

AUDITED FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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	2016 S\$'000	2015 S\$'000	Change %
Revenue	473,608	410,535	15.4
Other operating income	3,529	3,717	(5.1)
Inventories and consumables used	(51,235)	(44,270)	15.7
Purchased and contracted services	(40,415)	(36,871)	9.6
Staff costs	(241,736)	(203,537)	18.8
Depreciation of property, plant and equipment	(14,491)	(12,757)	13.6
Amortisation of intangible assets	(174)	(50)	nm
Operating lease expenses	(14,215)	(11,040)	28.8
Other operating expenses	(32,925)	(25,123)	31.1
Profit from operating activities	81,946	80,604	1.7
Finance income	1,138	1,098	3.6
Finance expenses	(154)	(95)	62.1
Profit before tax	82,930	81,607	1.6
Tax expense	(14,984)	(12,576)	19.1
Profit for the year	67,946	69,031	(1.6)
Profit attributable to :			
Owners of the Company	70,210	69,291	1.3
Non-controlling interests	(2,264)	(260)	nm
Profit for the year	67,946	69,031	(1.6)

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).

	2016 S\$'000	2015 S\$'000	Change %
Consolidated Statement of Comprehensive Income			
Profit for the year	67,946	69,031	(1.6)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment	-	1,712	nm
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(4,029)	(1,264)	nm
Total comprehensive income for the year	<u>63,917</u>	<u>69,479</u>	(8.0)
Total comprehensive income attributable to:			
Owners of the company	67,267	70,075	(4.0)
Non-controlling interests	(3,350)	(596)	nm
Total comprehensive income for the year	<u>63,917</u>	<u>69,479</u>	(8.0)

Note: nm denotes not meaningful.

Explanatory notes to the Consolidated Statement of Profit or Loss

- Higher consumption of inventories and consumables was in tandem with increased sales of medical supplies and services.
- The rate of increase for staff costs was higher than the growth in revenue owing to the recruitment of more doctors, specialists, nurses and ancillary staff to cater to the expansion of the existing business operations as well as increased staff costs from the new subsidiaries acquired in Q4 2015.
- Increased depreciation mainly due to addition of plant and equipment resulting from the acquisition of new subsidiaries in Q4 2015.
- Higher operating lease expenses were in line with new leases arising from the expansion of clinics as well as leases associated with the new subsidiaries acquired in Q4 2015.
- The Group's 40th anniversary celebration expenses, increased advertising and promotional expenses as well as staff related expenses accounted for the higher other operating expenses in 2016.
- Profit from operating activities before taxation includes the following:

Group	2016 S\$'000	2015 S\$'000
(a) Other operating income		
Changes in fair value of investment properties	1,530	1,494
Gain on disposal of property, plant and equipment	-	37
(b) Other operating expenses		
Allowance for doubtful receivables	1,028	2,003
Loss on disposal of property, plant and equipment	-	6
Property, plant and equipment written off	154	28
Write-off for stock obsolescence	175	205
Foreign exchange loss	566	-

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

Group	2016 S\$'000	2015 S\$'000
Deferred tax expense		
Underprovision in respect of prior years	64	29
Current tax expense		
Under / (Over) provision in respect of prior years	48	(52)

- Higher tax expense for the year 2016 as compared to 2015 was mainly due to lower tax incentives claimed and higher unrecognised tax losses.

