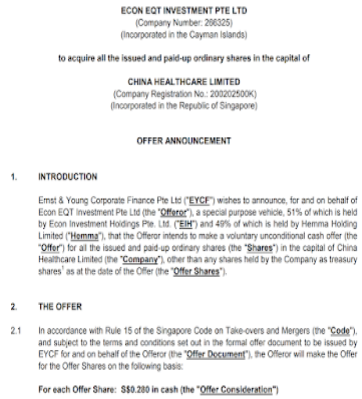


ECON EQT INVESTMENT PTE LTD
(Company Number: 296325)
(Incorporated in the Cayman Islands)

to acquire all the issued and paid-up ordinary shares in the capital of

CHINA HEALTHCARE LIMITED
(Company Registration No.: 200202500K)
(Incorporated in the Republic of Singapore)

OFFER ANNOUNCEMENT

1. INTRODUCTION

Ernst & Young Corporate Finance Pte Ltd ("EYCF") wishes to announce, for and on behalf of Econ EQT Investment Pte Ltd (the "Offeror"), a special purpose vehicle, 51% of which is held by Econ Investment Holdings Pte. Ltd. ("EIH") and 49% of which is held by Hemma Holding Limited ("Hemma"), that the Offeror intends to make a voluntary unconditional cash offer (the "Offer") for all the issued and paid-up ordinary shares (the "Shares") in the capital of China Healthcare Limited (the "Company"), other than any shares held by the Company as treasury shares" as at the date of the Offer (the "Offer Shares").

2. THE OFFER

2.1 In accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "Code"), and subject to the terms and conditions set out in the formal offer document to be issued by EYCF for and on behalf of the Offeror (the "Offer Document"), the Offeror will make the Offer for the Offer Shares on the following basis:

For each Offer Share: S$0.280 in cash (the "Offer Consideration")

Did you invest in Econ Healthcareâ??s IPO?

Description

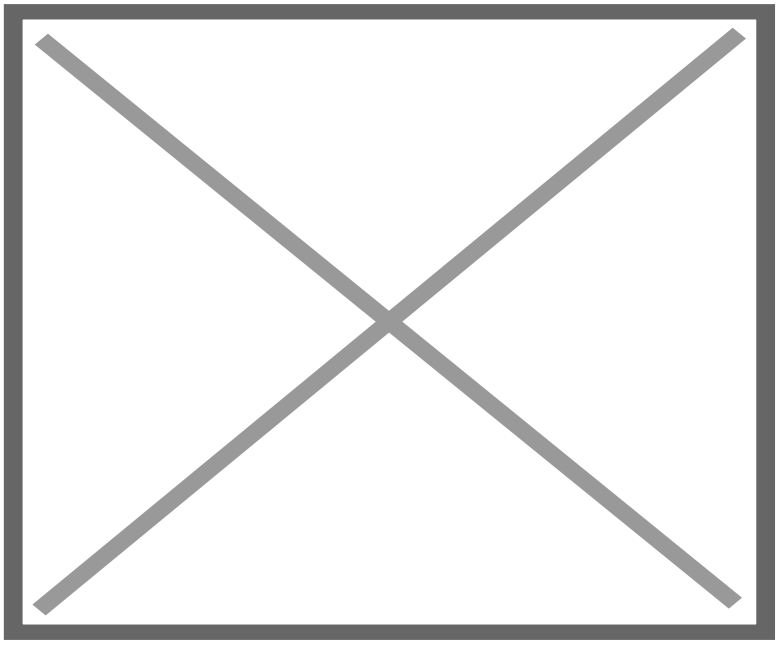
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When it comes to investing on SGX, Iâ??m not a fan of companies who delist only to re-list again later. Which is why I avoid their IPO, and tell you guys I have â??no commentâ?• if you were one of those who asked me about whether the IPO is worth subscribing to.

Let me use the most recent IPO of Econ Healthcare as an example.

