

AUDITED FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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	2017 S\$'000	2016 S\$'000	Change %
Revenue	477,583	473,608	0.8
Other operating income	3,833	3,529	8.6
Inventories and consumables used	(54,067)	(51,235)	5.5
Purchased and contracted services	(39,559)	(40,415)	(2.1)
Staff costs	(247,600)	(241,736)	2.4
Depreciation of property, plant and equipment	(14,388)	(14,491)	(0.7)
Amortisation of intangible assets	(604)	(174)	nm
Operating lease expenses	(13,204)	(14,215)	(7.1)
Other operating expenses	(31,908)	(32,925)	(3.1)
Profit from operating activities	80,086	81,946	(2.3)
Finance income	936	1,138	(17.8)
Finance expenses	(204)	(154)	32.5
Profit before tax	80,818	82,930	(2.5)
Tax expense	(12,157)	(14,984)	(18.9)
Profit for the year	68,661	67,946	1.1
Profit attributable to :			
Owners of the Company	70,779	70,210	0.8
Non-controlling interests	(2,118)	(2,264)	(6.4)
Profit for the year	68,661	67,946	1.1

Note: nm denotes not meaningful

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	2017	2016	Change
	S\$'000	S\$'000	%
Profit for the year	68,661	67,946	1.1
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(169)	(4,029)	(95.8)
Total comprehensive income for the year	<u>68,492</u>	<u>63,917</u>	7.2
Total comprehensive income attributable to:			
Owners of the Company	70,495	67,267	4.8
Non-controlling interests	(2,003)	(3,350)	(40.2)
Total comprehensive income for the year	<u>68,492</u>	<u>63,917</u>	7.2

Explanatory notes to the Consolidated Statement of Profit or Loss

- Higher inventories and consumables was due to increased sales of medical supplies and services.
- Staff cost increased in tandem with higher volume of business in the Group. The rate of increase for staff cost was higher than the growth in revenue mainly due to annual staff wage increments.
- Effective tax rate decreased due to utilisation of tax losses and higher tax incentives claimed.
- Profit from operating activities before taxation includes the following:

Group	2017	2016
	S\$'000	S\$'000
(a) Other operating income		
Changes in fair value of investment properties	3,085	1,530
(b) Other operating expenses		
Allowance for doubtful receivables	1,481	1,028
Loss on disposal of property, plant and equipment, net	10	-
Property, plant and equipment written off	143	154
Write-off for stock obsolescence	155	175
Donations	411	12
Foreign exchange loss	134	566

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

Group	2017	2016
	S\$'000	S\$'000
Deferred tax expense		
Under provision in respect of prior years	57	64
Current tax expense		
Under provision in respect of prior years	254	48

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	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Non-current assets				
Property, plant and equipment	384,021	270,066	7,585	8,040
Intangible assets and goodwill	36,773	30,660	1,296	93
Investment properties	385,498	371,472	-	-
Subsidiaries	-	-	551,131	451,431
Deferred tax assets	1,025	437	-	-
Trade and other receivables	3,060	4,711	7,663	7,658
	<u>810,377</u>	<u>677,346</u>	<u>567,675</u>	<u>467,222</u>
Current assets				
Inventories	9,955	9,994	2,491	2,643
Trade and other receivables	87,259	101,408	124,626	103,234
Cash and cash equivalents	98,270	111,883	5,716	32,619
	<u>195,484</u>	<u>223,285</u>	<u>132,833</u>	<u>138,496</u>
Total assets	<u>1,005,861</u>	<u>900,631</u>	<u>700,508</u>	<u>605,718</u>
Equity attributable to owners of the Company				
Share capital	340,201	314,165	340,201	314,165
Reserves	393,849	352,223	268,350	242,894
	<u>734,050</u>	<u>666,388</u>	<u>608,551</u>	<u>557,059</u>
Non-controlling interests	17,575	15,456	-	-
Total equity	<u>751,625</u>	<u>681,844</u>	<u>608,551</u>	<u>557,059</u>
Non-current liabilities				
Loans and borrowings	38,000	16,947	-	-
Trade and other payables	15,102	4,397	58	96
Other financial liabilities	1,773	8,377	-	-
Deferred tax liabilities	4,870	4,853	899	722
	<u>59,745</u>	<u>34,574</u>	<u>957</u>	<u>818</u>
Current liabilities				
Loans and borrowings	41,204	13,451	37,262	9,518
Current tax liabilities	12,904	14,163	271	1,644
Trade and other payables	126,305	144,728	53,467	36,679
Other financial liabilities	2,941	166	-	-
Insurance contract provisions	11,137	11,705	-	-
	<u>194,491</u>	<u>184,213</u>	<u>91,000</u>	<u>47,841</u>
Total liabilities	<u>254,236</u>	<u>218,787</u>	<u>91,957</u>	<u>48,659</u>
Total equity and liabilities	<u>1,005,861</u>	<u>900,631</u>	<u>700,508</u>	<u>605,718</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 Statements of Financial Position

