

Unaudited Financial Statements And Dividend Announcement for the fourth quarter and twelve months ended 30 June 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	Fourth Quarter Ended			Twelve Months Ended		
	30 Jun 2015 RM'000	30 Jun 2014 RM'000	+/- %	30 June 2015 RM'000	30 June 2014 RM'000	+/- %
Revenue	95,341	78,680	21	345,224	292,912	18
Cost of services	(68,571)	(58,214)	18	(242,166)	(207,078)	17
Gross profit	26,770	20,466	31	103,058	85,834	20
Interest income	381	1,301	(71)	1,690	2,498	(32)
Other (losses)/ gain – net	(797)	(1,437)	(45)	(581)	1,187	NM
Distribution and marketing costs	(544)	(788)	(31)	(2,458)	(2,698)	(9)
Administrative costs	(11,928)	(8,311)	44	(46,726)	(41,966)	11
Finance costs	(1,126)	(874)	29	(3,354)	(3,562)	(6)
Share of results of associates	1,374	4,588	(70)	3,134	4,906	(36)
Profit before tax	14,130	14,945	(5)	54,763	46,199	19
Income tax credit/ (expense)	5,554	(1,999)	NM	(1,406)	(10,157)	(86)
Profit after tax	19,684	12,946	52	53,357	36,042	48
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation – gains/ (losses)	907	(684)	NM	3,260	1,089	199
Total comprehensive income	20,591	12,262	68	56,617	37,131	52
Profit attributable to:						
Equity holders of the Company	7,833	5,248	49	27,643	16,027	72
Non-controlling interests	11,851	7,698	54	25,714	20,015	28
	19,684	12,946	52	53,357	36,042	48
Total comprehensive income attributable to:						
Equity holders of the Company	8,738	4,564	91	30,897	17,113	81
Non-controlling interests	11,853	7,698	54	25,720	20,018	28
Total comprehensive income	20,591	12,262	68	56,617	37,131	52

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 2015 RM'000	30 Jun 2014 RM'000	+/- %	30 Jun 2015 RM'000	30 Jun 2014 RM'000	+/- %
Share-based payment expenses	1,256	-	NM	3,026	-	NM
Depreciation	4,432	3,783	17	16,239	14,025	16
Allowance for impairment of trade and other receivables - net	697	1,505	(54)	2,029	3,169	(36)
Foreign exchange loss	1,552	1,591	(2)	3,731	1,631	129
Loss/ (Gain) on sale of properties, and/or plant and equipment	17	14	21	66	(8)	NM

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.

	G r o u p		C o m p a n y	
	As at 30 Jun 2015 RM'000	As at 30 Jun 2014 RM'000	As at 30 Jun 2015 RM'000	As at 30 Jun 2014 RM'000
ASSETS				
Current assets				
Cash and cash equivalents	39,076	25,977	2,223	692
Trade and other receivables	87,863	71,185	45,792	47,406
Inventories	12,810	5,311	-	-
Other current assets	4,405	4,534	334	39
	144,154	107,007	48,349	48,137
Non-current Assets				
Trade and other receivables	107	92	107	92
Investments in associated corporations	37,990	37,486	13,814	12,685
Investments in subsidiaries	-	-	56,418	55,248
Property, plant and equipment	180,475	142,569	743	635
Deferred tax assets	9,040	2	-	-
	227,612	180,149	71,082	68,660
Total Assets	371,766	287,156	119,431	116,797
LIABILITIES				
Current Liabilities				
Trade and other payables	66,209	56,413	3,407	6,070
Current income tax liabilities	1,033	1,749	-	-
Borrowings	28,885	33,765	16,053	11,649
Deferred income	1,236	1,091	-	-
	97,363	93,018	19,460	17,719
Non-Current Liabilities				
Other payables	52,847	19,247	-	-
Borrowings	11,691	21,613	182	2,775
Deferred income tax liabilities	4,736	1,085	-	-
	69,274	41,945	182	2,775
Total Liabilities	166,637	134,963	19,642	20,494
NET ASSETS	205,129	152,193	99,789	96,303
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	9,114	5,860	16,296	8,180
Other reserves	3,094	68	3,042	16
Retained earnings/ (Accumulated losses)	41,654	14,011	(10,066)	(2,410)
	144,379	110,456	99,789	96,303
Non-controlling interests	60,750	41,737	-	-
TOTAL EQUITY	205,129	152,193	99,789	96,303

(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 2015		As at 30 Jun 2014	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
24,951	3,934	33,765	-

(b) Amount repayable after one year; and

As at 30 Jun 2015		As at 30 Jun 2014	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
11,132	559	19,040	2,573

(c) Details of any collaterals.

