

Unaudited Financial Statements And Dividend Announcement for the fourth quarter and twelve months ended 30 June 2017

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	Fourth Quarter Ended			Twelve Months Ended		
	30 Jun 2017 RM'000	30 Jun 2016 RM'000	+/- %	30 Jun 2017 RM'000	30 Jun 2016 RM'000	+/- %
Turnover	111,731	106,230	5	435,765	397,810	10
Cost of services	(74,838)	(71,096)	5	(292,011)	(268,033)	9
Gross profit	36,893	35,134	5	143,754	129,777	11
Interest income	416	563	(26)	1,822	1,703	7
Other gains/ (losses) – net	1,517	(682)	NM	2,136	1,353	58
Distribution and marketing costs	(841)	(757)	11	(3,011)	(2,703)	11
Administrative costs	(18,676)	(19,808)	(6)	(78,354)	(65,162)	20
Finance costs	(3,973)	(358)	NM	(5,641)	(3,637)	55
Share of results of associates	17	280	(94)	1,348	2,051	(34)
Profit before tax	15,353	14,372	7	62,054	63,382	(2)
Tax	(4,694)	(3,889)	21	(19,841)	(17,931)	11
Profit after tax	10,659	10,483	2	42,213	45,451	(7)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation – gains	14,522	1,707	NM	5,434	3,307	64
Total comprehensive income	25,181	12,190	107	47,647	48,758	(2)
Profit attributable to:						
Equity holders of the Company	10,659	4,872	119	20,590	19,899	3
Non-controlling interests	-	5,611	(100)	21,623	25,552	(15)
	10,659	10,483	2	42,213	45,451	(7)
Total comprehensive income attributable to:						
Equity holders of the Company	25,181	6,577	NM	26,018	23,202	12
Non-controlling interests	-	5,613	(100)	21,629	25,556	(15)
Total comprehensive income	25,181	12,190	107	47,647	48,758	(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	Fourth Quarter Ended			Twelve Months Ended		
	30 Jun 2017 RM'000	30 Jun 2016 RM'000	+/- %	30 Jun 2017 RM'000	30 Jun 2016 RM'000	+/- %
Share-based payment expenses	-	992	(100)	1,238	4,036	(69)
Depreciation	5,326	4,227	26	20,104	18,306	10
Allowance for impairment of trade and other receivables - net	551	2,176	(75)	2,070	3,580	(42)
Foreign exchange loss/ (gain)						
- realised	801	642	25	1,553	711	118
- unrealised	(996)	874	NM	1,695	2,249	(25)
Fair value loss/ (gain) on financial derivatives:						
- realised	-	(9)	(100)	(14)	49	NM
- unrealised	749	(69)	NM	576	(16)	NM
Loss on disposal and write-off of property, plant and equipment	103	45	129	244	95	157
Professional fees and other costs expensed in relation to the acquisition of non-controlling interests ¹	-	-	-	8,234	-	100

NM - Not Meaningful

¹ Refer to announcement made on SGXNet on 11 November 2016

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 2017 RM'000	As at 30 Jun 2016 RM'000	As at 30 Jun 2017 RM'000	As at 30 Jun 2016 RM'000
ASSETS				
Current assets				
Cash and cash equivalents	76,754	78,928	12,075	16,314
Trade and other receivables	44,904	57,384	41,695	42,091
Derivative financial instrument	-	16	-	16
Tax recoverable	1	6	-	-
Inventories	13,551	14,050	-	-
Other current assets	3,247	4,167	100	67
	138,457	154,551	53,870	58,488
Non-current assets				
Trade and other receivables	-	121	137	121
Other non-current assets	460	436	121	114
Investments in associated corporations	32	46,355	35	19,945
Investments in subsidiaries	-	-	677,829	57,942
Property, plant and equipment	278,551	177,867	874	975
Deferred tax assets	-	3,555	-	-
	279,043	228,334	678,996	79,097
Total assets	417,500	382,885	732,866	137,585
LIABILITIES				
Current liabilities				
Trade and other payables	67,746	79,299	3,868	2,953
Derivative financial instrument	582	-	582	-
Current income tax liabilities	4,937	3,673	-	-
Borrowings	71,888	27,495	61,521	13,408
Deferred income	2,508	2,062	-	-
	147,661	112,529	65,971	16,361
Non-current liabilities				
Trade and other payables	-	18,251	-	-
Borrowings	91,860	14,362	75,743	3,655
Deferred income tax liabilities	9,332	5,479	-	-
	101,192	38,092	75,743	3,655
Total liabilities	248,853	150,621	141,714	20,016
NET ASSETS	168,647	232,264	591,152	117,569
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	557,270	90,564	557,270	90,564
Treasury shares	(1,022)	(1,022)	(1,022)	(1,022)
Currency translation reserve	17,845	12,417	22,002	21,926
Other reserves	(483,118)	7,130	16	7,078
Retained earnings/ (accumulated losses)	77,661	61,553	12,886	(977)
	168,636	170,642	591,152	117,569
Non-controlling interests	11	61,622	-	-
TOTAL EQUITY	168,647	232,264	591,152	117,569

