

Unaudited Financial Statements And Dividend Announcement for the fourth quarter and twelve months ended 30 June 2019

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.

	Fourth Quarter Ended			Twelve Months Ended		
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	+/- %	30 Jun 2019 RM'000	30 Jun 2018 RM'000	+/- %
Turnover	131,100	119,198	10	509,403	467,597	9
Cost of services	(87,850)	(78,169)	12	(333,709)	(301,789)	11
Gross profit	43,250	41,029	5	175,694	165,808	6
Interest income	388	302	28	1,533	1,199	28
Other gains	2,914	881	<i>NM</i>	1,716	2,547	(33)
Distribution and marketing costs	(2,705)	(1,653)	64	(8,095)	(4,960)	63
Administrative costs						
- Impairment loss on financial assets	(773)	(62)	<i>NM</i>	(877)	(624)	41
- Others	(20,846)	(18,093)	15	(86,781)	(71,252)	22
Finance costs	(3,176)	(2,022)	57	(14,371)	(8,867)	62
Share of results of associates	(81)	-	100	(196)	(1)	<i>NM</i>
Profit before tax	18,971	20,382	(7)	68,623	83,850	(18)
Tax	(7,638)	(5,725)	33	(27,619)	(23,808)	16
Profit after tax	11,333	14,657	(23)	41,004	60,042	(32)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Cash flow hedges						
- Fair value losses	(1,192)	-	100	(2,457)	-	100
- Reclassification	55	-	100	99	-	100
Currency translation differences arising from consolidation						
- Gains	(2,959)	254	<i>NM</i>	1,986	3,200	(38)
- Reclassification	-	-	<i>NM</i>	-	1,764	(100)
Total comprehensive income	7,237	14,911	(51)	40,632	65,006	(37)
Profit/(loss) attributable to:						
Equity holders of the Company	13,505	15,206	(11)	48,835	60,596	(19)
Non-controlling interests	(2,172)	(549)	<i>NM</i>	(7,831)	(554)	<i>NM</i>
	11,333	14,657	(23)	41,004	60,042	(32)
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	9,866	15,423	(36)	49,381	65,522	(25)
Non-controlling interests	(2,629)	(512)	<i>NM</i>	(8,749)	(516)	<i>NM</i>
Total comprehensive income	7,237	14,911	(51)	40,632	65,006	(37)

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):

	Fourth Quarter Ended			Twelve Months Ended		
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	+/- %	30 Jun 2019 RM'000	30 Jun 2018 RM'000	+/- %
Share-based payment expenses	570	99	<i>NM</i>	2,145	1,316	63
Amortisation and depreciation	8,183	6,265	31	29,605	21,999	35
Foreign exchange (gain)/ loss						
- realised	(2,655)	(89)	<i>NM</i>	2,796	1,819	54
- unrealised	324	236	37	605	(114)	<i>NM</i>
Loss on disposal and write-off of property, plant and equipment	72	22	<i>NM</i>	179	46	<i>NM</i>
Professional fees incurred in relation to acquisition of stakes in Plus Medical ¹	-	-	<i>NM</i>	709	-	100
Professional fees incurred on the scheme of arrangement exercise ²	605	-	100	605	-	100

NM - Not Meaningful

¹ Refer to announcement made on SGXNet on 14 December 2019 and 15 March 2019

² Refer to announcement made on SGXNet on 5 July 2019

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

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30 Jun 2019 RM'000	As at 30 Jun 2018 RM'000	As at 30 Jun 2019 RM'000	As at 30 Jun 2018 RM'000
ASSETS				
Current assets				
Cash and cash equivalents	81,907	58,891	19,027	4,962
Trade and other receivables	45,205	44,234	12,121	51,698
Tax recoverable	180	1	-	-
Inventories	14,616	14,029	-	-
Other current assets	5,677	10,820	651	120
	147,585	127,975	31,799	56,780
Non-current assets				
Trade and other receivables	-	-	58,119	-
Other non-current assets	1,397	484	167	161
Investments in associated corporations	12,604	15	-	33
Investments in subsidiaries	-	-	627,727	637,126
Property, plant and equipment	593,197	459,165	1,293	779
Intangible assets	1,233	430	-	-
	608,431	460,094	687,306	638,099
Total assets	756,016	588,069	719,105	694,879
LIABILITIES				
Current liabilities				
Trade and other payables	102,028	110,026	5,756	4,441
Derivative financial instrument	2,410	-	-	-
Current income tax liabilities	6,688	5,351	-	-
Borrowings	33,657	89,229	16,845	75,825
	144,783	204,606	22,601	80,266
Non-current liabilities				
Other payables	22,244	20,984	-	-
Borrowings	307,044	107,149	389	-
Deferred capital grants	1,016	616	-	-
Deferred income tax liabilities	8,411	8,688	-	-
	338,715	137,437	389	-
Total liabilities	483,498	342,043	22,990	80,266
NET ASSETS	272,518	246,026	696,115	614,613
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	590,885	590,885	590,885	590,885
Treasury shares	(1,837)	(1,290)	(1,837)	(1,290)
Currency translation reserve	24,968	22,771	9,881	(8,618)
Other reserves	(483,506)	(481,830)	3,411	1,304
Retained earnings	153,600	121,581	93,775	32,332
	284,110	252,117	696,115	614,613
Non-controlling interests	(11,592)	(6,091)	-	-
TOTAL EQUITY	272,518	246,026	696,115	614,613

