

Unaudited Financial Statements And Dividend Announcement for the second quarter and six months ended 31 December 2015

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.

	Note			Second Quarter Ended			Six Months Ended		
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	+/- %	31 Dec 2015 RM'000	31 Dec 2014 RM'000	+/- %			
Revenue	96,622	85,233	13	190,701	166,972	14			
Cost of services	(66,032)	(58,466)	13	(127,927)	(115,040)	11			
Gross profit	30,590	26,767	14	62,774	51,932	21			
Interest income	451	441	2	890	886	-			
Other gains/ (losses) – net	1,675	(562)	NM	(1,618)	2	NM			
Distribution and marketing costs	(652)	(580)	12	(1,227)	(1,309)	(6)			
Administrative costs	(14,930)	(11,167)	34	(30,411)	(21,550)	41			
Finance costs	(1,110)	(672)	65	(2,296)	(1,334)	72			
Share of results of associates	603	565	7	1,433	890	61			
Profit before tax	16,627	14,792	12	29,545	29,517	-			
Income tax expense	(5,068)	(3,094)	64	(9,682)	(5,768)	68			
Profit after tax	11,559	11,698	(1)	19,863	23,749	(16)			
Other comprehensive income									
Item that may be reclassified subsequently to profit or loss:									
Currency translation differences arising from consolidation – (losses)/ gains	(920)	1,171	NM	4,110	804	NM			
Total comprehensive income	10,639	12,869	(17)	23,973	24,553	(2)			
Profit attributable to:									
Equity holders of the Company	5,394	5,457	(1)	6,776	12,085	(44)			
Non-controlling interests	6,165	6,241	(1)	13,087	11,664	12			
	11,559	11,698	(1)	19,863	23,749	(16)			
Total comprehensive income attributable to:									
Equity holders of the Company	4,475	6,626	(32)	10,879	12,887	(16)			
Non-controlling interests	6,164	6,243	(1)	13,094	11,666	12			
Total comprehensive income	10,639	12,869	(17)	23,973	24,553	(2)			

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):

Note	Second Quarter Ended			Six Months Ended		
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	+/- %	31 Dec 2015 RM'000	31 Dec 2014 RM'000	+/- %
Share-based payment expenses	1,016	676	50	2,268	676	NM
Depreciation	4,816	3,850	25	9,324	7,619	22
Allowance for impairment of trade and other receivables - net	23	1,410	(98)	80	1,445	(94)
Foreign exchange (gain)/ loss						
- realised	(224)	5	NM	105	11	NM
- unrealised	(614)	1,205	NM	3,653	1,205	NM
Loss on sale of properties, and/or plant and equipment	55	4	NM	56	44	27

NM - Not Meaningful

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.

	Group		Company	
	As at 31 Dec 2015 RM'000	As at 30 Jun 2015 RM'000	As at 31 Dec 2015 RM'000	As at 30 Jun 2015 RM'000
ASSETS				
Current assets				
Cash and cash equivalents	50,259	39,076	5,478	2,223
Trade and other receivables	86,108	87,842	46,740	45,792
Tax recoverable	33	21	-	-
Inventories	13,863	12,810	-	-
Other current assets	4,654	3,996	177	230
	154,917	143,745	52,395	48,245
Non-current Assets				
Trade and other receivables	120	107	120	107
Other non-current assets	117	409	117	104
Investments in associated corporations	40,647	37,990	15,039	13,814
Investments in subsidiaries	-	-	65,657	56,418
Property, plant and equipment	179,028	180,475	1,004	743
Deferred tax assets	6,046	9,040	-	-
	225,958	228,021	81,937	71,186
Total Assets	380,875	371,766	134,332	119,431
LIABILITIES				
Current Liabilities				
Trade and other payables	65,500	66,209	2,072	3,407
Current income tax liabilities	4,978	1,033	-	-
Borrowings	23,405	28,885	13,760	16,053
Deferred income	1,019	1,236	-	-
	94,902	97,363	15,832	19,460
Non-Current Liabilities				
Other payables	47,950	52,847	-	-
Borrowings	15,320	11,691	3,810	182
Deferred income tax liabilities	4,727	4,736	-	-
	67,997	69,274	3,810	182
Total Liabilities	162,899	166,637	19,642	19,642
NET ASSETS	217,976	205,129	114,690	99,789
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	90,564	90,564	90,564	90,564
Treasury shares	(47)	(47)	(47)	(47)
Currency translation reserve	13,217	9,114	24,860	16,296
Other reserves	5,362	3,094	5,310	3,042
Retained earnings/ (Accumulated losses)	48,430	41,654	(5,997)	(10,066)
	157,526	144,379	114,690	99,789
Non-controlling interests	60,450	60,750	-	-
TOTAL EQUITY	217,976	205,129	114,690	99,789

(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 31 Dec 2015		As at 30 Jun 2015	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
8,750	14,655	24,951	3,934

(b) Amount repayable after one year; and

As at 31 Dec 2015		As at 30 Jun 2015	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
11,410	3,910	11,132	559

(c) Details of any collaterals.

