
FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 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	Second Quarter			Year-To-Date		
	Q2 2017 S\$'000	Q2 2016 S\$'000	Change %	30/06/2017 S\$'000	30/06/2016 S\$'000	Change %
Revenue	120,088	118,953	1.0	235,003	235,812	(0.3)
Other operating income	-	119	nm	727	1,997	(63.6)
Inventories and consumables used	(13,809)	(12,960)	6.6	(26,608)	(26,287)	1.2
Purchased and contracted services	(10,095)	(10,733)	(5.9)	(18,875)	(19,744)	(4.4)
Staff costs	(61,682)	(59,901)	3.0	(122,657)	(121,480)	1.0
Depreciation of property, plant and equipment	(3,575)	(3,550)	0.7	(7,150)	(7,088)	0.9
Amortisation of intangible assets	(101)	(89)	13.5	(204)	(179)	14.0
Operating lease expenses	(3,431)	(3,402)	0.9	(6,885)	(6,916)	(0.4)
Other operating expenses	(7,817)	(8,484)	(7.9)	(15,686)	(17,437)	(10.0)
Profit from operating activities	19,578	19,953	(1.9)	37,665	38,678	(2.6)
Finance income	266	337	(21.1)	493	583	(15.4)
Finance expenses	(48)	(37)	29.7	(93)	(72)	29.2
Profit before tax	19,796	20,253	(2.3)	38,065	39,189	(2.9)
Tax expense	(3,549)	(4,122)	(13.9)	(6,853)	(7,853)	(12.7)
Profit for the period	16,247	16,131	0.7	31,212	31,336	(0.4)
Profit attributable to :						
Owners of the Company	16,763	16,672	0.5	32,308	32,198	0.3
Non-controlling interests	(516)	(541)	(4.6)	(1,096)	(862)	27.1
Profit for the period	16,247	16,131	0.7	31,212	31,336	(0.4)

Note: nm denotes not meaningful

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- 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 2017	Q2 2016	Change	30/06/2017	30/06/2016	Change
Consolidated statement of comprehensive income	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	16,247	16,131	0.7	31,212	31,336	(0.4)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	491	(1,928)	nm	(1,527)	(4,418)	(65.4)
Total comprehensive income for the period	16,738	14,203	17.8	29,685	26,918	10.3
Total comprehensive income attributable to:						
Owners of the company	17,112	15,041	13.8	31,055	28,955	7.3
Non-controlling interests	(374)	(838)	(55.4)	(1,370)	(2,037)	(32.7)
Total comprehensive income for the period	16,738	14,203	17.8	29,685	26,918	10.3

Note: nm denotes not meaningful

Explanatory notes to the Consolidated Statement of Profit or Loss

- Other operating expenses decreased mainly due to lower business promotion and advertising expenses.
- Effective tax rate decreased due to effect of tax rates in foreign jurisdiction and utilisation of tax losses.
- Profit from operating activities before taxation includes the following:

Group	Second Quarter		Year-To-Date	
	Q2 2017	Q2 2016	30/06/2017	30/06/2016
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Other operating expenses				
Allowance for doubtful receivables	676	329	856	1,007
Property, plant and equipment written off	23	-	56	5
Write-off for stock obsolescence	32	47	66	86

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

Group	Second Quarter		Year-To-Date	
	Q2 2017	Q2 2016	30/06/2017	30/06/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Current Tax Expense				
Under / (Over) provision in respect of prior years	-	22	(43)	22