(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 2017		As at 30 Jun 2016	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
54,105	17,783	26,893	602

(b) Amount repayable after one year; and

As at 30 Jun 2017		As at 30 Jun 2016	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
91,860	-	10,810	3,552

(c) Details of any collaterals.

The Group

A memorandum of charge and assignment over the Company's shares in certain subsidiaries incorporated in Malaysia and charge on the lands and buildings of certain subsidiaries in Malaysia.

The Group's borrowings include finance lease liabilities of approximately RM 12.7 million (FY2016: RM 9.9 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.

	Note	Fourth Quarter Ended		Twelve Months Ended	
		30 Jun	30 Jun	30 Jun	30 Jun
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities					
Profit after tax		10,659	10,483	42,213	45,451
Adjustments for:					
Income tax expense		4,694	3,889	19,841	17,931
Depreciation		5,326	4,227	20,104	18,306
Allowance for impairment of trade and other receivables - net		551	2,176	2,070	3,580
Interest expense		3,973	358	5,641	3,637
Share-based payment expenses		-	992	1,238	4,036
Interest income		(416)	(563)	(1,822)	(1,703)
Loss on disposal and write-off of property, plant and equipment		103	45	244	95
Share of profit of associated corporations		(17)	(280)	(1,348)	(2,051)
Currency translation differences		9,232	231	7,338	845
Operating cash flow before working capital changes		34,105	21,558	95,519	90,127
Changes in operating assets and liabilities:					
Inventories		(484)	(153)	499	(1,240)
Trade and other receivables		(2,783)	3,126	11,725	372
Other current assets		927	342	944	(148)
Trade and other payables		(15,459)	(758)	(15,344)	4,390
Derivative financial instruments		760	-	598	-
Deferred income		546	1,071	331	757
Cash provided by operations		17,612	25,186	94,272	94,258
Interest paid		(2,571)	(358)	(4,225)	(3,637)
Tax paid		(8,152)	(4,250)	(15,680)	(9,048)
Net cash provided by operating activities		6,889	20,578	74,367	81,573
Cash Flows from Investing Activities					
Drawdown/ (Repayment) of loans by associated corporations		-	3,610	-	(7,840)
Additions to property, plant and equipment		(3,012)	(2,481)	(10,620)	(11,244)
Proceeds from disposal of property, plant and equipment		-	127	53	175
Capital injection in an associated corporation		-	(5,220)	(843)	(5,269)
Acquisition of non-controlling interests and remaining interests in associated corporations		-	-	(217,037)	-
Interest received		416	563	1,822	1,703
Net cash used in investing activities		(2,596)	(3,401)	(226,625)	(22,475)

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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
Note	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Financing Activities				
Drawdown of borrowings	-	4,105	171,409	1,772
Repayment of borrowings	(41,238)	(4,545)	(51,040)	(5,553)
Payment of borrowing related costs	(5,603)	-	(5,603)	-
Repayment of lease liabilities	(1,380)	(864)	(6,475)	(4,291)
Dividends paid to non-controlling interests by a subsidiary	-	-	(11,201)	(14,294)
Increase in restricted cash	(713)	-	(713)	-
Capital injection in a subsidiary from non-controlling interests	-	-	-	900
Purchase of treasury shares	-	(655)	-	(975)
Repayment of amount owing to non-controlling interests of a subsidiary	-	(5,973)	-	(996)
Redemption of redeemable convertible preference shares in a subsidiary by non-controlling interests	-	(1,080)	-	(1,080)
Proceeds from issuance of ordinary shares	-	-	61,414	-
Dividends paid to equity holders of the Company	-	-	(4,482)	-
Net cash (used in)/ provided by financing activities	(48,934)	(9,012)	153,309	(24,517)
Net (decrease)/ increase in cash and cash equivalents	(44,641)	8,165	1,051	34,581
Cash and cash equivalents at beginning of financial period	120,889	65,736	74,326	38,835
Effect of exchange rate changes on cash and cash equivalents	(207)	425	664	910
Cash and cash equivalents at end of financial period	76,041	74,326	76,041	74,326
Cash and equivalents comprise:				
Cash and bank balances	76,754	78,928	76,754	78,928
Restricted cash	(713)	-	(713)	-
Bank overdraft	-	(4,602)	-	(4,602)
	76,041	74,326	76,041	74,326

