

**DISCLOSURE OF MOVEMENT OF 1% OR MORE IN SUBSTANTIAL HOLDING OR  
CHANGE IN NATURE OF RELEVANT INTEREST, OR BOTH**

*Sections 277 and 278, Financial Markets Conduct Act 2013*

**TO:** NZX Limited

and

**TO:** Abano Healthcare Group Limited

Relevant event being disclosed: Change in nature of relevant interest

Date of relevant event: 20 May 2016

Date this disclosure made: 23 May 2016

Date last disclosure made: 10 April 2014

**Substantial product holder(s) giving disclosure**

Full name(s):

Healthcare Industry Limited

Peter Lionel Hutson, Lewis Thomas Grant and Anya Lee Hutson as trustees of the Anya Hutson Trust

Peter Lionel Hutson, Lewis Thomas Grant and Anya Lee Hutson as trustees of the Praxis Trust

**Summary of previous substantial holding**

Class of quoted voting products: Ordinary shares in Abano Healthcare Group Limited (NZSX Code: ABA) ("**ABA**")

Summary for: Healthcare Industry Limited ("**HIL**")

Peter Lionel Hutson, Lewis Thomas Grant and Anya Lee Hutson as trustees of the Anya Hutson Trust ("**Anya Hutson Trust**")

Peter Lionel Hutson, Lewis Thomas Grant and Anya Lee Hutson as trustees of the Praxis Trust ("**Praxis Trust**")

For **this** disclosure:

(a) total number held in class: 4,063,549

(b) total in class: 21,270,984

(c) total percentage held in class: 19.10%

For **last** disclosure:

- |     |                                 |            |
|-----|---------------------------------|------------|
| (a) | total number held in class:     | 3,811,664  |
| (b) | total in class:                 | 20,537,479 |
| (c) | total percentage held in class: | 18.56%     |

### **Details of transactions and events giving rise to relevant event**

Details of the transactions or other events requiring disclosure:

HIL is the beneficial owner of 3,045,646 ordinary shares in ABA.

Steamboat Capital Limited is a representative of James Livingstone Reeves, Field Nominees Limited on behalf of the Reeves Border Trust and James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust. Persons and entities represented by Steamboat Capital Limited are the registered holders and/or beneficial owners of, in aggregate, 1,017,903 ordinary shares in ABA.

On 27 April 2016 ABA gave notice to Peter Lionel Hutson, Lewis Thomas Grant and Anya Lee Hutson as trustees of the SF No. 2 Trust ("**SF No. 2 Trust**") and Scott Eric Wright, Alison McRae Wright and David Pitfield as trustees of the Scott and Alison Wright Family Trust ("**Wright Trust**") that it had received an unsolicited offer for all of the shares in Bay International Limited ("**BIL**") held by ABA. On 20 May 2016 the SF No. 2 Trust gave notice to ABA exercising its pre-emptive rights to acquire such shares pursuant to the Shareholders' Deed Relating to Bay International Limited dated 3 November 2009 between ABA, the SF No. 2 Trust, the Wright Trust and others.

In connection with the proposed acquisition of ABA's shares in BIL, the SF No. 2 Trust has reached an understanding with the Wright Trust that it will acquire on or about 23 May 2016 all of the shares in BIL and HIL held by the Wright Trust. Upon completion of such acquisition, the SF No. 2 Trust will become the holder of 50% of the shares in BIL (with ABA holding the other 50%) and will become the holder of 36% of the shares in HIL (with trustees of trusts associated with the SF No. 2 Trust holding the remaining shares in HIL). Upon this occurring, the Wright Trust will cease to have a relevant interest in the shares in ABA held by HIL.

Upon the SF No. 2 Trust acquiring ABA's shares in BIL, the SF No. 2 Trust will be the sole shareholder of BIL. This acquisition is likely to be subject to ABA shareholder approval.

It is proposed that Healthcare Partners Finance Limited advance funds to the SF No. 2 Trust to enable it to acquire the Wright Trust's shares in BIL and HIL. Healthcare Partners Finance Limited intends to obtain bank financing and an advance from Healthcare Partners Limited to enable it to make such advance to the SF No. 2 Trust. Upon the SF No. 2 Trust acquiring ABA's shares in BIL it intends to obtain further advances from Healthcare Partners Finance Limited to enable it to satisfy the purchase price for such shares and Healthcare Partners Finance Limited intends to obtain such funds from additional bank financing, advances from Healthcare Partners Limited and possibly advances from other debt and/or equity sources. It is proposed that Healthcare Partners Limited obtain funds for the advances to be made by it to Healthcare Partners Finance Limited from shareholder loans.