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	30/06/2017 S\$'000	31/12/2016 S\$'000	30/06/2017 S\$'000	31/12/2016 S\$'000
Non-current assets				
Property, plant and equipment	267,179	270,066	8,363	8,040
Intangible assets and goodwill	29,621	30,660	93	93
Investment properties	442,633	371,472	-	-
Subsidiaries	-	-	437,883	451,431
Deferred Tax Assets	439	437	-	-
Trade and other receivables	4,049	4,711	7,871	7,658
	<u>743,921</u>	<u>677,346</u>	<u>454,210</u>	<u>467,222</u>
Current assets				
Inventories	9,216	9,994	2,391	2,643
Trade and other receivables	98,892	101,408	150,210	103,234
Cash and cash equivalents	112,363	111,883	14,580	32,619
	<u>220,471</u>	<u>223,285</u>	<u>167,181</u>	<u>138,496</u>
Total assets	<u>964,392</u>	<u>900,631</u>	<u>621,391</u>	<u>605,718</u>
Equity attributable to owners of the Company				
Share capital	339,485	314,165	339,485	314,165
Reserves	360,212	352,223	220,679	242,894
	<u>699,697</u>	<u>666,388</u>	<u>560,164</u>	<u>557,059</u>
Non-controlling interests	18,208	15,456	-	-
Total equity	<u>717,905</u>	<u>681,844</u>	<u>560,164</u>	<u>557,059</u>
Non-current liabilities				
Loans and borrowings	39,972	16,947	-	-
Trade and other payables	6,066	4,397	77	96
Other financial liabilities	6,615	8,377	-	-
Deferred tax liabilities	4,781	4,853	722	722
	<u>57,434</u>	<u>34,574</u>	<u>799</u>	<u>818</u>
Current liabilities				
Loans and borrowings	13,118	13,451	9,179	9,518
Current tax liabilities	13,896	14,163	1,417	1,644
Trade and other payables	142,955	144,728	49,832	36,679
Other financial liabilities	-	166	-	-
Insurance contract provisions	19,084	11,705	-	-
	<u>189,053</u>	<u>184,213</u>	<u>60,428</u>	<u>47,841</u>
Total liabilities	<u>246,487</u>	<u>218,787</u>	<u>61,227</u>	<u>48,659</u>
Total equity and liabilities	<u>964,392</u>	<u>900,631</u>	<u>621,391</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 Statement of Financial Position

1. Investment properties increased by S\$71.2 million, largely due to the investment property development expenditure pertaining to projects for Raffles Hospital Extension, Raffles Medical Shanghai Hospital and Raffles Medical Chongqing Hospital.
2. The decrease in other financial liabilities was 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 Q4 2015.
3. The increase in loans and borrowings was due to bank loan to finance the construction of Raffles Hospital Extension.
4. Insurance contract provisions increased by S\$7.4 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 30/06/2017		As at 31/12/2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	13,118	-	13,451

Amount repayable after one year

As at 30/06/2017		As at 31/12/2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	39,972	-	16,947

Details of any collateral

Nil.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q2 2017	Q2 2016
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	16,247	16,131
<i>Adjustments for :</i>		
Amortisation of intangible assets	101	89
Depreciation of property, plant and equipment	3,575	3,550
Equity-settled share-based payment transactions	575	733
Finance expenses	48	37
Finance income	(266)	(337)
Property, plant and equipment written off	23	-
Tax expense	3,549	4,122
	<u>23,852</u>	<u>24,325</u>
<i>Changes in working capital :</i>		
Inventories	74	(100)
Trade and other receivables	8,299	4,188
Trade and other payables	3,062	2,101
Insurance contract provisions	(4,489)	(2,588)
Cash generated from operations	<u>30,798</u>	<u>27,926</u>
Tax paid	(4,322)	(4,084)
Interest paid	(150)	-
Net cash from operating activities	<u>26,326</u>	<u>23,842</u>
Cash flows from investing activities		
Interest received	266	349
Purchase of property, plant and equipment	(2,755)	(1,772)
Payment for investment properties under development	(53,578)	(6,524)
Net cash used in investing activities	<u>(56,067)</u>	<u>(7,947)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(5,535)	(5,246)
Loan from subsidiary's non-controlling interest	123	193
Proceeds from issue of shares under share option scheme	2,875	4,020
Proceeds from issue of shares to non-controlling interests of subsidiaries	2,038	-
Proceeds from bank loans	49,063	21,869
Repayment of bank loans	(25,805)	(23,614)
Net cash from / (used in) financing activities	<u>22,759</u>	<u>(2,778)</u>
Net (decrease) / increase in cash and cash equivalents	(6,982)	13,117
Cash and cash equivalents at 1 April	119,395	110,553
Effect of exchange rate fluctuations on cash held	(50)	(124)
Cash and cash equivalents at 30 June	<u>112,363</u>	<u>123,546</u>

Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents decreased by S\$7.0 million from S\$119.4 million as at 31 March 2017 to S\$112.4 million as at 30 June 2017. This was mainly due to dividend payment of S\$5.5 million and payment of S\$53.6 million for investment properties under development, partly compensated by strong operating cashflows generated by the Group and financing from bank loan.

