

**Unaudited Financial Statements And Dividend Announcement for the third quarter and nine months ended 31 March 2017**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Note	Third Quarter Ended			Nine Months Ended		
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	+/- %	31 Mar 2017 RM'000	31 Mar 2016 RM'000	+/- %
Turnover	107,670	100,879	7	324,034	291,580	11
Cost of services	(73,334)	(66,840)	10	(217,173)	(194,766)	12
<b>Gross profit</b>	<b>34,336</b>	<b>34,039</b>	<b>1</b>	<b>106,861</b>	<b>96,814</b>	<b>10</b>
Interest income	489	250	96	1,406	1,140	23
Other (losses)/ gains – net	(268)	3,653	NM	619	2,035	(70)
Distribution and marketing costs	(632)	(719)	(12)	(2,170)	(1,946)	12
Administrative costs	(24,829)	(17,117)	45	(59,678)	(47,527)	26
Finance costs	(669)	(983)	(32)	(1,668)	(3,280)	(49)
Share of results of associates	499	758	(34)	1,331	2,190	(39)
<b>Profit before tax</b>	<b>8,926</b>	<b>19,881</b>	<b>(55)</b>	<b>46,701</b>	<b>49,426</b>	<b>(6)</b>
Tax	(4,298)	(4,360)	(1)	(15,147)	(14,042)	8
<b>Profit after tax</b>	<b>4,628</b>	<b>15,521</b>	<b>(70)</b>	<b>31,554</b>	<b>35,384</b>	<b>(11)</b>
<b>Other comprehensive (loss)/ income</b>						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation – (losses)/ gains						
	(11,871)	(2,510)	373	(9,088)	1,600	NM
<b>Total comprehensive loss/ income</b>	<b>(7,243)</b>	<b>13,011</b>	<b>NM</b>	<b>22,466</b>	<b>36,984</b>	<b>(39)</b>
<b>(Loss)/ profit attributable to:</b>						
Equity holders of the Company	(1,571)	8,669	NM	9,931	15,445	(36)
Non-controlling interests	6,199	6,852	(10)	21,623	19,939	8
	<b>4,628</b>	<b>15,521</b>	<b>(70)</b>	<b>31,554</b>	<b>35,384</b>	<b>(11)</b>
<b>Total comprehensive (loss)/ income attributable to:</b>						
Equity holders of the Company	(13,444)	6,164	NM	837	17,043	(95)
Non-controlling interests	6,201	6,847	(10)	21,629	19,941	9
<b>Total comprehensive (loss)/ income</b>	<b>(7,243)</b>	<b>13,011</b>	<b>NM</b>	<b>22,466</b>	<b>36,984</b>	<b>(39)</b>

NM - Not Meaningful

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**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 2017 RM'000	31 Mar 2016 RM'000	+/- %	31 Mar 2017 RM'000	31 Mar 2016 RM'000	+/- %
Share-based payment expenses	-	776	(100)	1,238	3,044	(59)
Depreciation	4,987	4,755	5	14,778	14,080	5
Allowance for impairment of trade and other receivables - net	1,513	1,323	14	1,519	1,403	8
Foreign exchange loss/ (gain)						
- realised	632	(58)	NM	1,295	73	NM
- unrealised	742	(2,256)	NM	2,148	1,371	57
Fair value (gain)/ loss on financial derivatives:						
- realised	-	57	(100)	(14)	57	NM
- unrealised	(173)	54	NM	(173)	54	NM
Loss/ (Gain) on disposal and write-off of property, plant and equipment	145	(25)	NM	142	32	344
Professional fees and other costs expensed in relation to the acquisition of non-controlling interests <sup>1</sup>	7,291	-	100	8,234	-	100