1(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 2019		As at 30 Jun 2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
16,874	16,783	83,299	5,930

(b) Amount repayable after one year; and

As at 30 Jun 2019		As at 30 Jun 2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
307,044	-	107,149	-

(c) Details of any collaterals.

The Group

A memorandum of charge on the lands and buildings of certain subsidiaries in Malaysia and charge on the medical suites owned by a subsidiary in Singapore.

The Group's borrowings include finance lease liabilities of approximately RM 46.8 million (FY2018: RM 12.6 million), which are effectively secured as the rights to the hire purchase asset will revert 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 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Cash Flows from Operating Activities				
Profit after tax	11,333	14,657	41,004	60,042
Adjustments for:				
Income tax expense	7,638	5,725	27,619	23,808
Amortisation and depreciation	8,183	6,265	29,605	21,999
Amortisation of deferred capital grants	(114)	-	(353)	-
Allowance for impairment of trade and other receivables - net	776	29	877	624
Interest expense	3,176	2,022	14,371	8,867
Share-based payment expenses	570	99	2,145	1,316
Interest income	(388)	(302)	(1,533)	(1,199)
Loss on disposal and write-off of property, plant and equipment	72	22	179	46
Share of loss of associated corporations	81	-	196	1
Currency translation differences	1,589	(5,898)	9,829	856
Operating cash flow before working capital changes	32,916	22,619	123,939	116,360
Changes in operating assets and liabilities:				
Inventories	258	(93)	(582)	(443)
Trade and other receivables	7,823	(5,016)	(1,650)	(8,355)
Other current and non-current assets	1,576	2,046	4,329	938
Trade and other payables	14,818	5,568	13,424	17
Derivative financial instruments	(47)	-	(47)	(582)
Cash provided by operations	57,344	25,124	139,413	107,935
Interest paid	(2,697)	(1,913)	(11,397)	(7,302)
Tax paid	(14,841)	(19,205)	(24,503)	(24,038)
Net cash provided by operating activities	39,806	4,006	103,513	76,595
Cash Flows from Investing Activities				
Additions to property, plant and equipment	(11,851)	(8,090)	(143,331)	(29,904)
Additions to intangible assets	(1,666)	-	(1,666)	(430)
Proceeds from disposal of property, plant and equipment	9	23	429	534
Acquisition of interests in an associated corporation	-	-	(12,677)	-
Acquisition of subsidiaries, net of cash held by subsidiaries	-	(12,782)	1	(12,782)
Interest received	388	302	1,533	1,199
Net cash used in investing activities	(13,120)	(20,547)	(155,711)	(41,383)

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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)

	<u>Fourth Quarter Ended</u>		<u>Twelve Months Ended</u>	
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Cash Flows from Financing Activities				
Drawdown of borrowings	21,798	5,930	335,197	5,930
Proceeds from overdraft	-	596	-	-
Repayment of borrowings	(22,987)	(4,032)	(230,991)	(73,023)
Payment of borrowing related costs	-	-	(1,267)	-
Repayment of lease liabilities	(2,382)	(1,667)	(10,907)	(6,323)
Government grants received	-	409	731	545
Proceeds from issuance of ordinary shares	-	-	-	33,615
Dividends paid to equity holders of the Company	-	-	(16,816)	(16,676)
Shareholder loan from non-controlling interest of a subsidiary	-	3,110	1,098	3,406
Decrease/ (Increase) in restricted cash	-	-	1,423	(765)
Purchase of treasury shares	-	(296)	(585)	(296)
Net cash (used in)/ provided by financing activities	(3,571)	4,050	77,883	(53,587)
Net increase/ (decrease) in cash and cash equivalents	23,115	(12,491)	25,685	(18,375)
Cash and cash equivalents at beginning of financial period	58,766	69,248	56,022	76,041
Effect of exchange rate changes on cash and cash equivalents	(825)	90	(651)	(819)
Cash and cash equivalents at end of financial period	81,056	56,847	81,056	56,847
Cash and equivalents comprise:				
Cash and bank balances	81,907	58,891	81,907	58,891
Restricted cash	-	(1,448)	-	(1,448)
Bank overdraft	-	(596)	-	(596)
Bank deposits pledged	(851)	-	(851)	-
	81,056	56,847	81,056	56,847