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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						
	Share Capital	Treasury Shares	Currency Translation Reserve	Other Reserves	Retained Earnings/ (Accumulated Losses)	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Exchange translation difference	-	-	(2,505)	-	-	(5)	(2,510)
Net profit for the period	-	-	-	-	8,669	6,852	15,521
Total comprehensive income for the financial period	-	-	(2,505)	-	8,669	6,847	13,011
Purchase of treasury shares	-	(320)	-	-	-	-	(320)
Share-based payment	-	-	-	776	-	-	776
Balance as at 31 Mar 2016	90,564	(367)	10,712	6,138	57,099	67,297	231,443
Exchange translation difference	-	-	1,705	-	-	2	1,707
Net profit for the period	-	-	-	-	4,454	5,613	10,067
Total comprehensive income for the financial period	-	-	1,705	-	4,454	5,615	11,774
Redemption of redeemable convertible preference shares	-	-	-	-	-	(1,080)	(1,080)
Dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(10,210)	(10,210)
Purchase of treasury shares	-	(655)	-	-	-	-	(655)
Share-based payment	-	-	-	992	-	-	992
Balance as at 30 Jun 2016	90,564	(1,022)	12,417	7,130	61,553	61,622	232,264

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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						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 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 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 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
Net loss for the period	-	-	-	(367)	-	(367)
Exchange translation difference	-	-	-	-	(5,647)	(5,647)
Purchase of treasury shares	-	(320)	-	-	-	(320)
Share-based payment	-	-	776	-	-	776
Balance as at 31 Mar 2016	90,564	(367)	6,086	(6,364)	19,213	109,132
Net profit for the period	-	-	-	5,387	-	5,387
Exchange translation difference	-	-	-	-	2,713	2,713
Purchase of treasury shares	-	(655)	-	-	-	(655)
Share-based payment	-	-	992	-	-	992
Balance as at 30 Jun 2016	90,564	(1,022)	7,078	(977)	21,926	117,569
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
Dividend relating to 2016 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

- 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 26 August 2016 allotted and issued an aggregate of 8,820,000 new ordinary shares in the capital of the Company (the “**New Shares**”), at SGD 0.28 per award to the eligible participants pursuant to the vesting of the awards granted under the HMI Performance Share Plan following the achievement of the prescribed performance targets.

The Company allotted and issued an aggregate of 3,780,000 new ordinary shares in the capital of the Company (the “**New Shares**”) to the option holders following the exercise of options granted under HMI Employee Share Option Scheme on 28 December 2016.

The Company allotted and issued an aggregate of 32,376,432 new ordinary shares in the capital of the Company (the “**Rights Shares**”) on 15 March 2017 pursuant to the renounceable underwritten rights issue of up to 32,376,432 new ordinary shares in the capital of the Company at an issue price of SGD 0.57 for each Rights Share on the basis of 11 Rights Shares for 200 existing ordinary shares held.

Upon the successful completion of the Acquisition on 27 March 2017, the Company allotted and issued an aggregate of 199,822,890 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) to the Sellers. The closing share price on 27 March 2017 was SGD 0.63 per share.

Following the allotment and issuance of the Rights Shares and the Consideration Shares, the total number of issued ordinary shares in the share capital of the Company as at 30 June 2017 was 822,071,608 shares (which includes 1,209,600 treasury shares).

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 30 June 2017, there is nil share that may be issued on conversion of outstanding convertibles (30 June 2016: 12,600,000). All of the 8,820,000 share awards and 3,780,000 share options had been fully allotted as New Shares on 26 August 2016 and 28 December 2016 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 820,862,008 (30 June 2016: 576,062,686) as at the end of the current financial period. Total number of treasury shares is 1,209,600 as at 30 June 2017 and 30 June 2016.