*NM - Not Meaningful*

<sup>1</sup> Refer to announcement made on SGXNet on 11 November 2016

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**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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 2017 RM'000</b>	<b>As at 30 Jun 2016 RM'000</b>	<b>As at 31 Mar 2017 RM'000</b>	<b>As at 30 Jun 2016 RM'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	120,889	78,928	16,029	16,314
Trade and other receivables	42,908	57,400	42,973	42,107
Tax recoverable	84	6	-	-
Inventories	13,067	14,050	-	-
Other current assets	4,179	4,167	107	67
	<b>181,127</b>	<b>154,551</b>	<b>59,109</b>	<b>58,488</b>
<b>Non-current Assets</b>				
Trade and other receivables	-	121	136	121
Other non-current assets	467	436	122	114
Investments in associated corporations	21	46,355	36	19,945
Investments in subsidiaries	-	-	693,064	57,942
Property, plant and equipment	280,858	177,867	923	975
Deferred tax assets	-	3,555	-	-
	<b>281,346</b>	<b>228,334</b>	<b>694,281</b>	<b>79,097</b>
<b>Total Assets</b>	<b>462,473</b>	<b>382,885</b>	<b>753,390</b>	<b>137,585</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	78,115	79,299	12,410	2,953
Current income tax liabilities	4,771	3,673	-	-
Borrowings	117,810	27,495	106,507	13,408
Deferred income	1,987	2,062	-	-
	<b>202,683</b>	<b>112,529</b>	<b>118,917</b>	<b>16,361</b>
<b>Non-Current Liabilities</b>				
Trade and other payables	-	18,251	-	-
Borrowings	92,990	14,362	73,996	3,655
Deferred income tax liabilities	18,560	5,479	-	-
	<b>111,550</b>	<b>38,092</b>	<b>73,996</b>	<b>3,655</b>
<b>Total Liabilities</b>	<b>314,233</b>	<b>150,621</b>	<b>192,913</b>	<b>20,016</b>
<b>NET ASSETS</b>	<b>148,240</b>	<b>232,264</b>	<b>560,477</b>	<b>117,569</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	557,229	90,564	557,229	90,564
Treasury shares	(1,022)	(1,022)	(1,022)	(1,022)
Currency translation reserve	3,323	12,417	30,317	21,926
Other reserves	(478,303)	7,130	16	7,078
Retained earnings/ (Accumulated losses)	67,002	61,553	(26,063)	(977)
	<b>148,229</b>	<b>170,642</b>	<b>560,477</b>	<b>117,569</b>
Non-controlling interests	11	61,622	-	-
<b>TOTAL EQUITY</b>	<b>148,240</b>	<b>232,264</b>	<b>560,477</b>	<b>117,569</b>

**(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;**

<b>As at 31 Mar 2017</b>		<b>As at 30 Jun 2016</b>	
<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>
<b>98,006</b>	<b>19,804</b>	5,355	22,140

**(b) Amount repayable after one year; and**

<b>As at 31 Mar 2017</b>		<b>As at 30 Jun 2016</b>	
<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>
<b>92,659</b>	<b>331</b>	10,130	4,232

**(c) Details of any collaterals.**

The Group

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

The Group's borrowings include finance lease liabilities of approximately RM 14.2 million (FY2016: RM 9.9 million), which are effectively secured as the rights to the hire purchase asset will be reverted to the hiree in the event of default.