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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
	Share Capital	Treasury Shares	Currency		Retained Earnings	Non-controlling Interests	
			Translation Reserve	Other Reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 Jul 2017	557,270	(1,022)	17,845	(483,118)	77,661	11	168,647
Exchange translation difference	-	-	7,881	-	-	(1)	7,880
Net profit/(loss) for the period	-	-	-	-	13,786	(1)	13,785
Total comprehensive income/(loss) for the financial period	-	-	7,881	-	13,786	(2)	21,665
Balance as at 30 Sep 2017	557,270	(1,022)	25,726	(483,118)	91,447	9	190,312
Exchange translation difference	-	-	(4,207)	-	-	1	(4,206)
Net profit/(loss) for the period	-	-	-	-	15,724	(2)	15,722
Total comprehensive (loss)/income for the financial period	-	-	(4,207)	-	15,724	(1)	11,516
Treasury shares issued	-	28	-	(28)	-	-	-
Share-based payment	-	-	-	302	-	-	302
Issue of new shares	33,615	-	-	-	-	-	33,615
Final FY2017 dividend paid	-	-	-	-	(8,087)	-	(8,087)
Balance as at 31 Dec 2017	590,885	(994)	21,519	(482,844)	99,084	8	227,658
Exchange translation difference	-	-	1,035	-	-	1	1,036
Net profit/(loss) for the period	-	-	-	-	15,880	(2)	15,878
Total comprehensive income/(loss) for the financial period	-	-	1,035	-	15,880	(1)	16,914
Share-based payment	-	-	-	915	-	-	915
Interim FY2018 dividend paid	-	-	-	-	(8,589)	-	(8,589)
Balance as at 31 Mar 2018	590,885	(994)	22,554	(481,929)	106,375	7	236,898
Exchange translation difference	-	-	217	-	-	37	254
Net profit/(loss) for the period	-	-	-	-	15,206	(549)	14,657
Total comprehensive income/(loss) for the financial period	-	-	217	-	15,206	(512)	14,911
Purchase of treasury shares	-	(296)	-	-	-	-	(296)
Share-based payment	-	-	-	99	-	-	99
Acquisition of subsidiaries	-	-	-	-	-	(5,586)	(5,586)
Balance as at 30 Jun 2018	590,885	(1,290)	22,771	(481,830)	121,581	(6,091)	246,026

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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		Retained Earnings RM'000	Non- controlling Interests RM'000	
			Translation Reserve RM'000	Other Reserves RM'000			
Balance as at 1 Jul 2018	590,885	(1,290)	22,771	(481,830)	121,581	(6,091)	246,026
Exchange translation difference	-	-	2,942	-	-	(143)	2,799
Net profit/ (loss) for the period	-	-	-	-	10,648	(1,884)	8,764
Total comprehensive income/ (loss) for the financial period	-	-	2,942	-	10,648	(2,027)	11,563
Treasury shares issued	-	38	-	(38)	-	-	-
Share-based payment	-	-	-	526	-	-	526
Purchase of treasury shares	-	(585)	-	-	-	-	(585)
Balance as at 30 Sep 2018	590,885	(1,837)	25,713	(481,342)	132,229	(8,118)	257,530
Exchange translation difference	-	-	1,023	-	-	16	1,039
Net profit/ (loss) for the period	-	-	-	-	11,253	(1,718)	9,535
Total comprehensive income/ (loss) for the financial period	-	-	1,023	-	11,253	(1,702)	10,574
Share-based payment	-	-	-	549	-	-	549
Acquisition of additional equity interest in a subsidiary from non-controlling interests	-	-	-	(2,132)	-	1,689	(443)
Capitalisation of shareholder's loan from non-controlling interests of a subsidiary	-	-	-	-	-	1,559	1,559
Dividend relating to 2018 paid	-	-	-	-	(8,422)	-	(8,422)
Balance as at 31 Dec 2018	590,885	(1,837)	26,736	(482,925)	135,060	(6,572)	261,347
Exchange translation difference	-	-	1,072	-	-	35	1,107
Other comprehensive loss the quarter	-	-	-	(852)	-	(369)	(1,221)
Net profit/ (loss) for the period	-	-	-	-	13,429	(2,057)	11,372
Total comprehensive income/ (loss) for the financial period	-	-	1,072	(852)	13,429	(2,391)	11,258
Share-based payment	-	-	-	500	-	-	500
Interim dividend relating to 2019 paid	-	-	-	-	(8,394)	-	(8,394)
Balance as at 31 Mar 2019	590,885	(1,837)	27,808	(483,277)	140,095	(8,963)	264,711
Exchange translation difference	-	-	(2,840)	-	-	(119)	(2,959)
Other comprehensive loss for the quarter	-	-	-	(799)	-	(338)	(1,137)
Net profit/ (loss) for the period	-	-	-	-	13,505	(2,172)	11,333
Total comprehensive (loss)/ income for the financial period	-	-	(2,840)	(799)	13,505	(2,629)	7,247
Share-based payment	-	-	-	570	-	-	570
Balance as at 30 Jun 2019	590,885	(1,837)	24,968	(483,506)	153,600	(11,592)	272,518

