

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

Unaudited Financial Statements And Dividend Announcement for the third quarter and nine months ended 31 March 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	Third Quarter Ended			Nine Months Ended		
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	+/- %	31 Mar 2015 RM'000	31 Mar 2014 RM'000	+/- %
Turnover	82,911	69,053	20	249,883	214,232	17
Cost of services	(58,556)	(49,092)	19	(173,596)	(148,864)	17
Gross profit	24,355	19,961	22	76,287	65,368	17
Interest income	423	649	(35)	1,309	1,198	9
Other gains – net	214	810	(74)	216	2,624	(92)
Distribution and marketing costs	(606)	(622)	(3)	(1,915)	(1,910)	-
Administrative costs	(13,247)	(10,478)	26	(34,797)	(33,657)	3
Finance costs	(894)	(661)	35	(2,228)	(2,688)	(17)
Share of results of associates	870	(331)	NM	1,760	317	NM
Profit before tax	11,115	9,328	19	40,632	31,252	30
Tax	(1,191)	(2,606)	(54)	(6,959)	(8,158)	(15)
Total profit	9,924	6,722	48	33,673	23,094	46
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Currency translation difference arising from consolidation	1,549	(1,154)	NM	2,353	1,770	33
Total comprehensive income	11,473	5,568	106	36,026	24,864	45
Profit attributable to:						
Equity holders of the Company	7,725	2,619	195	19,810	10,776	84
Non-controlling interests	2,199	4,103	(46)	13,863	12,318	13
	9,924	6,722	48	33,673	23,094	46
Total comprehensive income attributable to:						
Equity holders of the Company	9,272	1,469	NM	22,159	12,546	77
Non-controlling interests	2,201	4,099	(46)	13,867	12,318	13
Total comprehensive income	11,473	5,568	106	36,026	24,864	45

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	Third Quarter Ended			Nine Months Ended		
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	+/- %	31 Mar 2015 RM'000	31 Mar 2014 RM'000	+/- %
Share-based payment expenses	1,094	-	NM	1,770	-	NM
Depreciation	4,188	3,557	18	11,807	10,242	15
(Reversal of)/ Provision for doubtful debts – net	(113)	101	NM	1,332	1,662	(20)
Foreign exchange loss	963	24	NM	2,179	40	NM
Loss/ (Gain) on sale of investments, properties, and/or plant and equipment	5	6	(17)	49	(22)	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 31 Mar 2015 RM'000	As at 30 Jun 14 RM'000	As at 31 Mar 2015 RM'000	As at 30 Jun 14 RM'000
ASSETS				
Current assets				
Cash and cash equivalents	35,468	25,977	653	692
Trade and other receivables	82,829	71,185	48,661	47,406
Inventories	14,422	5,311	-	-
Other current assets	3,282	4,534	112	39
	136,001	107,007	49,426	48,137
Non-current Assets				
Trade and other receivables	101	92	101	92
Investments in associated companies	36,113	37,486	13,312	12,685
Investments in subsidiaries	-	-	54,364	55,248
Property, plant and equipment	183,486	142,569	619	635
Deferred tax assets	114	2	-	-
	219,814	180,149	68,396	68,660
Total Assets	355,815	287,156	117,822	116,797
LIABILITIES				
Current Liabilities				
Trade and other payables	104,633	56,413	2,028	6,070
Current income tax liabilities	5,739	1,749	-	-
Borrowings	24,701	33,765	12,153	11,649
Deferred income	1,148	1,091	-	-
	136,221	93,018	14,181	17,719
Non-Current Liabilities				
Trade and other payables	19,247	19,247	-	-
Borrowings	14,953	21,613	3,455	2,775
Deferred income tax liabilities	-	1,085	-	-
	34,200	41,945	3,455	2,775
Total Liabilities	170,421	134,963	17,636	20,494
NET ASSETS	185,394	152,193	100,186	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	8,209	5,860	12,908	8,180
Other reserves	1,838	68	1,786	16
Retained earnings/ (Accumulated losses)	33,821	14,011	(5,025)	(2,410)
	134,385	110,456	100,186	96,303
Non-controlling interests	51,009	41,737	-	-
TOTAL EQUITY	185,394	152,193	100,186	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 31 Mar 2015		As at 30 Jun 2014	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
24,701	-	33,765	-

(b) Amount repayable after one year; and

As at 31 Mar 2015		As at 30 Jun 2014	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
11,714	3,239	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 9.6 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.

