

FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 Income Statement	Second Quarter			Year-To-Date		
	Q2 2015	Q2 2014	Change	30/06/2015	30/06/2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	99,253	92,594	7.2	194,276	180,150	7.8
Other operating income	3	4	nm	1,410	758	86.0
Inventories and consumables used	(10,613)	(10,402)	2.0	(21,036)	(20,490)	2.7
Purchased and contracted services	(9,201)	(8,608)	6.9	(18,091)	(18,286)	(1.1)
Staff costs	(48,457)	(44,291)	9.4	(96,743)	(86,212)	12.2
Depreciation of property, plant and equipment	(3,049)	(2,192)	39.1	(6,005)	(4,335)	38.5
Operating lease expenses	(2,443)	(2,040)	19.8	(4,736)	(4,051)	16.9
Other operating expenses	(6,332)	(6,331)	nm	(12,251)	(11,589)	5.7
Profit from operating activities	19,161	18,734	2.3	36,824	35,945	2.4
Finance income	317	210	51.0	589	442	33.3
Finance expenses	(20)	(13)	53.8	(39)	(26)	50.0
Profit before tax	19,458	18,931	2.8	37,374	36,361	2.8
Tax expense	(3,435)	(3,268)	5.1	(6,301)	(6,057)	4.0
Profit for the period	16,023	15,663	2.3	31,073	30,304	2.5
Attributable to :						
Owners of the Company	15,948	15,612	2.2	30,927	30,172	2.5
Non-controlling interests	75	51	47.1	146	132	10.6
Profit for the period	16,023	15,663	2.3	31,073	30,304	2.5

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).

Consolidated statement of comprehensive income	Second Quarter			Year-To-Date		
	Q2 2015	Q2 2014	Change	30/06/2015	30/06/2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	16,023	15,663	2.3	31,073	30,304	2.5
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	18	49	nm	4	(31)	nm
Total comprehensive income for the period	16,041	15,712	2.1	31,077	30,273	2.7
Total comprehensive income attributable to:						
Owners of the company	15,966	15,661	1.9	30,931	30,141	2.6
Non-controlling interests	75	51	47.1	146	132	10.6
Total comprehensive income for the period	16,041	15,712	2.1	31,077	30,273	2.7

Note: nm denotes not meaningful

Explanatory notes to the Consolidated Income Statement

- Staff costs increased in tandem with higher volume of business in the Group. The rate of increase for staff costs was higher than the growth in revenue mainly due to the recruitment of more doctors, specialists, nurses and ancillary staff for new and expanded operations at Raffles Hospital and medical centres at Shaw Centre.
- The higher depreciation was due to the conversion in the first half 2015 of previously leased space to specialist centres, to meet the growing patient demand, as well as the purchase of more medical equipment.
- Higher operating lease expenses were in line with more new leases resulting from the expansion of clinics.
- Profit from operating activities before taxation includes the following:

Group	Second Quarter		Year-To-Date	
	Q2 2015 S\$'000	Q2 2014 S\$'000	30/06/2015 S\$'000	30/06/2014 S\$'000
(a) Other operating income				
Gain on disposal of property, plant and equipment	3	4	3	4
(b) Other operating expenses				
Allowance for doubtful receivables	475	548	947	778
Loss on disposal of property, plant and equipment	-	1	-	1
Property, plant and equipment written off	3	13	10	17
Write-off for stock obsolescence	54	42	101	65

- The adjustment for over provision of tax in respect of prior years are as follows:

Group	Second Quarter		Year-To-Date	
	Q2 2015 S\$'000	Q2 2014 S\$'000	30/06/2015 S\$'000	30/06/2014 S\$'000
Current tax expense				
Over provision in respect of prior years	91	-	91	-