The Company

A memorandum of charge and assignment over all of the Company's shares in a subsidiary incorporated in Malaysia and an associate incorporated in Malaysia.

The Group

In addition to the above, a first assignment on the lands and buildings of certain subsidiaries in Malaysia.

The Group's borrowings include finance lease liabilities of approximately RM 10.1 million (FY2014: RM 11.7 million), which are effectively secured as the rights to the hire purchase asset will be reverted 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
Note	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities				
Profit after tax	19,684	12,946	53,357	36,042
Adjustments for:				
Income tax (credit)/ expense	(5,554)	1,999	1,406	10,157
Depreciation	4,432	3,783	16,239	14,025
Allowance for impairment of trade and other receivables - net	697	1,505	2,029	3,169
Interest expense	1,126	874	3,354	3,562
Share-based payment expenses	1,256	-	3,026	-
Interest income	(381)	(1,301)	(1,690)	(2,498)
Loss/ (Gain) on sale of properties, plant and equipment	17	14	66	(8)
Share of profit of associated corporations	(1,374)	(4,588)	(3,134)	(4,906)
Currency translation differences	(615)	615	1,072	650
Operating cash flow before working capital changes	19,288	15,847	75,725	60,193
Changes in operating assets and liabilities:				
Inventories	1,612	782	(7,499)	220
Trade and other receivables	(5,958)	(727)	(17,570)	(12,396)
Other current assets	(1,055)	1,823	184	1,335
Trade and other payables	(4,085)	(3,861)	7,939	7,030
Deferred income	(12)	391	45	269
Cash provided by operations	9,790	14,255	58,824	56,651
Interest paid	(1,126)	(874)	(3,354)	(3,562)
Tax paid	(1,441)	(118)	(7,512)	(7,923)
Net cash provided by operating activities	7,223	13,263	47,958	45,166
Cash Flows from Investing Activities				
Repayment of loans from associated corporations	2,654	-	1,282	-
Additions to property, plant and equipment	(318)	(4,882)	(10,681)	(12,497)
Proceeds from disposal of property, plant and equipment	227	241	257	458
Capital injection in an associated corporation	-	(123)	-	(123)
Interest received	381	1,301	1,690	2,498
Net cash provided by/ (used in) investing activities	2,944	(3,463)	(7,452)	(9,664)
Cash Flows from Financing Activities				
Drawdown of loan from holding company	529	2,573	529	2,573
Repayment of borrowings	(1,371)	(1,126)	(11,264)	(6,699)
Repayment of lease liabilities	(2,263)	(827)	(6,501)	(7,452)
Dividends paid to non-controlling interests by a subsidiary	(3,644)	(5,833)	(6,707)	(7,365)
Capital injection in a subsidiary from non-controlling interests	-	1,080	-	1,080
Net cash used in financing activities	(6,749)	(4,133)	(23,943)	(17,863)
Net increase in cash and cash equivalents	3,418	5,667	16,563	17,639
Cash and cash equivalents at beginning of financial period	35,298	16,279	22,017	4,309
Effect of exchange rate changes on cash and cash equivalents	119	71	255	69
Cash and cash equivalents at end of financial period	38,835	22,017	38,835	22,017
Cash and equivalents comprise:				
Cash and bank balances	39,076	25,977	39,076	25,977
Bank overdraft	(241)	(3,960)	(241)	(3,960)
	38,835	22,017	38,835	22,017

