

Unaudited Financial Statements And Dividend Announcement for the fourth quarter and twelve months ended 30 June 2018

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Fourth Quarter Ended | | | Twelve Months Ended | | |
|---|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-----------|
| | 30 Jun 2018 RM'000 | 30 Jun 2017 RM'000 | +/- % | 30 Jun 2018 RM'000 | 30 Jun 2017 RM'000 | +/- % |
| Turnover | 119,198 | 111,731 | 7 | 467,597 | 435,765 | 7 |
| Cost of services | (78,169) | (74,838) | 4 | (301,789) | (292,011) | 3 |
| Gross profit | 41,029 | 36,893 | 11 | 165,808 | 143,754 | 15 |
| Interest income | 302 | 410 | (26) | 1,199 | 1,816 | (34) |
| Other gains – net | 884 | 1,517 | (42) | 2,550 | 2,136 | 19 |
| Distribution and marketing costs | (1,653) | (841) | 97 | (4,960) | (3,011) | 65 |
| Administrative costs | (18,158) | (18,670) | (3) | (71,879) | (78,348) | (8) |
| Finance costs | (2,022) | (3,973) | (49) | (8,867) | (5,641) | 57 |
| Share of results of associates | - | 17 | (100) | (1) | 1,348 | NM |
| Profit before tax | 20,382 | 15,353 | 33 | 83,850 | 62,054 | 35 |
| Tax | (5,725) | (4,694) | 22 | (23,808) | (19,841) | 20 |
| Profit after tax | 14,657 | 10,659 | 38 | 60,042 | 42,213 | 42 |
| Other comprehensive income | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | |
| Currency translation differences arising from consolidation | | | | | | |
| - (Losses)/gains | (1,742) | 14,522 | NM | 1,204 | 5,434 | (78) |
| - Reclassification | - | - | NM | 1,764 | - | 100 |
| Total comprehensive income | 12,915 | 25,181 | (49) | 63,010 | 47,647 | 32 |
| Profit/(loss) attributable to: | | | | | | |
| Equity holders of the Company | 15,206 | 10,659 | 43 | 60,596 | 20,590 | 194 |
| Non-controlling interests | (549) | - | (100) | (554) | 21,623 | NM |
| | 14,657 | 10,659 | 38 | 60,042 | 42,213 | 42 |
| Total comprehensive income/(loss) attributable to: | | | | | | |
| Equity holders of the Company | 15,422 | 25,181 | (39) | 65,521 | 26,018 | 152 |
| Non-controlling interests | (2,507) | - | (100) | (2,511) | 21,629 | NM |
| Total comprehensive income | 12,915 | 25,181 | (49) | 63,010 | 47,647 | 32 |

NM - Not Meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

The Group's total comprehensive income for the financial period is derived after charging/(crediting):

| | Fourth Quarter Ended | | | Twelve Months Ended | | |
|---|-----------------------------------|-----------------------------------|------------------|-----------------------------------|-----------------------------------|------------------|
| | 30 Jun 2018 RM'000 | 30 Jun 2017 RM'000 | +/- % | 30 Jun 2018 RM'000 | 30 Jun 2017 RM'000 | +/- % |
| Share-based payment expenses | 127 | - | 100 | 1,316 | 1,238 | 6 |
| Depreciation | 6,265 | 5,326 | 18 | 21,982 | 20,104 | 9 |
| Allowance for impairment of trade and other receivables - net | 29 | 551 | (95) | 590 | 2,070 | (71) |
| Foreign exchange loss/(gain) | | | | | | |
| - realised | (89) | 801 | NM | 1,819 | 1,130 | 61 |
| - unrealised | 236 | (996) | NM | (114) | 2,148 | NM |
| Fair value loss/(gain) on financial derivatives: | | | | | | |
| - realised | 4 | - | 100 | (565) | (14) | NM |
| - unrealised | - | 749 | (100) | - | 576 | (100) |
| Loss on disposal and write-off of property, plant and equipment | 22 | 102 | (78) | 46 | 244 | (81) |
| Professional fees and other costs expensed in relation to the acquisition of non-controlling interests ¹ | - | - | NM | - | 8,234 | (100) |
| Professional fees incurred in relations to acquisition of subsidiaries ² | 505 | - | 100 | 505 | - | 100 |

