PRESS RELEASE **13 November 2015**

HMI Health Management International

HMI's 1Q2016 revenue rises 15% to RM 94.1 million

Highlights

- Growth supported by higher patient load and average bill sizes
- Construction of new Medical Outpatient Block at Regency expected to commence in early 2016

FINANCIAL HIGHLIGHTS	1Q2016	1Q2015	Change
	RM'000	RM'000	%
Revenue	94,079	81,739	15
Gross Profit	32,184	25,165	28
Gross Profit Margin (%)	34.2	30.8	3.4 pts
Profit before tax	12,918	14,725	(12)
Net Profit Attributable to Equity Holders	1,382	6,628	(79)
Basic Earnings per Share (cents)	0.24	1.15	(79)

SINGAPORE - **13 November 2015** - **Health Management International Ltd** ("**HMI**" or the "**Group**"), a fast growing regional private healthcare provider, recorded revenue of RM 94.1 million and net profit attributable to equity holders ("**PATMI**") of RM 1.4 million for the first quarter ended 30 September 2015 ("**1Q2016**"). Excluding unrealised foreign exchange losses of RM 4.2 million and share-based payment expenses of RM 1.3 million, PATMI for 1Q2016 was approximately 3% higher compared to the same period last year ("**1Q2015**").

Revenue for the quarter grew 15% year-on-year, supported by higher patient load and increased average bill sizes per patient at both Mahkota Medical Centre ("**Mahkota**") and Regency Specialist Hospital ("**Regency**") in Malaysia. Being one of the largest and most established hospitals in Malaysia, Mahkota in Malacca continues to build on its strong track record and grew its revenue for the quarter to RM 59.1 million, an increase of 6% from the corresponding period in the previous year. Regency in Johor, which is one of the fastest growing private hospitals in Malaysia, recorded a 29% growth in revenue to RM 32.3 million for 1Q2016.

Due to the factors above, improving economies of scale and an increase in number of surgeries at Regency, gross profit margin for the Group improved to 34.2% in 1Q2016, compared to 30.8% in 1Q2015. However, foreign exchange losses, share-based payments expenses, higher interest and tax expenses resulted in a PATMI of RM 1.4 million for 1Q2016, compared to RM 6.6 million in the previous year.

Cashflow from operations before working capital changes grew 12% year-on-year to RM 20.2 million while the Group's balance sheet remained healthy with a cash position of RM 40.1 million.

Operational Updates

Mahkota Medical Centre

During the latest financial quarter, Mahkota added two additional operating theatres to its Day Surgery Unit to cater to growing demand for day surgeries. The hospital will also add more bed capacity within the existing building in 2016. In addition, Mahkota will expand its cancer programme through the addition of a PET/CT scanner at its acclaimed Mahkota Cancer Centre which is expected to be operational by early 2016.

Regency Specialist Hospital

Regency's revenue grew strongly year-on-year with its patient load surging by 11% and average bill size per patient increasing by 17%. To cope with its rapid pace of growth, Regency will be investing an estimated RM 90 million, funded by external debt and internal cash resources, for the construction of the new 10-storey Medical Outpatient Block ("**MOB**") at the back of its existing hospital building. Construction is expected to commence in early 2016 and completed in 2018. Once completed, the MOB will add more capacity for dedicated outpatient services, additional patient beds and over 100 clinic suites.

Looking ahead

While weak commodity prices, political uncertainty and lower consumer confidence have led to a decline of the Malaysia Ringgit, a healthy rising trend in domestic insurance penetration, an aging population and growing medical tourism in Malaysia are expected to further contribute to the growth of private healthcare services. A recent Business Times article reported that countries like Malaysia and Indonesia, which used to be plagued by the lack of medical capabilities and patient confidence, are moving up the ladder with improved healthcare infrastructure and services. Malaysia's 2020 medical tourism target is 1.9 million foreign patients, up from 770,000 patients in 2013.[1]

HMI Group Chief Executive Officer, Ms. Chin Wei Jia, said, "We believe that the relative affordability of quality healthcare that our hospitals provide coupled with our strong branding will enable the Group to continue growing our market share in Malaysia. Mahkota Medical Centre is well known in the region and the Group will continue leveraging on that to expand our medical tourism receipts. Additionally, we are also excited about our organic growth initiatives at both our hospitals. The resultant expansion in capacity will allow us to cater to increasing patient volumes, which will support the next phase of growth for the Group."

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About Health Management International Ltd

Health Management International Ltd ("**HMI**" or the "**Group**") is a growing private healthcare provider with presence in Singapore, Malaysia and Indonesia. The Group key assets comprise of two tertiary hospitals in Malaysia, the 288 licenced bed Mahkota Medical Centre ("**Mahkota**") in Malacca and the 218 licenced bed Regency Specialist Hospital ("**Regency**") in Johor. The Group also owns and operates the HMI Institute of Health Sciences in Singapore.

For more information, please refer to our website at www.hmi.com.sg.

Investor relations point-of-contact:

Janice Ong / Benjamin Ong / Colin Tan
August Consulting
Tel: +65 6733 8873
Email: janiceong@august.com.sg ; benong@august.com.sg ; colintan@august.com.sg

[1] Business Times – Rising cost, regional rivals weaken Singapore's medical tourism appeal, 11 November 2015