

FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

1(a) 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.

Consolidated Statement of Profit or Loss	Second Quarter			Year-To-Date		
	Q2 2019 S\$'000	Q2 2018 S\$'000	Change %	30/06/2019 S\$'000	30/06/2018 S\$'000	Change %
Revenue	126,964	120,202	5.6	255,255	240,391	6.2
Other operating income	346	226	53.1	1,032	1,519	(32.1)
Inventories and consumables used	(14,409)	(13,407)	7.5	(29,789)	(27,725)	7.4
Purchased and contracted services	(12,210)	(10,264)	19.0	(25,438)	(19,508)	30.4
Staff costs	(64,416)	(60,225)	7.0	(130,457)	(123,601)	5.5
Depreciation of property, plant and equipment	(6,841)	(4,517)	51.5	(13,023)	(8,532)	52.6
Amortisation of intangible assets	(488)	(167)	192.2	(835)	(528)	58.1
Operating lease expenses	(1,332)	(3,260)	(59.1)	(3,079)	(6,653)	(53.7)
Impairment loss on trade receivables	(986)	(1,004)	(1.8)	(1,754)	(1,756)	(0.1)
Other operating expenses	(8,939)	(7,313)	22.2	(17,116)	(14,445)	18.5
Profit from operating activities	17,689	20,271	(12.7)	34,796	39,162	(11.1)
Finance income	402	263	52.9	782	420	86.2
Finance expenses	(454)	(253)	79.4	(919)	(444)	107.0
Profit before tax	17,637	20,281	(13.0)	34,659	39,138	(11.4)
Tax expense	(3,447)	(3,457)	(0.3)	(6,742)	(6,848)	(1.5)
Profit for the period	14,190	16,824	(15.7)	27,917	32,290	(13.5)
Profit attributable to :						
Owners of the Company	14,249	16,891	(15.6)	27,898	32,703	(14.7)
Non-controlling interests	(59)	(67)	(11.9)	19	(413)	(104.6)
Profit for the period	14,190	16,824	(15.7)	27,917	32,290	(13.5)

1(a) 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 (Cont'd).

	Second Quarter			Year-To-Date		
	Q2 2019	Q2 2018	Change	30/06/2019	30/06/2018	Change
Consolidated statement of comprehensive income	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	14,190	16,824	(15.7)	27,917	32,290	(13.5)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	(4,740)	(2,053)	130.9	(1,025)	(417)	145.8
Total comprehensive income for the period	9,450	14,771	(36.0)	26,892	31,873	(15.6)
Total comprehensive income attributable to:						
Owners of the company	10,001	15,190	(34.2)	27,009	32,322	(16.4)
Non-controlling interests	(551)	(419)	31.5	(117)	(449)	(73.9)
Total comprehensive income for the period	9,450	14,771	(36.0)	26,892	31,873	(15.6)

Explanatory notes to the Consolidated Statement of Profit or Loss

- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- More purchased and contracted services were mainly attributed to higher insurance claims in tandem with increased insurance premiums.
- Depreciation increased mainly due to the recognition of right-of-use assets as a result of the adoption of the new Singapore Financial Reporting Standards (International) (SFRS(I)) 16 Leases.
- Decrease in operating lease expenses was mainly due to the adoption of the new SFRS(I) 16 Leases, which resulted in a corresponding increase for depreciation.
- Increased advertising and business promotion expenses as well as building and related expenses relating to the Raffles Specialist Centre and Raffles Hospital Chongqing accounted mainly for the higher other operating expenses in Q2 2019.
- Profit for the period includes the following:

Group	Second Quarter		Year-To-Date	
	Q2 2019	Q2 2018	30/06/2019	30/06/2018
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Other operating income				
Gain on disposal of property, plant and equipment	33	9	33	53
Foreign exchange gain	-	113	-	478
(b) Other operating expenses				
Recovery of bad debts	(146)	(468)	(237)	(925)
Property, plant and equipment written off	23	18	31	63
Write-off for stock obsolescence	49	45	87	87
Foreign exchange loss	99	-	137	-
(c) Adjustment for under/overprovision of tax in respect of prior years:				
Current tax expenses - (Over) / Under provision in respect of prior years	(20)	87	(20)	87

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.