1. Property, plant and equipment increased by S\$114.0 million, primarily due to reclassification of investment property to property, plant and equipment.
2. Investment properties increased by S\$14.0 million, largely due to the investment property development expenditure pertaining to projects for Raffles Medical Shanghai Hospital and Raffles Medical Chongqing Hospital.
3. Trade and other receivables decreased mainly due to settlement of receivables from non-controlling interests of the subsidiaries acquired in 2015.
4. The Group's net cash position reduced from S\$81.5 million as at 31 December 2016 to S\$19.1 million as at 31 December 2017. This was primarily due to higher project expenditure incurred for Raffles Hospital Extension and Raffles Medical Hospital projects in Shanghai and Chongqing.
5. Trade and other payables decreased largely due to decreased payables to non-controlling interests of the subsidiaries acquired in 2015.
6. The increase in loans and borrowings was due to bank loans obtained to finance the project expenditure incurred for Raffles Hospital Extension and Raffles Medical Hospital projects in Shanghai and Chongqing.
7. Other financial liabilities decreased due to the adjustment to the present value of the exercise price of written put options with the non-controlling shareholders in respect of the subsidiaries acquired in 2015.

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

Amount repayable in one year or less, or on demand

As at 31/12/2017		As at 31/12/2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	41,204	-	13,451

Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	38,000	-	16,947

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.

	2017 S\$'000	2016 S\$'000
Cash flows from operating activities		
Profit for the year	68,661	67,946
<i>Adjustments for :</i>		
Amortisation of intangible assets	604	174
Changes in fair value of investment properties	(3,085)	(1,530)
Depreciation of property, plant and equipment	14,388	14,491
Equity-settled share-based payment transactions	2,449	2,656
Finance expenses	204	154
Finance income	(936)	(1,138)
Loss on disposal of property, plant and equipment, net	10	-
Property, plant and equipment written off	143	154
Tax expense	12,157	14,984
	<u>94,595</u>	<u>97,891</u>
<i>Changes in working capital :</i>		
Inventories	39	(417)
Trade and other receivables	16,343	(28,474)
Trade and other payables	(13,109)	24,025
Insurance contract provisions	(568)	(1,099)
Cash generated from operations	<u>97,300</u>	<u>91,926</u>
Tax paid	(13,970)	(12,693)
Interest paid	(637)	(379)
Net cash from operating activities	<u>82,693</u>	<u>78,854</u>
Cash flows from investing activities		
Interest received	952	1,188
Proceeds from disposal of property, plant and equipment	12	-
Purchase of property, plant and equipment	(10,007)	(14,497)
Acquisition of intangible assets	(5,888)	-
Payment for investment properties under development	(125,733)	(31,063)
Net cash used in investing activities	<u>(140,664)</u>	<u>(44,372)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(14,389)	(13,980)
Dividends paid to non-controlling interests	-	(116)
Loan from subsidiary's non-controlling interest	233	623
Proceeds from issue of shares under share option scheme	5,278	7,093
Proceeds from issue of shares to non-controlling interests of subsidiaries	4,122	-
Proceeds from bank loans	236,219	95,886
Repayment of bank loans	(186,721)	(97,992)
Net cash from/(used in) financing activities	<u>44,742</u>	<u>(8,486)</u>
Net (decrease)/increase in cash and cash equivalents	(13,229)	25,996
Cash and cash equivalents at 1 January	111,883	86,057
Effect of exchange rate fluctuations on cash held	(384)	(170)
Cash and cash equivalents at 31 December	<u>98,270</u>	<u>111,883</u>

Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents reduced from S\$111.9 million as at 31 December 2016 to S\$98.3 million as at 31 December 2017. This was mainly due to more cashflows used to fund Raffles Hospital Extension, Raffles Medical Hospital projects in Shanghai and Chongqing, purchase of property, plant and equipment as well as dividend payment to shareholders of the Company, despite strong cashflows generated by the Group from operations.

