

ASX Announcement (ASX: HLS)

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Non-binding indicative proposal for the acquisition of Healius Limited

Healius Limited (**Healius**) announces that it has received an unsolicited and highly conditional proposal from Jangho Hong Kong Limited (**Jangho**), a wholly owned subsidiary of the Jangho Group, to acquire all of the shares in Healius that it does not already own by way of a Scheme of Arrangement (**the Proposal**). The Jangho Group, through its subsidiaries, currently holds in aggregate 15.93% of the issued share capital of Healius.

The Proposal is stated to be a preliminary, non-binding indication of interest. The indicative cash price offered under the Proposal is \$3.25 per share. The price will be reduced for the value of any dividends proposed, declared or paid.

The Healius Board has commenced its assessment of the Proposal and will keep the market informed in accordance with its continuous disclosure obligations. The Board is committed to acting in the best interests of all shareholders and notes that it has not yet formed a view on whether the price offered under the Proposal is at a level which it is prepared to recommend to shareholders.

Healius shareholders do not need to take any action in relation to the Proposal at this stage. Furthermore, there is no certainty that the Proposal will result in a transaction.

The Proposal is subject to the following conditions by Jangho:

- completion of confirmatory due diligence to the satisfaction of Jangho;
- receipt of final approval from Jangho's Board to submit a binding proposal;
- offer of debt finance on acceptable terms to Jangho;
- receipt of necessary Australian regulatory approvals associated with implementing the Proposal, including Foreign Investment Review Board;
- receipt of any required Chinese regulatory approvals or lodgement of the required notification filings including from the National Development and Reform Commission, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission and the China Securities Regulatory Commission; and
- execution of definitive transaction implementation documentation on acceptable terms to Jangho, including
 - the unanimous recommendation of the Healius Board of Directors;
 - customary exclusivity, break fee and conduct of business provisions; and
 - customary conditions precedent such as no material adverse change, no prescribed occurrences, and shareholder and Court approvals.

Healius has appointed UBS as financial adviser and King & Wood Mallesons as legal adviser.

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