



**HMI**  
GROUP  
新康集团

# Proposed Privatisation of HMI

*5 July 2019*

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This Media Release shall be read in conjunction with the joint announcement dated 5 July 2019 (the “**Joint Announcement**”). A scheme document (“**Scheme Document**”) will also be issued in due course in respect of the Scheme and HMI Shareholders are cautioned that this Media Release should also be read in conjunction with the Scheme Document. All capitalised terms used and not defined herein shall have the same meanings given to them in the Joint Announcement.



# EQT and HMI Jointly Propose to Privatise HMI Group



## Summary Transaction Overview

<b>Transaction structure</b>	<ul style="list-style-type: none"> <li>■ Scheme of arrangement (“<b>Scheme</b>”) to acquire all the issued ordinary shares (“<b>HMI Shares</b>” and each, a “<b>HMI Share</b>”) in the capital of Health Management International Ltd (the “<b>Company</b>” or “<b>HMI</b>”) (the “<b>Acquisition</b>”)<sup>(1)</sup></li> </ul>
<b>Offeror</b>	<ul style="list-style-type: none"> <li>■ PanAsia Health Limited (the “<b>Offeror</b>”), a special purpose vehicle incorporated under the laws of the Cayman Islands, indirectly controlled by EQT Mid Market Asia III GP B.V. (“<b>EQT GP</b>”)</li> </ul>
<b>Scheme Consideration</b>	<ul style="list-style-type: none"> <li>■ S\$0.730 per HMI Share in cash (the “<b>Cash Consideration</b>”) <u>OR</u></li> <li>■ 1 new ordinary share in the capital of the Offeror (the “<b>Offeror Share</b>”) at an issue price of S\$0.730 (the “<b>Issue Price</b>”) per Offeror Share for each HMI Share (the “<b>Securities Consideration</b>”)</li> <li>■ In the event that the aggregate number of HMI Shares that are elected for the Securities Consideration exceeds 686,218,454 HMI Shares (representing approximately 81.95% of all HMI Shares) (the “<b>Maximum Number</b>”), the Adjustment Mechanism<sup>(2)</sup> will apply</li> </ul>
<b>Shareholder Approval Threshold</b>	<ol style="list-style-type: none"> <li>1) 75% in value of the HMI Shares voted at the Scheme Meeting<sup>(3)</sup>; and</li> <li>2) Majority in number of shareholders of HMI (“<b>HMI Shareholders</b>”) present and voting at the Scheme Meeting<sup>(3)</sup></li> </ol>
<b>Undertaking Shareholders</b>	<ul style="list-style-type: none"> <li>■ The Offeror has received irrevocable undertakings from certain HMI Shareholders (the “<b>Undertaking Shareholders</b>”), representing approximately 61.8% of the total HMI Shares</li> <li>■ Save for Nam See Investment (Pte) Ltd. (“<b>NSI</b>”) and its concert parties<sup>(4)</sup>, the HMI Shares held by the other Undertaking Shareholders who have undertaken to vote in favour of the Scheme comprise approximately 22.8% of the total HMI Shares, and will count towards 37.3%<sup>(5)</sup> of the HMI Shares that may be voted at the Scheme Meeting</li> </ul>
<b>Independent Financial Advisor (“IFA”)</b>	<ul style="list-style-type: none"> <li>■ IFA to be appointed by the Board of Directors of HMI</li> </ul>
<b>Financial Advisor</b>	<ul style="list-style-type: none"> <li>■ Credit Suisse (Singapore) Limited is the sole financial adviser to the Offeror</li> </ul>

- (1) In accordance with Section 210 of the Companies Act, Chapter 50 of Singapore, and the Singapore Code on Take-overs and Mergers.
- (2) 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 to be determined, relative to one another. With regard to the HMI Shares elected for the Securities Consideration in excess of the Maximum Number, each relevant HMI Shareholder who elected for the Securities Consideration shall receive in 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**”).
- (3) Meeting of the HMI Shareholders to be convened to approve the Scheme.
- (4) NSI and its concert parties hold approximately 39.0% of the total HMI Shares and are obliged to, and will, abstain from voting at the Scheme Meeting. As such, the total number of HMI Shares that may be voted at the Scheme Meeting represents approximately 61.0% of the total HMI Shares.
- (5) Assuming that all HMI Shareholders who are eligible to vote are present at the Scheme Meeting, either in person or by proxy.

