



## HEALTH MANAGEMENT INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)

(Company Registration No. 199805241E)

### HMI to acquire 62.5% ownership of StarMed @ Farrer Square Pte. Ltd.

#### Introduction

Health Management International Ltd (“HMI”) announces that it has today agreed to acquire (1) a 62.5% equity stake in StarMed @ Farrer Square Pte. Ltd. (“Company”), a new proposed day-surgery and multi-disciplinary medical centre named “StarMed Specialist Centre” (“SSC”)<sup>1</sup>, and (2) an existing SGD10 million shareholder’s loan to the Company, all for an aggregate consideration of SGD6.9 million (“Purchase Price”) (“Transaction”).

The Transaction is expected to be completed in May 2018. At completion, HMI will inject SGD1.9 million by way of an additional shareholder’s loan, representing its *pro rata* 62.5% equity ownership, to the Company in order to support the start-up of its business, which is expected to commence in the second half of 2018 (subject to regulatory approval). The Purchase Price and the additional shareholder’s loan will be paid in cash and will utilise part of the net proceeds of the placement to a fund managed by Heliconia Capital Management Pte Ltd in November 2017.

HMI will hold the investment through a wholly-owned subsidiary, HMI Healthcare Services Pte. Ltd.

#### Transaction rationale

HMI is a growing regional private healthcare provider with presence in Singapore, Malaysia and Indonesia. The transaction offers HMI an opportunity to partner a group of specialist doctors and enter the Singapore private healthcare services market.

#### Financial considerations

The Company owns and leases a number of units at SSC. The Purchase Price was negotiated on an arm’s length basis and reflects a discount to the net asset value of the Company and its subsidiary, adjusted for certain costs incurred by them. The Transaction is not expected to have significant impact on the net tangible assets or earnings per share of HMI and its subsidiaries for the current financial year ending 30 June 2018.

In addition, HMI and the other shareholders of the Company will, severally and in proportion to their respective shareholdings, guarantee certain obligations of the Company and its subsidiary, StarMed Specialist Centre Pte. Ltd., including a mortgage term loan utilised to fund the purchase of the SSC units, which is secured by the SSC units, and loans utilised to fund medical equipment purchases. The amounts guaranteed by HMI are limited to SGD31.2 million in aggregate.

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<sup>1</sup> Located at 12 Farrer Park Station Road, Singapore 217565.

**Disclosures**

No person is proposed to be appointed to the Board of Directors of HMI in connection with the Transaction and no Director or controlling shareholder of HMI has any interest in the Transaction.

By Order of the Board of  
**Health Management International Ltd**

Dr Gan See Khem  
Executive Chairman and Managing Director  
14 May 2018, Singapore