	Note	Third Quarter Ended		Nine Months Ended	
		31 Mar	31 Mar	31 Mar	31 Mar
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities					
Net profit after taxation		9,924	6,722	33,673	23,094
Adjustments for:					
Income tax		1,191	2,606	6,959	8,158
Depreciation		4,188	3,557	11,807	10,242
(Reversal of)/ Provision for doubtful debts - net		(113)	101	1,332	1,662
Interest expense		894	661	2,228	2,688
Share-based payment expenses		1,094	-	1,770	-
Interest income		(423)	(649)	(1,309)	(1,198)
Loss/ (Gain) on sale of investments, properties, and/ or plant and equipment		5	6	49	(22)
Share of (profit)/ loss of associated corporations		(870)	331	(1,760)	(317)
Currency translation differences		(302)	(262)	78	1,549
Operating profit before working capital changes		15,588	13,073	54,827	45,856
Changes in current assets/liabilities:					
Inventories		(8,485)	(197)	(9,111)	(561)
Trade and other receivables		(3,483)	(3,095)	(11,613)	(5,700)
Other current assets		1,791	1,061	1,252	(488)
Trade and other payables		48,130	8,381	48,593	8,907
Deferred income		239	154	57	(122)
Cash generated from operations		53,780	19,377	84,005	47,892
Interest paid		(894)	(661)	(2,228)	(2,688)
Tax paid		(1,702)	(2,800)	(6,071)	(7,805)
Net cash provided by operating activities		51,184	15,916	75,706	37,399
Cash Flows from Investing Activities					
Repayment of loans from associated companies		(1,366)	(5,532)	(1,373)	(5,936)
Additions to property, plant and equipment		(40,063)	(5,551)	(45,409)	(7,615)
Disposal of property, plant and equipment		5	-	30	216
Interest received		423	649	1,309	1,198
Net cash used in investing activities		(41,001)	(10,434)	(45,443)	(12,137)
Cash Flows from Financing Activities					
Repayment of borrowings		(7,997)	(1,087)	(9,754)	(5,147)
Repayment of lease liabilities		(2,560)	(2,085)	(4,239)	(6,625)
Dividends paid to non-controlling interests by a subsidiary		(1,532)	-	(3,063)	(1,532)
Net cash used in financing activities		(12,089)	(3,172)	(17,056)	(13,304)
Net (decrease)/ increase in cash and cash equivalents		(1,906)	2,310	13,207	11,958
Cash and cash equivalents at beginning of financial period		37,170	13,973	22,017	4,309
Effect of exchange rate changes on cash and cash equivalents		34	(4)	74	12
Cash and cash equivalents at end of financial period		35,298	16,279	35,298	16,279
Cash and equivalents comprise:					
Cash and bank balances		35,468	21,647	35,468	21,647
Bank overdraft		(170)	(5,368)	(170)	(5,368)
		35,298	16,279	35,298	16,279

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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
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

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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
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	(5,025)	12,908	100,186

- 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 31 March 2015, the number of shares that may be issued on conversion of outstanding convertibles is 12,600,000 shares (31 March 2014/ 30 June 2014: Nil), if fully vested. As at 31 March 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 (31 March 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 March 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 31 March 2015.

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

The financial statements for the nine months ended 31 March 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 ending 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.

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.

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 March		9 Months Ended 31 March	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net profit attributable to equity holders of the Company (RM'000)	7,725	2,619	19,810	10,776
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)	1.34	0.45	3.43	1.87
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)	1.31	0.45	3.36	1.87

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 Mar 2015	As at 30 Jun 2014
The Group		
Net asset value attributable to ordinary shareholders (RM'000)	134,385	110,456
Total number of issued shares excluding treasury shares ('000)	577,071	577,071
Net asset value per share (RM cents per share)	23.29	19.14
The Company		
Net asset value attributable to ordinary shareholders (RM'000)	100,186	96,303
Total number of issued shares excluding treasury shares ('000)	577,071	577,071
Net asset value per share (RM cents per share)	17.36	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

Third Quarter

For the three months ended 31 March 2015 ("Q32015"), the Group's turnover increased by 20% from RM 69.1 million to RM 82.9 million, when compared with the previous corresponding period ("Q32014"). Turnover from the Group's healthcare business accounted for approximately RM 13.7 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 29.4% from 28.9% in Q32014. Other gains decreased by RM 0.6 million, mainly due to foreign exchanges losses on weakening Malaysian ringgit.

Distribution & marketing expenses in Q32015 were comparable to Q32014. Administrative expenses increased by RM 2.8 million as compared to the previous financial period mainly due to increase in general operating costs as a result of higher patient volume. Share of results of associates improved to RM 0.9 million from negative RM 0.3 million mainly due to reduction in finance costs incurred by associated companies in the current period and one-off expenses recorded by the associated companies in Q32014.

(i) INCOME STATEMENT (Continued)

Third Quarter (Continued)

As a result of the above, the Group registered a 19% increase in profit before tax of RM 11.1 million in Q32015, as compared to RM 9.3 million in Q32014. Tax expense decreased significantly by RM 1.4 million due to the reversal of deferred tax liabilities 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"). The profit attributable to shareholders was RM 7.7 million and RM 2.6 million in Q32015 and Q32014 respectively, whereas profit attributable to non-controlling interests was RM 2.2 million and RM 4.1 million in Q32015 and Q32014 respectively.

