



HMI posts 7% increase in revenue to MYR107.7 million for 3Q2017

Highlights

- Healthy revenue growth from all business units
- Consolidation of ownership in the Group's two hospitals completed in March 2017
- PATMI increases 12% to MYR7.1 million; excluding forex gain/losses and one-off professional fees

FINANCIAL HIGHLIGHTS	3Q2017	3Q2016	Change	9M2017	9M2016	Change
	MYR'000	MYR'000	%	MYR'000	MYR'000	%
Revenue	107,670	100,879	7	324,034	291,580	11
EBITDA	22,259	22,297	(0.2)	72,087	64,897	11
PATMI	(1,571)	8,669	n.m.	9,931	15,445	(36)
PATMI (less exceptional items)	7,094	6,355	12	21,608	16,889	28

n.m. – not meaningful

SINGAPORE – 11 May 2017 - Health Management International Ltd (“HMI” or the “Group”), a growing regional private healthcare provider, today reported a 7% increase in revenue to MYR107.7 million for the third quarter ended 31 March 2017 (“**3Q2017**”), as compared to MYR100.9 million recorded in the corresponding period a year ago (“**3Q2016**”). Excluding one-off professional fees¹ and forex gain/losses, the Group's profit attributable to shareholders (“**PATMI**”) gained 12% to MYR7.1 million in 3Q2017 compared to MYR6.4 million in 3Q2016.

The revenue growth of MYR6.8 million for the quarter was achieved on the back of higher patient load and average bill sizes from its two hospitals, Mahkota Medical Centre (“**Mahkota**”) and Regency Specialist Hospital (“**Regency**”), which accounted for MYR5.4 million of the increase. The balance MYR1.4 million increase in revenue was contributed by higher student headcount from the Group's education business in Singapore.

The one-off professional fees of MYR7.3 million incurred in 3Q2017 was from the Group's consolidation of ownership in 48.9%-owned Mahkota and 60.8%-owned Regency to 100% each for an aggregate consideration of MYR556.5 million, completed in March 2017.

¹ Refer to announcement made on SGXNet on 11 November 2016

HMI Group Chief Executive Officer, Ms Chin Wei Jia, commented, "With the completion of the consolidation, there is a clearer ownership structure and from 4Q2017 onwards, 100% of Mahkota's and Regency's earnings will be fully attributable to equity holders of HMI. This has also created an enlarged listed platform to facilitate our efforts in progressively transforming the Group into a major regional healthcare player."

Operational Updates

In 3Q2017, the Group registered healthy year-on-year ("yoy") patient load growth of 1.4% to 110,500 patients, with growth from both local and foreign patients. Inpatient and outpatient average bill sizes increased 5.9% and 6.7% respectively in 3Q2017 (vs 3Q2016), primarily driven by higher revenue intensity and increased complexity of surgeries. Total bed occupancy for the quarter was 63% compared to 68% in 3Q2016 due to an increase in operational beds and the new year festive period. On a quarter-on-quarter basis, bed occupancy improved in 3Q2017 compared to 59% registered in 2Q2017.

To cope with growing patient load, both Mahkota and Regency continue to work on their respective upgrading and expansion plans. At Regency, the planned construction of a new hospital extension is expected to commence in the second half of 2017, pending necessary approvals.

Looking ahead

For the third consecutive year, Malaysia was awarded the Health and Medical Tourism Destination of the Year award by the International Medical Travel Journal Awards 2017. This award cemented the country's position as the top leading medical tourism destination that provides top-notch and innovative healthcare services.

The outlook for medical tourism in Malaysia is positive, with the sector growing from 643,000 medical tourists and a revenue of MYR527 million in 2011 to 860,000 medical tourists in 2015 and a revenue of MYR914 million.² The Malaysian government has also prioritised healthcare spending, injecting MYR23 billion into healthcare in 2016, accounting for approximately 10% of the annual budget.³

"Over the past two decades, Mahkota has built a strong brand recognition amongst foreign patients, especially those from Indonesia, through our referral centres located in the country. Regency, the newer hospital in our Group is also gaining traction amongst medical tourists. With the government's support in building and promoting Malaysia as a medical tourism destination of choice, the Group is committed to work closely with healthcare partners, government agencies and the community to promote Malaysia as a quality healthcare destination, as well as continue to expand our medical tourism receipts," said Ms Chin

² TTG Asia – In the pink of health, April issue

³ Thailand Business News – Malaysia's healthcare sector provides a catalyst for growth, 27 April 2017

Going forward, the Group will continue to expand its range of healthcare services, improve its facilities and infrastructure to offer quality healthcare services to its patients, as well as execute effective cost management to improve performance.

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About Health Management International Ltd

Health Management International Ltd (“HMI” or the “Group”) is a growing regional private healthcare provider with presence in Singapore, Malaysia and Indonesia. The Group owns two tertiary hospitals in Malaysia, a healthcare training centre in Singapore and a network of representative offices in Indonesia, Malaysia and Singapore.

Established in 1994, Mahkota Medical Centre (“Mahkota”) is HMI’s flagship hospital located in the heart of Malacca, a UNESCO World Heritage Site and a popular destination for medical care and leisure. The 288-bed hospital is the largest private tertiary hospital in South Malaysia, offering a comprehensive suite of healthcare services and the first and only hospital in Malacca to offer nuclear medicine services. It is also a leader in Malaysia medical tourism, serving over 80,000 international patients per year and named the “Malaysia Medical Tourism Hospital of the Year” by Frost & Sullivan in 2015 and 2016.

The Group’s second hospital, Regency Specialist Hospital (“Regency”) operational since 2009, is one of the fastest growing private tertiary hospitals in Malaysia. Strategically located within the fast developing and vibrant Iskandar Malaysia, the special economic zone in the state of Johor, the 218-bed Regency is easily accessible via land, sea or air from Singapore, Indonesia and the region. It is the only private hospital in Malaysia with a 24-hour Emergency & Trauma Centre, providing round the clock specialist attention and medical care to both local and international patients.

HMI’s healthcare training centre, the HMI Institute of Health Sciences, is a Skills Future Singapore accredited Continuing Education and Training Centre for the healthcare support sector. It has trained over 110,000 individuals in healthcare and life-saving skills.

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

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