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

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 2016	287,984	(2,761)	21,540	1,712	(8,167)	319,403	619,711	17,723	637,434
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	16,672	16,672	(541)	16,131
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	(1,631)	-	-	-	-	(1,631)	(297)	(1,928)
Total other comprehensive income for the period	-	(1,631)	-	-	-	-	(1,631)	(297)	(1,928)
Total comprehensive income for the period	-	(1,631)	-	-	-	16,672	15,041	(838)	14,203
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	4,020	-	-	-	-	-	4,020	-	4,020
Issue of shares in lieu of cash dividends of 4.5 ⁽¹⁾ cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	20,706	-	-	-	-	-	20,706	-	20,706
Value of employee services received for issue of share options	-	-	733	-	-	-	733	-	733
Final dividend paid of 4.5 ⁽¹⁾ cents per ordinary share – Cash	-	-	-	-	-	(5,246)	(5,246)	-	(5,246)
Final dividend paid of 4.5 ⁽¹⁾ cents per ordinary share – Scrip	-	-	-	-	-	(20,706)	(20,706)	-	(20,706)
Total contributions by and distributions to owners	24,726	-	733	-	-	(25,952)	(493)	-	(493)
Changes in ownership interests in subsidiaries									
Present value of the exercise price of written put options	-	-	-	-	17	-	17	-	17
Total changes in ownership interests in subsidiaries	-	-	-	-	17	-	17	-	17
Total transactions with owners	24,726	-	733	-	17	(25,952)	(476)	-	(476)
At 30 June 2016	312,710	(4,392)	22,273	1,712	(8,150)	310,123	634,276	16,885	651,161

(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.

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (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 April 2017	315,852	(5,694)	24,469	1,712	(6,184)	354,946	685,101	16,544	701,645
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	16,763	16,763	(516)	16,247
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	349	-	-	-	-	349	142	491
Total other comprehensive income for the period	-	349	-	-	-	-	349	142	491
Total comprehensive income for the period	-	349	-	-	-	16,763	17,112	(374)	16,738
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	2,875	-	-	-	-	-	2,875	-	2,875
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	-	-	-	-	-	-	-	2,038	2,038
Value of employee services received for issue of share options	-	-	575	-	-	-	575	-	575
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)
Total contributions by and distributions to owners	23,633	-	575	-	-	(26,293)	(2,085)	2,038	(47)
Changes in ownership interests in subsidiaries									
Present value of the exercise price of written put options	-	-	-	-	(431)	-	(431)	-	(431)
Total changes in ownership interests in subsidiaries	-	-	-	-	(431)	-	(431)	-	(431)
Total transactions with owners	23,633	-	575	-	(431)	(26,293)	(2,516)	2,038	(478)
At 30 June 2017	339,485	(5,345)	25,044	1,712	(6,615)	345,416	699,697	18,208	717,905

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 2016	287,984	21,540	180,693	490,217
Total comprehensive income for the period				
Profit for the period	-	-	4,132	4,132
Total comprehensive income for the period	-	-	4,132	4,132
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	4,020	-	-	4,020
Issue of shares in lieu of cash dividends of 4.5 ⁽¹⁾ cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	20,706	-	-	20,706
Value of employee services received for issue of share options	-	733	-	733
Final dividend paid of 4.5 ⁽¹⁾ cents per ordinary share - Cash	-	-	(5,246)	(5,246)
Final dividend paid of 4.5 ⁽¹⁾ cents per ordinary share - Scrip	-	-	(20,706)	(20,706)
Total contributions by and distributions to owners	24,726	733	(25,952)	(493)
At 30 June 2016	312,710	22,273	158,873	493,856
At 1 April 2017	315,852	24,469	220,114	560,435
Total comprehensive income for the period				
Profit for the period	-	-	1,814	1,814
Total comprehensive income for the period	-	-	1,814	1,814
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	2,875	-	-	2,875
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	-	575	-	575
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)
Total contributions by and distributions to owners	23,633	575	(26,293)	(2,085)
At 30 June 2017	339,485	25,044	195,635	560,164

(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 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 2017, the Company issued a total of 3,033,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share (Post Share Split)	S\$0.26	S\$0.41	S\$0.55	S\$0.73	S\$0.78	S\$1.07	S\$1.09	S\$1.31
Number of new shares issued	225,000	51,000	329,000	225,000	174,000	783,000	708,000	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 30 June 2017, there were outstanding options for conversion into 62,295,000 (30 June 2016: 64,519,000) ordinary shares. The Company does not hold any treasury shares as at 30 June 2017 (30 June 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.