## Opportunity for HMI Shareholders to realise their investment at an attractive valuation

- Scheme Consideration represents an attractive premium to prevailing market prices
- Since its listing in 1999, the closing share price of HMI Shares has only exceeded the Scheme Consideration on one trading day
- Opportunity to exit amidst low trading liquidity of HMI Shares

## StarMed start-up costs

- StarMed commenced soft launch of its operations in September 2018 and the Company expects gestation start-up costs to be incurred for potentially up to three years
- HMI Shareholders can avoid any potential share price volatility that may arise due to fluctuations in earnings as a result of the gestation start-up costs

## Access to an efficient source of capital in support of the Company's future growth

- Current healthcare sector is competitive and challenging, and the Company requires a significant amount of capital for potential strategic investments
- Partnering with EQT provides HMI with access to an efficient source of capital, as well as access to EQT's global healthcare expertise and track record

## Scheme Consideration

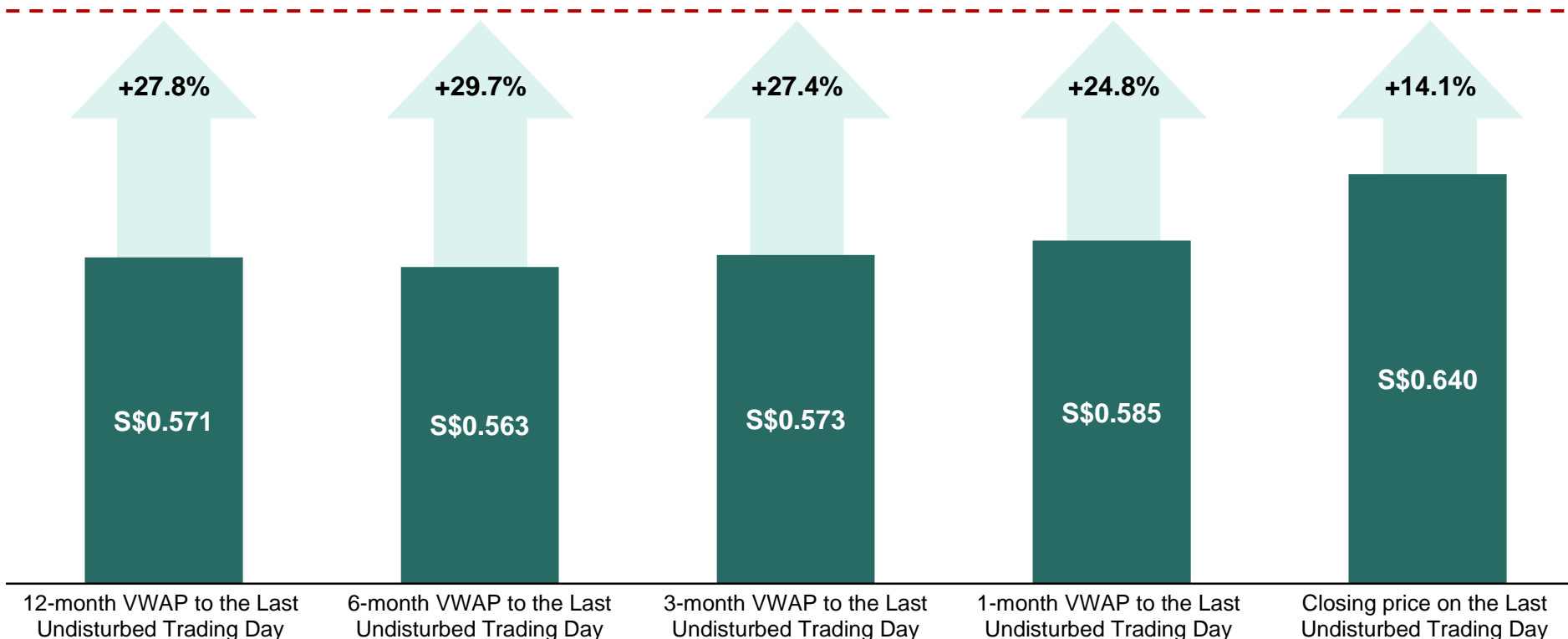
- HMI Shareholders will have an option to elect for the Securities Consideration. However, the Offeror Shares are in a private offshore entity and subject to certain risks and restrictions as referred to in the Joint Announcement and will be further elaborated on in the Scheme Document

