



HMI records robust operational performance with 11% growth in revenue to MYR106.9 million for 2Q2017

Highlights

- Growth supported by higher patient load and average bill sizes at Mahkota and Regency
- Excluding forex gain/losses and one-off professional fees¹, PATMI would have increased 58% to MYR 7.2 million
- Proposed consolidation of ownership in the two hospitals expected to boost the Group's profits attributable to equity holders going forward

FINANCIAL HIGHLIGHTS	2Q2017	2Q2016	Change	1H2017	1H2016	Change
	MYR'000	MYR'000	%	MYR'000	MYR'000	%
Revenue	106,903	96,622	11	216,364	190,701	13
EBITDA	23,981	20,661	16	49,829	42,600	17
EBITDA Margin (%)	22.4	21.4	1.0 pts	23.0	22.3	0.7 pts
Net Profit After Tax ("NPAT")	12,416	11,559	7	26,926	19,863	36
Net Profit Attributable to Equity Holders ("PATMI")	5,332	5,394	(1)	11,502	6,776	70

SINGAPORE – 9 February 2017 - Health Management International Ltd ("HMI" or the "Group"), a growing regional private healthcare provider, recorded revenue of MYR106.9 million and net profit attributable to equity holders ("PATMI") of MYR5.3 million for the second quarter ended 31 December 2016 ("2Q2017"). Excluding forex gain/losses and acquisition-related professional fees¹, PATMI would have grown 58% to MYR7.2 million for the quarter.

The 11% or MYR10.3 million revenue growth for the quarter was mainly led by higher patient load and average bill sizes from the Group's two hospitals, which accounted for MYR8.5 million of the increase. The balance MYR1.8 million gain in revenue was contributed by the Group's training institute, which registered higher student headcount in 2Q2017. EBITDA margin improved to 22.4% in 2Q2017 from 21.4% in 2Q2016, as a result of higher revenue intensity in the Group's hospitals and better cost management.

The Group's financial position remained robust as cash and cash equivalents rose to MYR94.5 million as at 31 December 2016 compared to MYR78.9 million as at 30 June 2016, while net cash generated from operating activities increased 8.9% year-on-year ("yoy") to MYR19.6 million for the quarter.

¹ Refers to professional fees expensed in relation to the proposed consolidation of the Group's ownership in Mahkota Medical Centre ("Mahkota") and Regency Specialist Hospital ("Regency"). Refer to SGX announcement dated 11 November 2016 for more details.

Operational Updates

Operationally, the Group's patient load for the quarter increased 5.8% yoy to 109,000 patients, registering a consistent healthy growth for both local and foreign patients. Inpatient and outpatient average bill sizes increased by 7.6% and 4.7% respectively in 2Q2017 (vs 2Q2016), primarily driven by higher revenue intensity and increased complexity of surgeries. Bed occupancy declined in 2Q2017 to 59.2% due to an increase in operational beds and the holiday seasons.

At Regency, with steadily rising patient demand, the Group will be constructing a new hospital extension block that will more than double existing capacity with more inpatient beds, clinical services, operating theatres, as well as clinical suites for sale or rental to doctors. Preliminary estimated construction costs of the proposed new block is MYR160 million. Construction is expected to take up to two and a half years and is expected to begin in the second half of 2017, pending necessary approvals.

Looking ahead

On 11 November 2016, the Group announced its intention to increase its current stake of 48.9% in Mahkota and 60.8% in Regency to 100%, for an agreed purchase price of MYR556.5 million. This will be funded via a combination of cash payment, issuance of new HMI shares, loans and rights issue. The 100% ownership will facilitate HMI's regional growth strategy and create an enlarged listed healthcare platform. The proposed consolidation and rights issue exercise are subject to, among others, the approval of HMI's shareholders at an extraordinary general meeting to be held on 10 February 2017.

HMI Group Chief Executive Officer, Ms Chin Wei Jia, said, "The proposed consolidation of the ownership in Mahkota and Regency to 100% would create an enlarged listed platform to facilitate our efforts in progressively transforming the Group into a major regional healthcare player. Furthermore, it will also unlock value for HMI shareholders, who are expected to benefit from an immediate accretion to earnings per share and net profit attributable to shareholders."

The Group believes that the rising trend in domestic insurance penetration, ageing population and increasing regional connectivity, will continue to contribute to the growth of the private healthcare sector in Malaysia. In addition, Malaysia is also growing to be a major player in medical tourism with its quality medical services, advanced healthcare infrastructure and competitive cost.

Despite a more competitive landscape in Malacca and Johor with new and upcoming hospitals, and growing economic uncertainties, the Group is expected to continue to grow in FY2017 and remains committed to building its range of healthcare services, improving its facilities and infrastructure to become a comprehensive "one-stop" healthcare service provider.

###

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.

Investor relations point-of-contact:

Janice Ong / Colin Tan / Colin Lum

August Consulting

Tel: +65 6733 8873

Email: janiceong@august.com.sg; colintan@august.com.sg; colinlum@august.com.sg

Disclaimer

This release may contain statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on such statements, which are based on the current views of management on future developments and events.