>	<ul style="list-style-type: none"> <li>• If all the Major Shareholders at the relevant time desire to transfer all of their Offeror Shares to a third party, such Major Shareholders are entitled to require all other Offeror Shareholders to transfer all of their Offeror Shares to such third party.</li> </ul>

<p><b>Pre-Emption Rights</b></p>	<ul style="list-style-type: none"> <li>• Each Qualifying Shareholder shall have the right, but not the obligation, to participate in any issue of securities in the Offeror, pro-rata to its shareholding percentage in the Offeror at the relevant time (“<b>Pre-Emption Rights</b>”).</li> <li>• The Pre-Emption Rights shall not apply to any issue of securities pursuant to the Acquisition and the Scheme and/or the Management Incentive Arrangements.</li> </ul>
<p><b>NewCo’s Equity Line</b></p>	<ul style="list-style-type: none"> <li>• NewCo will provide a committed equity line to the Offeror of: <ul style="list-style-type: none"> <li>○ up to S\$100 million between the Effective Date and the Step-Down Date; and</li> <li>○ up to S\$50 million between the Step-Down Date and the date falling nine months from the Step-Down Date,</li> </ul> </li> </ul> <p>for any potential acquisitions or investments to be undertaken by the HMI Group following the Effective Date, subject to such acquisitions or investments being approved as a Reserved Matter.</p>

**Schedule 6**  
**Financing Arrangements**

**1. Acquisition Debt Financing**

- (a) **The Bridge Facility.** The Offeror (as borrower) has entered into a facility agreement with Credit Suisse AG, Singapore Branch (as arranger, original lender, facility agent, security agent, and as account bank), under which the original lender has agreed to make available a Singapore dollar loan facility (the “**Bridge Facility**”) in an aggregate amount of S\$105,000,000, which may be utilised for the purposes of the Acquisition. A summary of the material terms of the Bridge Facility are as follows:

Term	Summary of Term
<b>Maturity and Interest Rate</b>	The Bridge Facility has a tenor of 12 months and an interest rate based on the three-month Singapore Swap Offer Rate plus a step up margin of 3.75 per cent. per annum to 4.30 per cent. per annum over the 12-month tenor.
<b>Security</b>	The Bridge Facility will be secured by (a) a debenture by the Offeror over all its assets (including all the HMI Shares acquired by the Offeror pursuant to the Acquisition and specified bank accounts in the name of the Offeror and maintained by the Offeror with Credit Suisse AG, Singapore Branch) and (b) a guarantee which will be provided by the Company after the Effective Date.
<b>Change in Control relating to the NSI Group</b>	The Bridge Facility shall be mandatorily prepaid by the Offeror in event of, <i>inter alia</i> , (a) a reduction of the shareholding percentage in the Offeror held, directly or indirectly, individually and/or collectively, by GSK, CKN, CWJ, CWY and CWS (collectively, the “ <b>NSI Group</b> ”) to below 25 per cent., or (b) the NSI Group having less than two representatives on the board of directors of the Offeror.

- (b) **The Committed Term Loan.** Credit Suisse AG, Singapore Branch has also committed to the Offeror by way of a commitment letter, to make available to the Company following the Effective Date, a subsequent Singapore dollar term loan in an aggregate amount of S\$105,000,000 (“**Committed Term Loan**”), which may be utilised for the purposes of refinancing the Bridge Facility in full. The Company and the Offeror have an option to accept the Committed Term Loan and will make a decision after the Effective Date. A summary of the material terms of the Committed Term Loan are as follows:

Term	Summary of Term
<b>Maturity and Interest Rate</b>	The Committed Term Loan would (if accepted by the Offeror following the Effective Date) have a tenor of five years and an interest rate based on the three-month or six-month Singapore Swap Offer Rate plus a margin in the range of 3.00 per cent. per annum to 4.00 per cent. per annum (based on leverage ratio).
<b>Security</b>	The Committed Term Loan will be secured by, <i>inter alia</i> , (a) a debenture by the Offeror over all its assets (including all the HMI Shares acquired by the Offeror pursuant to the Acquisition and specified bank accounts in the name of the Offeror and maintained by the Offeror with Credit Suisse AG, Singapore Branch, (b) a debenture by the Company over all its assets (including specified bank accounts in the name of the Company and maintained by the Company with Credit Suisse AG, Singapore Branch and the shares of certain Singapore subsidiaries of the Company), (c) a guarantee which will be provided by the Offeror, (d) an equitable share charge over shares in certain Malaysian subsidiaries of the Company and (e) (if requested by the Company) guarantees provided by certain subsidiaries of the Offeror.
<b>Change in Control relating to the NSI Group</b>	The Committed Term Loan shall be mandatorily prepaid by the Offeror in event of, <i>inter alia</i> , (a) a reduction of the shareholding percentage in the Offeror held, directly or indirectly, individually and/or collectively, by the NSI Group to below 25 per cent., or (b) the NSI Group having less than two representatives on the board of directors of the Offeror.
<b>Working Capital Facility</b>	If the Offeror decides to take up the Committed Term Loan after the Effective Date, Credit Suisse AG, Singapore Branch and/or any other term lender may (but is not committed to) provide up to S\$1 million working capital facility (“WCF”) to the Company. If the WCF is provided by Credit Suisse AG, Singapore Branch or any other term lender, the Company is obliged to use best endeavours to take up the WCF. The indicative terms of the WCF is set out in the commitment letter.

2. **Equity Financing Arrangements.** EQT LP will, acting through its general partner EQT GP, make available to the Offeror, through NewCo, an amount of up to S\$157,000,000 in cash for the purposes of the Acquisition and the Scheme (the “**Equity Financing**”) on or before the Settlement Date. NewCo will provide the sums under the Equity Financing to the Offeror via an inter-company loan (“**Inter-Company Loan**”). A summary of the material terms of the Inter-Company Loan are as follows:

Term	Summary of Term
<b>Interest Rate</b>	Any amount drawn down from the Equity Financing will be non-interest bearing.
<b>Capitalisation and Repayment</b>	Any amount drawn down from the Equity Financing will (a) if utilised for the payment of the Cash Consideration or (if the Adjustment Mechanism applies) the cash component of the Securities Consideration, be automatically converted and capitalised into new Offeror Shares (which are ordinary shares) to be issued to NewCo at a conversion price of S\$0.730 per Offeror Share (" <b>Conversion Price</b> ") on the Settlement Date, being the same as the Issue Price per Offeror Share, and (b) if utilised for the payment of costs, expenses and fees payable by the Offeror in connection with the Scheme and Acquisition, be repaid in full from the Acquisition Debt Financing on the Settlement Date or converted and capitalised into new Offeror Shares at the Conversion Price on the Settlement Date.
<b>Draw down mechanism</b>	Any amount drawn down from the Equity Financing will be drawn down in a prescribed manner and sequence. Based on the amount of draw down, NewCo will, immediately following the Settlement Date, have a shareholding percentage in the Offeror in the range of between 18.6 per cent. to 30.5 per cent. (both inclusive), as set out in paragraphs 6.4.1 and 6.4.2 of this Joint Announcement.



## Schedule 7 Indicative Timetable

*The timeline below is indicative only and subject to change. Please refer to future SGXNET announcement(s) by the Company for the exact dates of these events.*

Indicative Date	Event
5 July 2019	Announcement of Scheme
August 2019	First Court Hearing <sup>(1)</sup>
September 2019	Despatch of Scheme Document <sup>(2)</sup>
September / October 2019	Scheme Meeting
October 2019	Second Court Hearing to approve the Scheme <sup>(1)</sup>
October 2019	Despatch of election forms and commencement of the Election Period
November 2019	Effective Date <sup>(3)</sup>

**Notes:**

- (1) The dates of the Court hearings of the application to (i) convene the Scheme Meeting and (ii) approve the Scheme will depend on the dates that are allocated by the Court.
- (2) The date of despatch of the Scheme Document is subject to SGX-ST's approval of the Scheme Document.
- (3) On the basis that the Court Order is lodged with ACRA pursuant to Section 210(5) of the Companies Act by the Company on the 10<sup>th</sup> Business Day from the date of the close of the Election Period.