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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Non-current assets				
Property, plant and equipment	270,066	264,273	8,040	7,395
Intangible assets and goodwill	30,660	32,139	93	93
Investment properties	371,472	343,866	-	-
Subsidiaries	-	-	451,431	418,965
Deferred tax assets	437	790	-	-
Trade and other receivables	4,711	3,233	7,658	2,262
	<u>677,346</u>	<u>644,301</u>	<u>467,222</u>	<u>428,715</u>
Current assets				
Inventories	9,994	9,577	2,643	2,117
Trade and other receivables	101,408	74,995	103,234	104,894
Cash and cash equivalents	111,883	86,057	32,619	13,352
	<u>223,285</u>	<u>170,629</u>	<u>138,496</u>	<u>120,363</u>
Total assets	<u>900,631</u>	<u>814,930</u>	<u>605,718</u>	<u>549,078</u>
Equity attributable to owners of the Company				
Share capital	314,165	286,366	314,165	286,366
Reserves	352,223	316,739	242,894	200,301
	<u>666,388</u>	<u>603,105</u>	<u>557,059</u>	<u>486,667</u>
Non-controlling interests	15,456	18,922	-	-
Total equity	<u>681,844</u>	<u>622,027</u>	<u>557,059</u>	<u>486,667</u>
Non-current liabilities				
Loans and borrowings	16,947	20,880	-	-
Trade and other payables	4,397	3,385	96	135
Other financial liabilities	8,377	7,136	-	-
Deferred tax liabilities	4,853	4,662	722	602
	<u>34,574</u>	<u>36,063</u>	<u>818</u>	<u>737</u>
Current liabilities				
Loans and borrowings	13,451	11,402	9,518	7,482
Current tax liabilities	14,163	12,529	1,644	390
Trade and other payables	144,728	118,451	36,679	53,802
Other financial liabilities	166	1,654	-	-
Insurance contract provisions	11,705	12,804	-	-
	<u>184,213</u>	<u>156,840</u>	<u>47,841</u>	<u>61,674</u>
Total liabilities	<u>218,787</u>	<u>192,903</u>	<u>48,659</u>	<u>62,411</u>
Total equity and liabilities	<u>900,631</u>	<u>814,930</u>	<u>605,718</u>	<u>549,078</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. Investment properties increased by S\$27.6 million, largely due to the investment property development expenditure for Raffles Hospital Extension and Raffles Medical Shanghai Hospital Project.
2. The increase in trade and other receivables was mainly due to increased receivables arising from the consolidation of subsidiaries acquired in Q4 2015.
3. The Group's net cash position increased from S\$53.8 million as at 31 December 2015 to S\$81.5 million as at 31 December 2016. This was mainly contributed by the strong operating cash flows from its business operations, partly offset by payments for investment properties amounting to S\$31.1 million, purchase of property, plant and equipment of S\$14.5 million and dividends payment of S\$14.1 million.
4. The increase in the Group's trade and other payables was driven by higher business volume and increased payables arising from the consolidation of subsidiaries acquired in Q4 2015.
5. 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.

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

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 31/12/2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	13,451	-	11,402

Amount repayable after one year

As at 31/12/2016		As at 31/12/2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	16,947	-	20,880

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.

	2016	2015
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the year	67,946	69,031
<i>Adjustments for :</i>		
Amortisation of intangible assets	174	50
Changes in fair value of investment properties	(1,530)	(1,494)
Depreciation of property, plant and equipment	14,491	12,757
Equity-settled share-based payment transactions	2,656	2,205
Finance expenses	154	95
Finance income	(1,138)	(1,098)
Gain on disposal of property, plant and equipment	-	(37)
Loss on disposal of property, plant and equipment	-	6
Property, plant and equipment written off	154	28
Tax expense	14,984	12,576
	<u>97,891</u>	<u>94,119</u>
<i>Changes in working capital :</i>		
Inventories	(417)	(226)
Trade and other receivables	(28,474)	(8,114)
Trade and other payables	24,025	(2,139)
Insurance contract provisions	(1,099)	1,710
Cash generated from operations	<u>91,926</u>	<u>85,350</u>
Tax paid	(12,693)	(12,534)
Interest paid	(379)	-
Net cash from operating activities	<u>78,854</u>	<u>72,816</u>
Cash flows from investing activities		
Interest received	1,188	1,126
Proceeds from disposal of property, plant and equipment	-	479
Acquisition of subsidiaries, net of cash acquired	-	(29,786)
Purchase of property, plant and equipment	(14,497)	(34,687)
Payment for investment properties under development	(31,063)	(115,328)
Net cash used in investing activities	<u>(44,372)</u>	<u>(178,196)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(13,980)	(11,581)
Dividends paid to non-controlling interests	(116)	(100)
Loan from subsidiary's non-controlling interest	623	1,376
Proceeds from issue of shares under share option scheme	7,093	12,396
Proceeds from issue of shares to non-controlling interests of subsidiaries	-	13,414
Proceeds from bank loans	95,886	105,792
Repayment of bank loans	(97,992)	(80,152)
Net cash (used in) / from financing activities	<u>(8,486)</u>	<u>41,145</u>
Net increase / (decrease) in cash and cash equivalents	25,996	(64,235)
Cash and cash equivalents at 1 January	86,057	150,179
Effect of exchange rate fluctuations on cash held	(170)	113
Cash and cash equivalents at 31 December	<u>111,883</u>	<u>86,057</u>

Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents increased by S\$25.8 million from S\$86.1 million as at 31 December 2015 to S\$111.9 million as at 31 December 2016. This was mainly attributed to strong operating cashflows generated by the Group from its increased business operations, offset by the payment for investment properties under development amounting to S\$31.1 million, purchase of property, plant and equipment amounting to S\$14.5 million and payment of dividends amounting to S\$14.1 million.