NM - Not Meaningful

¹ Refer to announcement made on SGXNet on 11 November 2016

² Refer to announcement made on SGXNet on 14 May 2018

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

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | G r o u p | | C o m p a n y | |
|---|---|---|---|---|
| | As at 30 Jun 2018 RM'000 | As at 30 Jun 2017 RM'000 | As at 30 Jun 2018 RM'000 | As at 30 Jun 2017 RM'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 58,891 | 76,754 | 4,962 | 12,075 |
| Trade and other receivables | 48,820 | 39,776 | 51,654 | 41,695 |
| Tax recoverable | 1 | 1 | - | - |
| Inventories | 14,029 | 13,551 | - | - |
| Other current assets | 7,401 | 8,375 | 165 | 100 |
| | 129,142 | 138,457 | 56,781 | 53,870 |
| Non-current assets | | | | |
| Trade and other receivables | - | - | - | 137 |
| Other non-current assets | 484 | 460 | 161 | 121 |
| Investments in associated corporations | 15 | 32 | 33 | 35 |
| Investments in subsidiaries | - | - | 637,126 | 677,829 |
| Property, plant and equipment | 462,630 | 278,551 | 779 | 874 |
| | 463,129 | 279,043 | 638,099 | 678,996 |
| Total assets | 592,271 | 417,500 | 694,880 | 732,866 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 109,660 | 67,746 | 4,442 | 3,868 |
| Derivative financial instrument | - | 582 | - | 582 |
| Current income tax liabilities | 5,351 | 4,937 | - | - |
| Borrowings | 89,229 | 74,074 | 75,825 | 63,707 |
| Deferred income | 2,082 | 2,508 | - | - |
| | 206,322 | 149,847 | 80,267 | 68,157 |
| Non-current liabilities | | | | |
| Other payables | 21,051 | - | - | - |
| Borrowings | 107,149 | 89,674 | - | 73,557 |
| Deferred income tax liabilities | 8,688 | 9,332 | - | - |
| | 136,888 | 99,006 | - | 73,557 |
| Total liabilities | 343,210 | 248,853 | 80,267 | 141,714 |
| NET ASSETS | 249,061 | 168,647 | 614,613 | 591,152 |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 590,885 | 557,270 | 590,885 | 557,270 |
| Treasury shares | (1,290) | (1,022) | (1,290) | (1,022) |
| Currency translation reserve | 22,770 | 17,845 | (8,618) | 22,002 |
| Other reserves | (481,830) | (483,118) | 1,304 | 16 |
| Retained earnings | 121,581 | 77,661 | 32,332 | 12,886 |
| | 252,116 | 168,636 | 614,613 | 591,152 |
| Non-controlling interests | (3,055) | 11 | - | - |
| TOTAL EQUITY | 249,061 | 168,647 | 614,613 | 591,152 |

1(b)(ii) In relation to the aggregate amount for the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

(a) Amount repayable in one year or less, or on demand;

| As at 30 Jun 2018 | | As at 30 Jun 2017 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 83,299 | 5,930 | 56,291 | 17,783 |

(b) Amount repayable after one year; and

| As at 30 Jun 2018 | | As at 30 Jun 2017 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 107,149 | - | 89,674 | - |

(c) Details of any collaterals.

The Group

A memorandum of charge and assignment over the Company's shares in certain subsidiaries incorporated in Malaysia, charge on the lands and buildings of certain subsidiaries in Malaysia and charge on the medical suites owned by a subsidiary in Singapore.

The Group's borrowings include finance lease liabilities of approximately RM 12.6 million (FY2017: RM 12.7 million), which are effectively secured as the rights to the hire purchase asset will revert to the hiree in the event of default.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Fourth Quarter Ended | | Twelve Months Ended | |
|---|-----------------------------|---------------|----------------------------|---------------|
| | 30 Jun | 30 Jun | 30 Jun | 30 Jun |
| | 2018 | 2017 | 2018 | 2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash Flows from Operating Activities | | | | |
| Profit after tax | 14,657 | 10,659 | 60,042 | 42,213 |
| Adjustments for: | | | | |
| Income tax expense | 5,725 | 4,694 | 23,808 | 19,841 |
| Depreciation | 6,265 | 5,326 | 21,982 | 20,104 |
| Allowance for impairment of trade and other receivables - net | 29 | 551 | 590 | 2,070 |
| Interest expense | 2,022 | 3,973 | 8,867 | 5,641 |
| Share-based payment expenses | 127 | - | 1,316 | 1,238 |
| Interest income | (302) | (410) | (1,199) | (1,816) |
| Loss on disposal and write-off of property, plant and equipment | 22 | 102 | 46 | 244 |
| Share of (profit)/loss of associated corporations | - | (17) | 1 | (1,348) |
| Currency translation differences | (5,926) | 8,939 | (1,138) | 7,494 |
| Operating cash flow before working capital changes | 22,619 | 33,817 | 114,315 | 95,681 |
| Changes in operating assets and liabilities: | | | | |
| Inventories | (93) | (484) | (443) | 499 |
| Trade and other receivables | (5,016) | 2,563 | (8,322) | 16,852 |
| Other current and non-current assets | 2,046 | (4,201) | 938 | (4,183) |
| Trade and other payables | 5,953 | (15,707) | 2,992 | (15,497) |
| Derivative financial instruments | - | 598 | (582) | 598 |
| Deferred income | 24 | 546 | (307) | 331 |
| Cash provided by operations | 25,533 | 17,132 | 108,591 | 94,281 |
| Interest paid | (1,913) | (2,571) | (7,302) | (4,239) |
| Tax paid | (19,205) | (7,999) | (24,012) | (15,527) |
| Net cash provided by operating activities | 4,415 | 6,562 | 77,277 | 74,515 |
| Cash Flows from Investing Activities | | | | |
| Additions to property, plant and equipment | (8,090) | (3,012) | (30,769) | (10,620) |
| Proceeds from disposal of property, plant and equipment | 23 | - | 534 | 53 |
| Capital injection in an associated corporation | - | (143) | - | (986) |
| Acquisition of non-controlling interests | - | - | - | (217,037) |
| Acquisition of subsidiaries, net of cash held by subsidiaries | (12,782) | - | (12,782) | - |
| Interest received | 302 | 410 | 1,199 | 1,816 |
| Net cash used in investing activities | (20,547) | (2,745) | (41,818) | (226,774) |