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 January 2016	286,366	(1,149)	21,089	1,712	(8,790)	303,877	603,105	18,922	622,027
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	70,210	70,210	(2,264)	67,946
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	(2,943)	-	-	-	-	(2,943)	(1,086)	(4,029)
Total other comprehensive income for the year	-	(2,943)	-	-	-	-	(2,943)	(1,086)	(4,029)
Total comprehensive income for the year	-	(2,943)	-	-	-	70,210	67,267	(3,350)	63,917
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	7,093	-	-	-	-	-	7,093	-	7,093
Issue of shares in lieu of cash dividends of 4.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme ⁽¹⁾	20,706	-	-	-	-	-	20,706	-	20,706
Value of employee services received for issue of share options	-	-	2,656	-	-	-	2,656	-	2,656
Final dividend paid of 4.5 cents ⁽¹⁾ per ordinary share - Cash	-	-	-	-	-	(5,246)	(5,246)	-	(5,246)
Final dividend paid of 4.5 cents ⁽¹⁾ per ordinary share - Scrip	-	-	-	-	-	(20,706)	(20,706)	-	(20,706)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	-	-	(8,734)	(8,734)	-	(8,734)
Dividends distributed to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	(116)	(116)
Total contributions by and distributions to owners	27,799	-	2,656	-	-	(34,686)	(4,231)	(116)	(4,347)
Changes in ownership interests in subsidiaries									
Present value of the exercise price of written put options	-	-	-	-	247	-	247	-	247
Total changes in ownership interests in subsidiaries	-	-	-	-	247	-	247	-	247
Total transactions with owners	27,799	-	2,656	-	247	(34,686)	(3,984)	(116)	(4,100)
At 31 December 2016	314,165	(4,092)	23,745	1,712	(8,543)	339,401	666,388	15,456	681,844

(1) This dividend payment was based on the issued ordinary shares of the Company prior to subdivision of each ordinary share in the capital of the Company into three ordinary shares which was completed on 11 May 2016.

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	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2017	314,165	(4,092)	23,745	1,712	(8,543)	339,401	666,388	15,456	681,844
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	70,779	70,779	(2,118)	68,661
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	(284)	-	-	-	-	(284)	115	(169)
Total other comprehensive income for the year	-	(284)	-	-	-	-	(284)	115	(169)
Total comprehensive income for the year	-	(284)	-	-	-	70,779	70,495	(2,003)	68,492
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	5,278	-	-	-	-	-	5,278	-	5,278
Issue of shares in lieu of cash dividends of 1.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	20,758	-	-	-	-	-	20,758	-	20,758
Issue of shares to non-controlling interests of subsidiary	-	-	-	-	-	-	-	4,122	4,122
Value of employee services received for issue of share options	-	-	2,449	-	-	-	2,449	-	2,449
Final dividend paid of 1.5 cents per ordinary share - Cash	-	-	-	-	-	(5,535)	(5,535)	-	(5,535)
Final dividend paid of 1.5 cents per ordinary share - Scrip	-	-	-	-	-	(20,758)	(20,758)	-	(20,758)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	-	-	(8,854)	(8,854)	-	(8,854)
Total contributions by and distributions to owners	26,036	-	2,449	-	-	(35,147)	(6,662)	4,122	(2,540)
Changes in ownership interests in subsidiaries									
Present value of the exercise price of written put options	-	-	-	-	3,829	-	3,829	-	3,829
Total changes in ownership interests in subsidiaries	-	-	-	-	3,829	-	3,829	-	3,829
Total transactions with owners	26,036	-	2,449	-	3,829	(35,147)	(2,833)	4,122	1,289
At 31 December 2017	340,201	(4,376)	26,194	1,712	(4,714)	375,033	734,050	17,575	751,625