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	
	30/06/2015 S\$'000	31/12/2014 S\$'000	30/06/2015 S\$'000	31/12/2014 S\$'000
Non-current assets				
Property, plant and equipment	248,473	228,209	5,293	5,775
Intangible assets	164	164	93	93
Investment properties	281,308	228,300	-	-
Subsidiaries	-	-	438,584	421,346
Trade and other receivables	3,029	2,694	2,013	1,614
	<u>532,974</u>	<u>459,367</u>	<u>445,983</u>	<u>428,828</u>
Current assets				
Inventories	9,205	8,526	2,089	2,159
Trade and other receivables	39,370	36,955	37,191	17,250
Cash and cash equivalents	119,525	150,179	51,893	93,604
	<u>168,100</u>	<u>195,660</u>	<u>91,173</u>	<u>113,013</u>
Total assets	<u>701,074</u>	<u>655,027</u>	<u>537,156</u>	<u>541,841</u>
Equity attributable to owners of the Company				
Share capital	282,461	254,257	282,461	254,257
Reserves	294,148	284,543	204,460	177,070
	<u>576,609</u>	<u>538,800</u>	<u>486,921</u>	<u>431,327</u>
Non-controlling interests	1,568	1,472	-	-
Total equity	<u>578,177</u>	<u>540,272</u>	<u>486,921</u>	<u>431,327</u>
Non-current liabilities				
Trade and other payables	3,713	6,913	154	174
Deferred tax liabilities	2,972	2,979	523	523
	<u>6,685</u>	<u>9,892</u>	<u>677</u>	<u>697</u>
Current liabilities				
Trade and other payables	74,646	74,486	41,167	102,043
Insurance contract provisions	21,627	11,094	-	-
Interest-bearing liabilities	7,072	6,391	7,072	6,391
Current tax liabilities	12,867	12,892	1,319	1,383
	<u>116,212</u>	<u>104,863</u>	<u>49,558</u>	<u>109,817</u>
Total liabilities	<u>122,897</u>	<u>114,755</u>	<u>50,235</u>	<u>110,514</u>
Total equity and liabilities	<u>701,074</u>	<u>655,027</u>	<u>537,156</u>	<u>541,841</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\$20.3 million, largely due to the acquisition of a property. The Group intends to utilise the property for its administrative and support operations to meet business expansions.
2. Investment properties increased by S\$53.0 million due to the investment properties development expenditure for Raffles Hospital Extension and Raffles Holland V.
3. The Group's net cash position decreased from S\$143.8 million as at 31 December 2014 to S\$112.5 million as at 30 June 2015. This was mainly attributable to the payments for the purchase of property, plant and equipment amounting to S\$26.3 million and investment properties under development amounting to S\$50.6 million, offset by strong operating cash flows generated by the Group.
4. Trade and other payables classified under non-current liabilities relate to payment received for non-cancellable agreement from a third party.
5. Insurance contract provisions increased by S\$10.5 million, mainly due to higher provision for unearned premiums resulting from higher 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 30/06/2015		As at 31/12/2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	7,072	-	6,391

Amount repayable after one year

Nil.

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 2015	Q2 2014
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	16,023	15,663
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	3,049	2,192
Equity-settled share-based payment transactions	467	901
Finance expenses	20	13
Finance income	(317)	(210)
Gain on disposal of property, plant and equipment	(3)	(4)
Loss on disposal of property, plant and equipment	-	1
Property, plant and equipment written off	3	13
Tax expense	3,435	3,268
	<u>22,677</u>	<u>21,837</u>
<i>Changes in working capital :-</i>		
Inventories	(125)	258
Trade and other receivables	8,282	20,556
Trade and other payables	788	3,681
Insurance contract provisions	(4,457)	(2,776)
Cash generated from operations	27,165	43,556
Tax paid	(3,810)	(4,932)
Net cash from operating activities	<u>23,355</u>	<u>38,624</u>
Cash flows from investing activities		
Interest received	255	187
Proceeds from sale of property, plant and equipment	3	9
Purchase of property, plant and equipment	(22,779)	(4,938)
Payment for investment properties under development	(6,602)	-
Net cash used in investing activities	<u>(29,123)</u>	<u>(4,742)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(2,971)	(3,977)
Dividends paid to non-controlling shareholder of the subsidiary	(100)	(140)
Proceeds from issue of shares under share option scheme	6,959	2,542
Proceeds from bank loans	20,942	15,482
Repayment of bank loans	(20,395)	(15,473)
Loan from non-controlling interest	22	-
Net cash from financing activities	<u>4,457</u>	<u>(1,566)</u>
Net decrease in cash and cash equivalents	(1,311)	32,316
Cash and cash equivalents at 1 April	120,893	98,307
Effect of exchange rate fluctuations on cash held	(57)	(11)
Cash and cash equivalents at 30 June	<u>119,525</u>	<u>130,612</u>

