

HEALTH MANAGEMENT INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199805241E)

USE OF NET PROCEEDS FROM PLACEMENT TO HELICONIA

The Board of Directors (the “**Board**”) of Health Management International Ltd (the “**Company**” or the “**HMI**” together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 13 November 2017, 21 November 2017 and 24 November 2017 respectively (“**Placement Announcements**”) in relation to the placement by HMI to a fund managed by Heliconia Capital Management Pte Ltd for 16.9 million new ordinary shares at an issue price of S\$0.65 per share and an aggregate issue price of S\$11.0 million (“**Placement**”).

The net proceeds of approximately S\$10.96 million raised from the Placement after deducting relevant expenses (“**Net Proceeds**”) has been partly utilised to fund *inter alia* the acquisition of (1) a 62.5% equity stake in StarMed @ Farrer Square Pte. Ltd. (“**StarMed @ Farrer Square**”), a new proposed day-surgery and multi-disciplinary medical centre named “StarMed Specialist Centre”, and (2) an existing S\$10 million shareholder’s loan to StarMed @ Farrer Square, all for an aggregate consideration of S\$6.9 million; an additional shareholder’s loan of S\$1.9 million, representing the Group’s pro rata 62.5% equity ownership in StarMed @ Farrer Square, and related expenses as provided in the announcements dated on 14 May 2018 and 18 May 2018 respectively.

Stated Use of Net Proceeds	Amount Allocated (S\$ million)	Amount Utilised as at 17 May 2018 (S\$ million)	Amount Balance as at 17 May 2018 (S\$ million)
To finance the Group’s business expansion and to grow the existing business	10.96	9.1	1.86

The partial use of Net Proceeds is in accordance with the stated use of the Placement disclosed in the Placement Announcements.

The Board will make periodic announcements on the use of Net Proceeds balance as and when the funds are materially disbursed, and provide a status report on such use of the Net Proceeds in the annual report.

By Order of the Board

Dr Gan See Khem
Executive Chairman and Managing Director
18 May 2018