The Group

A first assignment on the lands and buildings of certain subsidiaries in Malaysia.

The Group's borrowings include finance lease liabilities of approximately RM 9.6 million (FY2015: RM 10.1 million), which are effectively secured as the rights to the hire purchase asset will be reverted to the hiree in the event of default.

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

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.

	Second Quarter Ended		Six Months Ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2015	2014	2015	2014
Note	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities				
Profit after tax	11,559	11,698	19,863	23,749
Adjustments for:				
Income tax expense	5,068	3,094	9,682	5,768
Depreciation	4,816	3,850	9,324	7,619
Allowance for impairment of trade and other receivables - net	23	1,410	80	1,445
Interest expense	1,110	672	2,296	1,334
Share-based payment expenses	1,016	676	2,268	676
Interest income	(451)	(441)	(890)	(886)
Loss on sale of properties, plant and equipment	55	4	56	44
Share of profit of associated corporations	(603)	(565)	(1,433)	(890)
Currency translation differences	686	750	1,718	384
Operating cash flow before working capital changes	<u>23,279</u>	<u>21,148</u>	<u>42,964</u>	<u>39,243</u>
Changes in operating assets and liabilities:				
Inventories	(3)	(206)	(1,053)	(626)
Trade and other receivables	(3,957)	(1,303)	333	(8,130)
Other current assets	322	(1,942)	(291)	(539)
Trade and other payables	1,943	(2,733)	(5,235)	463
Deferred income	(317)	(162)	(317)	(182)
Cash provided by operations	<u>21,267</u>	<u>14,802</u>	<u>36,401</u>	<u>30,229</u>
Interest paid	(1,110)	(672)	(2,296)	(1,334)
Tax paid	(2,197)	(2,155)	(3,513)	(4,368)
Net cash provided by operating activities	<u>17,960</u>	<u>11,975</u>	<u>30,592</u>	<u>24,527</u>
Cash Flows from Investing Activities				
Repayment/ (Drawdown) of loans by associated corporations	4,211	(607)	3,654	(6)
Additions to property, plant and equipment	(1,126)	(1,981)	(6,236)	(5,346)
Proceeds from disposal of property, plant and equipment	5	21	5	25
Capital injection in an associated corporation	(49)	-	(49)	-
Interest received	451	441	890	886
Net cash provided by/ (used in) investing activities	<u>3,492</u>	<u>(2,126)</u>	<u>(1,736)</u>	<u>(4,441)</u>
Cash Flows from Financing Activities				
Drawdown of borrowings	1,663	-	1,663	-
Repayment of borrowings	(5,284)	(694)	(4,524)	(1,758)
Repayment of lease liabilities	(857)	(878)	(2,045)	(1,679)
Dividends paid to non-controlling interests by a subsidiary	(7,658)	(1,532)	(14,294)	(1,532)
Capital injection in a subsidiary from non-controlling interests	900	-	900	-
Net cash used in financing activities	<u>(11,236)</u>	<u>(3,104)</u>	<u>(18,300)</u>	<u>(4,969)</u>
Net increase in cash and cash equivalents	10,216	6,745	10,556	15,117
Cash and cash equivalents at beginning of financial period	39,757	30,385	38,835	22,017
Effect of exchange rate changes on cash and cash equivalents	(103)	40	479	36
Cash and cash equivalents at end of financial period	<u>49,870</u>	<u>37,170</u>	<u>49,870</u>	<u>37,170</u>
Cash and equivalents comprise:				
Cash and bank balances	50,259	37,276	50,259	37,276
Bank overdraft	(389)	(106)	(389)	(106)
	<u>49,870</u>	<u>37,170</u>	<u>49,870</u>	<u>37,170</u>