Statements of Financial Position	Group		Company	
	30/06/2019 S\$'000	31/12/2018 S\$'000	30/06/2019 S\$'000	31/12/2018 S\$'000
Non-current assets				
Property, plant and equipment	631,448	565,716	9,237	5,808
Intangible assets and goodwill	36,722	37,287	1,087	1,167
Investment properties	311,167	311,160	-	-
Subsidiaries	-	-	569,260	562,604
Deferred tax assets	1,249	1,011	-	-
Trade and other receivables	2,183	2,590	5,790	5,869
	<u>982,769</u>	<u>917,764</u>	<u>585,374</u>	<u>575,448</u>
Current assets				
Inventories	10,090	9,320	2,440	2,341
Trade and other receivables	92,652	83,221	124,954	151,955
Cash and cash equivalents	101,906	105,984	19,519	2,609
	<u>204,648</u>	<u>198,525</u>	<u>146,913</u>	<u>156,905</u>
Total assets	<u>1,187,417</u>	<u>1,116,289</u>	<u>732,287</u>	<u>732,353</u>
Equity attributable to owners of the Company				
Share capital	393,331	365,332	393,331	365,332
Reserves	426,601	435,157	258,302	290,560
	<u>819,932</u>	<u>800,489</u>	<u>651,633</u>	<u>655,892</u>
Non-controlling interests	16,020	16,137	-	-
Total equity	<u>835,952</u>	<u>816,626</u>	<u>651,633</u>	<u>655,892</u>
Non-current liabilities				
Loans and borrowings	115,694	97,189	20,788	20,775
Trade and other payables	17,895	11,380	9,906	868
Finance lease liabilities	13,053	-	2,494	-
Deferred tax liabilities	4,716	4,765	644	644
	<u>151,358</u>	<u>113,334</u>	<u>33,832</u>	<u>22,287</u>
Current liabilities				
Loans and borrowings	9,282	19,307	9,282	19,307
Current tax liabilities	13,767	13,583	1,271	1,573
Trade and other payables	143,293	136,789	34,744	33,294
Finance lease liabilities	6,914	-	1,525	-
Other financial liabilities	2,768	2,790	-	-
Insurance contract provisions	24,083	13,860	-	-
	<u>200,107</u>	<u>186,329</u>	<u>46,822</u>	<u>54,174</u>
Total liabilities	<u>351,465</u>	<u>299,663</u>	<u>80,654</u>	<u>76,461</u>
Total equity and liabilities	<u>1,187,417</u>	<u>1,116,289</u>	<u>732,287</u>	<u>732,353</u>

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. (Cont'd)

Explanatory notes to the Statement of Financial Position

1. Property, plant and equipment increased by S\$65.7 million, largely due to the capital development expenditure for Raffles Hospital Chongqing and Raffles Hospital Shanghai as well as the recognition of right-of-use asset resulting from the adoption of the new SFRS(I) 16 Leases.
2. Trade and other receivables increased in tandem with higher volume of business in the Group.
3. The Group's net debt position increased from S\$10.5 million as at 31 December 2018 to S\$23.1 million as at 30 June 2019. This was primarily due to project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing.
4. The increase in loans and borrowings was due to bank loans obtained to finance the project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing.
5. Finance lease liabilities arose from the adoption of the new SFRS(I) 16 Leases. The lease liabilities relate to the present value of future lease payment due to the lessors.
6. Trade and other payables increased in tandem with higher volume of business in the Group.
7. Insurance contract provisions increased by S\$10.2 million, mainly due to higher provision for unearned premiums resulting from billings for premium from the Group's insurance business.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	9,282	-	19,307

Amount repayable after one year

As at 30/06/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	115,694	-	97,189

Details of any collateral

Nil.

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.