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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
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>					
Profit after tax		4,628	15,521	31,554	35,384
Adjustments for:					
Income tax expense		4,298	4,360	15,147	14,042
Depreciation		4,987	4,755	14,778	14,080
Allowance for impairment of trade and other receivables - net		1,513	1,323	1,519	1,403
Interest expense		669	983	1,668	3,280
Share-based payment expenses		-	776	1,238	3,044
Interest income		(489)	(250)	(1,406)	(1,140)
Loss/ (Gain) on disposal and write-off of property, plant and equipment		145	(25)	142	32
Share of profit of associated corporations		(499)	(758)	(1,331)	(2,190)
Currency translation differences		(4,462)	(1,115)	(1,444)	749
Operating cash flow before working capital changes		<u>10,790</u>	<u>25,570</u>	<u>61,865</u>	<u>68,684</u>
Changes in operating assets and liabilities:					
Inventories		(83)	(33)	983	(1,087)
Trade and other receivables		13,554	(1,468)	14,289	(1,179)
Other current assets		(783)	(190)	18	(481)
Trade and other payables		3,606	(1,199)	210	(6,423)
Deferred income		179	174	(215)	(140)
Cash provided by operations		<u>27,263</u>	<u>22,854</u>	<u>77,150</u>	<u>59,374</u>
Interest paid		(669)	(983)	(1,668)	(3,280)
Tax paid		(2,234)	(1,284)	(7,528)	(4,797)
<b>Net cash provided by operating activities</b>		<u>24,360</u>	<u>20,587</u>	<u>67,954</u>	<u>51,297</u>
<b>Cash Flows from Investing Activities</b>					
(Drawdown)/ Repayment of loans by associated corporations		-	(45)	-	3,609
Additions to property, plant and equipment		(3,043)	(2,528)	(7,728)	(8,762)
Proceeds from disposal of property, plant and equipment		109	43	173	48
Capital injection in an associated corporation		(843)	-	(843)	(49)
Acquisition of non-controlling interests		(219,728)	-	(219,728)	-
Interest received		489	250	1,406	1,140
<b>Net cash used in investing activities</b>		<u>(223,016)</u>	<u>(2,280)</u>	<u>(226,720)</u>	<u>(4,014)</u>
<b>Cash Flows from Financing Activities</b>					
Drawdown of borrowings		167,759	111	171,409	1,774
Repayment of borrowings		(583)	(629)	(8,053)	(5,153)
Repayment of lease liabilities		(712)	(1,372)	(5,096)	(3,417)
Dividends paid to non-controlling interests by a subsidiary		-	-	(11,201)	(14,294)
Capital injection in a subsidiary from non-controlling interests		-	-	-	900
Purchase of treasury shares		-	(320)	-	(320)
Proceeds from issuance of ordinary shares		58,148	-	61,414	-
Dividends paid to equity holders of the Company		-	-	(4,482)	-
<b>Net cash provided by/ (used in) financing activities</b>		<u>224,612</u>	<u>(2,210)</u>	<u>203,991</u>	<u>(20,510)</u>
<b>Net increase in cash and cash equivalents</b>		<u>25,956</u>	<u>16,097</u>	<u>45,225</u>	<u>26,773</u>
Cash and cash equivalents at beginning of financial period		94,488	49,871	74,326	38,835
Effect of exchange rate changes on cash and cash equivalents		445	(232)	1,338	128
<b>Cash and cash equivalents at end of financial period</b>		<u>120,889</u>	<u>65,736</u>	<u>120,889</u>	<u>65,736</u>
<b>Cash and equivalents comprise:</b>					
Cash and bank balances		120,889	66,178	120,889	66,178
Bank overdraft		-	(442)	-	(442)
		<u>120,889</u>	<u>65,736</u>	<u>120,889</u>	<u>65,736</u>

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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 2015	90,564	(47)	9,114	3,094	41,654	60,750	205,129
Exchange translation difference	-	-	5,022	-	-	8	5,030
Net profit for the period	-	-	-	-	1,382	6,922	8,304
Total comprehensive income for the financial period	-	-	5,022	-	1,382	6,930	13,334
Dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(14,294)	(14,294)
Share-based payment	-	-	-	1,252	-	-	1,252
Balance as at 30 Sep 2015	90,564	(47)	14,136	4,346	43,036	53,386	205,421
Exchange translation difference	-	-	(919)	-	-	(1)	(920)
Net profit for the period	-	-	-	-	5,394	6,165	11,559
Total comprehensive income for the financial period	-	-	(919)	-	5,394	6,164	10,639
Capital injection in a subsidiary	-	-	-	-	-	900	900
Share-based payment	-	-	-	1,016	-	-	1,016
Balance as at 31 Dec 2015	90,564	(47)	13,217	5,362	48,430	60,450	217,976
Exchange translation difference	-	-	(2,505)	-	-	(5)	(2,510)
Net profit for the period	-	-	-	-	8,669	6,852	15,521
Total comprehensive income for the financial period	-	-	(2,505)	-	8,669	6,847	13,011
Purchase of treasury shares	-	(320)	-	-	-	-	(320)
Share-based payment	-	-	-	776	-	-	776
Balance as at 31 Mar 2016	90,564	(367)	10,712	6,138	57,099	67,297	231,443

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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)**