It is proposed that HIL and persons and entities represented by Steamboat Capital Limited provide guarantees in respect of the bank financing provided to Healthcare Partners Finance Limited described above and will grant security over the shares held by them in ABA in support of such guarantees.

Healthcare Partners Finance Limited is a wholly owned subsidiary of Healthcare Partners Limited. The shareholders of Healthcare Partners Limited are the SF No. 2 Trust and Steamboat Capital SPV Limited (an entity associated with James Livingstone Reeves). Healthcare Partners Finance Limited is the sole shareholder of HPL Holdings Limited.

The SF No. 2 Trust, Healthcare Partners Limited and HPL Holdings Limited have reached an understanding that, in the event that the SF No. 2 Trust becomes the sole shareholder of BIL, the SF No. 2 Trust will transfer the shares it holds in BIL to HPL Holdings Limited.

The SF No. 2 Trust, HIL, Steamboat Capital Limited and the persons and entities represented by Steamboat Capital Limited have reached an understanding that, in the event that the SF No. 2 Trust acquires the Wright Trust's shares in BIL but does not become the sole shareholder of BIL, HIL will transfer the shares it holds in ABA to Steamboat Capital Limited (or its nominee) at a price of \$7.50 per ABA share.

The SF No. 2 Trust, Steamboat Capital Limited and the persons and entities represented by Steamboat Capital Limited may, from time to time, engage in discussions regarding their intentions, and agree to act in concert, in respect of the shares in ABA in which they have a relevant interest.

Notwithstanding the above, HIL does not control the exercise of voting rights of any person or entity represented by Steamboat Capital Limited and neither Steamboat Capital Limited nor any person or entity represented by Steamboat Capital Limited controls the exercise of voting rights of HIL.

**Details after relevant event**

**Details for:** HIL  
 Nature of relevant interest(s): Beneficial owner of financial products, subject to the transactions and understandings described above

- For that relevant interest:
- (a) number held in class: 3,045,646
  - (b) percentage held in class: 14.32%
  - (c) current registered holder(s): ASB Nominees Limited
  - (d) registered holder(s) once transfers are registered: N/A

**Details for:** HIL  
 Nature of relevant interest(s): Understandings as described above in respect of the financial products in ABA held by James Livingstone Reeves, Field Nominees Limited on behalf of the Reeves Border Trust and James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust

- For that relevant interest:
- (a) number held in class: 1,017,903
  - (b) percentage held in class: 4.79%
  - (c) current registered holder(s): National Nominees Limited, James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited and James Livingstone Reeves
  - (d) registered holder(s) once transfers are registered: N/A

**Details for:** Anya Hutson Trust

Nature of relevant interest(s): The trustees of the Anya Hutson Trust (jointly) hold more than 20% of the shares in HIL and are deemed by the Financial Markets Conduct Act 2013 to have the relevant interest that HIL has

For that relevant interest:

(a) number held in class: 4,063,549

(b) percentage held in class: 19.10%

(c) current registered holder(s): ASB Nominees Limited, National Nominees Limited, James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited and James Livingstone Reeves

(d) registered holder(s) once transfers are registered: N/A

**Details for:** Praxis Trust

Nature of relevant interest(s): The trustees of the Praxis Trust (jointly) hold more than 20% of the shares in HIL and are deemed by the Financial Markets Conduct Act 2013 to have the relevant interest that HIL has

For that relevant interest:

(a) number held in class: 4,063,549

(b) percentage held in class: 19.10%

(c) current registered holder(s): ASB Nominees Limited, National Nominees Limited, James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited and James Livingstone Reeves

(d) registered holder(s) once transfers are registered: N/A

**Additional information**

Address(es) of substantial product holder(s): C/- Cameron Fleming & Associates Limited, Level 19, 48 Emily Place, Auckland

Contact details: Cameron Fleming  
Phone: +64 9 368 5813  
Email: cfleming@cameronfleming.co.nz

Nature of connection between substantial product holders: The Anya Hutson Trust and the Praxis Trust are connected with HIL pursuant to section 237 of the Financial Markets Conduct Act 2013

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates:

Scott Eric Wright, Alison McRae Wright and David Pitfield as trustees of the Scott and Alison Wright Family Trust

Peter Lionel Hutson, Lewis Thomas Grant and Anya Lee Hutson as trustees of the SF No. 2 Trust

Steamboat Capital Limited and/or James Livingstone Reeves, Field Nominees Limited on behalf of the Reeves Border Trust and James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust

**Certification**

I, Peter Lionel Hutson, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.