HEALTH MANAGEMENT INTERNATIONAL LTD
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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 2014	90,564	(47)	5,860	68	14,011	41,737	152,193
Exchange translation difference	-	-	(367)	-	-	-	(367)
Net profit for the period	-	-	-	-	6,628	5,423	12,051
Total comprehensive income for the financial period	-	-	(367)	-	6,628	5,423	11,684
Balance as at 30 Sep 2014	90,564	(47)	5,493	68	20,639	47,160	163,877
Exchange translation difference	-	-	1,169	-	-	2	1,171
Net profit for the period	-	-	-	-	5,457	6,241	11,698
Total comprehensive income for the financial period	-	-	1,169	-	5,457	6,243	12,869
Share-based payment	-	-	-	676	-	-	676
Dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(4,595)	(4,595)
Balance as at 31 Dec 2014	90,564	(47)	6,662	744	26,096	48,808	172,827
Balance as at 1 Jul 2015	90,564	(47)	9,114	3,094	41,654	60,750	205,129
Exchange translation difference	-	-	5,022	-	-	8	5,030
Net profit for the period	-	-	-	-	1,382	6,922	8,304
Total comprehensive income for the financial period	-	-	5,022	-	1,382	6,930	13,334
Dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(14,294)	(14,294)
Share-based payment	-	-	-	1,252	-	-	1,252
Balance as at 30 Sep 2015	90,564	(47)	14,136	4,346	43,036	53,386	205,421
Exchange translation difference	-	-	(919)	-	-	(1)	(920)
Net profit for the period	-	-	-	-	5,394	6,165	11,559
Total comprehensive income for the financial period	-	-	(919)	-	5,394	6,164	10,639
Capital injection in a subsidiary	-	-	-	-	-	900	900
Share-based payment	-	-	-	1,016	-	-	1,016
Balance as at 31 Dec 2015	90,564	(47)	13,217	5,362	48,430	60,450	217,976

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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 2014	90,564	(47)	16	(2,410)	8,180	96,303
Net loss for the period	-	-	-	(807)	-	(807)
Exchange translation difference	-	-	-	-	16	16
Balance as at 30 Sep 2014	90,564	(47)	16	(3,217)	8,196	95,512
Net profit for the period	-	-	-	2,195	-	2,195
Exchange translation difference	-	-	-	-	2,629	2,629
Balance as at 31 Dec 2014	90,564	(47)	16	(1,022)	10,825	100,336
Balance as at 1 Jul 2015	90,564	(47)	3,042	(10,066)	16,296	99,789
Net profit for the period	-	-	-	6,039	-	6,039
Exchange translation difference	-	-	-	-	10,582	10,582
Share-based payment	-	-	1,252	-	-	1,252
Balance as at 30 Sep 2015	90,564	(47)	4,294	(4,027)	26,878	117,662
Net loss for the period	-	-	-	(1,970)	-	(1,970)
Exchange translation difference	-	-	-	-	(2,018)	(2,018)
Share-based payment	-	-	1,016	-	-	1,016
Balance as at 31 Dec 2015	90,564	(47)	5,310	(5,997)	24,860	114,690

- 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.**

There are no changes in the Company's share capital since 30 June 2015.

Share Options and Performance Shares

Pursuant to HMI Employee Share Option Scheme and HMI Performance Share Plan, which were approved at the extraordinary general meeting of the Company held on 23 October 2008, a total of 3,780,000 share options and 8,820,000 awards were granted by the Company on 14 November 2014. As at 31 December 2015, the number of shares that may be issued on conversion of outstanding convertibles is 12,600,000 shares (30 June 2015: Nil), if fully vested. As at 31 December 2015, the number of share options and awards that are vested is 3,780,000 and nil respectively.

- 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 577,071,286 (31 December 2014: 577,071,286) as at the end of the current financial period and as at the end of the immediately preceding year. Total number of treasury shares is 201,000 as at 31 December 2015 and 30 June 2015.

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 31 December 2015.

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

The financial statements for the six months ended 31 December 2015 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 2015.