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

| | Fourth Quarter Ended | | Twelve Months Ended | |
|--|-----------------------------|-----------------|----------------------------|----------------|
| | 30 Jun | 30 Jun | 30 Jun | 30 Jun |
| | 2018 | 2017 | 2018 | 2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash Flows from Financing Activities | | | | |
| Drawdown of borrowings | 5,930 | - | 5,930 | 171,409 |
| Proceeds from overdraft | 596 | - | 596 | - |
| Repayment of borrowings | (4,032) | (40,296) | (73,023) | (51,040) |
| Payment of borrowing related costs | - | (5,603) | - | (5,603) |
| Repayment of lease liabilities | (1,667) | (1,379) | (6,324) | (6,475) |
| Dividends paid to non-controlling interests by a subsidiary | - | - | - | (11,200) |
| Proceeds from issuance of ordinary shares | - | - | 33,615 | 61,414 |
| Dividends paid to equity holders of the Company | - | - | (16,676) | (4,482) |
| Shareholder loans from non-controlling interests of a subsidiary | 3,110 | - | 3,110 | - |
| Increase in restricted cash | - | (713) | (765) | (713) |
| Purchase of treasury shares | (296) | - | (296) | - |
| Net cash provided by/(used in) financing activities | 3,641 | (47,991) | (53,833) | 153,310 |
| Net (decrease)/increase in cash and cash equivalents | (12,491) | (44,174) | (18,374) | 1,051 |
| Cash and cash equivalents at beginning of financial period | 69,248 | 120,889 | 76,041 | 74,326 |
| Effect of exchange rate changes on cash and cash equivalents | 90 | (674) | (820) | 664 |
| Cash and cash equivalents at end of financial period | 56,847 | 76,041 | 56,847 | 76,041 |
| Cash and equivalents comprise: | | | | |
| Cash and bank balances | 58,891 | 76,754 | 58,891 | 76,754 |
| Restricted cash | (1,448) | (713) | (1,448) | (713) |
| Bank overdraft | (596) | - | (596) | - |
| | 56,847 | 76,041 | 56,847 | 76,041 |

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group

| | Attributable to equity holders of the Company | | | | | | Total Equity RM'000 |
|--|---|------------------------------|--|-----------------------------|--|--|---------------------------|
| | Share Capital RM'000 | Treasury Shares RM'000 | Currency Translation Reserve RM'000 | Other Reserves RM'000 | Retained Earnings/ (Accumulated Losses) RM'000 | Non- controlling Interests RM'000 | |
| Balance as at 1 Jul 2016 | 90,564 | (1,022) | 12,417 | 7,130 | 61,553 | 61,622 | 232,264 |
| Exchange translation difference | - | - | 1,403 | - | - | 2 | 1,405 |
| Net profit for the period | - | - | - | - | 6,170 | 8,340 | 14,510 |
| Total comprehensive income for the financial period | - | - | 1,403 | - | 6,170 | 8,342 | 15,915 |
| Share-based payment | - | - | - | 1,238 | - | - | 1,238 |
| Issue of new shares | 7,200 | - | - | (7,200) | - | - | - |
| Balance as at 30 Sep 2016 | 97,764 | (1,022) | 13,820 | 1,168 | 67,723 | 69,964 | 249,417 |
| Exchange translation difference | - | - | 1,376 | - | - | 2 | 1,378 |
| Net profit for the period | - | - | - | - | 5,332 | 7,084 | 12,416 |
| Total comprehensive income for the financial period | - | - | 1,376 | - | 5,332 | 7,086 | 13,794 |
| Issue of new shares | 4,367 | - | - | (1,100) | - | - | 3,267 |
| Dividend relating to 2016 paid | - | - | - | - | (4,482) | - | (4,482) |
| Balance as at 31 Dec 2016 | 102,131 | (1,022) | 15,196 | 68 | 68,573 | 77,050 | 261,996 |
| Exchange translation difference | - | - | (11,873) | - | - | 2 | (11,871) |
| Net (loss)/(profit) for the period | - | - | - | - | (1,571) | 6,199 | 4,628 |
| Total comprehensive loss/(income) for the financial period | - | - | (11,873) | - | (1,571) | 6,201 | (7,243) |
| Issue of new shares | 455,139 | - | - | - | - | - | 455,139 |
| Dividend paid to non-controlling interests by subsidiary | - | - | - | - | - | (990) | (990) |
| Acquisition of non-controlling interest | - | - | - | (478,371) | - | (82,250) | (560,621) |
| Balance as at 31 Mar 2017 | 557,270 | (1,022) | 3,323 | (478,303) | 67,002 | 11 | 148,281 |
| Exchange translation difference | - | - | 14,522 | - | - | - | 14,522 |
| Net profit for the period | - | - | - | - | 10,659 | - | 10,659 |
| Total comprehensive income for the financial period | - | - | 14,522 | - | 10,659 | - | 25,181 |
| Acquisition of non-controlling interest | - | - | - | (4,815) | - | - | (4,815) |
| Balance as at 30 Jun 2017 | 557,270 | (1,022) | 17,845 | (483,118) | 77,661 | 11 | 168,647 |