- 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 twelve months ended 30 June 2017.

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 2017 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 2016.

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 2016 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.

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. (Continued)

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net profit attributable to equity holders of the Company (RM'000)	10,659	4,872	20,590	19,899
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	820,862	576,426	647,105	576,840
(i) Basic earnings per share (RM cents per share)	1.30	0.85	3.18	3.45
Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000)	820,862	589,026	650,332	589,440
(ii) Diluted earnings per share (RM cents per share)	1.30	0.83	3.17	3.38

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 2017	As at 30 Jun 2016
The Group		
Net asset value attributable to ordinary shareholders (RM'000)	168,636	170,642
Total number of issued shares excluding treasury shares ('000)	820,862	576,063
Net asset value per share (RM cents per share)	20.54	29.62
The Company		
Net asset value attributable to ordinary shareholders (RM'000)	591,152	117,569
Total number of issued shares excluding treasury shares ('000)	820,862	576,063
Net asset value per share (RM cents per share)	72.02	20.41

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 2017 ("Q42017"), the Group's turnover increased by 5.2% from RM 106.2 million to RM 111.7 million, when compared with the previous corresponding period ("Q42016"). Turnover from the Group's healthcare business accounted for approximately RM 4.4 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 1.1 million increase in revenue due to higher student headcount.

Gross profit margin for Q42017 was comparable to Q42016 at 33.0%. Other gains of RM 1.5 million was recorded in Q42017 compared to other losses of RM 0.7 million recorded in the corresponding period in the prior year. This was mainly due to the strengthening of the Malaysian ringgit during the quarter which resulted in foreign exchange gains of RM 0.2 million whilst foreign exchange losses of RM 1.5 million were recorded in Q42016.

Distribution and marketing expenses in Q42017 were comparable to Q42016. Administrative expenses decreased by RM 1.1 million as compared to the previous financial period mainly due to RM 1.6 million lower provision for doubtful debts. Finance costs increased by RM 3.6 million due to drawdown of SGD 53.0 million from the term loan facility for the purposes of the acquisition of non-controlling interests in MMCSB and RSHSB (the "Acquisition"), announced via SGXNet on 11th November 2016 and completed on 27th March 2017.

As a result of the above, the Group registered a 6.8% increase in profit before tax of RM 15.4 million in Q42017, as compared to RM 14.4 million in Q42016. With the completion of the Acquisition on 27th March 2017, profit attributable to shareholders in Q42017 more than doubled at RM 10.7 million, as compared to RM 4.9 million in Q42016. There was no profit attributable to non-controlling interests in Q42017, as compared to RM 5.6 million in Q42016.

Twelve Months

For the financial year ended 30 June 2017 ("FY2017"), the Group's turnover increased by RM 38.0 million and 9.5% from RM 397.8 million to RM 435.8 million, when compared with the previous financial year ("FY16"). Turnover from the Group's healthcare business accounted for approximately RM 32.4 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 5.6 million increase in revenue due to higher student headcount.

Gross profit margin was slightly higher at 33.0%, compared to 32.6% in FY16. Other gains of RM 2.1 million was recorded in FY17 compared to RM 1.4 million in FY16. The increase was mainly due to gains recorded from sale of medical suites, offset by RM 0.3 million higher foreign exchange losses recorded in FY17, compared to FY16, due to the weakening Malaysian ringgit.

(i) INCOME STATEMENT (Continued)

Twelve Months (Continued)

Distribution and marketing expenses in FY17 were comparable to FY16. Administrative expenses increased by RM 13.2 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 and increase in general operating costs, offset by RM 2.8 million lower share-based payment expenses and RM 1.5 million lower provision for doubtful debts in the current year. Finance costs increased by RM 2.0 million mainly due to drawdown of SGD 53.0 million from the term loan facility for the purposes of the Acquisition and offset by full repayment of amounts owing to the associated companies in the financial year ended 30 June 2016.

As a result of the above, the Group registered a profit before tax of RM 62.1 million in FY17, 2.1% lower as compared to RM 63.4 million in FY16. Tax expense increased by RM 1.9 million mainly due to higher profitability in both hospitals. The profit attributable to shareholders was RM 20.6 million and RM 19.9 million in FY17 and FY16 respectively, whereas profit attributable to non-controlling interests was RM 21.6 million and RM 25.6 million in FY17 and FY16 respectively.

