



Health
Management
International

HEALTH MANAGEMENT INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)
Company Registration No.: 199805241E

ACQUISITION OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN REGENCY SPECIALIST HOSPITAL SDN BHD AND LOAN TO MAHKOTA MEDICAL GROUP SDN BHD

A. ANNOUNCEMENT

1. Health Management International Ltd (the “**Company**”) is pleased to announce that the Company has invested a sum of RM 5,220,000 in Regency Specialist Hospital Sdn Bhd (“**RSHSB**”) by subscribing for 52,200 redeemable convertible preference shares of RM 100.00 each, with par value of RM 0.01 and premium of RM 99.99 each that was offered to the Company in proportion to the number of shares held by the Company. With the subscription as above-mentioned, the Company’s equity stake in RSHSB remained at 29% of the total paid up share capital of RSHSB.

The Company also owns 48.95% of the shares in Mahkota Medical Group Sdn Bhd (“**MMGSB**”), a subsidiary of the Company. In order to provide the necessary financial resources for MMGSB to subscribe for its 65% direct interest in RSHSB, the Shareholders of MMGSB extended an unsecured and interest free loan of RM 11,700,000 to MMGSB to subscribe for 117,000 redeemable convertible preference shares of RM 100.00 each, with a par value of RM 0.01 and premium of RM 99.99 each. The Company’s share of the unsecured and interest free loan to MMGSB amounted to RM 5,726,914. With the subscription as above-mentioned, MMGSB’s equity stake in RSHSB remained at 65% of the total paid up share capital of RSHSB.

2. The consideration required above was settled via internally generated funds and/or shareholders’ loan.
3. The Company understands that the proceeds obtained by RSHSB from this capital raising exercise will be used for RSHSB’s working capital requirements.

B. FINANCIAL EFFECTS

The acquisition of redeemable convertible preference shares in RSHSB is not expected to have material effect on the net tangible assets per share or earnings per share of the Group for the current financial year.

C. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

Dr Cheah Way Mun, a Director of the Company, is both a Director and Shareholder of 2M Medical Consultants Pte Ltd (“**2M**”) and Senipuri Sdn Bhd (“**Senipuri**”). 2M owns a 6% equity stake in RSHSB and Senipuri owns a 12.45% equity stake in MMGSB.

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Except for Dr Cheah Way Mun, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the acquisition of RCPS in RSHSB by the Company and MMGSB.

By Order of the Board

Dr. Gan See Khem
Chairman and Managing Director
Health Management International Ltd.
16 May 2014