**The Group**

	Attributable to equity holders of the Company						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Currency Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Non- controlling Interests RM'000	
<b>Balance as at 1 Jul 2016</b>	90,564	(1,022)	12,417	7,130	61,553	61,622	232,264
Exchange translation difference	-	-	1,403	-	-	2	1,405
Net profit for the period	-	-	-	-	6,170	8,340	14,510
Total comprehensive income for the financial period	-	-	1,403	-	6,170	8,342	15,915
Share-based payment	-	-	-	1,238	-	-	1,238
Issue of new shares	7,200	-	-	(7,200)	-	-	-
<b>Balance as at 30 Sep 2016</b>	97,764	(1,022)	13,820	1,168	67,723	69,964	249,417
Exchange translation difference	-	-	1,376	-	-	2	1,378
Net profit for the period	-	-	-	-	5,332	7,084	12,416
Total comprehensive income for the financial period	-	-	1,376	-	5,332	7,086	13,794
Issue of new shares	4,367	-	-	(1,100)	-	-	3,267
Dividend relating to 2016 paid	-	-	-	-	(4,482)	-	(4,482)
<b>Balance as at 31 Dec 2016</b>	102,131	(1,022)	15,196	68	68,573	77,050	261,996
Exchange translation difference	-	-	(11,873)	-	-	2	(11,871)
Net (loss)/ profit for the period	-	-	-	-	(1,571)	6,199	4,628
Total comprehensive income for the financial period	-	-	(11,873)	-	(1,571)	6,201	(7,243)
Issue of new shares	455,098	-	-	-	-	-	455,098
Dividend paid to non-controlling interests by subsidiary	-	-	-	-	-	(990)	(990)
Acquisition of non-controlling interest	-	-	-	(478,371)	-	(82,250)	(560,621)
<b>Balance as at 31 Mar 2017</b>	557,229	(1,022)	3,323	(478,303)	67,002	11	148,240

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**The Company**

	<b>Share Capital RM'000</b>	<b>Treasury Reserves RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Earnings/ (Accumulated Losses) RM'000</b>	<b>Currency Translation Reserves RM'000</b>	<b>Total Equity RM'000</b>
Balance as at 1 Jul 2015	90,564	(47)	3,042	(10,066)	16,296	99,789
Net profit for the period	-	-	-	6,039	-	6,039
Exchange translation difference	-	-	-	-	10,582	10,582
Share-based payment	-	-	1,252	-	-	1,252
Balance as at 30 Sep 2015	90,564	(47)	4,294	(4,027)	26,878	117,662
Net loss for the period	-	-	-	(1,970)	-	(1,970)
Exchange translation difference	-	-	-	-	(2,018)	(2,018)
Share-based payment	-	-	1,016	-	-	1,016
Balance as at 31 Dec 2015	90,564	(47)	5,310	(5,997)	24,860	114,690
Net loss for the period	-	-	-	(367)	-	(367)
Exchange translation difference	-	-	-	-	(5,647)	(5,647)
Purchase of treasury shares	-	(320)	-	-	-	(320)
Share-based payment	-	-	776	-	-	776
Balance as at 31 Mar 2016	90,564	(367)	6,086	(6,364)	19,213	109,132
<b>Balance as at 1 Jul 2016</b>	90,564	(1,022)	7,078	(977)	21,926	117,569
Net loss for the period	-	-	-	(6,031)	-	(6,031)
Exchange translation difference	-	-	-	-	2,706	2,706
Share-based payment	-	-	1,238	-	-	1,238
Issuance of new shares	7,200	-	(7,200)	-	-	-
<b>Balance as at 30 Sep 2016</b>	97,764	(1,022)	1,116	(7,008)	24,632	115,482
Net loss for the period	-	-	-	(3,428)	-	(3,428)
Exchange translation difference	-	-	-	-	2,720	2,720
Issuance of new shares	4,367	-	(1,100)	-	-	3,267
Dividend relating to 2016 paid	-	-	-	(4,482)	-	(4,482)
<b>Balance as at 31 Dec 2016</b>	102,131	(1,022)	16	(14,918)	27,352	113,559
Net loss for the period	-	-	-	(11,145)	-	(11,145)
Exchange translation difference	-	-	-	-	2,965	2,965
Issuance of new shares	455,098	-	-	-	-	455,098
<b>Balance as at 31 Mar 2017</b>	557,229	(1,022)	16	(26,063)	30,317	560,477



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

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

In the current quarter ended 31 March 2017, the Company allotted and issued an aggregate of 32,376,432 new ordinary shares in the capital of the Company (the "Rights Shares") on 15 March 2017 pursuant to the renounceable underwritten rights issue of up to 32,376,432 new ordinary shares in the capital of the Company at an issue price of SGD 0.57 for each Rights Share on the basis of 11 Rights Shares for 200 existing ordinary shares held.