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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 2017	557,270	(1,022)	16	12,886	22,002	591,152
Net profit for the period	-	-	-	7,134	-	7,134
Exchange translation difference	-	-	-	-	(5,086)	(5,086)
Balance as at 30 Sep 2017	557,270	(1,022)	16	20,020	16,916	593,200
Net profit for the period	-	-	-	15,696	-	15,696
Exchange translation difference	-	-	-	-	(13,453)	(13,453)
Share-based payment	-	28	274	-	-	302
Issuance of new shares	33,615	-	-	-	-	33,615
Final FY2017 dividend paid	-	-	-	(8,087)	-	(8,087)
Balance as at 31 Dec 2017	590,885	(994)	290	27,629	3,463	621,273
Net loss for the period	-	-	-	(3,748)	-	(3,748)
Exchange translation difference	-	-	-	-	(15,379)	(15,379)
Share-based payment	-	-	915	-	-	915
Interim FY2018 dividend paid	-	-	-	(8,589)	-	(8,589)
Balance as at 31 Mar 2018	590,885	(994)	1,205	15,292	(11,916)	594,472
Net profit for the period	-	-	-	17,040	-	17,040
Exchange translation difference	-	-	-	-	3,298	3,298
Purchase of treasury shares	-	(296)	-	-	-	(296)
Share-based payment	-	-	99	-	-	99
Balance as at 30 Jun 2018	590,885	(1,290)	1,304	32,332	(8,618)	614,613
Balance as at 1 Jul 2018	590,885	(1,290)	1,304	32,332	(8,618)	614,613
Net profit for the period	-	-	-	35,976	-	35,976
Exchange translation difference	-	-	-	-	13,307	13,307
Treasury shares issued	-	38	(38)	-	-	-
Share-based payment	-	-	526	-	-	526
Purchase of treasury shares	-	(585)	-	-	-	(585)
Balance as at 30 Sep 2018	590,885	(1,837)	1,792	68,308	4,689	663,837
Net profit for the period	-	-	-	17,259	-	17,259
Exchange translation difference	-	-	-	-	1,311	1,311
Share-based payment	-	-	549	-	-	549
Dividend relating to 2018 paid	-	-	-	(8,422)	-	(8,422)
Balance as at 31 Dec 2018	590,885	(1,837)	2,341	77,145	6,000	674,534
Net profit for the period	-	-	-	12,652	-	12,652
Exchange translation difference	-	-	-	-	(4,992)	(4,992)
Share-based payment	-	-	500	-	-	500
Interim dividend relating to 2019 paid	-	-	-	(8,394)	-	(8,394)
Balance as at 31 Mar 2019	590,885	(1,837)	2,841	81,403	1,008	674,300
Net profit for the period	-	-	-	12,372	-	12,372
Exchange translation difference	-	-	-	-	8,873	8,873
Share-based payment	-	-	570	-	-	570
Balance as at 30 Jun 2019	590,885	(1,837)	3,411	93,775	9,881	696,115

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Following the share buy-back on 12 July 2018 and the partial vesting of a time-based award comprising of 33,333 shares under the HMI Performance Share Plan 2017 on 30 September 2018, where the award was fulfilled via transfer from treasury shares, the total number of issued ordinary shares in the share capital of the Company remains unchanged at 838,980,880 (which includes 1,642,934 (30 June 2018: 1,336,267) treasury shares) as at 30 June 2019.