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

The Group

| | Attributable to equity holders of the Company | | | | | Non-controlling Interests | Total Equity |
|--|---|--------------------|------------------------------------|-------------------|----------------------|------------------------------|-----------------|
| | Share Capital | Treasury Shares | Currency Translation Reserve | Other Reserves | Retained Earnings | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 Jul 2017 | 557,270 | (1,022) | 17,845 | (483,118) | 77,661 | 11 | 168,647 |
| Exchange translation difference | - | - | 7,881 | - | - | (1) | 7,880 |
| Net profit/(loss) for the period | - | - | - | - | 13,786 | (1) | 13,785 |
| Total comprehensive income/(loss) for the financial period | - | - | 7,881 | - | 13,786 | (2) | 21,665 |
| Balance as at 30 Sep 2017 | 557,270 | (1,022) | 25,726 | (483,118) | 91,447 | 9 | 190,312 |
| Exchange translation difference | - | - | (4,207) | - | - | 1 | (4,206) |
| Net profit/(loss) for the period | - | - | - | - | 15,724 | (2) | 15,722 |
| Total comprehensive (loss)/income for the financial period | - | - | (4,207) | - | 15,724 | (1) | 11,516 |
| Share-based payment | - | 28 | - | 274 | - | - | 302 |
| Issue of new shares | 33,615 | - | - | - | - | - | 33,615 |
| Final FY2017 dividend paid | - | - | - | - | (8,087) | - | (8,087) |
| Balance as at 31 Dec 2017 | 590,885 | (994) | 21,519 | (482,844) | 99,084 | 8 | 227,658 |
| Exchange translation difference | - | - | 1,035 | - | - | 1 | 1,036 |
| Net profit/(loss) for the period | - | - | - | - | 15,880 | (2) | 15,878 |
| Total comprehensive income/(loss) for the financial period | - | - | 1,035 | - | 15,880 | (1) | 16,914 |
| Share-based payment | - | - | - | 915 | - | - | 915 |
| Interim FY2018 dividend paid | - | - | - | - | (8,589) | - | (8,589) |
| Balance as at 31 Mar 2018 | 590,885 | (994) | 22,554 | (481,929) | 106,375 | 7 | 236,898 |
| Exchange translation difference | - | - | 216 | - | - | (1,958) | (1,742) |
| Net profit/(loss) for the period | - | - | - | - | 15,206 | (549) | 14,657 |
| Total comprehensive income/(loss) for the financial period | - | - | 216 | - | 15,206 | (2,507) | 12,915 |
| Purchase of treasury shares | - | (296) | - | - | - | - | (296) |
| Share-based payment | - | - | - | 99 | - | - | 99 |
| Acquisition of subsidiaries | - | - | - | - | - | (555) | (555) |
| Balance as at 30 Jun 2018 | 590,885 | (1,290) | 22,770 | (481,830) | 121,581 | (3,055) | 249,061 |

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

The Company

| | Share Capital RM'000 | Treasury Reserves RM'000 | Other Reserves RM'000 | Retained Earnings/ (Accumulated Losses) RM'000 | Currency Translation Reserves RM'000 | Total Equity RM'000 |
|----------------------------------|----------------------------|--------------------------------|-----------------------------|--|---|---------------------------|
| Balance as at 1 Jul 2016 | 90,564 | (1,022) | 7,078 | (977) | 21,926 | 117,569 |
| Net loss for the period | - | - | - | (6,031) | - | (6,031) |
| Exchange translation difference | - | - | - | - | 2,706 | 2,706 |
| Share-based payment | - | - | 1,238 | - | - | 1,238 |
| Issuance of new shares | 7,200 | - | (7,200) | - | - | - |
| Balance as at 30 Sep 2016 | 97,764 | (1,022) | 1,116 | (7,008) | 24,632 | 115,482 |
| Net loss for the period | - | - | - | (3,428) | - | (3,428) |
| Exchange translation difference | - | - | - | - | 2,720 | 2,720 |
| Issuance of new shares | 4,367 | - | (1,100) | - | - | 3,267 |
| Final FY2016 dividend paid | - | - | - | (4,482) | - | (4,482) |
| Balance as at 31 Dec 2016 | 102,131 | (1,022) | 16 | (14,918) | 27,352 | 113,559 |
| Net loss for the period | - | - | - | (11,145) | - | (11,145) |
| Exchange translation difference | - | - | - | - | 2,965 | 2,965 |
| Issuance of new shares | 455,139 | - | - | - | - | 455,139 |
| Balance as at 31 Mar 2017 | 557,270 | (1,022) | 16 | (26,063) | 30,317 | 560,518 |
| Net profit for the period | - | - | - | 38,949 | - | 38,949 |
| Exchange translation difference | - | - | - | - | (8,315) | (8,315) |
| Balance as at 30 Jun 2017 | 557,270 | (1,022) | 16 | 12,886 | 22,002 | 591,152 |
| Balance as at 1 Jul 2017 | 557,270 | (1,022) | 16 | 12,886 | 22,002 | 591,152 |
| Net profit for the period | - | - | - | 7,134 | - | 7,134 |
| Exchange translation difference | - | - | - | - | (5,086) | (5,086) |
| Balance as at 30 Sep 2017 | 557,270 | (1,022) | 16 | 20,020 | 16,916 | 593,200 |
| Net profit for the period | - | - | - | 15,696 | - | 15,696 |
| Exchange translation difference | - | - | - | - | (13,453) | (13,453) |
| Share-based payment | - | 28 | 274 | - | - | 302 |
| Issuance of new shares | 33,615 | - | - | - | - | 33,615 |
| Final FY2017 dividend paid | - | - | - | (8,087) | - | (8,087) |
| Balance as at 31 Dec 2017 | 590,885 | (994) | 290 | 27,629 | 3,463 | 621,273 |
| Net loss for the period | - | - | - | (3,748) | - | (3,748) |
| Exchange translation difference | - | - | - | - | (15,379) | (15,379) |
| Share-based payment | - | - | 915 | - | - | 915 |
| Interim FY2018 dividend paid | - | - | - | (8,589) | - | (8,589) |
| Balance as at 31 Mar 2018 | 590,885 | (994) | 1,205 | 15,292 | (11,916) | 594,472 |
| Net profit for the period | - | - | - | 17,040 | - | 17,040 |
| Exchange translation difference | - | - | - | - | 3,298 | 3,298 |
| Purchase of treasury shares | - | (296) | - | - | - | (296) |
| Share-based payment | - | - | 99 | - | - | 99 |
| Balance as at 30 Jun 2018 | 590,885 | (1,290) | 1,304 | 32,332 | (8,618) | 614,613 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company has on 24 November 2017 allotted and issued an aggregate of 16,909,272 new ordinary shares in the capital of the Company (the "Placement Shares"), at S\$0.65 per ordinary share in connection with the share placement to a fund managed by Heliconia Capital Management Pte Ltd.

