

KKR to Invest in Metro Pacific Hospitals

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Simpson Thacher is representing KKR in its investment in Metro Pacific Hospital Holdings, Inc. (“Metro Pacific Hospitals”) through a series of investments in common shares in Metro Pacific Hospitals and in mandatorily exchangeable bonds issued by Metro Pacific Investments Corporation (“MPIC”). GIC will restructure its current investment in Metro Pacific Hospitals and will re-invest alongside KKR.

Under the terms of the agreement, the KKR-led consortium will subscribe to Php 5.2 billion (US\$ 100 million) worth of 41,366,178 new common shares in Metro Pacific Hospitals equivalent to 6.25% of the aggregate par value of the company. Proceeds from the sale of shares in Metro Pacific Hospitals are expected to be used to support its potential investments in additional hospitals and new healthcare businesses.

As part of MPIC's wider financing arrangements, the KKR-led consortium will also invest in a Php 30.1 billion (US\$ 580 million) mandatorily exchangeable bond issued by MPIC. The exchangeable bond shall grant the KKR-led consortium the right to exchange the bond for 239,932,962 common shares in Metro Pacific Hospitals on the sooner of 10 years or an initial public offering, which may be considered after further development of the business. The transactions are expected to complete by the end of 2019. KKR will make this investment from its Asian Fund III.

The Simpson Thacher team includes Ian Ho, Sandra Kister, Erik Wang, Nelson Tai and Chen Zhang (M&A); and Joseph Tootle (Tax).

Team and Contacts

Ian Ho

Partner

iho@stblaw.com

+852-2514-7685

Nelson Siu Yuen Tai

Associate

nelson.tai@stblaw.com

+852-2514-7682

Erik Wang

Partner

erik.wang@stblaw.com

+852-2514-7539

