



HEALTH MANAGEMENT INTERNATIONAL LTD

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

StarMed announces acquisition of additional units in Farrer Square

Transaction

Health Management International Ltd (“HMI”) announces that its subsidiary, StarMed@Farrer Square Pte. Ltd. (“StarMed”), has today entered into agreements with the RB Capital group (“Seller”) to purchase additional units with an aggregate area of 10,602 sq ft at Farrer Square¹ where StarMed’s day-surgery and multi-disciplinary medical centre “StarMed Specialist Centre” (“SSC”) is located (“Purchase”). Out of this area, 3,897 sq ft is currently being utilised by SCC under a rental agreement.

The aggregate purchase price for the units is SGD36.7 million (“Purchase Price”). To fund the Purchase Price, HMI will make additional investments into StarMed and increase its ownership from 62.5% to 70.0%. The Purchase Price is expected to be up to 90.0% funded by a mortgage term loan. Completion and delivery of possession of these units are expected to take place around end 2018.

StarMed has also entered into a put and call option agreement in respect of certain other units on different levels at Farrer Square with an aggregate area of 7,061 sq ft, for an aggregate purchase price of SGD24.3 million. The put and call options in respect of these units are exercisable around end 2020 subject to the fulfilment of certain customary conditions precedent.

StarMed has also entered into a naming rights agreement for the building, a licence agreement for the use of certain parts of common property, and a right of first refusal agreement with the Seller in respect of an additional unit at Farrer Square.

Transaction rationale

The Transaction offers SSC an opportunity to expand its footprint at the centre with an increase in clinical service and other areas. The Purchase also comes with certain naming and signage rights which will help increase the visibility of SSC. In addition, the put and call option agreement allows StarMed to lock in its future expansion space at an agreed price.

Financial considerations

The Purchase Price was negotiated on an arm’s length basis and reflects a discount to the reported valuations of the units, given the Transaction was negotiated on an en-bloc basis. 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 2019.

¹ 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

15 October 2018, Singapore