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 Group adopted the following new/revised FRS that are effective and applicable to the Group for its annual period beginning on 1 July 2015:

Amendments to FRS 19 – Defined Benefit Plans – Employee Contributions
 Amendments to FRS 102 – Share-based Payments
 Amendments to FRS 103 – Business Combinations
 Amendments to FRS 108 – Operating Segments
 Amendments to FRS 16 – Property, Plant and Equipment
 Amendments to FRS 24 – Related Party Disclosures
 Amendments to FRS 38 – Intangible Assets
 Amendments to FRS 113 – Fair Value Measurements

The adoption of the above amended FRS did not have any significant 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 31 December		6 Months Ended 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net profit attributable to equity holders of the Company (RM'000)	5,394	5,457	6,776	12,085
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	577,071	577,071	577,071	577,071
(i) Basic earnings per share (RM cents per share)	0.93	0.95	1.17	2.09
Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000)	589,671	580,851	589,671	580,851
(ii) Diluted earnings per share (RM cents per share)	0.91	0.94	1.15	2.08

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 31 Dec 2015	As at 30 Jun 2015
The Group		
Net asset value attributable to ordinary shareholders (RM'000)	157,526	144,379
Total number of issued shares excluding treasury shares ('000)	577,071	577,071
Net asset value per share (RM cents per share)	27.30	25.02
The Company		
Net asset value attributable to ordinary shareholders (RM'000)	114,690	99,789
Total number of issued shares excluding treasury shares ('000)	577,071	577,071
Net asset value per share (RM cents per share)	19.87	17.29

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

Second Quarter

For the three months ended 31 December 2015 ("Q22016"), the Group's turnover increased by 13% from RM 85.2 million to RM 96.6 million, when compared with the previous corresponding period ("Q22015"). Turnover from the Group's healthcare business accounted for approximately RM 11.4 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 RM 0.1 million increase in revenue due to higher student headcount.

Gross profit margin improved to 31.7% from 31.4% in Q22016 as a result of better cost management but offset by higher expenses arising from input GST which could not be recovered. Other gains of RM 1.7 million was recorded compared to a net losses of RM 0.6 million in the corresponding period in the prior year. This is mainly due to strengthening of the Malaysian ringgit during the quarter which resulted in unrealised foreign exchange gains of RM 0.8 million being recorded in Q22016 whilst unrealised foreign exchanges losses of RM 1.2 million were recorded in Q22015.

(i) INCOME STATEMENT (Continued)

Second Quarter (Continued)

Distribution & marketing expenses in Q22016 were comparable to Q22015. Administrative expenses increased by RM 3.8 million as compared to the previous financial period mainly due to increase in general operating costs, RM 1 million increase in depreciation expenses and RM 0.3 million higher share-based payment expenses in the current period. Finance costs increased by RM 0.4 million as a result of higher balances owing to associated companies.

As a result of the above, the Group registered a 12% increase in profit before tax of RM 16.6 million in Q22016, as compared to RM 14.8 million in Q22015. Tax expense increased by RM 2.0 million due to utilisation of RM1.4 million of deferred tax assets by RSHSB in Q22016. The profit attributable to shareholders was RM 5.4 million and RM 5.5 million in Q22016 and Q22015 respectively, whereas profit attributable to non-controlling interests was RM 6.2 million for both Q22016 and Q22015.

Six Months

For the six months ended 31 December 2015 ("H12016"), the Group's turnover increased by RM 23.7 million and 14% from RM 167.0 million to RM 190.7 million, when compared with the previous corresponding period ("H12015"). Turnover from the Group's healthcare business accounted for approximately RM 23.2 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 0.5 million increase in revenue due to higher student headcount.

Gross profit margin improved to 32.9% from 31.1% in H12016 as a result of better cost management but offset by higher expenses arising from input GST which could not be recovered. Other gains decreased by RM 1.6 million, mainly as a result of RM 3.8 million of unrealised foreign exchange losses recorded in H12016 due to the weakening Malaysian ringgit. In same period last year, RM1.2 million of unrealised foreign exchange losses were recorded in H12015.

Distribution & marketing expenses in H12016 were comparable to H12015. Administrative expenses increased by RM 8.9 million as compared to the previous financial period mainly due to increase in general operating costs, incurrence of RM 1.6 million higher share-based payment expenses, RM 1.7 million increase in depreciation expenses. Finance costs increased by RM 1.0 million as a result of higher balances owing to associated companies. Share of results of associates increased by RM 0.5 million mainly due to reduction in finance costs incurred by associated companies in the current period and gains from sale of medical suites held for sale.

As a result of the above, the Group registered a profit before tax of RM 29.5 million in H12016, relatively similar to H12015. Tax expense increased by RM 3.9 million mainly due to utilisation of RM3.0 million of deferred tax assets by RSHSB in H12016. The profit attributable to shareholders was RM 6.8 million and RM 12.1 million in H12016 and H12015 respectively, whereas profit attributable to non-controlling interests was RM 13.1 million and RM 11.7 million in H12016 and H12015 respectively.