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 2015	254,257	(221)	18,884	-	-	265,880	538,800	1,472	540,272
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	69,291	69,291	(260)	69,031
Other comprehensive income									
Foreign currency translation differences -foreign operations	-	(928)	-	-	-	-	(928)	(336)	(1,264)
Revaluation of property, plant and equipment	-	-	-	1,712	-	-	1,712	-	1,712
Total other comprehensive income for the year	-	(928)	-	1,712	-	-	784	(336)	448
Total comprehensive income for the year	-	(928)	-	1,712	-	69,291	70,075	(596)	69,479
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	12,396	-	-	-	-	-	12,396	-	12,396
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
Issue of shares to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	13,414	13,414
Value of employee services received for issue of share options	-	-	2,205	-	-	-	2,205	-	2,205
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)
Interim dividend paid of 1.5 cents per ordinary share - Cash	-	-	-	-	-	(8,610)	(8,610)	-	(8,610)
Dividends distributed to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	(100)	(100)
Total contributions by and distributions to owners	32,109	-	2,205	-	-	(31,294)	3,020	13,314	16,334
Changes in ownership interests in subsidiaries									
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	4,732	4,732
Present value of the exercise price of written put options	-	-	-	-	(8,790)	-	(8,790)	-	(8,790)
Total changes in ownership interests in subsidiaries	-	-	-	-	(8,790)	-	(8,790)	4,732	(4,058)
Total transactions with owners	32,109	-	2,205	-	(8,790)	(31,294)	(5,770)	18,046	12,276
At 31 December 2015	286,366	(1,149)	21,089	1,712	(8,790)	303,877	603,105	18,922	622,027

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 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	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 per ordinary share - Cash	-	-	-	-	-	(5,246)	(5,246)	-	(5,246)
Final dividend paid of 4.5 cents per ordinary share - Scrip	-	-	-	-	-	(20,706)	(20,706)	-	(20,706)
Interim dividend paid of 1.5 cents 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(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 2015	254,257	18,884	158,186	431,327
Total comprehensive income for the year				
Profit for the year	-	-	52,320	52,320
Total comprehensive income for the year	-	-	52,320	52,320
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	12,396	-	-	12,396
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	-	2,205	-	2,205
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)
Interim dividend paid of 1.5 cents per ordinary share - Cash	-	-	(8,610)	(8,610)
Total contributions by and distributions to owners	32,109	2,205	(31,294)	3,020
At 31 December 2015	286,366	21,089	179,212	486,667
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	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	-	-	(5,246)	(5,246)
Final dividend paid of 4.5 cents per ordinary share - Scrip	-	-	(20,706)	(20,706)
Interim dividend paid of 1.5 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

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.

On 1 April 2016, options to subscribe for 3,500,000 ordinary shares at an exercise price of S\$4.51 were granted to 403 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

On 11 May 2016, the Company completed the subdivision of each ordinary share in the capital of the Company into three (3) ordinary shares (Share Split). As at the date of completion, the Company issued 1,153,409,498 shares for the Share Split.

Prior to the Share Split, the Company issued a total of 1,671,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes as follows:

Exercise price per share (Pre Share Split)	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	42,000	96,000	119,000	95,000	128,000	331,000	204,000	332,000	324,000

During the year ended 31 December 2016, the Company issued a further 3,671,000 new ordinary shares under the Raffles Medical Group Share Option Schemes after the Share Split as follows:

Exercise price per share (Post Share Split)	S\$0.26	S\$0.38	S\$0.41	S\$0.55	S\$0.73	S\$0.78	S\$1.07	S\$1.09
Number of new shares issued	141,000	39,000	153,000	210,000	420,000	889,000	1,077,000	742,000

On 28 June 2016, 14,379,071 ordinary shares were issued pursuant to the RMG Scrip Dividend Scheme in-lieu of cash for the final one-tier tax exempt dividend paid in June 2016 in the capital of Raffles Medical Group Ltd for the financial year ended 31 December 2015.

As at 31 December 2016, there were outstanding options for conversion into 62,806,000 (31 December 2015: 20,544,000 (Pre Share Split)) ordinary shares. The Company does not hold any treasury shares as at 31 December 2016 (31 December 2015: 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.

	31/12/2016	31/12/2015 (Pre Share Split)
Number of issued shares excluding treasury shares	1,748,164,318	575,033,749

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 31 December 2016 (31 December 2015: 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 2016 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 2016 are consistent with those applied in the financial statements for the year ended 31 December 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2016. 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.