Following the above allotment and issuance of the Placement Shares, the total number of issued ordinary shares in the share capital of the Company has increased from 822,071,608 (which includes 1,209,600 treasury shares) to 838,980,880 (which includes 1,209,600 treasury shares) as at 24 November 2017.

Following the partial vesting of a time-based award comprising of 33,333 shares under the HMI Performance Share Plan 2017 on 1 December 2017, where the award was fulfilled via transfer from treasury shares, the total number of issued ordinary shares in the share capital of the Company remains unchanged at 838,980,880 (which includes 1,336,267 (2017:1,209,600) treasury shares) as at 30 June 2018.

Share buy-backs

The Company purchased an aggregate of 160,000 ordinary shares between 13th and 14th June 2018.

HMI Performance Share Plan 2017

Following the approval of HMI Performance Share Plan 2017 obtained at the annual general meeting of the Company held on 30 October 2017, three awards comprising up to 3,600,000 shares and five awards comprising up to 1,200,000 shares were granted by the Company to certain directors and employees of the Company on 24 November 2017 and 1 December 2017 respectively. In addition, a time-based award of 100,000 shares were granted on 1 December 2017 to an employee, of which, 33,333 shares were vested immediately on 1 December 2017.

| | <u>Total number of shares that may be issued on conversion</u> |
|---|--|
| <u>Addition:</u> | |
| Three awards comprising up to 3,600,000 shares as at 24 November 2017 | 3,600,000 |
| Five awards comprising up to 1,200,000 shares as at 1 December 2017 | 1,200,000 |
| One time-based award comprising of 100,000 shares as at 1 December 2017 | 100,000 |
| <u>Deduction:</u> | |
| Partial vesting of time-based award comprising 33,333 shares as at 1 December 2017 | (33,333) |
| 30 June 2018 | <u>4,866,667</u> |

The above three awards granted as at 24 November 2017 will only be vested upon the achievement of the Group EBIT threshold level and total shareholder return threshold level, and subject to other terms and conditions set out in the award letter, anytime within 4 weeks from the Group's FY2020 Annual General Meeting.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**
(Continued)

The above five awards granted as at 1 December 2017 will only be vested upon achievement of the Group FY2020 EBIT threshold level and/or the total shareholder return threshold level, and subject to other terms and conditions set out in the award letter, anytime within 4 weeks from the Group's FY2020 Annual General Meeting.

The one time-based award granted as at 1 December 2017, 33,333 shares and 33,334 shares will be vested on 30 September 2018 and 30 September 2019 respectively.

As at 30 June 2018, the number of shares that may be issued upon vesting of awards are 4,866,667 shares (30 June 2017: Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total number of issued shares excluding treasury shares is 837,644,613 (30 June 2017: 820,862,008) as at the end of the current financial period. Total number of treasury shares is 1,336,267 and 1,209,600 as at 30 June 2018 and 30 June 2017 respectively.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Following the partial vesting of a time-based award under HMI Performance Share Plan 2017 on 1 December 2017, 33,333 treasury shares were transferred to an employee during the financial year ended 30 June 2018.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements for the twelve months ended 30 June 2018 have not been audited nor reviewed by the independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements of the current reporting year compared with those of the audited financial statements as at 30 June 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 July 2017 have been adopted by the Group. The adoption of these new or amended FRS and INT FRS has no material impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(a) Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

| | Group | | | |
|--|-----------------------------------|--------------------|------------------------------------|--------------------|
| | 3 Months Ended 30 June | | 12 Months Ended 30 June | |
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Net profit attributable to equity holders of the Company (RM'000) | 15,206 | 10,659 | 60,596 | 20,590 |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | 837,774 | 820,862 | 831,019 | 647,105 |
| (i) Basic earnings per share (RM cents per share) | 1.82 | 1.30 | 7.29 | 3.18 |
| Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000) | 842,641 | 820,862 | 833,915 | 650,332 |
| (ii) Diluted earnings per share (RM cents per share) | 1.80 | 1.30 | 7.27 | 3.17 |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

| | As at 30 Jun 2018 | As at 30 Jun 2017 |
|--|-------------------|-------------------|
| The Group | | |
| Net asset value attributable to ordinary shareholders (RM'000) | 252,116 | 168,636 |
| Total number of issued shares excluding treasury shares ('000) | 837,644 | 820,862 |
| Net asset value per share (RM cents per share) | 30.10 | 20.54 |
| The Company | | |
| Net asset value attributable to ordinary shareholders (RM'000) | 614,613 | 591,152 |
| Total number of issued shares excluding treasury shares ('000) | 837,644 | 820,862 |
| Net asset value per share (RM cents per share) | 73.37 | 72.02 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: –**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(i) INCOME STATEMENT

Fourth Quarter

For the three months ended 30 June 2018 ("Q42018"), the Group's turnover increased by 6.7% from RM 111.7 million to RM 119.2 million, when compared with the previous corresponding period ("Q42017"). Turnover from the Group's healthcare business accounted for approximately RM 6.9 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals i.e. Mahkota Medical Centre Sdn. Bhd. ("MMCSB") and Regency Specialist Hospital Sdn. Bhd. ("RSHSB"). The Group's education business registered a flat growth in revenue quarter-on-quarter.