Explanatory note to the Statement of Cash Flows

The Group's cash and cash equivalents decreased by S\$1.4 million from S\$120.9 million as at 31 March 2015 to S\$119.5 million as at 30 June 2015. This was mainly attributed to purchase of property, plant and equipment amounting to \$22.8 million and payments for investment properties under development amounting to S\$6.6 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	Currency translation reserve S\$'000	Share option 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 2014	229,418	(195)	16,182	243,498	488,903	1,370	490,273
Total comprehensive income for the period							
Profit for the period	-	-	-	15,612	15,612	51	15,663
Other comprehensive income							
Foreign currency translation differences - foreign operations	-	49	-	-	49	-	49
Total comprehensive income for the period	-	49	-	15,612	15,661	51	15,712
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	2,542	-	-	-	2,542	-	2,542
Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	18,269	-	-	-	18,269	-	18,269
Value of employee services received for issue of share options	-	-	901	-	901	-	901
Final dividend paid of 4.0 cents per ordinary share – Cash	-	-	-	(3,977)	(3,977)	-	(3,977)
Final dividend paid of 4.0 cents per ordinary share – Scrip	-	-	-	(18,269)	(18,269)	-	(18,269)
Dividends distributed to non-controlling shareholder of a subsidiary	-	-	-	-	-	(140)	(140)
Total contributions by and distributions to owners	20,811	-	901	(22,246)	(534)	(140)	(674)
At 30 June 2014	250,229	(146)	17,083	236,864	504,030	1,281	505,311

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	Currency translation reserve S\$'000	Share option 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 2015	255,789	(235)	19,775	280,859	556,188	1,593	557,781
Total comprehensive income for the period							
Profit for the period	-	-	-	15,948	15,948	75	16,023
Other comprehensive income							
Foreign currency translation differences - foreign operations	-	18	-	-	18	-	18
Total comprehensive income for the period	-	18	-	15,948	15,966	75	16,041
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	6,959	-	-	-	6,959	-	6,959
Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	19,713	-	-	-	19,713	-	19,713
Value of employee services received for issue of share options	-	-	467	-	467	-	467
Final dividend paid of 4.0 cents per ordinary share – Cash	-	-	-	(2,971)	(2,971)	-	(2,971)
Final dividend paid of 4.0 cents per ordinary share – Scrip	-	-	-	(19,713)	(19,713)	-	(19,713)
Dividends distributed to non-controlling shareholder of a subsidiary	-	-	-	-	-	(100)	(100)
Total contributions by and distributions to owners	26,672	-	467	(22,684)	4,455	(100)	4,355
At 30 June 2015	282,461	(217)	20,242	274,123	576,609	1,568	578,177

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	Accumulated profits S\$'000	Total S\$'000
At 1 April 2014	229,418	16,182	138,986	384,586
Total comprehensive income for the period				
Profit for the period	-	-	47,266	47,266
Total comprehensive income for the period	-	-	47,266	47,266
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	2,542	-	-	2,542
Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	18,269	-	-	18,269
Value of employee services received for issue of share options	-	901	-	901
Final dividend paid of 4.0 cents per ordinary share - Cash	-	-	(3,977)	(3,977)
Final dividend paid of 4.0 cents per ordinary share - Scrip	-	-	(18,269)	(18,269)
Total contributions by and distributions to owners	20,811	901	(22,246)	(534)
At 30 June 2014	250,229	17,083	164,006	431,318
At 1 April 2015	255,789	19,775	160,030	435,594
Total comprehensive income for the period				
Profit for the period	-	-	46,872	46,872
Total comprehensive income for the period	-	-	46,872	46,872
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	6,959	-	-	6,959
Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	19,713	-	-	19,713
Value of employee services received for issue of share options	-	467	-	467
Final dividend paid of 4.0 cents per ordinary share - Cash	-	-	(2,971)	(2,971)
Final dividend paid of 4.0 cents per ordinary share - Scrip	-	-	(19,713)	(19,713)
Total contributions by and distributions to owners	26,672	467	(22,684)	4,455
At 30 June 2015	282,461	20,242	184,218	486,921

- 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.**

During the second quarter ended 30 June 2015, the Company issued a total of 2,921,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.71	S\$0.78	S\$1.15	S\$1.24	S\$1.66	S\$2.20	S\$2.34	S\$3.20	S\$3.28
Number of new shares issued	70,000	224,000	95,000	100,000	351,000	266,000	610,000	574,000	631,000

On 1 April 2015, options to subscribe for 5,000,000 ordinary shares at an exercise price of S\$3.93 were granted to 588 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 30 June 2015, there were outstanding options for conversion into 22,517,000 (30 June 2014: 24,087,000) ordinary shares. The Company does not hold any treasury shares as at 30 June 2015 (30 June 2014: Nil).

- 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.**

	30/06/2015	31/12/2014
Number of issued shares excluding treasury shares	573,421,749	564,160,834

- 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 as at 30 June 2015 (31 December 2014: 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 2015 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 2015 are consistent with those applied in the financial statements for the year ended 31 December 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2015. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

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.

Please refer to Item 4 above.