# Opportunity for HMI Shareholders to Realise their Investment at an Attractive Valuation

## 1 Scheme Consideration represents an attractive premium to prevailing market prices<sup>(1)</sup>

(S\$)

**Scheme Consideration: S\$0.730 per HMI Share**

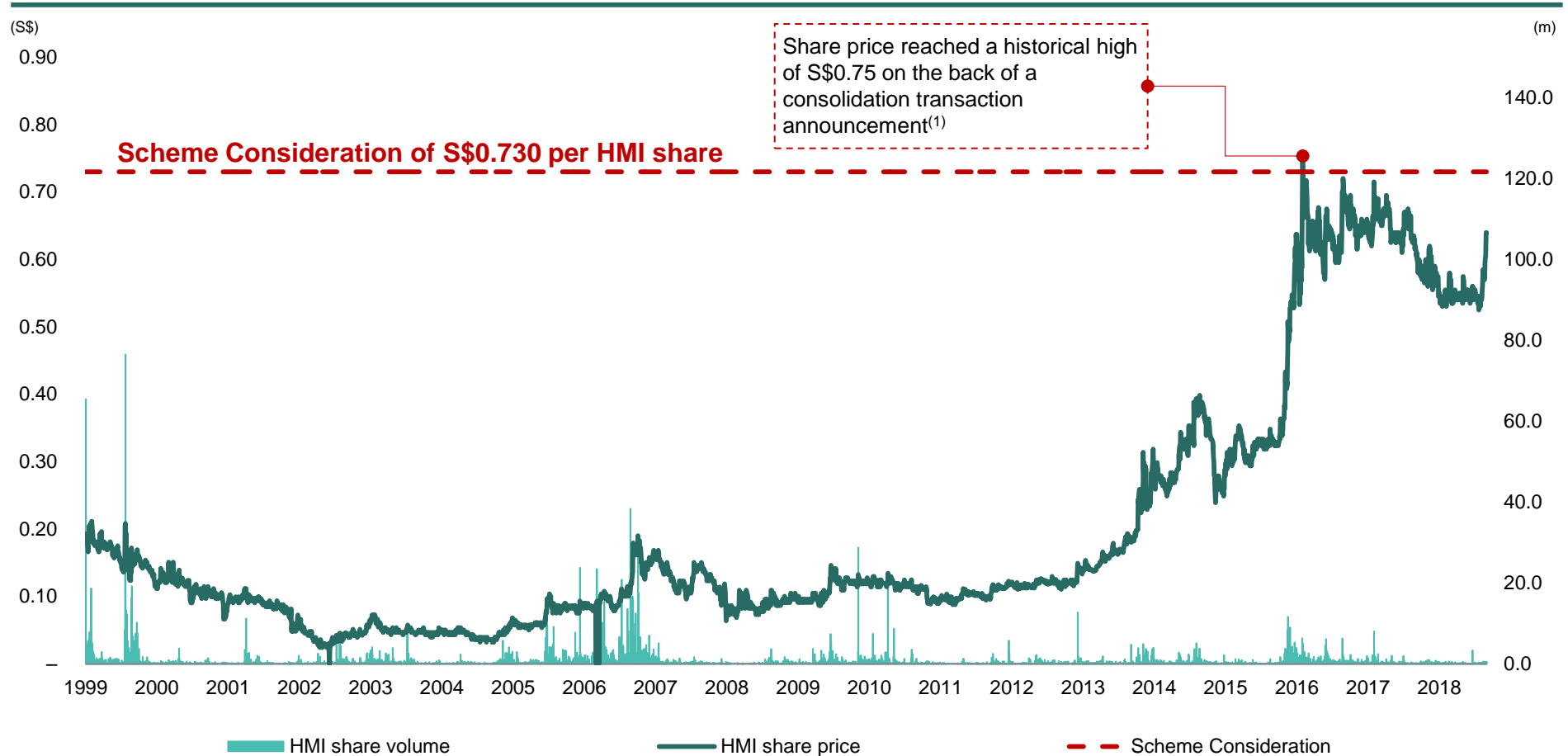


Source: Bloomberg, L.P. as at 14 June 2019.

(1) Up to and including 14 June 2019 (the “**Last Undisturbed Trading Day**”), 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.

# Opportunity for HMI Shareholders to Realise their Investment at an Attractive Valuation (cont'd)

② Since its listing in 1999, the closing share price of HMI Shares has only exceeded the Scheme Consideration on one trading day



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

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

# Opportunity for HMI Shareholders to Realise their Investment at an Attractive Valuation (cont'd)

## 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

Period up to and including the Last Undisturbed Trading Day	1 month	3 months	6 months
<b>Average daily trading volume<sup>(1)</sup></b>	328,345	226,922	170,012
<b>Average daily trading volume as a percentage of total outstanding HMI Shares<sup>(2)(3)</sup></b>	0.04%	0.03%	0.02%

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

(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.

# Partnering with EQT for the next phase of growth

## Current healthcare sector is challenging...

- HMI has an **established track record in developing and growing healthcare businesses**, growing from a single hospital into a regional private healthcare provider
- Amidst intensifying competition and consolidation amongst the healthcare players, the **Company requires a significant amount of capital for potential investments**
- **Should the Company remain listed, raising capital successfully may be highly dependent on market conditions**, and entail higher costs and potential dilution to the HMI Shareholders



