

PRESS RELEASE

Primary Health Care Gets Its Meeting With Jangho Group

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Oh to be a fly on the wall at Primary Health Care last week.

Street Talk can reveal that the \$2 billion Primary met a bunch of executives from its newest shareholders - and arguably the most acquisitive party in the Australian health sector - China's Jangho Group last week.

While sources at Primary said it was just another shareholder meeting, investors and analysts are yet to be convinced there is anything ordinary about Jangho's 16 per cent stake in the company.

Jangho is the Chinese construction company that is making a push into the Australian health sector, starting with the acquisition of ASX-listed Vision Eye Institute last year. Jangho was advised on this transaction by Oaktower Partnership.

Coincidentally, Vision Eye was itself once a Primary plaything, with former Primary boss Dr Ed Bateman trading in and out of the company on numerous occasions.

Jangho acquired its initial stake in Primary with the help of Chinese broker Haitong International Financial Solutions in March. It quickly added to the stake and is now sitting on 83 million share worth more than \$300 million, according to filings from its lawyers at Minter Ellison.

Primary boss Peter Gregg told staff Jangho's intentions were unclear soon after the share purchases, but he would seek a meeting with the investor in light of "media speculation around Primary as a takeover target".

Primary is an often-talked about break-up candidate and private equity play, particularly following a sharp sell-off in its shares which lasted until Jangho stepped into the market.

The meet-and-greet sessions come as analysts and investors also wait to see whether Primary will benefit from the upcoming election.

Broker UBS's research analysts reckon an early election is a good thing for the Peter Gregg-run company and ratcheted up expectations of Primary's profit on Wednesday.

Source: <http://www.afr.com/street-talk/primary-health-care-gets-its-meeting-with-jangho-group-20160419-goaxs#ixzz46PenyEuj>

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