Share buy-back

The Company purchased an aggregate of 340,000 ordinary shares on 12 July 2018.

HMI Performance Share Plan 2017

Following the approval of HMI Performance Share Plan 2017 obtained at the annual general meeting of the Company held on 30 October 2017, three awards comprising up to 3,600,000 shares and five awards comprising up to 1,200,000 shares were granted by the Company to certain directors and employees of the Company on 24 November 2017 and 1 December 2017 respectively. In addition, a time-based award of 100,000 shares were granted on 1 December 2017 to an employee, of which, 33,333 shares were vested immediately on 1 December 2017 and another 33,333 shares vested on 30 September 2018.

In addition, 2 awards comprising up to 432,000 shares were granted by the Company to certain employees of the Company on 15 April 2019.

	<u>Total number of shares that may be issued on conversion</u>
<u>Addition:</u>	
Three awards comprising up to 3,600,000 shares as at 24 November 2017	3,600,000
Five awards comprising up to 1,200,000 shares as at 1 December 2017	1,200,000
One time-based award comprising of 100,000 shares as at 1 December 2017	100,000
Two awards comprising up to 432,000 shares as at 15 April 2019	432,000
<u>Deduction:</u>	
Partial vesting of time-based award comprising 33,333 shares each as at 1 December 2017 and 30 September 2018	(66,666)
30 June 2019	5,265,334

The above three awards granted as at 24 November 2017 will only be vested upon the achievement of the Group EBIT threshold level and total shareholder return threshold level, and subject to other terms and conditions set out in the award letter, anytime within 4 weeks from the Group's FY2020 Annual General Meeting.

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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. (Continued)**

The above five and two awards granted as at 1 December 2017 and 15 April 2019 respectively will only be vested upon achievement of the Group FY2020 EBIT threshold level and/or the total shareholder return threshold level, and subject to other terms and conditions set out in the award letter, anytime within 4 weeks from the Group's FY2020 Annual General Meeting.

For the one time-based award granted as at 1 December 2017, the remaining 33,334 shares will be vested on 30 September 2019.

As at 30 June 2019, the number of shares that may be issued upon vesting of awards are 5,265,334 shares (30 June 2018: 4,866,667 share).

- 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 837,337,946 (30 June 2018: 837,644,613) as at the end of the current financial period. Total number of treasury shares is 1,642,934 and 1,336,267 as at 30 June 2019 and 30 June 2018 respectively.

- 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.**

Following the partial vesting of a time-based award under HMI Performance Share Plan 2017 on 30 September 2018, 33,333 treasury shares were transferred to an employee during the twelve months ended 30 June 2019.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2019 (30 June 2018).

- 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 2019 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 30 June 2018.

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.

Except for the adoption of the new financial reporting framework as disclosed in the paragraph below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared to the Group's most recently audited financial statements for the year ended 30 June 2018.

On 1 July 2018, the Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s) and has prepared its financial information under SFRS(I)s for the fourth quarter and twelve months ended 30 June 2019. In adopting SFRS(I)s, the Group is required to apply all the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group has also concurrently applied new major accounting standards (1) SFRS(I) 9 Financial Instruments and (2) SFRS(I) 15 Revenue from Contracts with Customers. The adoption of the new financial reporting framework has no material impact to the Group's accounting policies and financial statements.

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net profit attributable to equity holders of the Company (RM'000)	13,505	15,206	48,835	60,596
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	837,338	837,774	837,340	831,019
(i) Basic earnings per share (RM cents per share)	1.61	1.82	5.83	7.29
Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000)	842,537	842,641	842,273	833,915
(ii) Diluted earnings per share (RM cents per share)	1.60	1.80	5.80	7.27

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 2019	As at 30 Jun 2018
The Group		
Net asset value attributable to ordinary shareholders (RM'000)	284,110	252,117
Total number of issued shares excluding treasury shares ('000)	837,338	837,644
Net asset value per share (RM cents per share)	33.93	30.10
The Company		
Net asset value attributable to ordinary shareholders (RM'000)	696,115	614,613
Total number of issued shares excluding treasury shares ('000)	837,338	837,644
Net asset value per share (RM cents per share)	83.13	73.37

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 2019 ("Q42019"), the Group's turnover increased by 10.0% from RM 119.2 million to RM 131.1 million, when compared with the previous corresponding period ("Q42018"). Turnover from the Group's healthcare business accounted for approximately RM 12.4 million of the increase mainly due to higher patient load and average bill sizes. The Group's education business registered a RM 0.5 million decrease in revenue due to lower student headcount.

