



HEALTH MANAGEMENT INTERNATIONAL LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199805241E)

ACQUISITION OF SHARES IN PLUS MEDICAL HOLDINGS PTE. LTD.

The Board of Directors (the “**Board**”) of Health Management International Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiary, HMI Healthcare Services Pte. Ltd. (“**HMI Healthcare**”), has today entered into a subscription and share purchase agreement (“**SSPA**”) with Plus Medical Holdings Pte. Ltd. (the “**Target**”, and together with its subsidiaries, the “**Target Group**”), Eracen Pte. Ltd. (“**Eracen**”) and certain individual shareholders of Eracen (the “**Founders**”) to acquire interests in a chain of primary care clinics in Singapore through the acquisition of shares in the Target. The Target is wholly-owned by Eracen.

Subscription and Share Purchase Agreement

It is agreed under the SSPA that, subject to certain conditions precedent being satisfied or waived:

- (i) HMI Healthcare will acquire from Eracen 10% of the outstanding issued share capital of the Target as at closing under the SSPA (“**Closing**”, and such shares, the “**Sale Shares**”) for the consideration of S\$1,200,000 (the “**Sale Shares Consideration**”); and
- (ii) HMI Healthcare will subscribe for new ordinary shares in the Target (“**Initial Subscription Shares**”) for the aggregate subscription price of S\$3,000,000 (the “**Initial Subscription Consideration**”),

such that HMI Healthcare will initially hold 28% of the issued share capital of the Target.

Further, subject to further requests for funding from the Target and the satisfaction of certain conditions, HMI Healthcare shall, during the period commencing on Closing and ending on 31 December 2022, subscribe for additional ordinary shares in the Target, in up to four tranches of S\$3,000,000 each, which will take HMI Healthcare’s stake in the Target to a maximum of 60%.

It is intended that the Target, which is in its initial stages of growth, will primarily use the proceeds received from HMI Healthcare’s subscription for shares in the Target to expand its network of primary care clinics in Singapore.

Shareholders’ Agreement

It is also intended that on or around Closing, HMI Healthcare, Eracen, the Founders and the Target will enter into a shareholders’ agreement in relation to the Target (the “**Shareholders’ Agreement**”). It is contemplated under the Shareholders’ Agreement that, subject always to any requirements under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”) and the approval of the shareholders of the Company (if required), Eracen will grant to HMI Healthcare a call option (the “**Call Option**”), and HMI Healthcare will grant to Eracen a put option (the “**Put Option**”), over the ordinary shares in the Target held by Eracen for the time being (the “**Option Shares**”) on a

price to be calculated based on the profit after tax and minority interests of the Target. The Call Option and Put Option may be triggered if certain conditions are met for any of the calendar years in the period commencing 1 January 2022 to 31 December 2026.

Subject to any requirements under the Listing Manual and the approval of the shareholders of the Company (if required), Eracen may elect to receive up to 50% of the consideration payable for the Option Shares by way of shares in the Company.

The Sale Shares Consideration and Initial Subscription Consideration

The Sale Shares Consideration and Initial Subscription Consideration will be satisfied wholly in cash and were arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis and determined on the basis of and taking into account, *inter alia*, the performance of the Target and its existing assets and operations.

Value of the Sale Shares and the Initial Subscription Shares

Based on the unaudited consolidated financial statements of the Target Group for the quarter ended 30 September 2018, the book value and the net tangible asset value attributable to the Sale Shares is, in each case, S\$6,774.15.

The value attributable to the Initial Subscription Shares is the Initial Subscription Consideration, being S\$3,000,000.

Funding and Financial Effects

The Sale Shares Consideration and Initial Subscription Consideration will be funded through the Company's internal resources and are not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company for the financial year ending 30 June 2019.

Interests of Directors and Controlling Shareholders

None of the Directors, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the transactions above, other than that arising from their respective shareholdings and / or directorships, as the case may be, in the Company.

SSPA for Inspection

The SSPA is available for inspection during normal business hours at the registered office of the Company at 7 Temasek Boulevard, #12-10 Suntec Tower One, Singapore 038987, for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Dr Gan See Khem
Executive Chairman and Managing Director
14 December 2018