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 January 2016	286,366	21,089	179,212	486,667
Total comprehensive income for the year				
Profit for the year	-	-	74,623	74,623
Total comprehensive income for the year	-	-	74,623	74,623
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	7,093	-	-	7,093
Issue of shares in lieu of cash dividends of 4.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme ⁽¹⁾	20,706	-	-	20,706
Value of employee services received for issue of share options	-	2,656	-	2,656
Final dividend paid of 4.5 cents per ordinary share – Cash ⁽¹⁾	-	-	(5,246)	(5,246)
Final dividend paid of 4.5 cents per ordinary share – Scrip ⁽¹⁾	-	-	(20,706)	(20,706)
Interim dividend paid of 0.5 cents per ordinary share - Cash	-	-	(8,734)	(8,734)
Total contributions by and distributions to owners	27,799	2,656	(34,686)	(4,231)
At 31 December 2016	314,165	23,745	219,149	557,059
At 1 January 2017	314,165	23,745	219,149	557,059
Total comprehensive income for the year				
Profit for the year	-	-	58,154	58,154
Total comprehensive income for the year	-	-	58,154	58,154
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	5,278	-	-	5,278
Issue of shares in lieu of cash dividends of 1.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	20,758	-	-	20,758
Value of employee services received for issue of share options	-	2,449	-	2,449
Final dividend paid of 1.5 cents per ordinary share - Cash	-	-	(5,535)	(5,535)
Final dividend paid of 1.5 cents per ordinary share - Scrip	-	-	(20,758)	(20,758)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	(8,854)	(8,854)
Total contributions by and distributions to owners	26,036	2,449	(35,147)	(6,662)
At 31 December 2017	340,201	26,194	242,156	608,551

(1) This dividend payment was based on the issued ordinary shares of the Company prior to subdivision of each ordinary share in the capital of the Company into three ordinary shares which was completed on 11 May 2016.

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 year ended 31 December 2017, the Company issued a total of 22,874,652 new ordinary shares due to the allotment and issue of 16,474,652 ordinary shares arising from the application of Raffles Medical Group Ltd Scrip Dividend Scheme in respect of the final dividend for the financial year ended 31 December 2016, as well as the allotment and issue of 6,400,000 new ordinary shares pursuant to the exercise by options holders under the Raffles Medical Group Share Option Schemes.

Exercise price per share (Post Share Split)	S\$0.26	S\$0.38	S\$0.41	S\$0.55	S\$0.73
Number of new shares issued	671,000	228,000	201,000	563,000	501,000

Exercise price per share (Post Share Split)	S\$0.78	S\$1.07	S\$1.09	S\$1.31
Number of new shares issued	1,460,000	1,218,000	1,020,000	538,000

On 3 April 2017, options to subscribe for 5,000,000 ordinary shares at an exercise price of S\$1.42 were granted to about 425 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 December 2017, there were outstanding options for conversion into 60,886,000 (31 December 2016: 62,806,000) ordinary shares. The Company does not hold any treasury shares, nor any subsidiary holdings, as at 31 December 2017 (31 December 2016: 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.

	31/12/2017	31/12/2016
Number of issued shares excluding treasury shares	1,771,038,970	1,748,164,318

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.

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 December 2017 (31 December 2016: Nil).

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 31 December 2017 (31 December 2016: 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 year ended 31 December 2017 have been audited in accordance with Singapore Standards on Auditing.

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

As attached.

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 year ended 31 December 2017 are consistent with those applied in the financial statements for the year ended 31 December 2016, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2017. 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.

	2017	2016
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	4.02 cents	4.04 cents
(ii) Diluted earnings per share [B]	4.00 cents	4.00 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,760,971,541 (2016: 1,737,798,111) in issue during the year. For comparative purposes, the weighted average number of ordinary shares for 2016 has been adjusted for Share Split.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares of 1,770,760,550 (2016: 1,753,819,285) in issue during the year. For comparative purposes, the weighted average number of ordinary shares for 2016 has been adjusted for Share Split.

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share [C]	41.45 cents	38.12 cents	34.36 cents	31.87 cents

[C] The calculation of net asset value per ordinary share was based on 1,771,038,970 shares as at 31 December 2017 (31 December 2016: 1,748,164,318).

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 registered a revenue of **S\$477.6** million for the year ended 2017, a marginal increase from **S\$473.6** million the year before.

Revenue from Hospital Services division and Investment Holdings grew by **2.3%** and **21.1%** respectively, while revenue from Healthcare Services division decreased **1.6%**. The growth in revenue from the Hospital Services division was contributed mainly by the increase in local patient load. Revenue from Healthcare Services division decreased due to lower renewal of international healthcare plans for expatriates. The strong growth in revenue from Investment Holdings was contributed by higher income from the fully leased space at **Raffles Holland V**.