	Q2 2019	Q2 2018
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	14,190	16,824
<i>Adjustments for :</i>		
Amortisation of intangible assets	488	167
Depreciation of property, plant and equipment	6,841	4,517
Equity-settled share-based payment transactions	207	225
Finance expenses	454	253
Finance income	(402)	(263)
Gain on disposal of property, plant and equipment	(33)	(9)
Property, plant and equipment written off	23	18
Tax expense	3,447	3,457
	<u>25,215</u>	<u>25,189</u>
<i>Changes in working capital :</i>		
Inventories	(204)	233
Trade and other receivables	1,773	9,957
Trade and other payables	2,109	(8,800)
Insurance contract provisions	(3,473)	(3,558)
Cash generated from operations	<u>25,420</u>	<u>23,021</u>
Tax paid	(5,435)	(3,864)
Interest paid	(1,464)	(288)
Net cash from operating activities	<u>18,521</u>	<u>18,869</u>
Cash flows from investing activities		
Acquisition of intangible assets	(212)	(533)
Interest received	398	216
Proceeds from sales of property, plant and equipment	3	12
Purchase of property, plant and equipment	(18,425)	(7,802)
Payment for investment properties under development	-	(8,679)
Net cash used in investing activities	<u>(18,236)</u>	<u>(16,786)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(8,814)	(6,647)
Loan from subsidiary's non-controlling interest	1,292	-
Repurchase of own shares	(202)	-
Proceeds from issue of shares under share option scheme	247	96
Proceeds from bank loans	32,500	108,109
Repayment of bank loans	(32,649)	(88,832)
Payment of finance lease liabilities	(1,629)	-
Net cash (used in)/from financing activities	<u>(9,255)</u>	<u>12,726</u>
Net (decrease)/increase in cash and cash equivalents	(8,970)	14,809
Cash and cash equivalents at 1 April	110,740	94,008
Effect of exchange rate fluctuations on cash held	(949)	(408)
Cash and cash equivalents at 30 June	<u>100,821</u>	<u>108,409</u>

Explanatory notes to the Statement of Cash Flows

The cash and cash equivalents for the statement of cash flows presentation excluded an amount of S\$1.1 million (US\$0.8 million) deposited in an escrow account of a subsidiary. The Group's cash and cash equivalents decreased by S\$9.9 million from S\$110.7 million as at 31 March 2019 to S\$100.8 million as at 30 June 2019. This was mainly due to purchase of property, plant and equipment of S\$18.4 million, payment of finance lease liabilities of S\$1.6 million and dividends payment of S\$8.8 million, offset by strong operating cash flows generated by the Group.

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.

Group	Share capital S\$'000	Translation reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 April 2018	340,500	1,036	26,769	1,712	(3,945)	386,753	752,825	17,545	770,370
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	16,891	16,891	(67)	16,824
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	(1,701)	-	-	-	-	(1,701)	(352)	(2,053)
Total other comprehensive income for the period	-	(1,701)	-	-	-	-	(1,701)	(352)	(2,053)
Total comprehensive income for the period	-	(1,701)	-	-	-	16,891	15,190	(419)	14,771
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	96	-	-	-	-	-	96	-	96
Issue of shares in lieu of cash dividends of 1.75 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	24,360	-	-	-	-	-	24,360	-	24,360
Value of employee services received for issue of share options	-	-	225	-	-	-	225	-	225
Final dividend paid of 1.75 cents per ordinary share – Cash	-	-	-	-	-	(6,647)	(6,647)	-	(6,647)
Final dividend paid of 1.75 cents per ordinary share – Scrip	-	-	-	-	-	(24,360)	(24,360)	-	(24,360)
Total contributions by and distributions to owners	24,456	-	225	-	-	(31,007)	(6,326)	-	(6,326)
Changes in ownership interests in subsidiaries									
Present value of the exercise price of written put options	-	-	-	-	425	-	425	-	425
Total changes in ownership interests in subsidiaries	-	-	-	-	425	-	425	-	425
Total transactions with owners	24,456	-	225	-	425	(31,007)	(5,901)	-	(5,901)
At 30 June 2018	364,956	(665)	26,994	1,712	(3,520)	372,637	762,114	17,126	779,240

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 (Cont'd).

Group	Share capital S\$'000	Translation reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 April 2019	365,928	(2,772)	28,033	16,367	(4,725)	-	415,656	818,487	16,571	835,058
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	14,249	14,249	(59)	14,190
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	(4,248)	-	-	-	-	-	(4,248)	(492)	(4,740)
Total other comprehensive income for the period	-	(4,248)	-	-	-	-	-	(4,248)	(492)	(4,740)
Total comprehensive income for the period	-	(4,248)	-	-	-	-	14,249	10,001	(551)	9,450
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	247	-	-	-	-	-	-	247	-	247
Issue of shares in lieu of cash dividends of 2.00 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	-	-	-	27,156	-	27,156
Repurchase of own shares	-	-	-	-	-	(202)	-	(202)	-	(202)
Value of employee services received for issue of share options	-	-	207	-	-	-	-	207	-	207
Final dividend paid of 2.00 cents per ordinary share - Cash	-	-	-	-	-	-	(8,814)	(8,814)	-	(8,814)
Final dividend paid of 2.00 cents per ordinary share - Scrip	-	-	-	-	-	-	(27,156)	(27,156)	-	(27,156)
Total contributions by and distributions to owners	27,403	-	207	-	-	(202)	(35,970)	(8,562)	-	(8,562)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	6	-	-	6	-	6
Total changes in ownership interests in subsidiaries	-	-	-	-	6	-	-	6	-	6
Total transactions with owners	27,403	-	207	-	6	(202)	(35,970)	(8,556)	-	(8,556)
At 30 June 2019	393,331	(7,020)	28,240	16,367	(4,719)	(202)	393,935	819,932	16,020	835,952