Nine Months

For the nine months ended 31 March 2015, the Group's turnover increased by 17% from RM 214.2 million to RM 249.9 million, when compared with the previous corresponding period. Turnover from the Group's healthcare business accounted for approximately RM 34.9 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 0.8 million increase in revenue due to higher student headcount.

Gross profit margin remained consistent at 30.5% for nine months ended 31 March 2015 and 2014. Other gains decreased by RM 2.4 million, mainly due to foreign exchanges losses on weakening Malaysian ringgit (RM 2.1 million) and non-recurring one-off sponsorships received in the first half of FY2014.

Distribution & marketing expenses for nine months ended were comparable to the corresponding period in the prior year. Administrative expenses increased by RM 1.1 million as compared to the previous financial period mainly due to higher general operating expenses as a result of higher patient volume but which had been offset by improved cost management by management. Finance expenses for the current period decreased by RM 0.5 million due to the repayment of bank borrowings during the period.

As a result of the above, the Group registered a 30% increase in profit before tax of RM 40.6 million for the nine months ended 31 March 2015, as compared to RM 31.3 million in the prior period. Tax expense decreased by RM 1.2 million mainly due to the reversal of deferred tax liabilities in Q32015. The profit attributable to shareholders was RM 19.8 million and RM 10.8 million in the current and prior periods respectively, whereas profit attributable to non-controlling interests was RM 13.9 million and RM 12.3 million in the nine months ended 2015 and 2014 respectively.

(ii) BALANCE SHEET

The RM 11.6 million increase in current trade and other receivables was mainly attributable to higher credit sales. Inventories increased by RM 9.1 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 nine months ended 31 March 2015 contributed to the rest of the increase in inventories of medical drugs and supplies.

The RM 1.2 million decrease in other current assets was mainly due to amortization of prepayments during the current period. The RM 40.9 million increase in property, plant and equipment was largely due to the Asset Restructuring in Q32015.

Repayment of term loans and hire purchase facilities by the two hospitals during the period resulted in a decrease in total borrowings by RM 15.7 million.

(iii) CASH FLOW STATEMENT

Third Quarter

Net cash from operating activities for the quarter was RM 51.2 million, RM 35.3 million higher than that in the previous period. This was mainly due to higher operating profit in the current period and higher trade and other payables balances as a result of the Asset Restructuring in Q32015. Net cash used in investing activities for the current period was RM 41.0 million, an increase of RM 30.6 million, mainly made up of the acquisition of hospital assets from associated companies and new medical equipment by the hospitals. Net cash used in financing activities was higher at RM 12.1 million due to repayment of borrowings and finance lease liabilities amounting to RM 10.5 million and dividend payment of RM 1.5 million to non-controlling interests during the current period.

Nine months

Net cash generated from operating activities for the nine months was RM 75.7 million, RM 38.3 million higher than that in the previous period. This was mainly due to higher operating profit in the current period and higher trade and other payables balances as a result of the Asset Restructuring in Q32015. Net cash used in investing activities was RM 45.4 million, mainly due to the Asset Restructuring and acquisition of new medical equipment by the hospitals. Net cash used in financing activities for the current period was RM 17.1 million. This was RM 3.8 million higher than the prior period due to increase in repayment of borrowings of RM 4.6 million, RM 1.5 million higher dividends paid to non-controlling interests by subsidiary and offset by RM 2.4 million lower repayment of finance lease liabilities.

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 registering increases in revenue. MMCSB continues to be a well-regarded brand for healthcare in the region and has also successfully achieved a full 4-year accreditation of Malaysian Society for Quality in Health ("MSQH"), 4th edition. In its 6th year of operations, RSHSB is focused on expanding its range of specialist healthcare offerings, improving customer service and strengthening connections with the local community.

In Southeast Asia, the growing middle income and ageing population across the region continues to drive the demand for quality healthcare services. In Malaysia, a healthy growth trend in the domestic private insurance market and increasing regional connectivity are expected to further contribute to the growth of private healthcare services.

On 1 April 2015, the Malaysian government implemented a Goods and Services Tax of six percent. The healthcare landscape in Malaysia will remain competitive with new hospitals being developed, particularly in Malacca and Johor which are the Group's main markets. The shortage of skilled healthcare manpower remains a challenge for all healthcare operators in Malaysia. In Malacca, the Oriental Melaka Straits Medical Centre has begun operations and in Johor, Gleneagles Medini has announced that it will commence operations within the year.

Barring unforeseen circumstances, the Directors are cautiously optimistic that the Group will continue to perform well for the rest of the 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.

In accordance with Rule 705(2)(c) of the SGX-ST Listing Manual, the Group is required to announce its financial results on a quarterly basis since its market capitalization exceeded S\$75 million. This is the first quarterly financial results announcement and going forward, the Group will announce its financial results on quarterly basis.

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 nine months ended 31 March 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 three months and nine months ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Gan See Khem
Executive Chairman and Managing Director
12 May 2015