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

Following the allotment and issuance of the Rights Shares and the Consideration Shares, the total number of issued ordinary shares in the share capital of the Company increased from 589,872,286 (which includes 1,209,600 treasury shares) as at 31 December 2016 to 822,071,608 as at 31 March 2017.

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 2017, there is nil share that may be issued on conversion of outstanding convertibles (30 June 2016: 12,600,000). All of the 8,820,000 share awards and 3,780,000 share options had been fully allotted as New Shares on 26 August 2016 and 28 December 2016 respectively.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total number of issued shares excluding treasury shares is 820,862,008 (30 June 2016: 576,062,686) as at the end of the current financial period. Total number of treasury shares is 1,209,600 as at 31 March 2017 and 30 June 2016.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the nine months ended 31 March 2017.

**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 2017 have not been audited nor reviewed by the independent auditor.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements of the current reporting year compared with those of the audited financial statements as at 30 June 2016.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 July 2016 have been adopted by the Group. The adoption of these new or amended FRS and INT FRS has no material impact on the financial statements of the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

(a) Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends. (Continued)**

	<b>Group</b>			
	<b>3 Months Ended 31 March</b>		<b>9 Months Ended 31 March</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net (loss)/ profit attributable to equity holders of the Company (RM'000)	<b>(1,571)</b>	8,669	<b>9,931</b>	15,445
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<b>605,880</b>	576,779	<b>589,186</b>	576,975
(i) Basic earnings per share (RM cents per share)	<b>(0.26)</b>	1.50	<b>1.69</b>	2.68
Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000)	<b>605,880</b>	589,379	<b>593,488</b>	589,575
(ii) Diluted earnings per share (RM cents per share)	<b>(0.26)</b>	1.47	<b>1.67</b>	2.62

**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.**

	<b>As at 31 Mar 2017</b>	<b>As at 30 Jun 2016</b>
<b>The Group</b>		
Net asset value attributable to ordinary shareholders (RM'000)	<b>148,229</b>	170,642
Total number of issued shares excluding treasury shares ('000)	<b>820,862</b>	576,063
Net asset value per share (RM cents per share)	<b>18.06</b>	29.62
<b>The Company</b>		
Net asset value attributable to ordinary shareholders (RM'000)	<b>560,477</b>	117,569
Total number of issued shares excluding treasury shares ('000)	<b>820,862</b>	576,063
Net asset value per share (RM cents per share)	<b>68.28</b>	20.41

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: –**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**(i) INCOME STATEMENT**

Third Quarter

For the three months ended 31 March 2017 ("Q32017"), the Group's turnover increased by 6.7% from RM 100.9 million to RM 107.7 million, when compared with the previous corresponding period ("Q32016"). Turnover from the Group's healthcare business accounted for approximately RM 5.4 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals i.e. Mahkota Medical Centre Sdn. Bhd. ("MMCSB") and Regency Specialist Hospital Sdn. Bhd. ("RSHSB"). The Group's education business registered a RM 1.4 million increase in revenue due to higher student headcount.

Gross profit margin for Q32017 was 31.9%, compared to 33.7% in Q32016. Other losses of RM 0.3 million was recorded in Q32017 compared to other gains of RM 3.7 million recorded in the corresponding period in the prior year. This was mainly due to the weakening of the Malaysian ringgit during the quarter which resulted in foreign exchange losses of RM 1.3 million whilst foreign exchange gains of RM 2.3 million were recorded in Q32016.

Distribution & marketing expenses in Q32017 were comparable to Q32016. Administrative expenses increased by RM 7.7 million as compared to the previous financial period mainly due to incurrence of RM 7.3 million in professional fees and other costs relating to the acquisition of non-controlling interests in MMCSB and RSHSB (the "Acquisition"), announced via SGXNet on 11th November 2016 and completed on 27th March 2017 and increase in general operating costs, offset by RM 0.8 million lower share-based payment expenses in the current period. Finance costs decreased by RM 0.3 million due to full payment of amounts owing to the associated companies in the financial year ended 30 June 2016.

As a result of the above, the Group registered a 55.1% decrease in profit before tax of RM 8.9 million in Q32017, as compared to RM 19.9 million in Q32016. The loss attributable to shareholders was RM 1.6 million in Q32017 whilst the profit attributable to shareholders was RM 8.7 million in Q32016. Profit attributable to non-controlling interests was RM 6.2 million and RM 6.9 million for both Q32017 and Q32016.