(ii) BALANCE SHEET

The cash and cash equivalents of the Group remained healthy at RM 50.3 million as at 31 December 2015, an increase of RM 11.2 million from 30 June 2015. Inventories increased by RM 1.1 million due to increase in inventories of medical drugs and supplies. The RM 0.7 million increase in other current assets was mainly due to higher rental deposits placed during the current period as a result of relocation of offices by the Company and its training school.

Investment in associated companies increased by RM 2.7 million mainly due to the RM 1.4 million share of results of associated companies recorded and conversion effect as a result of weaker Malaysian ringgit rate during the first half of the financial year. The RM 1.4 million decrease in property, plant and equipment was due to depreciation expenses and offset by acquisition of new medical equipment by the hospitals. Deferred tax assets decreased by RM 3.0 million due to utilisation of tax losses by RSHSB in H12016.

Current income tax liabilities increased by RM 3.9 million since 30 June 2015 due to the full utilisation of tax incentives available to MMCSB in the prior financial year, thus increasing its effective tax rates in the current financial year. Total borrowings during the period decreased by RM 1.9 million mainly due to repayment of term loans and revolving credit lines by RSHSB, offset by the new renovation loan undertaken by the Group's education business as part of the relocation of its training school.

(iii) CASH FLOW STATEMENT

Second Quarter

Net cash from operating activities for the quarter was RM 18.0 million, RM 6.0 million higher than the previous period. This was mainly due to better cash management by the Group.

Net cash provided by investing activities for the current period was RM 3.5 million, compared to a cash outflow of RM 2.1 million in the corresponding period in the previous year. The increase was mainly due to receipt of RM 4.2 million from repayment of loans owing by associated companies in the current quarter, offset by acquisition of new medical equipment by the hospitals. Net cash used in financing activities was also higher at RM 11.2 million mainly due to dividend payment of RM 7.7 million to non-controlling interests during the current period.

Six months

Net cash generated from operating activities for the six months ended 31 December 2015 was RM 30.6 million, RM 6.1 million higher than that in the previous year. This was mainly due to more timely collection of trade and other receivables and better cash management in the current period. Net cash used in investing activities was RM 2.7 million lower at RM 1.7 million, mainly due to receipt of RM 3.7 million from repayment of loans owing by associated companies. Net cash used in financing activities for the current period was RM 18.3 million, RM 13.3 million higher than the prior year, mainly due to dividend payment of RM 14.3 million to non-controlling interests during the current period.

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 increases in revenue and patient volume over the last six months. MMCSB remains a well-regarded brand for healthcare in the region and has been conferred the "Malaysia Medical Tourism Hospital of the Year 2015" award by Frost & Sullivan. Into its 7th year of operations, RSHSB continues its fast growth and looks to further expand its range of specialist healthcare offerings, improve customer service and strengthen connections with the local community.

To cope with the growing number of patients at the Group's hospitals, both MMCSB and RSHSB have commenced their respective upgrading and expansion plans. This includes the addition of a day surgery unit, more inpatient beds and expansion of cancer program at MMCSB, as well as the construction of a new 10-storey medical block at RSHSB. The medical block will have over 100 clinic suites, outpatient procedure areas and more patient beds. Construction is expected to begin in 2016 and will take two years to complete. The estimated investment cost is RM 90 million, which will be funded by external debt and internal cash resources.

In Malaysia, in spite of low commodity prices and the weakening of the Malaysian Ringgit, a healthy rising trend in domestic insurance penetration, an aging population and increasing regional connectivity are still expected to contribute to the growth of private healthcare services. However, the healthcare landscape in Malaysia will remain competitive with new hospitals being developed. Factors which may result in cost pressures include wage inflation due to shortage of skilled manpower and as well as implementation of GST since April 2015. In addition, economic uncertainties might also potentially reduce healthcare expenditure by self-funded patients.

Barring unforeseen circumstances, the Directors are cautiously optimistic about the Group's performance in the current fiscal year.

11. If a decision regarding dividend has been made –

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

None.

(b) (i) Amount per share.

Not applicable.

(ii) Previous corresponding period.

Not applicable.

(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).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

- (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.**

Not applicable.

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

No dividend has been declared/ recommended.

- 13. 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 six months ended 31 December 2015 that is disclosable under Rule 920(1)(a) (ii) of the SGX-ST Listing Manual.

- 14. Negative Confirmation Pursuant to Rule 705(5) of the SGX-ST Listing Manual (Not required for announcement on full year results).**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the six months ended 31 December 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Gan See Khem
Executive Chairman and Managing Director
11 February 2016