	2016	2015
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	4.04 cents	4.05 cents
(ii) Diluted earnings per share [B]	4.00 cents	4.01 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,737,798,111 (2015: 1,710,566,766) in issue during the year. For comparative purposes, the weighted average number of ordinary shares for 2016 and 2015 have 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 1,753,819,285 (2015: 1,727,939,541) in issue during the year. For comparative purposes, the weighted average number of ordinary shares for 2016 and 2015 have 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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share [C]	38.12 cents	34.96 cents	31.87 cents	28.21 cents

[C] The calculation of net asset value per ordinary share was based on 1,748,164,318 shares as at 31 December 2016 (31 December 2015: 1,725,101,247). For comparative purposes, the number of ordinary shares as at 31 December 2015 has been adjusted for Share Split.

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 achieved a record revenue of **S\$473.6** million for the year ended 2016, with a strong double digit growth of **15.4%** as compared to 2015. All divisions contributed positively to the growth of the Group. Revenue from Healthcare Services grew **30.8%** and Hospital Services increased by **6.3%**. The strong revenue growth was driven by higher patient load from the expanding **RafflesMedical** clinic network, higher revenue contributed by more specialist consultants as well as full year contributions from the newly acquired International SOS (MC Holdings) Pte Ltd and its subsidiaries (**MCH**). Excluding revenue contribution from MCH, the Group's revenue would have grown by **7.5%**.

The Group registered a net profit after tax attributable to owners of the Company of **S\$70.2** million, an increase of **1.3%** from **S\$69.3** million in 2015. The strong revenue performance was offset by greater staff costs, operating expenses and supplies used. The increase in staff costs was due to staff recruitment to cater for expanded business operations and the new medical centre in **Raffles Holland V**. On a comparable basis, excluding the results of MCH, the Group's operating profit would have grown by **4.4%** instead of **1.7%**.

The strong performance of the Group translated into a strong cashflow from operating activities of **S\$78.9** million. The Group has a healthy cash position of **S\$111.9** million as at 31 December 2016. The strong operating cashflows will enable the Group to support its investments in MCH, **RafflesHospital Shanghai** and **RafflesHospital Extension**. These investments, which included capital expenditure for business expansion, amounted to **S\$45.6** million in 2015.

The Directors are pleased to recommend a final dividend of **1.5** cents per share amounting to approximately **S\$26.2** million. Including interim dividend of **0.5 cent** per share paid in August 2016, the total dividends for the financial year ended 31 December 2016 will be **2.0** cents per share.

RafflesMedical continues to grow its portfolio of corporate clients through the **RafflesOne** corporate portfolio package by leveraging on employee medical benefits, group insurance and administration services offered by the Group. Some multinational corporations (MNCs) have begun consuming the Group's medical services outside Singapore such as Shanghai and Beijing.

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 2016 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 is progressing according to schedule and when completed by the second half of 2017, it will contribute an additional 220,000 square feet of gross floor area to **RafflesHospital**. The integrated medical complex will not only support the current **RafflesHospital's** range of specialist services, healthcare training and clinical research but will also offer opportunities for growth and expansion in the future years.

RafflesHospital Extension's completion will allow **RafflesHospital** to further increase its breadth and depth of clinical services with projected concurrent expansion in outpatient specialist centres and inpatient facilities capacity. Paired with **RafflesHealthInstitute's** staff training and development initiatives, the integrated medical complex will be able to serve the total healthcare needs of our patients and corporate clients, both current and future.

RafflesHospital's improved year-on-year performance reflects consistent performance in all operational units of the Hospital from our Accidents & Emergency department, specialist outpatient centres to our inpatient wards and surgery services. **RafflesHospital** is positioned for continued growth in 2017.

RafflesMedical Orchard and **RafflesMedical** at Holland V, the Group's one-stop comprehensive healthcare medical centres continue to attract new patients, both local and foreign. This is reflected in the increased year-on-year census. These centres provide integrated primary care, specialist care, dental, health screening, laboratory and radiology services as well as **RafflesChineseMedicine's** Traditional Chinese Medicine (TCM) services in convenient satellite locations outside **RafflesHospital**.

RafflesMedical will further expand its network of clinics in 2017 by opening new clinics in Hillion Mall and Changi Airport Terminal 4, in addition to the clinics in Bukit Batok Central, Waterway Point and Fragrance Empire Building which were newly opened in 2016. The existing clinics including those in Compass One, Rivervale Mall, Loyang Point, Toa Payoh, Bishan, Clementi, Bedok North and Northpoint, were refreshed and expanded to better serve our patients. Through these initiatives, **RafflesMedical** continues to increase its touchpoints across Singapore by offering greater convenience to quality healthcare for our patients.

