



Press release

## **SHL's shareholders approve transaction with Shanghai Jiuchuan Investment (Group) Co. Ltd. at today's General Meeting**

**Tel Aviv/Zurich, 10 September 2015** – SHL Telemedicine Ltd. (SIX Swiss Exchange: SHLTN, OTCPK: SMDCY), a leading provider and developer of advanced personal telemedicine solutions, announced that at a Special General Meeting of the Shareholders held today in Tel Aviv, all items on the agenda were approved:

- The consummation of the transactions contemplated under the Agreement and Plan of Merger dated as of July 24, 2015 by and among Company, Shanghai Jiuchuan Investment (Group) Co. Ltd. and its Israeli subsidiary Jinoran Mergers (2015) Ltd. (the "Transaction")
- Run-off insurance coverage for the Company's directors in connection with and subject to consummation of the Transaction
- The acceleration of the vesting of all unvested options held by the directors of the Company as of the consummation of the Transaction – and subject to the consummation thereof
- The payment of one-time cash compensation to Mr. Ziv Carthy, a director of the Company, in lieu of option grant – upon the closing of the Transaction and subject to the consummation thereof
- An Amendment to the Company's Compensation Policy
- The payment of Compensation to the Chairman of the Company's Board of Directors

At the Shareholders' meeting, 76.4% of SHL's total 8,106,729 registered and voting shares were represented.

### **Information for SHL shareholders**

Following the elapse of a period of at least 30 calendar days required under the Israeli Companies Law and subject to satisfaction of certain conditions to closing set forth in the merger agreement, the earliest possible closing date is 13 October 2015.

On the Closing Date the merger agreement will be consummated meaning SHL will become a wholly owned subsidiary of the purchaser and each Ordinary Share of the Company and each American Depositary Share issued and outstanding immediately prior to the Closing Date shall be automatically converted into the right to receive CHF 10.50 in cash, subject to applicable tax withholding and without interest.

On the Closing Date of the Transaction trading in SHL shares at the Swiss Stock Exchange (SIX) will be suspended and the shares will be de-listed following Closing. Shortly after the Closing has occurred and SHL shares are de-listed, UBS Switzerland AG acting as the exchange agent in this transaction will inform all depository banks of the SHL shareholders about the details of the exchange procedure and will send them a Letter of Transmittal (LOT) to be forwarded to all their depositors i.e. all registered shareholders of SHL. The LOT will describe the details of the exchange process to all shareholders. In order to receive the Per Share Merger Consideration of CHF 10.50 each shareholder will be asked to complete a tax declaration form to be returned to the depository bank.

Each SHL shareholder will be subject to Israeli withholding tax at source at the rate of 25% for individuals and 26.5% for corporations from the gross consideration received in the merger, unless SHL receives a tax ruling from the Israeli Tax Authority prior to closing or such



shareholder independently delivers, prior to payment, a valid withholding tax certificate issued by the Israeli Tax Authority, as described below.

SHL and its advisors applied for a tax ruling from the Israeli Tax Authority with respect to the exemption from Israeli capital gains tax in connection with the sale of SHL shares by: (i) non-Israeli residents who purchased their shares in or after SHL's initial public offering, and who hold less than 5% of SHL's outstanding shares as of the closing of the merger, and (ii) Israeli brokers that holds SHL shares on behalf of their clients (through Israeli financial institutions and/or foreign brokers), will be responsible for withholding the applicable amounts as detailed above. Any shareholder who is not covered by this ruling and wishes to be subject to no or a reduced withholding tax will have to apply directly to the Israeli Tax Authority to obtain a valid withholding tax certificate regarding the rate of withholding (or exemption from withholding) of Israeli tax from amounts payable to such shareholder and submit such certificate to an Israeli withholding agent prior to payment of the merger consideration. There is no assurance that the Israeli Tax Authority will issue such ruling, or in the event that such ruling is issued, what will be the terms thereof. Obtaining such ruling is not a condition to the consummation of the merger.

Upon approval of the ruling by the ITA, each of the non-Israeli shareholders (as describe in sub-section (i) above), will be required to submit a tax declaration form to be distributed together with the LOT to their depository banks, an Israeli withholding agent will verify the accuracy and completeness of the duly completed tax declaration form. Upon the withholding agent's sign-off, the depository banks will be able to pay out the respective per share merger consideration to the depositor's/shareholder's bank account with the depository bank, and the corresponding SHL shares will be cancelled from the depositor's/shareholder's security account with that bank.

The described exchange process will run until 180 calendar days from the Closing Date. Any depositor/shareholder that has not filled in the tax declaration form completely and accurately until that point in time will receive the per share merger consideration with the full Israeli withholding tax of 25% for individuals and 26.5% for corporations deducted.

### **About SHL Telemedicine**

SHL Telemedicine is engaged in developing and marketing personal telemedicine systems and the provision of medical call center services, with a focus on cardiovascular and related diseases, to end users and to the healthcare community. SHL Telemedicine offers its services and personal telemedicine devices to subscribers utilizing telephonic and Internet communication technology. The Company operates in Israel, Germany, India and the United States in one business segment, Telemedicine services. SHL is listed on the SIX Swiss Exchange (Tickersymbol: SHLTN, ISIN: IL0010855885, Swiss Security No.: 1.128.957) and has an ADR program listed over-the counter; Symbol: SMDCY. For more information, please visit our web site at [www.shl-telemedicine.com](http://www.shl-telemedicine.com).

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Some of the information contained in this press release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. SHL Telemedicine undertakes no obligation to publicly update or revise any forward-looking statements.