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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 2013	90,564	(47)	4,774	68	(2,016)	39,056	132,399
Exchange translation difference	-	-	2,920	-	-	4	2,924
Net profit for the period	-	-	-	-	8,157	8,215	16,372
Total comprehensive income for the financial period	-	-	2,920	-	8,157	8,219	19,296
Dividends paid to non-controlling interests	-	-	-	-	-	(1,953)	(1,953)
Balance as at 31 Dec 2013	90,564	(47)	7,694	68	6,141	45,322	149,742
Exchange translation difference	-	-	(1,150)	-	-	(4)	(1,154)
Net profit for the period	-	-	-	-	2,619	4,103	6,722
Total comprehensive income for the financial period	-	-	(1,150)	-	2,619	4,099	5,568
Balance as at 31 Mar 2014	90,564	(47)	6,544	68	8,760	49,421	155,310
Exchange translation difference	-	-	(684)	-	-	-	(684)
Net profit for the period	-	-	-	-	5,251	7,700	12,951
Total comprehensive income for the financial period	-	-	(684)	-	5,251	7,700	12,267
Capital injection in a subsidiary	-	-	-	-	-	1,080	1,080
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	(16,464)	(16,464)
Balance as at 30 Jun 2014	90,564	(47)	5,860	68	14,011	41,737	152,193
Balance as at 1 Jul 2014	90,564	(47)	5,860	68	14,011	41,737	152,193
Exchange translation difference	-	-	802	-	-	2	804
Net profit for the period	-	-	-	-	12,085	11,664	23,749
Total comprehensive income for the financial period	-	-	802	-	12,085	11,666	24,553
Dividends paid to non-controlling interests	-	-	-	-	-	(4,595)	(4,595)
Share-based payment	-	-	-	676	-	-	676
Balance as at 31 Dec 2014	90,564	(47)	6,662	744	26,096	48,808	172,827
Exchange translation difference	-	-	1,547	-	-	2	1,549
Net profit for the period	-	-	-	-	7,725	2,199	9,924
Total comprehensive income for the financial period	-	-	1,547	-	7,725	2,201	11,473
Share-based payment	-	-	-	1,094	-	-	1,094
Balance as at 31 Mar 2015	90,564	(47)	8,209	1,838	33,821	51,009	185,394
Exchange translation difference	-	-	905	-	-	2	907
Net profit for the period	-	-	-	-	7,833	11,851	19,684
Total comprehensive income for the financial period	-	-	905	-	7,833	11,853	20,591
Dividends paid to non-controlling interests	-	-	-	-	-	(2,112)	(2,112)
Share-based payment	-	-	-	1,256	-	-	1,256
Balance as at 30 Jun 2015	90,564	(47)	9,114	3,094	41,654	60,750	205,129

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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 2013	90,564	(47)	16	(14,231)	5,459	81,761
Net loss for the period	-	-	-	(95)	-	(95)
Exchange translation difference	-	-	-	-	3,539	3,539
Balance as at 31 Dec 2013	90,564	(47)	16	(14,326)	8,998	85,205
Net loss for the period	-	-	-	(685)	-	(685)
Exchange translation difference	-	-	-	-	(266)	(266)
Balance as at 31 Mar 2014	90,564	(47)	16	(15,011)	8,732	84,254
Net loss for the period	-	-	-	12,601	-	12,601
Exchange translation difference	-	-	-	-	(552)	(552)
Balance as at 30 Jun 2014	90,564	(47)	16	(2,410)	8,180	96,303
Balance as at 1 Jul 2014	90,564	(47)	16	(2,410)	8,180	96,303
Net profit for the period	-	-	-	712	-	712
Exchange translation difference	-	-	-	-	2,645	2,645
Share-based payment	-	-	676	-	-	676
Balance as at 31 Dec 2014	90,564	(47)	692	(1,698)	10,825	100,336
Net loss for the period	-	-	-	(3,327)	-	(3,327)
Exchange translation difference	-	-	-	-	2,083	2,083
Share-based payment	-	-	1,094	-	-	1,094
Balance as at 31 Mar 2015	90,564	(47)	1,786	(5,052)	12,908	100,186
Net loss for the period	-	-	-	(5,041)	-	(5,041)
Exchange translation difference	-	-	-	-	3,388	3,388
Share-based payment	-	-	1,256	-	-	1,256
Balance as at 30 Jun 2015	90,564	(47)	3,042	(10,066)	16,296	99,789

- 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 2014.