Gross profit margin improved to 34.4% from 33.0% in Q42018 as a result of higher revenue intensity in both hospitals and better cost management. Other gains of RM 0.9 million was lower in Q42018 compared to RM 1.5 million in Q42017. This was mainly due to the recognition of foreign exchange losses of RM 0.1 million in Q42018 compared to foreign exchange gains of RM 0.2 million in Q42017.

(i) INCOME STATEMENT (Continued)

Fourth Quarter (Continued)

Distribution & marketing expenses in Q42018 nearly doubled compared to Q42017 due to increased marketing and promotional efforts, including the rebranding of HMI Group during the quarter. Administrative expenses decreased by RM 0.5 million as compared to the previous corresponding financial period mainly due to better cost management and lower provision for doubtful debts, offset by RM 0.9 million higher depreciation expenses incurred in Q42018. Finance costs decreased by RM 2.0 million mainly due to paydown of the term loan drawn down for the Acquisition of NCI during the financial year.

As a result of the above, the Group reported a 32.8% increase in its profit before tax of RM 20.4 million in Q42018, as compared to RM 15.4 million in Q42017. The profit attributable to shareholders was RM 15.2 million in Q42018 as compared to a RM 10.7 million in Q42017. Loss attributable to non-controlling interests in Q42018 approximating RM 0.5 million was related to the non-controlling interests' share in StarMed and its subsidiaries' losses recorded after the Group's acquisition of 62.5% ownership of StarMed @ Farrer Square ("StarMed"), as announced on SGXNet on 14th May 2018 (the "StarMed Acquisition").

Twelve Months

For the financial year ended 30 June 2018 ("FY2018"), the Group's turnover increased by RM 31.8 million (or 7.3%) from RM 435.8 million to RM 467.6 million, when compared with the financial year ended 30 June 2017 ("FY2017"). Turnover from the Group's healthcare business accounted for approximately RM 31.2 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals i.e. MMCSB and RSHSB. The Group's education business registered a RM 0.7 million increase in revenue due to higher student headcount.

Gross profit margin improved to 35.5% from 33.0% in FY2018 as a result of higher revenue intensity in both hospitals and better cost management. Other gains of RM 2.6 million was recorded in FY2018 compared to RM 2.1 million in FY2017. The increase was mainly due to RM 1.6 million lower foreign exchange losses and offset by one-off gains recorded from sale of medical suites recorded in the previous financial year.

Distribution & marketing expenses in FY2018 were RM 1.9 million higher due to increased marketing and promotional efforts and rebranding of HMI Group which took place in Q42018. Administrative expenses decreased by RM 6.5 million as compared to the previous financial year mainly due to incurrence of RM 8.2 million in professional fees and other costs relating to the acquisition of non-controlling interests in MMCSB and RSHSB (the "Acquisition of NCI") in the previous financial year and RM 1.5 million lower provision for doubtful debts, offset by higher general operating costs in the Group entities. Finance costs increased by RM 3.2 million mainly due to drawdown of the term loan for the purposes of the Acquisition of NCI.

As a result of the above, the Group registered a profit before tax of RM 83.9 million in FY2018, 35.1% higher as compared to RM 62.1 million in FY2017. Tax expense increased by RM 4.0 million mainly due to higher profitability of the hospitals. The profit attributable to shareholders was RM 60.6 million and RM 20.6 million in FY2018 and FY2017 respectively, whereas loss attributable to non-controlling interests was RM 0.6 million in FY2018 as a result of the StarMed Acquisition whereas profit attributable to non-controlling interests was RM 21.6 million in FY2017.

(ii) BALANCE SHEET

The cash and cash equivalents of the Group decreased to RM 58.9 million as at 30 June 2018 from RM 76.8 million as at 30 June 2017 as a result of concerted efforts to pay down the term loan drawn down for the Acquisition of NCI.

Trade and other receivables increased by RM 9.0 million, driven mainly by higher revenue in the last quarter of FY2018 and higher refundable deposits paid. Other current assets decreased by RM 1.0 million mainly due to reclassification prepayments to construction in progress.

The RM 184.1 million increase in property, plant and equipment was mainly due to consolidation of the medical suites and medical equipment, totaling more than RM 148.6 million owned by StarMed upon completion of the StarMed Acquisition, higher capital expenditure in the form of leasehold improvements and new medical equipment by the hospitals, offset by the depreciation expenses.

Current trade and other payables increased by RM 41.9 million mainly due to the consolidation of StarMed and its subsidiary as at 30 June 2018 and timing differences in the payment of vendors. Current income tax liabilities increased by RM 0.4 million when compared to 30 June 2017 due to higher profitability of the hospitals, offset by payments made during the year. In addition, as at 30 June 2018, the Group recorded a non-current payable of RM21.1 million shareholder loan owing to the non-controlling interests of StarMed.

Total borrowings during the financial year increased by RM 32.6 million mainly due to consolidation of the mortgage loans taken up by StarMed, amounting to RM103.0 million, and mainly offset by repayment of term loans during the year.

As at 30 June 2018, the Group's net current liabilities exceeded its current assets by RM 77.2 million. Out of this balance, RM 69.9 million relates to the intended full repayment of the term loan drawn down for the Acquisition of NCI within the next 12 months. The Group had restructured this term loan subsequent to the year end with a longer tenured loan. As for the remaining net current liabilities of RM 7.3 million, the Group expects the future operating profits, cash flow and available credit lines to allow the Group to meet its contractual commitments as they arise.

Share capital increased by RM 33.6 million due to allotment of 16,909,272 New Shares in the capital of the Company (the "Placement Shares"), at S\$0.65 per ordinary share in connection with the Placement to a fund managed by Heliconia Capital Management Pte Ltd.