(ii) BALANCE SHEET

The cash and cash equivalents of the Group remained strong at RM 76.8 million as at 30 June 2017 even though RM 41.2 million was paid to service the term loan facility in the fourth quarter of the current financial year.

Trade and other receivables decreased by RM 12.5 million, mainly due to the Acquisition and better collection of receivables during the year. Balances owing by associated and related companies, amounting to RM 11.9 million as at 30 June 2016, were eliminated when the Acquisition was completed in March 2017. Investments in associated companies decreased by RM 46.3 million due to the consolidation of the associated companies' results with the completion of the Acquisition.

The RM 100.7 million increase in property, plant and equipment was due to the consolidation of the hospital building and land held by an associated company, Regency Medical Centre (Seri Alam) Sdn Bhd. ("RMCSA"), at a fair value of RM 101.0 million as a result of the Acquisition, as well as the acquisition of new medical equipment by the hospitals, offset by the depreciation expenses. Deferred tax assets decreased by RM 3.6 million due to utilisation of tax losses by RSHSB in the current period.

Trade and other payables decreased by RM 11.6 million mainly due to payment of RM 11.2 million of dividend to non-controlling shareholders during the year. Total borrowings during the period increased by RM 121.9 million mainly due to drawdown of SGD 53.0 million from the term loan facility for the purposes of the Acquisition. RM 41.2 million was repaid during the fourth quarter.

Non-current trade and other payables to non-controlling interests of a subsidiary of RM 18.3 million was assigned to the Company as a result of the Acquisition. Deferred income tax liabilities increased by 3.9 million mainly due to the consolidation of RMCSA, which owned the hospital building and land, as a result of the Acquisition.

Share capital increased by RM 466.7 million due to allotment of 199.8 million New Shares as consideration for the Acquisition, allotment of 32.4 million New Shares as a result of the Rights Issue, allotment of 12,600,000 New Shares as a result of the vesting of the 8,820,000 performance shares on 26 August 2016 and exercising of 3,780,000 share options on 28 December 2016 by Option holders.

The excess of the purchase consideration paid to acquire the book value of the non-controlling interests were recorded in Other reserves, thus resulting in a negative RM 483.1 million as at 30 June 2017.

(iii) CASH FLOW STATEMENT

Fourth Quarter

Net cash from operating activities for the quarter was RM 6.9 million, RM 13.7 million lower than the previous period. This was mainly due to settlement of outstanding professional fees and other costs payable to vendors engaged for the Acquisition, RM 3.9 million higher tax and RM 2.2 million higher finance costs paid on the term loan facility, offset by better business performances and cash management by the Group.

Net cash used in investing activities for the current period was RM 2.6 million, compared to RM 3.4 million in the corresponding period in the previous year. The decrease was mainly due to RM 5.2 million capital injection into an associated company, offset by the non-recurrence of the RM 3.6 million loan repayment by associated companies in the prior year.

Net cash used in financing activities was RM 48.9 million in the current quarter compared to RM 9.0 million used in the corresponding period in the prior year. The increase was mainly due to RM 36.7 million higher repayment of borrowings, mainly the term loan facility drawn down for the Acquisition.

Twelve Months

Net cash generated from operating activities for the financial year ended 30 June 2017 was RM 74.4 million, RM 7.2 million lower than the previous year. This was mainly due to settlement of outstanding professional fees and other costs payable to vendors engaged for the Acquisition and RM 6.6 million higher tax paid, offset by better business performances and cash management by the Group.

Net cash used in investing activities was RM 226.6 million higher at RM 204.2 million, mainly due to the RM 217.0 million paid to Sellers as part of the Acquisition and offset by non-recurrence receipt of RM 7.8 million from repayment of loans owing by associated companies in prior period, RM 4.4 million lower capital injection into an associated company and RM 0.6 million lower capital expenditure.