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 (Cont'd).

Company	Share capital S\$'000	Share option reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 April 2018	340,500	26,769	-	243,505	610,774
Total comprehensive income for the period					
Profit for the period	-	-	-	1,640	1,640
Total comprehensive income for the period	-	-	-	1,640	1,640
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	96	-	-	-	96
Issue of shares in lieu of cash dividends of 1.75 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	24,360	-	-	-	24,360
Value of employee services received for issue of share options	-	225	-	-	225
Final dividend paid of 1.75 cents per ordinary share - Cash	-	-	-	(6,647)	(6,647)
Final dividend paid of 1.75 cents per ordinary share - Scrip	-	-	-	(24,360)	(24,360)
Total contributions by and distributions to owners	24,456	225	-	(31,007)	(6,326)
At 30 June 2018	364,956	26,994	-	214,138	606,088
At 1 April 2019	365,928	28,033	-	264,345	658,306
Total comprehensive income for the period					
Profit for the period	-	-	-	1,889	1,889
Total comprehensive income for the period	-	-	-	1,889	1,889
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	247	-	-	-	247
Issue of shares in lieu of cash dividends of 2.00 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	27,156
Repurchase of own shares	-	-	(202)	-	(202)
Value of employee services received for issue of share options	-	207	-	-	207
Final dividend paid of 2.00 cents per ordinary share - Cash	-	-	-	(8,814)	(8,814)
Final dividend paid of 2.00 cents per ordinary share - Scrip	-	-	-	(27,156)	(27,156)
Total contributions by and distributions to owners	27,403	207	(202)	(35,970)	(8,562)
At 30 June 2019	393,331	28,240	(202)	230,264	651,633

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.

During the second quarter ended 30 June 2019, the Company issued a total of 389,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.26	S\$0.55	S\$0.73	S\$0.78	S\$1.09
Number of new shares issued	33,000	153,000	97,000	103,000	3,000

As at 30 June 2019, there were outstanding options for conversion into 62,495,000 (30 June 2018: 58,802,000) ordinary shares. The Company holds 200,000 treasury shares and there is no subsidiary holdings as at 30 June 2019 (30 June 2018: Nil).

The treasury shares held represent 0.01% (30 June 2018: Nil) of the total number of issued shares (excluding treasury shares).

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 end of the immediately preceding year.

	30/06/2019	31/12/2018
Number of issued shares excluding treasury shares	1,827,817,757	1,797,174,400

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

	Number of treasury shares
Balance as at 1 April 2019	-
Acquisition of treasury shares	200,000
Balance as at 30 June 2019	200,000

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: Nil).

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

The financial statements on consolidated results for the second quarter ended 30 June 2019 have not been audited or reviewed.

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.

Accounting policies and methods of computation used in the consolidated financial statements for the second quarter ended 30 June 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2019 as disclosed in item 5 below.

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 adoption of new and revised standards did not have substantial effect on the financial performance and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 Leases which took effect on 1 January 2019, using the modified retrospective approach. In compliance with SFRS(I) 16 Leases, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities, adjusted by the amount of accrued lease payment related to that lease recognised in the statement of financial position immediately before 1 January 2019.

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.

	Second Quarter		Year-To-Date	
	Q2 2019	Q2 2018	30/06/2019	30/06/2018
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	0.79 cents	0.95 cents	1.55 cents	1.85 cents
(ii) Diluted earnings per share [B]	0.79 cents	0.95 cents	1.55 cents	1.84 cents

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2019 were based on weighted average number of shares 1,799,610,756 (Q2 2018: 1,772,369,089) and 1,798,535,723 (First Half 2018: 1,771,798,699) respectively in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and half year ended 30 June 2019 were based on weighted average number of shares of 1,802,269,793 (Q2 2018: 1,776,487,880) and 1,801,419,050 (First Half 2018: 1,776,144,402) respectively in issue during the period.