## ...EQT has the expertise and track record to help healthcare companies grow

- Partnering with a strategic long-term investor will allow HMI to:
  - Gain access to an **efficient source of capital** through a committed equity line from EQT<sup>(1)</sup>
  - Leverage on EQT's **global network of advisors and strong healthcare investment track record**
  - HMI believes that EQT will **add value to HMI's growth strategy** to become **one of the leading private healthcare providers in the region**

(1) Refer to Joint Announcement for details.

# Indicative Timetable

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>

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

(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 10th business day from the date of the close of the election period.



This presentation should be read in conjunction with the full text of the Joint Announcement, a copy of which is available on [www.sgx.com](http://www.sgx.com), and the Scheme Document to be issued in due course.

## For investor enquiries relating to the Scheme, please contact:

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## RESPONSIBILITY STATEMENTS

**Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Media Release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Media Release which relate to the Company (excluding information relating to the Offeror, PanAsia Health Management B.V. (“**NewCo**”), PanAsia Health Holdings Coöperatief U.A. (“**TopCo**”), EQT GP, EQT Mid Market Asia III Limited Partnership (“**EQT LP**”) and/or EQT Partners Singapore Pte. Ltd. (“**EQT Singapore**”) or any opinion expressed by the Offeror, NewCo, TopCo, EQT GP, EQT LP and/or EQT Singapore) are fair and accurate and that there are no other material facts not contained in this Media Release, the omission of which would make any statement in this Media Release misleading. The directors of the Company jointly and severally accept responsibility accordingly.

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**THANK YOU**