(iii) CASH FLOW STATEMENT

Fourth Quarter

Net cash from operating activities for the quarter was RM 4.4 million, RM 2.1 million lower than the previous period, mainly due to working capital movements and RM 11.1 million higher tax payments paid during the period compared to corresponding period in the prior year.

Net cash used in investing activities was RM 20.5 million mainly as a result of RM 8.0 million capital expenditure on renovation and medical equipment, and RM 12.8 million cash paid for the StarMed Acquisition, net of cash held by the subsidiary.

Net cash provided by financing activities was RM 3.6 million mainly as a result of a shareholder loan obtained from the non-controlling interests of StarMed.

(iii) CASH FLOW STATEMENT (Continued)

Twelve months

Net cash provided by operating activities of RM 77.3 million was mainly attributable to cash provided by operations of RM 108.6 million offset by interest and tax paid of RM 7.3 million and RM 24.0 million respectively.

Net cash used in investing activities of RM41.8 million was mainly as a result of RM 30.8 million paid for capital expenditure on renovation and medical equipment, and RM 12.8 million cash paid for the StarMed Acquisition, net of cash held by the subsidiary.

Net cash used in financing activities was RM 53.8 million mainly as a result of repayment of borrowings taken to finance the Acquisition of NCI in the previous financial year and dividends of RM 16.7 million paid to equity holders of the Company during the year. These outflows were offset by proceeds of RM 33.6 million from issuance of new shares to a fund managed by Heliconia Capital Management Pte Ltd, as well as a shareholder loan of RM 3.1 million obtained from the non-controlling interests of StarMed.

(iv) USE OF PROCEEDS

Further to the Group's announcement dated 18 May 2018 in relation to the use of proceeds from the Placement to a fund managed by Heliconia Capital Management Pte Ltd, the Group wishes to announce that the net proceeds from the Placement Shares of approximately SGD 1.86 million has not yet been utilised.

- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's hospitals continue to do well with both hospitals in Malaysia registering year-on-year ("yoy") increases in revenue and patient volume. To cope with the growing number of patients at the Group's hospitals, both MMCSB and RSHSB continue to progress on their respective upgrading and expansion plans.

At MMCSB, the hospital continues to focus on developing its Centres of Excellence and expanding and upgrading its facilities to cater to increasing patient loads. The 218-bed capacity RSHSB will be constructing a new hospital extension block adjacent to its existing hospital building to cater to the growing number of patients. Construction is pending necessary approvals and is expected to commence by the end of 2018. With the new extension block, RSHSB will become a 380-bed tertiary hospital with capacity to expand to an eventual 500-bed hospital. The hospital extension block is targeted to be commissioned in 2021.

In Malaysia, an increasing domestic insurance take-up rate, an aging population and increasing regional connectivity are expected to further contribute to the growth of private healthcare services with BMI Research forecasting health expenditure to grow 7.9% p.a. from 2016 to 2020. The recent budget has allocated RM30 million to boost Malaysia's healthcare travel industry. This is in line with its national economic blueprint where healthcare travel has been identified as one of the National Key Economic Areas set to drive the country towards a high-income nation by 2020. Malaysia plans to promote medical tourism with expanded medical tourism packages, special incentives and tax allowance for healthcare facilities promoting medical tourism.

However, the healthcare landscape in Malaysia will remain competitive. In Malacca and Johor where our hospitals operate, the expansion of existing hospitals and the upcoming opening of new hospitals have led to increased competition for patients, doctors and other skilled manpower. This has resulted in higher operating costs, in particular for skilled manpower. In Johor, KPJ Bandar Dato Onn Hospital and Columbia Asia Southkey Hospital are expected to open in the near future. In addition, economic uncertainties has impacted private healthcare expenditure, especially for self-funded patients.

In Singapore, the Group acquired a majority stake in a new private one-stop ambulatory centre called StarMed Specialist Centre ("SSC") in May 2018. The centre has completed renovations and received its licenses to operate from the Singapore Ministry of Health. SSC will officially commence operations in FY2019, and the Group expects to incur gestation start-up losses from its operations for potentially up to 2 to 3 years.

11. If a decision regarding dividend has been made –

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

Yes.

(b) (i) Amount per share.

The Directors are pleased to recommend a final one-tier tax-exempt cash dividend of 1.0 RM cents per ordinary share of the Company (2017: 1.0 RM cents) in respect of the financial year ended 30 June 2018 for approval by shareholders of the Company at the next Annual General Meeting of the Company to be held on 29 October 2018.

(ii) Previous corresponding period.

A final one-tier tax-exempt cash dividend of 1.0 RM cents per ordinary share of the Company in respect of the financial year ended 30 June 2017.

11. If a decision regarding dividend has been made – (Continued)

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

One-tier tax-exempt.