Net cash generated from financing activities was RM 153.3 million in the financial year ended 30 June 2017 compared to RM 24.5 million used in the prior year. The RM 177.8 million increase was mainly due to drawdown of RM 167.8 million from a term loan facility and receipt of RM 58.1 million from the rights issue, to finance the payment of the cash consideration to the Sellers as part of the Acquisition, receipt of RM 3.3 million from the exercise of 3,780,000 share options and RM 3.1 million lower dividend paid to non-controlling interests by a subsidiary during the current year. The increase was offset by RM 45.5 million higher repayment of borrowings and payment of RM 5.6 million in borrowing related costs, payment of RM 4.5 million dividends to equity holders of the Company, RM 2.2 million higher repayment of lease liabilities.

(iv) USE OF PROCEEDS

Further to the Group's announcement dated 15 March 2017 in relation to the results of the Rights Issue, the Group wishes to announce that the net proceeds from the Rights Issue of approximately SGD 17.9 million (after deducting estimated cost and expenses incurred in connection with the Rights Issue of approximately SGD 0.6 million) has been fully utilised to partially pay the cash purchase price of the Acquisition.

The above utilisation is in accordance with the Group's intended use.

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. MMCSB remains a well-regarded brand for healthcare in the region and was conferred the "Malaysia Medical Tourism Hospital of the Year" award in 2015 & 2016 by Frost & Sullivan. Into its 8th year of operations, RSHSB continues its fast growth and looks to further expand its range of specialist healthcare offerings, improve customer experience and strengthen connections with the local community. 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 has added a new day surgery centre and has begun its nuclear medicine service with a new Positron Emission Tomography ("PET") scanner. This is in line with the hospital's aim to become a comprehensive "one-stop" medical centre for its local and overseas patients. With a target capacity of 340 beds, MMCSB is also planning to increase operational bed capacity from 266 beds to 300 beds in FY2018. Additionally, MMCSB should benefit in the medium term from macroeconomic tailwinds in the form of government initiatives aimed at developing the Malacca Gateway under the Belt and Road initiative. Coupled with more flights and the proposed upgrading of the Malacca International Airport, the hospital is well-positioned to increase its patient load and capture growth opportunities for medical tourism.

To cater to the growing number of patients, the 218-bed capacity RSHSB will be constructing a new hospital extension block adjacent to its existing hospital building. The new block will add more inpatient beds, clinical services, operating theatres, as well as clinic suites for sale or rental to doctors. Construction is pending necessary approvals and is expected to commence in FY2018. The construction costs for the extension block is estimated at RM160 million and will be funded by debt and internal cash resources. 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 FY2021.

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. In addition, Malaysia is an attractive destination for medical tourists due to availability of medical personnel, quality medical treatment, advanced healthcare infrastructure and cost competitiveness. According to Frost & Sullivan, Malaysia's medical tourism market is set to grow at a forecasted CAGR of 18.5% between 2014 and 2020. In a separate study by the Malaysia Healthcare Travel Council, the medical tourism industry in Malaysia is expected to achieve its targeted 30% year-on-year revenue growth of RM1.3 billion in 2017.

However, the healthcare landscape in Malaysia will remain competitive. In Malacca and Johor where our hospitals operate, new hospitals have opened which have led to increased competition for patients, doctors and other skilled manpower. In addition, economic uncertainties might also potentially reduce healthcare expenditure by self-funded patients.

On 27 March 2017, the Group announced the completion of its consolidation of ownership in 48.9%-owned MMCSB and 60.8%-owned RSHSB to 100% each. Going forward, the enlarged listed healthcare platform as a result of the consolidation will facilitate the Group's regional growth strategy through greater operational flexibility and funding options. Furthermore, investors will benefit from a clearer ownership structure with 100% of MMCSB's and RSHSB's earnings being attributable to shareholders.

Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue to grow in FY2018.

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 1.00 RM cents per ordinary share of the Company (2016: 0.75 RM cents) in respect of the financial year ended 30 June 2017 for approval by shareholders of the Company at the next Annual General Meeting of the Company to be held on 30 October 2017.

(ii) Previous corresponding period.

A final one-tier tax-exempt cash dividend of 0.75 RM cents per ordinary share of the Company in respect of the financial year ended 30 June 2016.

(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 30 October 2017, will be paid on 17 November 2017.

(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 30 October 2017 the Share Transfer Books and Register of Members of the Company will be closed on 9 November 2017 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 8 November 2017 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 8 November 2017 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.