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 2015, the number of shares that may be issued on conversion of outstanding options and awards are 12,600,000 shares (30 June 2014: Nil), if fully vested. As at 30 June 2015, the number of share options and awards that are vested is 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 577,071,286 (30 June 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 30 June 2015 and 30 June 2014.

- 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 nine months ended 30 June 2015.

- 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 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 2014.

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 2014:

FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
Revised FRS 27	Separate Financial Statements
Amendments to FRS 24	Related Party Disclosures
Amendments to FRS 32	Offsetting of Financial Assets and Financial Liabilities
Amendments to FRS 36	Impairment of Assets - Recoverable amount disclosures for non-financial assets
Amendments to FRS 40	Investment property
Amendments to FRS 102	Share-based payment
Amendments to FRS 108	Operating Segments
Amendments to FRS 113	Fair Value Measurement

Apart from enhanced disclosure requirements in the annual financial statements of the Group for the financial year ended 30 June 2015, the adoption of the new/ revised 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 30 June		12 Months Ended 30 June	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net profit attributable to equity holders of the Company (RM'000)	7,833	5,248	27,643	16,027
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)	1.36	0.91	4.79	2.78
Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000)	589,671	577,071	589,671	577,071
(ii) Diluted earnings per share (RM cents per share)	1.33	0.91	4.69	2.78

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 2015	As at 30 Jun 2014
The Group		
Net asset value attributable to ordinary shareholders (RM'000)	144,379	110,456
Total number of issued shares excluding treasury shares ('000)	577,071	577,071
Net asset value per share (RM cents per share)	25.02	19.14
The Company		
Net asset value attributable to ordinary shareholders (RM'000)	99,789	96,303
Total number of issued shares excluding treasury shares ('000)	577,071	577,071
Net asset value per share (RM cents per share)	17.29	16.69

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 2015 ("Q42015"), the Group's turnover increased by 21% from RM 78.7 million to RM 95.3 million, when compared with the previous corresponding period ("Q42014"). Turnover from the Group's healthcare business accounted for approximately RM 16.1 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 0.5 million increase in revenue due to higher student headcount.

Gross profit margin improved to 28.1% from 26.0% in the prior period due to effect cost management. Interest income was 71% lower in Q42015 due to lower amounts owing by associated companies upon the completion of the exercise to restore the Group's ownership of certain hospital assets previously transferred to associated companies. This transaction was completed in Q32015 and announced via SGXNet on 13 March 2015 as a reversal of previous asset restructuring ("Asset Restructuring").

(i) INCOME STATEMENT (Continued)

Fourth Quarter (Continued)

Distribution & marketing expenses in Q42015 were comparable to Q42014. Administrative expenses increased by RM 3.6 million as compared to the previous financial period mainly due to increase in general operating costs as a result of higher patient volume and RM 1.3 million share-based expenses recorded compared to none in Q42014. Finance costs increased by 29% mainly due to the higher amounts owing to associated companies with the completion of the Asset Restructuring in March 2015. Share of results of associates was RM 3.2 million lower when compared to the corresponding period in the prior year because investment properties previously held by the associated companies had been transferred to the Group as part of the Asset Restructuring. As such, there were no revaluation gains recognized by the associated companies in Q42015.

As a result of the above, the Group registered a 5% decrease in profit before tax of RM 14.1 million in Q42015, as compared to RM 14.9 million in Q42014. Tax expense decreased significantly by RM 7.6 million, mainly due to the recognition of deferred tax assets, arising from unutilized tax losses, by RSHSB, amounting to RM 9.0 million. The profit attributable to shareholders was RM 7.8 million and RM 5.2 million in Q42015 and Q42014 respectively, whereas profit attributable to non-controlling interests was RM 11.9 million and RM 7.7 million in Q42015 and Q42014 respectively.

Twelve Months

For the financial year ended 30 June 2015 ("FY2015"), the Group's turnover increased by 18% from RM 292.9 million to RM 345.2 million, when compared with the previous corresponding period ("FY2014"). Turnover from the Group's healthcare business accounted for approximately RM 51.0 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals. The Group's education business registered a RM 1.3 million increase in revenue due to higher student headcount.