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 2015	Q2 2014	30/06/2015	30/06/2014
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	2.81 cents	2.81 cents	5.46 cents	5.43 cents
(ii) Diluted earnings per share [B]	2.78 cents	2.78 cents	5.41 cents	5.38 cents

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2015 were based on weighted average number of shares 567,478,789 (Q2 2014: 556,139,289) and 566,062,060 (First Half 2014: 555,242,813) 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 2015 were based on weighted average number of shares of 573,949,797 (Q2 2014: 562,572,929) and 572,121,673 (First Half 2014: 561,020,210) 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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share [C]	100.56 cents	95.50 cents	84.91 cents	76.45 cents

[C] The calculation of net asset value per ordinary share was based on 573,421,749 shares as at 30 June 2015 (31 December 2014: 564,160,834).

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's revenue grew by **7.2%** from **S\$92.6** million in Q2 2014 to **S\$99.3** million in Q2 2015. The growth in revenue was attributed to positive contributions from all segments of the Group. Revenue from Healthcare Services grew by **5.7%** and Hospital Services increased by **6.6%**.

Profit before tax grew **2.8%** from **S\$18.9** million in Q2 2014 to **S\$19.5** million in Q2 2015. This was driven by higher patient load offset by higher staff costs, depreciation expenses and operating lease expenses. The higher staff costs was mainly due to the recruitment of more doctors, specialists, nurses and ancillary staff for new and expanded operations at **RafflesHospital** and the newly opened **RafflesMedicalCentre Orchard** (Shaw Centre). The Group's net profit after tax increased by **2.3%** to **S\$16.0** million in Q2 2015 from **S\$15.7** million in Q2 2014.

The Group continues to generate strong operating cash flows from its various business units. The Group maintained a strong cash position of **S\$119.5** million as at 30 June 2015 after accounting for investment of **S\$22.8** million in capital expenditure for business expansion, payment of **S\$6.6** million for investment properties under development as well as the Group's final dividend distribution of **S\$3.0** million for the financial year ended 31 December 2014.

The Directors are pleased to declare for the financial year ending 31 December 2015, an interim ordinary dividend of 1.5 Singapore cents per ordinary share. The dividend will be paid on 31 August 2015.

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 2015 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.**

RafflesChildrenCentre and **RafflesOrthopaedicCentre** have been relocated and expanded. **RafflesHospital** continues to selectively expand its specialist centres to meet its increased base of patients, both local and regional.

RafflesHospital began to receive ambulance cases under the Emergency Care Collaboration with the Ministry of Health on 3 June 2015. The collaboration enables our medical, nursing and management staff to experience seeing a different group of patients.

RafflesMedicalCentre Orchard served its first patients in June 2015. This is a one-stop multidisciplinary centre of about 17,500 square feet located over Level 4 and 5 at Shaw Centre, at the heart of Orchard Road. It brings together family medicine, health screening, dental and specialist care, and **RafflesChineseMedicine**. This will provide for the total healthcare needs of our patients at a new convenient location.

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. (Cont'd)

RafflesHospital Extension commenced construction works in December 2014. When completed in the first half of 2017, the integrated medical complex will offer significant scope for *RafflesHospital's* expansion and growth over the next 10 years.

Raffles Holland V is currently on track to be completed in the first quarter of 2016. Approximately 9,000 square feet will be dedicated to the expansion of the Group's medical and specialist services to cater to both local and expatriate patients. The remaining commercial space will be leased to DBS Bank and other tenants offering speciality lifestyle, food and beverage and retail services.

RafflesMedical and *RafflesDental* are expected to continue to benefit from the government initiated Community Health Assist Scheme (CHAS), Pioneer Generation (PG) package and the Flexi-Medisave scheme. Most of the Group's clinics are accredited to serve Singaporeans under CHAS and PG. Some of our existing clinics will be renovated in the coming months to serve our patients better.

In May 2015, the Group announced that it had formed a joint venture with Shanghai LuJiaZui Group for an international general hospital in Shanghai's Pudong New Area. The Group has set up a senior team to progress on this project and they are working with the Group's consultants to finalise and submit plans for the hospital.

The more measured pace of economic growth in Singapore and the region may have a dampening effect on healthcare demand. However, with the planned completion of the *Raffles Holland V and RafflesHospital Extension* projects, the Group is well positioned for the future. The Group will continue to be vigilant and to proactively respond to new opportunities that may arise.

Based on current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue to grow for the rest of the year.

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)	1.5 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

11. Dividend (Cont'd)

(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)	1.5 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

(c) Date payable

The dividend will be paid on 31 August 2015.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 20 August 2015 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 19 August 2015 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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
27 July 2015