RafflesHealthinsurance which continued to show positive growth in revenue in the corporate employee benefits business in a challenging economic environment in Singapore, expects slower growth in the coming year as employers face global economic uncertainties and slower economic growth at home.

Raffles Holland V, representing the Group's initiative of locating comprehensive healthcare services with other lifestyle attractions in prime suburban regions, celebrated its official opening on 21 October 2016. Conveniently located at Holland Village, the entire 5th floor of the mall is dedicated to **RafflesMedical Holland V** and the remaining space is leased to other tenants. As at 20 February 2017, approximately 95% of the space has been committed. The remaining units are under negotiation. **Raffles Holland V** will contribute significantly to the Group's results in the coming year.

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)

The slower economic growth in Singapore and the region may have a dampening effect on healthcare demand in general. However, the Group has positioned itself well for growth in Singapore and the region. The completion of **RafflesHospital Extension** planned later this year as well as the Group's expansion to other regional markets in cities where there is strong demand for reliable quality healthcare, will enable the Group to enjoy greater synergies brought about by the expanded reach of our outpatient and inpatient services. The Group will continue to be vigilant and to proactively respond to new opportunities and challenges that may arise.

Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue growing and 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 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)	1.5 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)	1.5 ^ cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

Name of Dividend	Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	4.5 ^ cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

^ 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.

11. Dividend (Cont'd)

(c) Date payable

The Directors are pleased to recommend a final dividend of 1.5 cents per share amounting approximately to S\$26.2 million in respect of the financial year ended 31 December 2016 for approval by the shareholders at the next Annual General Meeting to be convened on 19 April 2017. Including the interim dividend of 0.5 cent per share paid in August 2016, the total dividends for the financial year ended 31 December 2016 will be 2.0 cents per share.

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.

(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

	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
2016				
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 of property, plant and equipment	(4,522)	(5,702)	(202)	(10,426)
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
2015				
Revenue and expenses				
Revenue	160,504	268,385	12,782	441,671
Inter-segment revenue	2,473	16,785	11,878	31,136
Finance expenses	(95)	-	-	(95)
Depreciation of property, plant and equipment	(3,298)	(5,441)	(196)	(8,935)
Reportable segment profit before tax	13,044	63,209	9,176	85,429
Reportable segment assets	630,895	134,588	559,859	1,325,342
Capital expenditure	26,644	7,925	123,805	158,374
Reportable segment liabilities	144,868	54,055	440,903	639,826

14. Business Segments (Cont'd)

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

	2016	2015
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	512,915	441,671
Elimination of inter-segment revenue	(39,307)	(31,136)
Consolidated revenue	<u>473,608</u>	<u>410,535</u>
Profit or loss		
Total profit for reportable segments	86,995	85,429
Adjustment for depreciation of property, plant and equipment	(4,065)	(3,822)
Consolidated profit before tax	<u>82,930</u>	<u>81,607</u>
Assets		
Total assets for reportable segments	1,446,429	1,325,342
Elimination of inter-segment assets	(546,235)	(511,202)
Unallocated amounts – current tax and deferred tax assets	437	790
Consolidated total assets	<u>900,631</u>	<u>814,930</u>
Liabilities		
Total liabilities for reportable segments	682,367	639,826
Elimination of inter-segment liabilities	(482,596)	(464,113)
Unallocated amounts – current tax and deferred tax liabilities	19,016	17,190
Consolidated total liabilities	<u>218,787</u>	<u>192,903</u>

Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
2016			
Depreciation of property, plant and equipment	10,426	4,065	<u>14,491</u>
2015			
Depreciation of property, plant and equipment	8,935	3,822	<u>12,757</u>

The Group's properties at Raffles Holland V and North Bridge Road 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\$4,065,000 (2015: S\$3,822,000) relates to the depreciation of these properties for the year ended 31 December 2016.

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		
		2016 S\$'000	2015 S\$'000	Change %
16 (a)	Revenue reported for first half year	235,812	194,276	21.4
16 (b)	Operating profit after tax before deducting non-controlling interests reported for first half year	31,336	31,073	0.8
16 (c)	Revenue reported for second half year	237,796	216,259	10.0
16 (d)	Operating profit after tax before deducting non-controlling interests reported for second half year	36,610	37,958	(3.6)

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

	2016 S\$'000	2015 S\$'000
Interim Ordinary Dividend	8,734	8,610
Final Ordinary Dividend	26,222*	25,952
Total	34,956	34,562

* The proposed final ordinary dividend for the financial year 2016 is based on estimated number of shares outstanding as at 31 December 2016.

- 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
20 February 2017