Gross profit margin for the current and prior financial years remained consistently strong at 30%. Interest income was 0.8 million lower in FY2015 due to lower amounts owing by associated companies due to the Asset Restructuring. Higher foreign exchanges losses on weakening Malaysian ringgit (RM 3.7 million) and the absence of non-recurring one-off sponsorships received in the first half of FY2014 resulted in other losses of RM 0.6 million for FY2015, compared to a RM 1.2 million of Other gains in FY2014.

Distribution & marketing expenses for FY2015 ended were comparable to the prior financial year. Administrative expenses increased by RM 4.8 million as compared to the previous financial year mainly due to RM 3.0 million of share-based expenses recorded for the first time this year. The remaining increase can be attributable to higher general operating expenses as a result of higher patient volume and higher depreciation expenses as a result of the Asset Restructuring. The rate of increase was lower than the rate of increase in turnover mainly due to improved cost management. Finance expenses for the current financial year decreased by RM 0.2 million due to the repayment of bank borrowings during the year and offset by higher finance costs arising from higher amounts owing to associated companies.

As a result of the above, the Group registered a 19% increase in profit before tax of RM 54.8 million for FY15, as compared to RM 46.2 million in the prior period. Tax expense decreased significantly by RM 8.8 million mainly due to the reversal of deferred tax liabilities in Q32015 as a result of the Asset Restructuring and recognition of deferred tax assets of approximately RM 9.0 million by RSHSB. The profit attributable to shareholders was RM 27.6 million and RM 16.0 million in the current and prior years respectively, whereas profit attributable to non-controlling interests was RM 25.7 million and RM 20.0 million in the financial years ended 2015 and 2014 respectively.

(ii) BALANCE SHEET

The RM 16.7 million increase in current trade and other receivables was mainly attributable to higher credit sales. Inventories increased by RM 7.5 million for which RM 5.8 million of the increase can be attributed to the restoration of the Group's ownership of clinic suites, which are held for sale, as part of the Asset Restructuring. Higher turnover for financial year ended 30 June 2015 contributed to the rest of the increase in inventories of medical drugs and supplies held.

The RM 37.9 million increase in property, plant and equipment was largely due to the Asset Restructuring in Q32015. Deferred tax assets increased by RM 9.0 million as a result of recognition of deferred tax assets, relating to unutilized tax losses, by RSHSB.

Repayment of term loans, bank overdrafts and hire purchase facilities by the two hospitals during the period resulted in a decrease in total borrowings by RM 14.8 million. Deferred tax liabilities increased by RM 3.7 million as a result of increase in property, plant and equipment in MMCSB as a result of the Asset Restructuring.

(iii) CASH FLOW STATEMENT

Fourth Quarter

Net cash from operating activities for the quarter was RM 7.2 million, RM 6.0 million lower than that in the previous period. This was mainly due to higher trade and other receivables and lower trade and other payables balances in Q42015. Net cash provided by investing activities for the current period was RM 2.9 million, an increase of RM 6.4 million as a result of higher repayment of loans from associated companies and a decrease in acquisition of property, plant and equipment. Net cash used in financing activities was higher by RM 2.6 million, when compared to the corresponding period in the prior year, mainly due to RM 2.2 million lower dividend payment made to non-controlling interests during the current period.

Twelve months

Net cash generated from operating activities for the financial year was RM 48.0 million, RM 2.8 million higher than that in the previous year. This was mainly due to higher operating profit in the current year and higher trade and other payables balances as a result of the Asset Restructuring in Q32015, offset by higher trade and other receivables. Net cash used in investing activities was RM 7.5 million, mainly due to acquisition of new medical equipment by the hospitals. Net cash used in financing activities for the current period was RM 23.9 million, RM 6.1 million higher than the prior year, mainly due to higher loan repayment.

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 increases in revenue and patient volume over the latest fiscal year. 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. In its 6th 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 proposed construction of a new 10-storey medical outpatient block at RSHSB.

In Malaysia, despite low commodity prices and political uncertainty leading to a weakening of the Malaysian Ringgit, a healthy rising trend in domestic insurance penetration, an aging population and increasing regional connectivity are still expected to further contribute to the growth of private healthcare services. However, the healthcare landscape in Malaysia will remain competitive with new hospitals being developed. The shortage of skilled manpower remains a challenge for all healthcare operators and may result in cost pressures due to wage inflation.