Gross profit margin decreased to 33.0% from 34.4% in Q42019 as a result of impact from the Group's new ambulatory care centre in Singapore, StarMed Specialist Centre ("SSC") which started operations in Q12019. Other gains increased by RM 2.0 million to RM 2.9 million in Q42019 compared to RM 0.9 million in the corresponding period in the prior year. The increase was mainly due to higher foreign exchange gains of RM 2.6 million recorded in Q42019 as compared to the corresponding period in the prior year.

Distribution & marketing expenses in Q42019 increased by RM 1.1 million as compared to Q42018 due to increased marketing and branding efforts. Administrative expenses increased by RM 3.5 million as compared to the previous financial period mainly due to administrative expenses incurred by SSC and higher general operating costs in the Group entities. Finance costs increased by RM 1.2 million mainly due to mortgage financing costs incurred by SSC.

(i) INCOME STATEMENT (Continued)

Fourth Quarter (Continued)

As a result of the above, the Group registered a 6.9% decrease in profit before tax of RM 19.0 million in Q42019, as compared to RM 20.4 million in Q42018. The profit attributable to shareholders was RM 13.5 million and RM 15.2 million in Q42019 and Q42018 respectively, whereas loss attributable to non-controlling interests was RM 2.2 million in Q42019 due to losses incurred by SSC.

Twelve Months

For the financial year ended 30 June 2019 ("FY2019"), the Group's turnover increased by RM 41.8 million and 8.9% from RM 467.6 million to RM 509.4 million, when compared with the previous corresponding year ("FY2018"). Turnover from the Group's healthcare business accounted for approximately RM 43.5 million of the increase mainly due to higher patient load and average bill sizes. The Group's education business registered a RM 1.7 million decrease in revenue due to lower student headcount.

Gross profit margin decreased to 34.5% compared to 35.5% in the prior year as a result of impact from SSC. Other gains of RM 1.7 million was recorded in FY2019 compared to other gains of RM 2.5 million in FY2018. The decrease was mainly due to higher foreign exchange losses of RM 3.4 million recorded in the FY2019 compared to RM 1.7 million in FY2018 as a result of a weaker Malaysian ringgit, offset by higher gains from sale of medical suites recorded in FY2019.

Distribution & marketing expenses in FY2019 were RM 3.1 million higher due to increased marketing and branding efforts. Administrative expenses increased by RM 15.8 million as compared to the previous financial period mainly due to administrative expenses incurred by SSC, higher general operating costs in the Group entities and RM 0.8 million higher share-based payment expenses. Finance costs increased by RM 5.5 million mainly due to mortgage financing costs incurred by SSC.

As a result of the above, the Group registered a profit before tax of RM 68.6 million in FY2019, 18.2% lower as compared to RM 83.9 million in FY2018. Tax expense increased by RM 3.8 million mainly due to higher profitability of both hospitals. The profit attributable to shareholders was RM 48.8 million and RM 60.6 million in FY2019 and FY2018 respectively, whereas loss attributable to non-controlling interests was RM 7.8 million in FY2019 compared to RM 0.6 million in FY2018 due to losses incurred by SSC.

(ii) BALANCE SHEET

The cash and cash equivalents of the Group increased by RM 23.0 million to RM 81.9 million as at 30 June 2019.

Trade and other receivables increased by RM 1.0 million, driven mainly by higher revenue generated during the financial year ended 30 June 2019 and timing of collection. Other current assets decreased by RM 5.1 million due to lower prepayments and deposits.

The RM 134.0 million increase in property, plant and equipment was mainly due to acquisition of additional units at Farrer Square, where SSC is located². The aggregate purchase price for the additional units approximated RM 111.4 million and was completed in January 2019. The increase can also be attributable to the acquisition of new medical equipment by the hospitals during the period, offset by the depreciation expenses.

With reference to the announcement made on SGXNet on 14 December 2018 and 15 March 2019, investment in associated companies increased to RM 12.6 million as at 30 June 2019 with the completion of the acquisition of 28% of the issued share capital of Plus Medical Holdings Pte. Ltd. ("Plus Medical") on 15 March 2019, and recognition of the share of associate losses for the period 15 March 2019 to 30 June 2019.