Nine Months

For the nine months ended 31 March 2017 ("9M2017"), the Group's turnover increased by RM 32.5 million and 11.1% from RM 291.6 million to RM 324.0 million, when compared with the previous corresponding period ("9M2016"). Turnover from the Group's healthcare business accounted for approximately RM 27.9 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals i.e. MMCSB and RSHSB. The Group's education business registered a RM 4.5 million increase in revenue due to higher student headcount.

Gross profit margin remained healthy at 33.0%, comparable to 33.2% in 9M2016. Other gains of RM 0.6 million was recorded in 9M2017 compared to RM 2.0 million in 9M2016. The decrease was mainly due to RM 2.0 million higher foreign exchange losses recorded in 9M2017, compared to 9M2016, due to the weakening Malaysian ringgit, offset by gains recorded from sale of medical suites.

**(i) INCOME STATEMENT** (Continued)

Nine Months (Continued)

Distribution & marketing expenses in 9M2017 were comparable to 9M2016. Administrative expenses increased by RM 12.2 million as compared to the previous financial period mainly due to incurrance of RM 8.2 million in professional fees and other costs relating to the Acquisition and increase in general operating costs, offset by RM 1.8 million lower share-based payment expenses in the current period. Finance costs decreased by RM 1.6 million mainly due to full repayment of amounts owing to the associated companies in the financial year ended 30 June 2016.

As a result of the above, the Group registered a profit before tax of RM 46.7 million in 9M2017, 5.5% lower as compared to RM 49.4 million in 9M2016. Tax expense increased by RM 1.1 million mainly due to higher profitability in both hospitals. The profit attributable to shareholders was RM 9.9 million and RM 15.4 million in 9M2017 and 9M2016 respectively, whereas profit attributable to non-controlling interests was RM 21.6 million and RM 19.9 million in 9M2017 and 9M2016 respectively.

**(ii) BALANCE SHEET**

The cash and cash equivalents of the Group remained strong at RM 120.9 million as at 31 March 2017.

Trade and other receivables decreased by RM 14.5 million, mainly due to the Acquisition and better collection of receivables. Balances owing by associated and related companies, amounting to RM 11.9 million as at 30 June 2016, were eliminated as at 31 March 2017. Investments in associated companies decreased by RM 46.3 million due to the consolidation of the associated companies' results with the completion of the Acquisition.

The RM 103.0 million increase in property, plant and equipment was due to the consolidation of the hospital building and land held by an associated company, Regency Medical Centre (Seri Alam) Sdn Bhd. ("RMCSA"), at a fair value of RM 101.0 million as a result of the Acquisition, as well as the acquisition of new medical equipment by the hospitals, offset by the depreciation expenses. Deferred tax assets decreased by RM 3.6 million due to utilisation of tax losses by RSHSB in the current period.

Trade and other payables decreased by RM 1.2 million mainly due to payment of RM 10.2 million of dividend to non-controlling shareholders during the period, offset by RM 9.7 million increase in amount of professional fees and other costs payable to vendors engaged for the Acquisition. Total borrowings during the period increased by RM 168.9 million mainly due to drawdown of SGD 53.0 million from the term loan facility for the purposes of the Acquisition.

Non-current trade and other payables to non-controlling interests of a subsidiary of RM 18.3 million was assigned to the Company as a result of the Acquisition. Deferred income tax liabilities increased by 13.1 million mainly due to the consolidation of RMCSA, which owned the hospital building and land, as a result of the Acquisition.

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

The excess of the purchase consideration paid to acquire the book value of the non-controlling interests were recorded in Other reserves, thus resulting in a negative RM 478.3 million as at 31 March 2017.

**(iii) CASH FLOW STATEMENT**

Third Quarter

Net cash from operating activities for the quarter was RM 24.4 million, RM 3.8 million higher than the previous period. This was mainly due to better business performances and cash management by the Group.

Net cash used in investing activities for the current period was RM 223.0 million, compared to RM 2.3 million in the corresponding period in the previous year. The increase was mainly due to the RM 219.7 million paid to Sellers as part of the Acquisition and RM 0.8 million capital injection into an associated company.

Net cash generated from financing activities was RM 224.6 million in the current quarter compared to RM 2.2 million used in the corresponding period in the prior year. The increase was mainly due to drawdown of RM167.8 million from a term loan facility and receipt of RM 58.1 million from the rights issue, to finance the payment of the cash consideration to the Sellers as part of the Acquisition.