The company was privatized in 2012, citing â??low trading liquidityâ?• as a reason, but are now back with a brand new IPO attempt again, this time with 50 million offering shares at 28 cents each earlier this month.

They went through 2 steps to take the company wholly private. The first one was by delisting it on SGX in 2012:

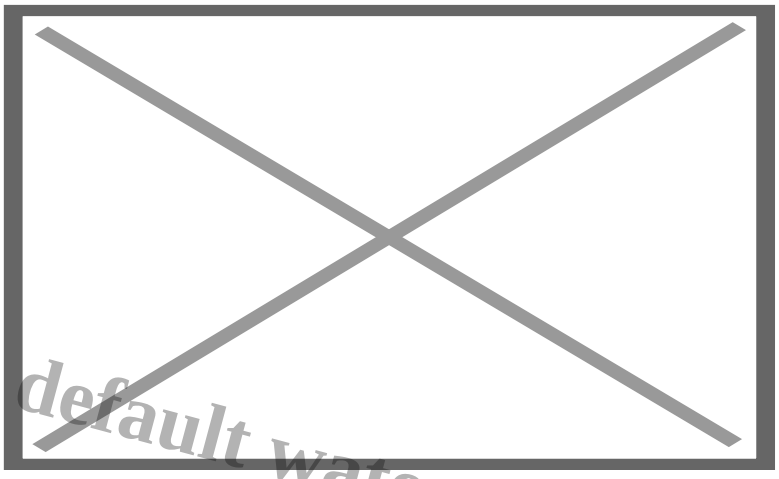


Credits to my friend Wien who helped me dig this up, you can check out his blog here!

The second one was in 2016, when the remaining 49% stake was bought back by the founder for an undisclosed amount. *I wonder how much, and why cannot disclose? Who got the better deal here?*

And now theyâ??re back again.

Watch what the media chose to report when it came to the results of their latest IPO:



Source credits: Business Times

Sounds like an attractive headline?

Wait till you see this:

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Letâ??s digest that a little. **Each retail investor got allocated $280 â?? $1,260 worth of shares**, depending on how much they applied for.

I get that theyâ??re trying to be â??fairâ?•, but if Iâ??m an investor who applied for the IPO and only got so little, it barely does anything in my portfolio. Luckily, thereâ??s always the option to buy back more on the open market if youâ??re really bullish about the company, and since the current share price isnâ??t significantly higher than its IPO offering priceâ?¦thereâ??s still a chance.

â??â??*But remember how once upon a time, IPOs used to be great for both punting and longer term investors? Recent IPOs performance such as Coinbase (30% jump) and Kuaishou (194% surge) have tempted you into the IPO play as well, and you subscribe to Econ Healthcare hoping you can similarly do a quick flip.*

After all, it says it is THE largest private nursing home operator + ageing population growth trend. It should do wellâ?¦right?

So you apply for $14,000 worth (50,000 shares), but end up only getting 1,400 shares i.e. $392.