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.

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net asset value per ordinary share [C]	44.86 cents	44.54 cents	35.65 cents	36.50 cents

[C] The calculation of net asset value per ordinary share was based on 1,827,817,757 shares as at 30 June 2019 (31 December 2018: 1,797,174,400).

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.

The Group recorded a quarterly revenue of **S\$127.0** million in Q2 2019 as compared to **S\$120.2** million in Q2 2018. Revenue for Healthcare Services division and Hospital Services division grew by **7.4%** and **3.4%** respectively. The increase in revenue from Healthcare Services division was the result of winning more insurance contracts and corporate clients. The growth in revenue from the Hospital Services division was contributed by patient growth.

Earnings before interest, taxes, depreciation and amortisation (**EBITDA**) increased by **0.3%** to **S\$25.0** million in Q2 2019. Net profit after tax for Q2 2019 decreased **15.7%** to **S\$14.2** million due to gestation losses for **RafflesHospital Chongqing (RHCQ)**. The gestation loss for RHCQ was **S\$2.3** million at the EBITDA level in Q2 2019. Excluding the results of RHCQ, EBITDA would have increased by **9.3%** as compared to Q2 2018 and net profit after tax would have grown by **0.4%**. RHCQ was developed well within the budgeted costs. Operating costs for the first 6 months were significantly lower than anticipated. The management of RHCQ is making great efforts to reach out to the corporate and private patients of Chongqing.

Strong operating cashflows generated from the Group's business operations resulted in a healthy cash position of **S\$100.8** million. This was after accounting for the payment of **S\$18.4** million for fixed assets under development as well as capital expenditure in the second quarter of this year.

As in the last financial year, the Directors are pleased to declare for the financial year ending 31 December 2019, an interim ordinary dividend of **0.5** Singapore cents per ordinary share. The dividend will be paid on 30 August 2019.

RafflesHospital Singapore ranked first among private hospitals in the Singapore Management University Customer Satisfaction Index of Singapore 2018 (**CSISG 2018**). This is a testament to the hospital's unending efforts to ensure that patients receive care and service of the highest quality.

The **RafflesHospital Shanghai** project is progressing as planned. On 24 May 2019, the Group hosted a topping out ceremony to mark the completion of the building structure. More than 200 guests attended the event, including Deputy Prime Minister, Mr Heng Swee Keat and Vice Mayor of Shanghai Municipal People's Government, Mr Xu Kunlin.

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

The current financial period's results are in line with the Directors' expectations as disclosed in the Group's Q1 2019 results announcement.

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.

After opening its doors on 2 January 2019, **RafflesHospital Chongqing** is now operating 24/7 and staffed by a team of multi-disciplinary international and local doctors.

Through **RafflesConnect**, **RafflesMedical** started its digitalisation journey. **RafflesConnect** is a healthcare platform that enables personalised patient engagement and access for their healthcare needs, *inter alia*, make appointments, access their personal health records, customised health information, tips on health interests and travel preparations. Through this secure platform, patients can now consult a doctor 24/7 via tele-consultation and have their medication delivered to them.

RafflesHealthinsurance saw a boost to the employee benefit business as a result of winning several new corporate accounts. The **RafflesMedical** network of clinics and **RafflesHospital** will enable **RafflesHealthinsurance** insured members access to quality care.

Based on current conditions and barring unforeseen circumstances, the Group is expected to remain profitable in 2019 despite gestation losses for **RafflesHospital Chongqing**.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	0.5 cent per ordinary share (one-tier tax)
Tax Rate	Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	0.5 cent per ordinary share (one-tier tax)
Tax Rate	Tax Exempt

11. Dividend (Cont'd)

(c) Date payable

The dividend will be paid on 30 August 2019.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 21 August 2019 on which day no share transfer will be effected.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, up to the close of business at 5.00 p.m. on 20 August 2019 will be registered to determine shareholders.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (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 Company did not obtain a general mandate from shareholders for IPTs.

14. Confirmation pursuant to Rule 705 (5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the unaudited interim financial statements of the Group and the Company for the second quarter ended 30 June 2019 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1) of the Listing Manual.

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
29 July 2019