² Refer to announcement made on SGXNet on 15 October 2018

(ii) BALANCE SHEET

Trade and other payables decreased by RM 8.0 million mainly due to re-financing of certain trade payables as at 30 June 2018 with hire purchase financing during the period, offset by an increase in amount due to RB Capital for purchase of additional units at Farrer Square.

The increase in total borrowings by RM 144.3 million were attributable to the drawdown of additional RM 110.1 million term loan mainly for the purchase of the additional floors at Farrer Square. RM 34.2 million of the increase can be attributed to higher hire purchase financing mainly due to re-financing of certain trade payables with hire purchase financing by SSC and increase in capital expenditures by the hospitals financed via hire purchase during the financial year.

Current income tax liabilities increased by RM 1.3 million when compared to 30 June 2018 due to higher profitability of the Group's hospitals and timing differences in tax payments to authorities.

(iii) CASH FLOW STATEMENT

Fourth Quarter

Net cash from operating activities for the quarter was RM 39.8 million, RM 35.8 million higher than the previous period, mainly due to working capital movements and RM 4.4 million lower tax payments paid during the period compared to corresponding period in the prior year.

Net cash used in investing activities was RM 13.1 million mainly as a result of RM 11.9 million capital expenditure on renovation and medical equipment.

Net cash used in financing activities was RM 3.6 million mainly as a result of repayment of loan during the period.

Twelve months

Net cash provided by operating activities of RM 103.5 million was mainly attributable to cash provided by operations of RM 139.4 million offset by interest and tax paid of RM 11.4 million and RM 24.5 million respectively.

Net cash used in investing activities of RM 155.7 million was a result of RM 143.3 million paid for capital expenditure on the property, plant and equipment and medical equipment and RM 12.7 million investments into Plus Medical during the period. The capital expenditure included the acquisition of additional units at Farrer Square for approximately RM 111.4 million.

Net cash provided by financing activities was RM 77.9 million mainly as a result of drawdown of borrowings of RM 335.2 million and repayment of RM 231.0 million resulted from the re-financing of a loan with another bank during the period. Dividends of RM 16.8 million was paid to equity holders of the Company during the year.

(iv) USE OF PROCEEDS

Further to the Group's announcement dated 15 March 2019 in relation to the use of proceeds from the Placement to a fund managed by Heliconia Capital Management Pte Ltd, the net proceeds from the Placement Shares of approximately SGD 0.51 million has been fully utilised to fund the acquisition of shares in Plus Medical Holdings Pte. Ltd. as stated in the announcements dated 14 December 2018 and 15 March 2019 respectively.

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 hospital services segment continues to do well and register year-on-year ("yoy") increases in revenue and patient volume. Both Mahkota Medical Centre Sdn. Bhd. ("MMC") and Regency Specialist Hospital Sdn. Bhd. ("RSH") continue to progress on their respective upgrading and expansion plans.

At MMC, the hospital continues to focus on developing its Centres of Excellence and expanding and upgrading its facilities to cater to increasing patient loads. The 218-bed capacity RSH will be constructing a new hospital extension block adjacent to its existing hospital building to cater to the growing number of patients. Construction of the new extension block has begun. With the new extension block, RSH 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 2021.

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. The Malaysian government's budget has allocated RM 20 million to boost Malaysia's healthcare travel industry. Malaysia plans to promote medical tourism with expanded medical tourism packages, special incentives and tax allowance for healthcare facilities promoting medical tourism.

However, the healthcare landscape in Malaysia remains competitive. In Malacca and Johor where our hospitals operate, the expansion of existing hospitals and the upcoming opening of new hospitals have led to increased competition for patients, doctors and other skilled manpower. This has resulted in higher operating costs, in particular for skilled manpower. In Johor, new hospitals such as KPJ Bandar Dato Onn Hospital has opened and Columbia Asia Southkey Hospital is expected to open later in the year. In addition, economic uncertainties and fluctuating regional currencies (in particular the Indonesian Rupiah) has impacted private healthcare expenditure, especially for self-funded patients.

In Singapore, the Group acquired a majority stake in a new private one-stop ambulatory centre, SSC, on 14 May 2018. The centre has completed renovations and received its licenses to operate from the Singapore Ministry of Health. SSC commenced operations in FY2019, and the Group expects to incur gestation start-up costs from its operations for potentially up to 3 years.