	Hospital and other healthcare services		Healthcare education and training		All other segments		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total segment revenue	427,101	394,311	18,176	11,061	75,920	25,326	521,197	430,698
Inter-segment revenue	(6,542)	(6,123)	(2,970)	(1,439)	(75,920)	(25,326)	(85,432)	(32,888)
Revenue to external parties	420,559	388,188	15,206	9,622	-	-	435,765	397,810
Adjusted EBIT	82,793	78,130	2,335	(455)	(20,603)	(14,410)	64,525	63,265
Interest expense – net	116	(1,234)	(46)	(63)	(3,889)	(637)	(3,819)	(1,934)
Share of profit of associated corporations	1,348	2,051	-	-	-	-	1,348	2,051
Profit before income tax	84,257	78,947	2,289	(518)	(24,492)	(15,047)	62,054	63,382
Segment assets	381,212	344,811	10,910	8,781	25,378	29,293	417,500	382,885
Segment liabilities	102,289	107,092	5,621	5,250	140,943	38,279	248,853	150,621
Net assets	278,923	237,719	5,289	3,531	(115,565)	(8,986)	168,647	232,264
Segment information								
Investment in associated corporations	32	46,355	-	-	-	-	32	46,355
Additions to: - property, plant and equipment	120,693	12,586	154	2,963	25	342	120,872	15,891
Depreciation	19,289	17,563	638	592	177	151	20,104	18,306

Geographical Segment

	Total sales	
	2017	2016
Singapore	15,222	9,639
Malaysia	420,543	388,171
	435,765	397,810
	Total consolidated non-current assets	
	2017	2016
Singapore	15,891	50,984
Malaysia	263,152	177,350
	279,043	228,334
	Total consolidated capital expenditure	
	2017	2016
Singapore	179	3,305
Malaysia	120,693	12,586
	120,872	15,891

REVENUE BY SEGMENTS:

Group revenue of RM 435.8 million was RM 38.0 million or 9.6% above that of the previous year. The increase was mainly driven by the increase in revenue from Hospital and other healthcare services segment, up RM 32.4 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 62.1 million was RM 1.3 million lower than that of the prior year. Profit before income tax of Hospital and other healthcare services segment increased by RM 5.3 million whereas profit before income tax of all other segments fell by RM 6.6 million, mainly due to incurrence of RM 8.2 million in professional fees and other costs relating to the Acquisition and increase in general operating costs, offset by RM 2.8 million lower share-based payment expenses.

REVENUE BY GEOGRAPHICAL SEGMENTS:

Higher revenue from Singapore as compared to previous year arose from the Group's education segment was due to 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		
	2017	2016	Change
	RM'000	RM'000	%
(a) Sales reported for first half year	216,264	190,701	13
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	26,926	19,863	36
(c) Sales reported for second half year	219,501	207,109	6
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	15,287	25,588	(40)

- 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:-**

Total distribution proposed in respect of financial year ended 30 June 2017 will be 1.00 RM cents in cash per share (2016: 0.75 RM cents).

Total dividend payable would approximate RM 8,208,620 based on the Company's total number of issued shares excluding treasury shares of 820,862,008 as at 30 June 2017.

- 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.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chin Koy Nam	74	Spouse of Dr Gan See Khem, Father of Ms Chin Wei Jia and Mr Chin Wei Yao	<u>Position:</u> Group Medical Director of Health Management International Ltd <u>Duties:</u> Advisor to the HMI Group on medical and related matters <u>Year of Appointment:</u> 2014	Ceased as Group Medical Director of Health Management International Ltd on 30 September 2016

- 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. During the financial period ended 30 June 2017, as part of the Acquisition, the Company acquired 500 ordinary shares in the capital of 2M Medical Consultants Pte Ltd ("2M") (or 8.3% of the total issued share capital of 2M) from Dr Fong Chiu Yan, the spouse of Dr Cheah Way Mun, an independent non-executive director of the Company, and accepted an assignment of non interest-bearing shareholder's loans amounting to SGD 277,611.06 owing to her from 2M (or 8.3% of the total outstanding non interest-bearing shareholders' loans of approximately SGD 3,331,334.74 from the shareholders of 2M).

The aggregate consideration for the above acquisition was SGD 739,436, being the SGD equivalent of RM 2,246,406, which was satisfied by a combination of cash amounting to SGD 369,718 and 648,628 Consideration Shares issued at an issue price of SGD 0.57 per Consideration Share.

- 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
24 August 2017