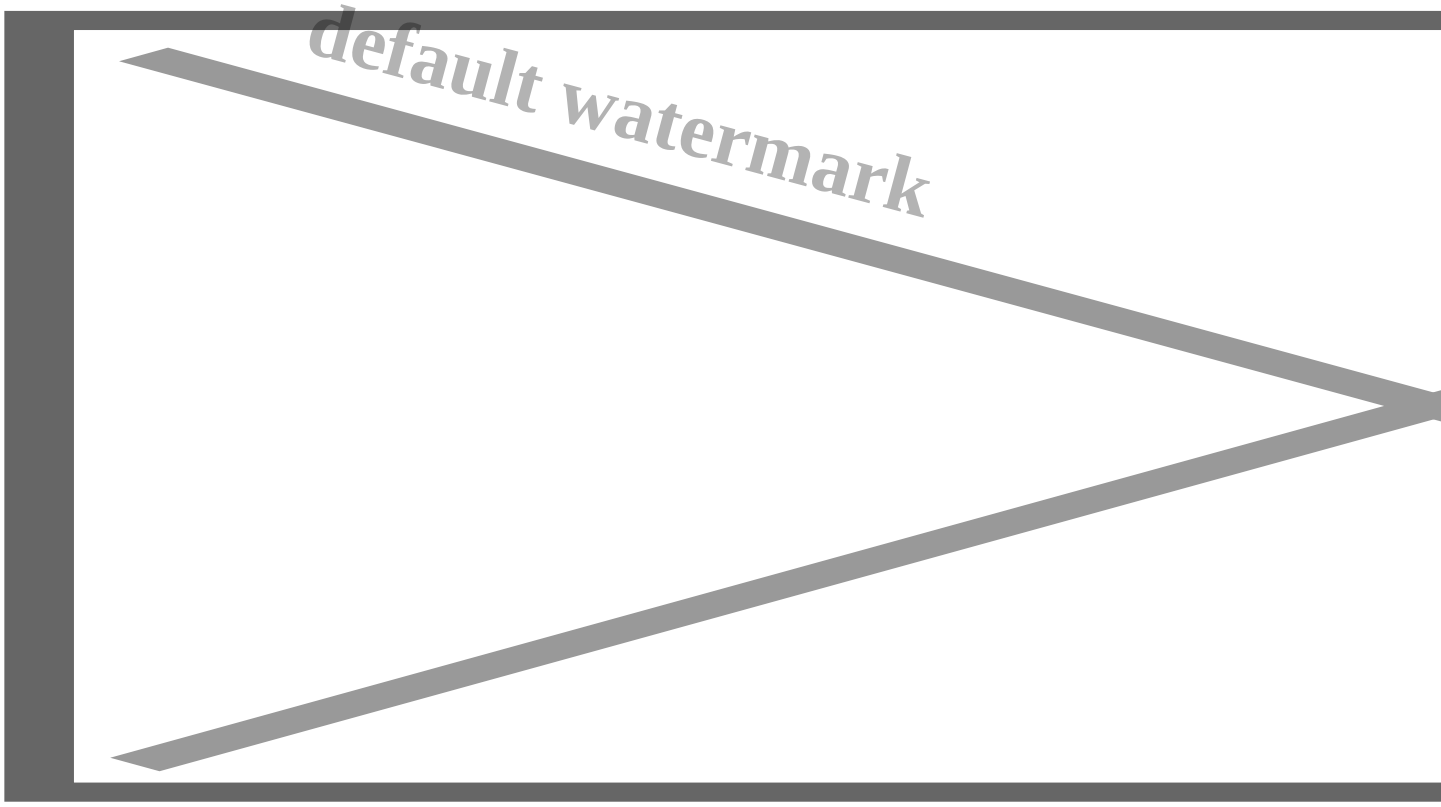
Even if it rises significantly on the first few days of trading, how much profit can you make when your base is only a few hundred dollars?

Iâ??d feel royally screwed over, if that was me.

Regular readers should know by now that when an IPO interests me enough, I tend to do a deep-dive analysis on this blog and publish it. But you didnâ??t hear anything from me on this one, did you?

â??â??

Let me just end off with thisâ?¦



Source Credits: T

Donâ??t just read the media headlines, guys. Youâ??ll be making snap judgments when you do, and we all know how that usually spans out in investingâ?¦

When I initiate a position, it has to also be better than any of my existing portfolio holdings, and Econ Healthcare doesnâ??t fit my bill. So in the meantime, I wonâ??t be investing.

But Iâ??m definitely watching to see if there will also be â??low trading liquidityâ?• this time round, and am curious what the company will do next if so.

If you need some popcorn, you can buy some at your nearest Fairprice and join me.

With love,

Budget Babe

Category

1. Investing
2. IPOs

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