

AUDITED FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit or Loss	2019 S\$'000	2018 S\$'000	Change %
Revenue	522,038	489,135	6.7
Other operating income	3,086	5,136	(39.9)
Inventories and consumables used	(57,603)	(57,205)	0.7
Purchased and contracted services	(53,366)	(42,313)	26.1
Staff costs	(266,883)	(246,182)	8.4
Depreciation of property, plant and equipment	(27,650)	(17,172)	61.0
Amortisation of intangible assets	(1,610)	(1,101)	46.2
Operating lease expenses	(5,091)	(13,332)	(61.8)
Impairment loss on trade receivables	(2,085)	(3,010)	(30.7)
Other operating expenses	(34,668)	(29,721)	16.6
Profit from operating activities	76,168	84,235	(9.6)
Finance income	1,697	1,083	56.7
Finance expenses	(1,941)	(1,184)	63.9
Profit before tax	75,924	84,134	(9.8)
Tax expense	(15,402)	(13,331)	15.5
Profit for the year	60,522	70,803	(14.5)
Profit attributable to :			
Owners of the Company	60,273	71,056	(15.2)
Non-controlling interests	249	(253)	nm
Profit for the year	60,522	70,803	(14.5)
Excluding exceptional item:			
Profit before tax	75,924	84,134	(9.8)
Less: Change in fair value of investment properties	(2,128)	(3,395)	(37.3)
Profit before tax	73,796	80,739	(8.6)
Tax expense	(15,402)	(13,331)	15.5
Profit for the year	58,394	67,408	(13.4)
Profit attributable to Owners of the Company	58,145	67,661	(14.1)

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	2019 S\$'000	2018 S\$'000	Change %
Profit for the year	60,522	70,803	(14.5)
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Revaluation surplus from transfer of property, plant and equipment to investment property	-	14,655	(100.0)
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(4,357)	(6,570)	(33.7)
Total comprehensive income for the year	<u>56,165</u>	<u>78,888</u>	(28.8)
Total comprehensive income attributable to:			
Owners of the company	56,341	79,864	(29.5)
Non-controlling interests	(176)	(976)	(82.0)
Total comprehensive income for the year	<u>56,165</u>	<u>78,888</u>	(28.8)

Explanatory notes to the Consolidated Statement of Profit or Loss

1. More purchased and contracted services were mainly attributed to higher insurance claims in tandem with increased insurance premiums.
2. Depreciation increased mainly due to the recognition of right-of-use assets as a result of the adoption of the new Singapore Financial Reporting Standards (International) (SFRS(I)) 16 *Leases*.
3. Amortisation of intangible assets increased mainly due to a newly implemented clinic management system.
4. Decrease in operating lease expenses was mainly due to the adoption of the new SFRS(I) 16 *Leases*, which resulted in a corresponding increase for depreciation.
5. Increased advertising and marketing expenses as well as building and related expenses relating to the Raffles Specialist Centre and Raffles Hospital Chongqing accounted mainly for the higher other operating expenses in 2019.
6. The effective tax rate increased mainly due to higher unrecognised tax losses.

Group	2019 S\$'000	2018 S\$'000
(a) Other operating income		
Changes in fair value of investment properties	2,128	3,395
Foreign exchange gain	-	408
Gain on disposal of property, plant and equipment, net	30	49
(b) Other operating expenses		
Recovery of bad debts	(933)	(1,749)
Donations	17	639
Foreign exchange loss	515	-
Impairment loss of goodwill	-	400
Property, plant and equipment written off	173	220
Write-off for stock obsolescence	150	229
(c) Adjustment for over / under provision of tax in respect of prior years		
Deferred tax expenses – Under provision in respect of prior years	1,128	237
Current tax expenses – (Over) / Under provision in respect of prior years	(1,280)	201

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	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Non-current assets				
Property, plant and equipment	685,585	565,716	7,893	5,808
Intangible assets and goodwill	37,454	37,287	1,007	1,167
Investment properties	311,160	311,160	-	-
Subsidiaries	-	-	601,775	562,604
Deferred tax assets	1,165	1,011	-	-
Trade and other receivables	3,452	2,590	5,843	5,869
	<u>1,038,816</u>	<u>917,764</u>	<u>616,518</u>	<u>575,448</u>
Current assets				
Inventories	10,245	9,320	2,354	2,341
Trade and other receivables	83,935	83,221	136,910	151,955
Cash and cash equivalents	151,826	105,984	47,621	2,609
	<u>246,006</u>	<u>198,525</u>	<u>186,885</u>	<u>156,905</u>
Total assets	<u>1,284,822</u>	<u>1,116,289</u>	<u>803,403</u>	<u>732,353</u>
Equity attributable to owners of the Company				
Share capital	393,470	365,332	393,470	365,332
Reserves	447,423	435,157	299,442	290,560
	<u>840,893</u>	<u>800,489</u>	<u>692,912</u>	<u>655,892</u>
Non-controlling interests	15,961	16,137	-	-
Total equity	<u>856,854</u>	<u>816,626</u>	<u>692,912</u>	<u>655,892</u>
Non-current liabilities				
Loans and borrowings	156,559	97,189	47,771	20,775
Trade and other payables	20,926	11,380	1,157	868
Lease liabilities	24,516	-	2,025	-
Deferred tax liabilities	7,014	4,765	393	644
	<u>209,015</u>	<u>113,334</u>	<u>51,346</u>	<u>22,287</u>
Current liabilities				
Loans and borrowings	8,542	19,307	8,484	19,307
Current tax liabilities	14,395	13,583	1,791	1,573
Trade and other payables	162,530	136,789	47,678	33,294
Lease liabilities	10,759	-	1,192	-
Other financial liabilities	2,754	2,790	-	-
Insurance contract provisions	19,973	13,860	-	-
	<u>218,953</u>	<u>186,329</u>	<u>59,145</u>	<u>54,174</u>
Total liabilities	<u>427,968</u>	<u>299,663</u>	<u>110,491</u>	<u>76,461</u>
Total equity and liabilities	<u>1,284,822</u>	<u>1,116,289</u>	<u>803,403</u>	<u>732,353</u>