	30/06/2017	31/12/2016
Number of issued shares excluding treasury shares	1,769,833,970	1,748,164,318

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 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 second quarter ended 30 June 2017 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 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.

	Second Quarter		Year-To-Date	
	Q2 2017	Q2 2016	30/06/2017	30/06/2016
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	0.96 cents	0.96 cents	1.85 cents	1.86 cents
(ii) Diluted earnings per share [B]	0.95 cents	0.95 cents	1.83 cents	1.85 cents

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2017 were based on weighted average number of shares 1,751,564,695 (Q2 2016: 1,730,549,799) and 1,751,006,950 (First Half 2016: 1,728,265,221) 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 2017 were based on weighted average number of shares of 1,763,436,586 (Q2 2016: 1,748,043,138) and 1,763,421,837 (First Half 2016: 1,744,145,084) 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	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Net asset value per ordinary share [C]	39.53 cents	38.12 cents	31.65 cents	31.87 cents

[C] The calculation of net asset value per ordinary share was based on 1,769,833,970 shares as at 30 June 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 recorded a quarterly revenue of **S\$120.1** million in Q2 2017 as compared to **S\$119.0** million in Q2 2016. Despite the softer than expected demand from foreign patients, the Group continues to register growth in patient load. Hospital Services division recorded a revenue increase of **0.3%** while the revenue of Healthcare Services division decreased marginally by **1.1%**.

The net profit after tax attributable to owners of the Company increased by **0.5%** from **S\$16.7** million in Q2 2016 to **S\$16.8** million in Q2 2017. Revenue growth of the Group was offset by higher staff costs and consumables used. The increase in staff costs was due mainly to the recruitment of more specialist consultants, management and clinical staff in preparation for the opening of *RafflesHospital Extension* in the last quarter of this year.

The continued strong operating cashflows generated from the Group's business operations contributed to a healthy cash position of **S\$112.4** million as at 30 June 2017. This was after accounting for distribution of final dividend of **S\$5.5** million and payment of **S\$53.6** million for investment properties under development.

The Directors are pleased to declare for the financial year ending 31 December 2017, an interim ordinary dividend of **0.5** Singapore cents per ordinary share. The dividend will be paid on 31 August 2017.

RafflesMedical acquired new clients for the Group in the property, shipping, commodity, hospitality, education, childcare, finance, services and government sectors.

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 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.**

RafflesHospital Extension's completion and opening in Q4 2017 will allow *RafflesHospital* to further increase its breadth and depth of clinical services with projected concurrent expansion in the capacity of specialist outpatient and inpatient facilities.

RafflesMedical expanded its network of clinics in 2017 by opening a new clinic at Hillion Mall in Q2 2017. Changi Airport Terminal 4, Transit 4, and two new in-house clinics in Dover and Tampines respectively, are scheduled to open in Q3 2017. Northpoint will also be re-opened in September 2017. Existing clinics at Asia Square, Clementi and Nex have been relocated or refreshed in Q2 2017 to serve our patients better. Through these initiatives, *RafflesMedical* continues to enhance its touchpoints across Singapore by offering greater convenience to quality healthcare for our patients.

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's Emergency Care Collaboration with the Ministry of Health (MOH) was extended in June 2017 for another 5 years, allowing SCDF ambulances to continue to bring patients to *RafflesHospital* for subsidised care. With the opening of *RafflesHospital Extension*, *RafflesHospital* can leverage on its growing specialist physicians, increased bed capacity and outpatient clinics to care for the various groups of patients: private and subsidised, local and foreign.

Construction of *RafflesHospital Chongqing* and *RafflesHospital Shanghai* is progressing according to plan. These hospitals are targeted to be operational by second half 2018 and second half 2019 respectively.

Despite the economic slowdown and increasing competition from regional countries for foreign patients, the Group is prepared and ready to meet these challenging conditions. The Group will also continue to be vigilant and respond to new opportunities that may arise.

Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to remain profitable in 2017.

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

(c) **Date payable**

The dividend will be paid on 31 August 2017.

11. Dividend(Cont'd)

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 24 August 2017 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 23 August 2017 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 2017 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
31 July 2017