- (d) The date the dividend is payable.**

The proposed final one-tier tax-exempt cash dividend, if approved by shareholders of the Company at the next Annual General Meeting of the Company to be held on 29 October 2018, will be paid on 16 November 2018.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

NOTICE IS HEREBY GIVEN that subject to shareholders' approval being obtained at the Annual General Meeting of the Company to be held on 29 October 2018 the Share Transfer Books and Register of Members of the Company will be closed on 8 November 2018 for the preparation of payment for the proposed final one-tier tax-exempt dividend ("Proposed Final Dividend"). Duly completed registrable transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on 7 November 2018 will be registered to determine shareholders' entitlement to the Proposed Final Dividend. Shareholders whose securities accounts maintained with The Central Depository (Pte) Limited (CDP) are credited with Shares at 5:00p.m. on 7 November 2018 will be entitled to the Proposed Final Dividend.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

| | Hospitals | | Specialist Medical Centre | | Healthcare education and training | | All other segments | | Consolidated | |
|---|--|---------|---------------------------|--------|-----------------------------------|---------|--------------------|-----------|--------------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | | | | | |
| Total segment revenue | 460,880 | 427,101 | - | - | 19,119 | 18,176 | 82,673 | 75,920 | 562,672 | 521,197 |
| Inter-segment revenue | (9,146) | (6,542) | - | - | (3,256) | (2,970) | (82,673) | (75,920) | (95,075) | (85,432) |
| Revenue to external parties | 451,734 | 420,559 | - | - | 15,863 | 15,206 | - | - | 467,597 | 435,765 |
| Adjusted EBIT | 110,614 | 82,799 | (1,392) | | 1,740 | 2,335 | (19,443) | (20,603) | 91,519 | 64,531 |
| Interest expense – net | (100) | 116 | (538) | - | (22) | (46) | (7,008) | (3,895) | (7,668) | (3,825) |
| Share of (loss)/profit of associated corporations | (1) | 1,348 | - | - | - | - | - | - | (1) | 1,348 |
| Profit/ (Loss) before income tax | 110,513 | 84,263 | (1,930) | - | 1,718 | 2,289 | (26,451) | (24,498) | 83,850 | 62,054 |
| Segment assets | 382,004 | 381,212 | 191,116 | - | 9,856 | 10,910 | 9,295 | 25,378 | 592,271 | 417,500 |
| Segment liabilities | 104,441 | 102,289 | 164,334 | - | 5,101 | 5,621 | 69,334 | 140,943 | 343,210 | 248,853 |
| Net assets/ (liabilities) | 277,563 | 278,923 | 26,782 | - | 4,755 | 5,289 | (60,039) | (115,565) | 249,061 | 168,647 |
| Segment information | | | | | | | | | | |
| Investment in associated corporations | 15 | 32 | - | - | - | - | - | - | 15 | 32 |
| Additions to: - property, plant and equipment | 29,237 | 120,693 | 177,069 | - | 207 | 154 | 129 | 25 | 206,642 | 120,872 |
| Depreciation | 20,723 | 19,289 | 465 | - | 614 | 638 | 180 | 177 | 21,982 | 20,104 |
| Geographical Segment | Total sales | | | | | | | | | |
| | 2018 | | 2017 | | | | | | | |
| Singapore | 15,883 | | 15,222 | | | | | | | |
| Malaysia | 451,714 | | 420,543 | | | | | | | |
| | 467,597 | | 435,765 | | | | | | | |
| | Total consolidated non-current assets | | | | | | | | | |
| | 2018 | | 2017 | | | | | | | |
| Singapore | 212,457 | | 15,891 | | | | | | | |
| Malaysia | 250,672 | | 263,152 | | | | | | | |
| | 463,129 | | 279,043 | | | | | | | |
| | Total consolidated capital expenditure | | | | | | | | | |
| | 2018 | | 2017 | | | | | | | |
| Singapore | 177,405 | | 179 | | | | | | | |
| Malaysia | 29,237 | | 120,693 | | | | | | | |
| | 206,642 | | 120,872 | | | | | | | |

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (Continued)**

REVENUE BY SEGMENTS:

Group revenue of RM 467.6 million was RM 31.8 million or 7.3% above that of the previous year. The increase was mainly driven by the increase in revenue from Hospitals segment, up RM 31.2 million from prior year, due to higher patient load and average bill sizes in its two hospitals.

NET PROFIT BY SEGMENTS:

Group net profit before income tax of RM 83.9 million was RM 21.8 million higher than that of the prior year. Profit before income tax of Hospitals segment increased by RM 26.3 million whereas loss before income tax of all other non-hospital segments increased by RM 4.5 million, mainly due to increase in general operating costs.

REVENUE BY GEOGRAPHICAL SEGMENTS:

Higher revenue from Singapore as compared to the previous year arose from the Group's education segment as a result of higher student headcount. Higher revenue from Malaysia arose from the Hospital and other healthcare services segment.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 and 13.

- 15. A breakdown of sales as follows:-**

| | Group | | |
|--|----------------|---------------|---------------|
| | 2018 | 2017 | Change |
| | RM'000 | RM'000 | % |
| (a) Sales reported for first half year | 233,041 | 216,364 | 8 |
| (b) Operating profit after tax before deducting non-controlling interests reported for first half year | 29,507 | 26,926 | 10 |
| (c) Sales reported for second half year | 234,556 | 219,401 | 7 |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year | 30,535 | 15,287 | 100 |

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Final dividend proposed in respect of financial year ended 30 June 2018 will be 1.0 RM cents in cash per share (2017: 1.0 RM cents).

Interim dividend of RM 8,378,046 was paid on 2 March 2018.

Total dividend payable as final dividend would approximate RM 8,376,446 based on the Company's total number of issued shares excluding treasury shares of 837,644,613 as at 30 June 2018. With this payment, total annual dividend paid by the Group would approximate RM 16,754,492.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

None of the relatives of a Director or Chief Executive Officer or Substantial Shareholder of the Company was occupying a managerial position in the Company or any of its principal subsidiaries during FY2018.

18. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained an IPT mandate from shareholders. It does not have any IPT (excluding transaction less than S\$100,000) for the twelve months ended 30 June 2018 that is disclosable under Rule 920(1)(a) (ii) of the SGX-ST Listing Manual.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 of the Mainboard Rules) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dr Gan See Khem
Executive Chairman and Managing Director
27 August 2018