Barring unforeseen circumstances, the Directors are cautiously optimistic that the Group will continue to perform well in the next fiscal year.

On 7 May 2015, the Group made an announcement via SGXNet confirming that the Group has received non-binding expressions of interest for MMCSB. The Group continually explores and reviews its strategic options with respect to its healthcare business, including considerations relating to a potential sale of MMCSB. The Group has not made any definitive decision with respect to, and has not entered into any definitive agreement for, a potential sale of MMCSB. There is no assurance that any definitive agreement for the sale of MMCSB will be entered into.

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.

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		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External	336,756	285,696	8,468	7,216	5,959	19,052	(5,959)	(19,052)	345,224	292,912
Adjusted EBIT	61,615	48,973	1,656	479	(9,978)	(7,095)	-	-	53,293	42,357
Interest expense – net	(970)	(795)	-	(9)	(694)	(260)	-	-	(1,664)	(1,064)
Share of profit of associated corporations	3,134	4,906	-	-	-	-	-	-	3,134	4,906
Profit before income tax	63,779	53,084	1,656	470	(10,672)	(7,355)	-	-	54,763	46,199
Segment assets	337,808	254,333	6,879	4,138	27,079	28,685	-	-	371,766	287,156
Segment liabilities	125,155	95,672	2,584	3,485	38,898	35,806	-	-	166,637	134,963
Net assets	212,653	158,661	4,295	653	(11,819)	(7,121)	-	-	205,129	152,193
Segment information										
Investment in associated corporations	37,990	37,486	-	-	-	-	-	-	37,990	37,486
Additions to: - property, plant and equipment	48,633	16,076	26	374	132	682	-	-	48,791	17,132
Depreciation	15,645	13,556	516	396	78	73			16,239	14,025
Geographical Segment										
	Total sales									
	2015		2014							
Singapore	8,486		7,230							
Malaysia	336,738		285,682							
	345,224		292,912							
	Total consolidated non-current assets									
	2015		2014							
Singapore	38,840		38,213							
Malaysia	188,772		141,936							
	227,612		180,149							
	Total consolidated capital expenditure									
	2015		2014							
Singapore	158		1,034							
Malaysia	48,633		16,098							
	48,791		17,132							

REVENUE BY SEGMENTS:

Group revenue of RM 345.2 million was RM 52.3 million or 18% 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 51.0 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 54.8 million was RM 8.6 million higher than that of the prior year. Profit before income tax of Hospital and other healthcare services segment increased by RM 10.7 million whereas profit before income tax of all other segments fell by RM 3.3 million, mainly due to RM 3.0 million of share based expenses recorded for the first time in FY2015.

REVENUE BY GEOGRAPHICAL SEGMENTS:

Revenue from Singapore was comparable to previous year. Higher revenue from Malaysia arose from 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		
	2015	2014	Change
	RM'000	RM'000	%
(a) Sales reported for first half year	166,972	145,179	15
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	23,749	16,372	45
(c) Sales reported for second half year	178,252	147,733	21
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	29,608	19,670	51

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

No dividend has been declared or recommended for FY 2015 and FY 2014.

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	72	Spouse of Dr Gan See Khem, Father of Ms Chin Wei Jia	<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 Executive Director of Health Management International Ltd on 28 October 2014
Chin Wei Yao	33	Son of Dr Gan See Khem, Brother of Ms Chin Wei Jia	<u>Position:</u> Director, Finance & Corporate Development of Health Management International Ltd <u>Duties:</u> Supervision of the Group's overall financial reporting matters and driving the development of the Group's hospital and other healthcare services, healthcare education and training business in Singapore and the region <u>Year of Appointment:</u> 2015	NA
Chin Wei Shan	35	Daughter of Dr Gan See Khem, Sister of Ms Chin Wei Jia	<u>Position:</u> Group Marketing Manager of Health Management International Ltd <u>Duties:</u> Developing and implementing the Company's marketing strategy <u>Year of Appointment:</u> 2009	NA

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 2015 that is discloseable under Rule 920(1)(a) (ii) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Dr Gan See Khem
Executive Chairman and Managing Director
27 August 2015