On 15 March 2019, the Group completed the acquisition of shares in Plus Medical Holdings Pte. Ltd. ("Plus Medical") and now holds 28% of the issued share capital of Plus Medical. Plus Medical owns a chain of primary care clinics in Singapore. The investment is expected to be synergistic with SSC in respect of establishing an expanded healthcare network in Singapore.

On 5 July 2019, the Company and PanAsia Health Limited (the "Offeror") jointly announced (the "Joint Announcement") the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror, a special purpose vehicle incorporated in the Cayman Islands and indirectly controlled by EQT Mid Market Asia III GP B.V., by way of a scheme of arrangement. For more details, please refer to the SGX announcements dated 5 July 2019.

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.

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 services		Healthcare services		Healthcare education		All other segments		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total segment revenue	494,008	460,880	4,631	-	17,324	19,119	153,541	82,673	669,504	562,672
Inter-segment revenue	(3,416)	(9,146)	(6)	-	(3,138)	(3,256)	(153,541)	(82,673)	(160,101)	(95,075)
Revenue to external parties	490,592	451,734	4,625	-	14,186	15,863	-	-	509,403	467,597
Adjusted EBIT	125,878	110,614	(16,947)	(1,392)	(3,260)	1,740	(24,014)	(19,443)	81,657	91,519
Interest expense – net	(2,781)	(100)	(5,928)	(538)	-	(22)	(4,129)	(7,008)	(12,838)	(7,668)
Share of (loss)/profit of associated corporations	-	(1)	(210)	-	-	-	14	-	(196)	(1)
Profit/ (Loss) before income tax	123,097	110,513	(23,085)	(1,930)	(3,260)	1,718	(28,129)	(26,451)	68,623	83,850
Segment assets	455,131	380,822	270,034	182,959	9,230	9,856	21,621	14,432	756,016	588,069
Segment liabilities	173,319	103,274	281,799	164,334	4,661	5,101	23,719	69,334	483,498	342,043
Net assets/ (liabilities)	281,812	277,548	(11,765)	18,625	4,569	4,755	(2,098)	(54,902)	272,518	246,026
Segment information										
Investment in associated corporations	-	-	12,604	15	-	-	-	-	12,604	15
Additions to:										
- property, plant and equipment	44,765	32,280	120,478	172,351	273	212	1,108	131	166,624	204,974
- intangible assets	-	-	-	-	1,666	430	-	-	1,666	430
Amortisation and depreciation	20,745	20,723	7,527	465	1,125	627	208	184	29,605	21,999
Geographical Segment										
							Total revenue			
							2019	2018		
Singapore							18,821	15,883		
Malaysia							490,582	451,714		
							<u>509,403</u>	<u>467,597</u>		
							Total consolidated non-current assets			
							2019	2018		
Singapore							306,752	204,300		
Malaysia							301,679	255,794		
							<u>608,431</u>	<u>460,094</u>		

- 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. (Continued)**

REVENUE BY SEGMENTS:

Group revenue of RM 509.4 million was RM 41.8 million or 8.9% above that of the previous year. The increase was mainly driven by the increase in revenue from the hospital services segment, up RM 38.9 million from prior year, due to higher patient load and average bill sizes.

NET PROFIT BY SEGMENTS:

Group net profit before income tax of RM 68.6 million was RM 15.2 million lower than that of the prior year. Profit before income tax of the hospital services segment increased by RM 12.6 million whereas loss before income tax of all other non-hospital segments increased by RM 27.8 million, mainly due to losses incurred by SSC and increase in general operating costs.

REVENUE BY GEOGRAPHICAL SEGMENTS:

Higher revenue from Singapore as compared to the previous year due to revenue from SSC which began operations in Q12019 offset by lower student headcount in the Group's education segment. Higher revenue from Malaysia arose from the hospital 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:-**

	2019	Group	2018	Change
	RM'000		RM'000	%
(a) Sales reported for first half year	253,548		233,041	9
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	31,768		29,507	8
(c) Sales reported for second half year	255,855		234,556	9
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	9,236		30,535	(70)

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:-

Final dividend proposed in respect of financial year ended 30 June 2019 will be Nil RM cents in cash per share (2018: 1.0 RM cents).

Interim dividend of RM 8,392,978 was paid on 1 March 2019.

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.

None of the relatives of a Director or Chief Executive Officer or Substantial Shareholder of the Company was occupying a managerial position in the Company or any of its principal subsidiaries during FY2019.

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 2019 that is disclosable under Rule 920(1)(a) (ii) of the SGX-ST Listing Manual.

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
19 August 2019