The Group registered a net profit after tax attributable to owners of the Company of **S\$70.8** million, an increase of **0.8%** from **S\$70.2** million in 2016. The Group continued to achieve stable profit margin for the year ended 2017, despite marginal growth in revenue.

The continued strong operating cashflows generated from the Group's business operations contributed to a healthy cash position of **S\$98.3** million as at 31 December 2017. The strong operating cashflows enabled the Group to support its investments in **RafflesHospital Extension** and **RafflesHospital Shanghai** and **Chongqing**. These investments, together with capital expenditure for business expansion amounted to **S\$141.6** million in 2017.

The Directors are pleased to recommend a final dividend of **1.75** cents amounting to approximately **S\$31.0** million for the year ended 31 December 2017. Including interim dividend of **0.5 cent** per share paid in August 2017, the total dividend for the financial year ended 31 December 2017 will be **2.25** cents per share, an increase of **12.5%** as compared to the previous year.

RafflesMedical continues to expand its network of clinics in 2017 with the opening of new clinics at Changi Airport Terminal 4 and Transit 4 in the fourth quarter of 2017. Two new in-house clinics in Dover and Tampines were opened in August 2017. Northpoint City re-opened in September 2017 after the mall's retrofitting. A new Japanese service was introduced at **Raffles Holland V** to better serve the Japanese community in the Western part of Singapore. Through these new clinics, **RafflesMedical** continues to offer greater convenience for our patients.

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 Q3 2017 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.

RafflesMedical has started a 5-year partnership with the Ministry of Health and the Agency for Integrated Care (**AIC**) from 1 January 2018 through three Primary Care Network¹(**PCN**) clusters around Singapore to better manage chronic conditions of Singaporeans and Permanent Residents. The PCN Scheme will complement the existing Community Health Assist Scheme / Pioneer Generation, Screen For Life (**SFL**) and National Adult Immunisation Scheme to provide accessible and comprehensive family medicine.

RafflesMedical has also been awarded the Air Borders Screening contract by MOH and the Civil Aviation Authority of Singapore to provide temperature screening and infectious disease surveillance at Changi and Seletar Airports since 1 January 2018. This is in addition to **RafflesMedical's** existing and exclusive medical service provided at Changi Airport in partnership arrangement with the Changi Airport Group.

The new **RafflesHospital's** extension, the **RafflesSpecialistCentre** opened its doors to patients from 22 January 2018. Various specialist centres and the radiology centre have been relocated to the new building from the existing hospital. With the new **RafflesSpecialistCentre** in operation, works have begun on **RafflesHospital** to open up new wards to increase bed capacity, as well as to refurbish the podium for new food and beverage and related shops. Upon completion of these works by middle of the year, the two buildings **RafflesSpecialistCentre** and **RafflesHospital** will provide ambulatory and inpatient capacity to support the expansion of specialist services to serve the growing needs of our local and foreign patients.

Construction of **RafflesHospital Chongqing** and procurement of equipment are progressing according to plans. Recruitment of International and Chinese physicians and hospital management staff have begun and response has been positive. **RafflesHospital Chongqing** is planned to open in the fourth quarter of this year.

RafflesHospital Shanghai, in Pudong Qiantan, is planned for opening in the second half of next year. Construction is also progressing according to plans.

Based on the current economic conditions and barring unforeseen circumstances, the Directors expect the Group to grow and remain profitable for 2018.

¹ Agency for Integrated Care : The Primary Care Networks (PCN) refers to a network of General Practitioners (GPs) supported by nurses and care coordinators who aim to provide holistic and coordinated care for patients with chronic conditions such as diabetes, hypertension and hyperlipidaemia. This team-based care approach ensures patients are being better cared for in the community.

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

Name of Dividend	Proposed Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	1.75 cents 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

Name of Dividend	Final
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 Directors are pleased to recommend a final dividend of 1.75 cents per share amounting approximately to S\$31.0 million in respect of the financial year ended 31 December 2017 for approval by the shareholders at the next Annual General Meeting to be convened on 27 April 2018. Including the interim dividend of 0.5 cent per share paid in August 2017, the total dividends for the financial year ended 31 December 2017 will be 2.25 cents per share, an increase of 12.5% as compared to previous year.

The date of payment of the proposed dividends, if approved at the Annual General Meeting, will be announced at a later date.