Nine months

Net cash generated from operating activities for the nine months ended 31 March 2017 was RM 68.0 million, RM 16.7 million higher than that in the corresponding period in the previous year. This was mainly due to more timely collection of trade and other receivables and better cash management in the current period.

Net cash used in investing activities was RM 222.7 million higher at RM 226.7 million, mainly due to the RM 219.7 million paid to Sellers as part of the Acquisition and RM 0.8 million capital injection into an associated company in the nine months ended 31 March 2017, and receipt of RM 3.7 million from repayment of loans owing by associated companies in prior period but not in the current period.

Net cash generated from financing activities was RM 204.0 million in the nine months ended 31 March 2017 compared to RM 20.5 million used in the corresponding period in the prior year. The RM 224.5 million increase was mainly due to drawdown of RM167.8 million from a term loan facility and receipt of RM 58.1 million from the rights issue, to finance the payment of the cash consideration to the Sellers as part of the Acquisition, receipt of RM 3.3 million from the exercise of 3,780,000 share options and RM 4.1 million lower dividend paid to non-controlling interests by a subsidiary during the current period. The increase was offset by payment of RM 4.5 million to equity holders of the Company, RM 2.3 million higher repayment of lease liabilities, offset by

**(iv) USE OF PROCEEDS**

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

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

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's hospitals continue to do well with both hospitals in Malaysia registering year-on-year increases in revenue and patient volume. MMCSB remains a well-regarded brand for healthcare in the region and was conferred the "Malaysia Medical Tourism Hospital of the Year" award in 2015 & 2016 by Frost & Sullivan. Into its 7th year of operations, RSHSB continues its fast growth and looks to further expand its range of specialist healthcare offerings, improve customer experience and strengthen connections with the local community.

To cope with the growing number of patients at the Group's hospitals, both MMCSB and RSHSB continue to progress on their respective upgrading and expansion plans. At MMCSB, the hospital has added a new day surgery centre and has begun its nuclear medicine service with a new Positron Emission Tomography ("PET") scanner. This is in line with the hospital's aim to become a comprehensive "one-stop" medical centre for its local and overseas patients. MMCSB is also planning to increase inpatient bed capacity in 2017.

To cater to the growing number of patients, Regency Specialist Hospital will be constructing a new hospital extension block adjacent to its existing hospital building. The new block will more than double its existing capacity with more inpatient beds, clinical services, operating theatres, as well as clinical suites for sale or rental to doctors. Construction is expected to commence in the second half of 2017 and take approximately 2.5 years to complete. The construction costs for the extension block is estimated at RM160 million. This is a preliminary estimate that is subject to change as the expansion plans are still being finalised. The expansion is expected to be funded by debt and internal cash resources.

In Malaysia, an increasing domestic insurance take-up rate, an aging population and increasing regional connectivity are expected to further contribute to the growth of private healthcare services with BMI Research forecasting health expenditure to grow 7.9% p.a. from 2016 to 2020. In addition, Malaysia is an attractive destination for medical tourists due to availability of medical personnel, quality medical treatment, advanced healthcare infrastructure and cost competitiveness. According to Frost & Sullivan, Malaysia's medical tourism market is set to grow at a forecasted CAGR of 18.5% between 2014 and 2020.

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

On 27 March 2017, the Group announced the completion of its consolidation of ownership in 48.9%-owned Mahkota Medical Centre and 60.8%-owned Regency Specialist Hospital to 100% each.

Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue to grow in FY2017.

**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. During the financial period ended 31 March 2017, as part of the Acquisition, the Company acquired 500 ordinary shares in the capital of 2M Medical Consultants Pte Ltd ("2M") (or 8.3% of the total issued share capital of 2M) from Dr Fong Chiu Yan, the spouse of Dr Cheah Way Mun, an independent non-executive director of the Company, and accepted an assignment of non interest-bearing shareholder's loans amounting to SGD 277,611.06 owing to her from 2M (or 8.3% of the total outstanding non interest-bearing shareholders' loans of approximately SGD 3,331,334.74 from the shareholders of 2M).

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

**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 nine months ended 31 March 2017 to be false or misleading in any material aspect.



**15. 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**  
**11 May 2017**