(d) Books closure date

The books closure date will be announced at a later date.

11. Dividend (Cont'd)

(e) Scrip dividend scheme

The Scrip Dividend Scheme will be applicable to the final dividend. The issue price of a new share shall not be set at more than 10% discount to, nor shall it exceed the average of the last dealt prices of a share on the SGX-ST for each of the market days during the price determination period (being the period commencing on the day on which the shares are first quoted ex-dividend and ending on the books closure date to determine the entitlements to the final dividend). Further details will be announced at a later date.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business Segments

2017	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
Revenue and expenses				
Revenue	206,574	291,807	21,418	519,799
Inter-segment revenue	3,232	23,438	15,546	42,216
Finance expenses	(204)	-	-	(204)
Depreciation and amortisation	(5,012)	(5,652)	(206)	(10,870)
Reportable segment profit before tax	6,539	62,479	15,922	84,940
Reportable segment assets	768,789	168,032	753,146	1,689,967
Capital expenditure	8,236	4,788	134,281	147,305
Reportable segment liabilities	159,282	90,080	559,167	808,529

2016	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
Revenue and expenses				
Revenue	209,909	285,318	17,688	512,915
Inter-segment revenue	3,037	21,537	14,733	39,307
Finance expenses	(154)	-	-	(154)
Depreciation and amortisation	(4,696)	(5,702)	(202)	(10,600)
Reportable segment profit before tax	14,455	61,422	11,118	86,995
Reportable segment assets	714,005	141,131	591,293	1,446,429
Capital expenditure	9,990	3,702	34,678	48,370
Reportable segment liabilities	150,004	64,662	467,701	682,367

14. Business Segments (Cont'd)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2017	2016
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	519,799	512,915
Elimination of inter-segment revenue	(42,216)	(39,307)
Consolidated revenue	<u>477,583</u>	<u>473,608</u>
Profit or loss		
Total profit for reportable segments	84,940	86,995
Adjustment for depreciation of property, plant and equipment	(4,122)	(4,065)
Consolidated profit before tax	<u>80,818</u>	<u>82,930</u>
Assets		
Total assets for reportable segments	1,689,967	1,446,429
Elimination of inter-segment assets	(685,131)	(546,235)
Unallocated amounts – current tax and deferred tax assets	1,025	437
Consolidated total assets	<u>1,005,861</u>	<u>900,631</u>
Liabilities		
Total liabilities for reportable segments	808,529	682,367
Elimination of inter-segment liabilities	(572,067)	(482,596)
Unallocated amounts – current tax and deferred tax liabilities	17,774	19,016
Consolidated total liabilities	<u>254,236</u>	<u>218,787</u>

Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
2017			
Depreciation and amortisation	10,870	4,122	14,992
2016			
Depreciation and amortisation	10,600	4,065	14,665

The Group's properties at Raffles Holland V and Raffles Hospital are owned by its subsidiaries and classified as investment properties in the subsidiaries' standalone financial statements. In accordance with the Group's accounting policies, investment property is measured at fair value and not depreciated.

14. Business Segments (Cont'd)

For the preparation of the consolidated financial statements, a portion of these properties are reclassified from investment properties to property, plant and equipment as these properties are used for the supply of medical services by the Group. Accordingly, the carrying values of these properties are depreciated over its useful life in the consolidated financial statements of the Group.

The amount of S\$4,122,000 (2016: S\$4,065,000) relates to the depreciation of these properties for the year ended 31 December 2017.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Item 8.

16. A breakdown of sales.

		Group		
		2017 S\$'000	2016 S\$'000	Change %
16 (a)	Revenue reported for first half year	235,003	235,812	(0.3)
16 (b)	Operating profit after tax before deducting non-controlling interests reported for first half year	31,212	31,336	(0.4)
16 (c)	Revenue reported for second half year	242,580	237,796	2.0
16 (d)	Operating profit after tax before deducting non-controlling interests reported for second half year	37,449	36,610	2.3

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	2017 S\$'000	2016 S\$'000
Interim Ordinary Dividend	8,854	8,734
Final Ordinary Dividend	30,993*	26,293
Total	39,847	35,027

* The proposed final ordinary dividend for the financial year 2017 is based on estimated number of shares outstanding as at 31 December 2017.

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

The Board of Directors hereby confirms that none of the personnel occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

- 19. 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
26 February 2018