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

Explanatory notes to the Statements of Financial Position

1. Property, plant and equipment increased by S\$119.9 million, largely due to the capital development expenditure for Raffles Hospital Chongqing and Raffles Hospital Shanghai as well as the recognition of right-of-use asset resulting from the adoption of the new SFRS(I) 16 Leases.
2. The increase in loans and borrowings was due to bank loans obtained to finance the project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing.
3. Trade and other payables increased mainly due to accrual for project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing and loan from non-controlling interests of a subsidiary.
4. Lease liabilities arose from the adoption of the new SFRS(I) 16 Leases. The lease liabilities relate to the present value of future lease payment due to the lessors.
5. Insurance contract provisions increased by S\$6.1 million, mainly attributed to higher insurance claims in tandem with increased insurance premiums.

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

Amount repayable in one year or less, or on demand

As at 31/12/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	8,542	-	19,307

Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	156,559	-	97,189

Details of any collateral

Nil.

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

	2019 S\$'000	2018 S\$'000
Cash flows from operating activities		
Profit for the year	60,522	70,803
<i>Adjustments for:</i>		
Amortisation of intangible assets	1,610	1,101
Impairment loss on goodwill	-	400
Changes in fair value of investment properties	(2,128)	(3,395)
Depreciation of property, plant and equipment	27,650	17,172
Equity-settled share-based payment transactions	1,399	1,461
Finance expenses	1,941	1,184
Finance income	(1,697)	(1,083)
Gain on disposal of property, plant and equipment, net	(30)	(49)
Property, plant and equipment written off	173	220
Tax expense	15,402	13,331
	<u>104,842</u>	<u>101,145</u>
<i>Changes in:</i>		
Inventories	(925)	635
Trade and other receivables	(1,382)	4,835
Trade and other payables	14,987	(3,086)
Insurance contract provisions	6,113	2,723
Cash generated from operations	<u>123,635</u>	<u>106,252</u>
Tax paid	<u>(12,488)</u>	<u>(12,694)</u>
Net cash from operating activities	<u>111,147</u>	<u>93,558</u>
Cash flows from investing activities		
Interest received	1,610	1,078
Proceeds from disposal of property, plant and equipment	3	121
Purchase of property, plant and equipment	(96,089)	(28,557)
Acquisition of intangible assets	(2,290)	(2,850)
Payment for investment properties under development	(105)	(72,448)
Net cash used in investing activities	<u>(96,871)</u>	<u>(102,656)</u>
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(2,413)
Dividends paid to owners of the Company	(17,954)	(15,630)
Repurchase of own shares	(400)	-
Loan from subsidiary's non-controlling interest	12,111	99
Proceeds from issue of shares under share option scheme	982	771
Proceeds from bank loans	168,270	477,199
Repayment of bank loans	(118,653)	(439,950)
Payment of lease liabilities	(7,952)	-
Interest paid	(4,417)	(2,030)
Lease interest paid	(440)	-
Net cash from financing activities	<u>31,547</u>	<u>18,046</u>
Net increase in cash and cash equivalents	45,823	8,948
Cash and cash equivalents at 1 January	105,984	98,270
Effect of exchange rate fluctuations on cash held	(1,058)	(1,234)
Cash and cash equivalents at 31 December	<u>150,749</u>	<u>105,984</u>

Explanatory notes to the Statement of Cash Flows

The cash and cash equivalents for the statement of cash flows presentation excluded an amount of S\$1.1 million (US\$0.8 million) deposited in an escrow account of a subsidiary. The Group's cash and cash equivalents increased by S\$44.7 million from S\$106.0 million as at 31 December 2018 to S\$150.7 million as at 31 December 2019. This was mainly due to strong operating cash flows generated by the Group and proceeds from bank loans, partly offset by purchase of property, plant and equipment of S\$96.1 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 2018	340,201	(284)	26,194	1,712	(4,714)	370,941	734,050	17,575	751,625
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	71,056	71,056	(253)	70,803
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	(5,847)	-	-	-	-	(5,847)	(723)	(6,570)
Revaluation surplus from transfer of property, plant and equipment to investment property	-	-	-	14,655	-	-	14,655	-	14,655
Total other comprehensive income for the year	-	(5,847)	-	14,655	-	-	8,808	(723)	8,085
Total comprehensive income for the year	-	(5,847)	-	14,655	-	71,056	79,864	(976)	78,888
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	771	-	-	-	-	-	771	-	771
Issue of shares in lieu of cash dividends of 1.75 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	24,360	-	-	-	-	-	24,360	-	24,360
Value of employee services received for issue of share options	-	-	1,461	-	-	-	1,461	-	1,461
Final dividend paid of 1.75 cents per ordinary share - Cash	-	-	-	-	-	(6,647)	(6,647)	-	(6,647)
Final dividend paid of 1.75 cents per ordinary share - Scrip	-	-	-	-	-	(24,360)	(24,360)	-	(24,360)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	-	-	(8,983)	(8,983)	-	(8,983)
Total contributions by and distributions to owners	25,131	-	1,461	-	-	(39,990)	(13,398)	-	(13,398)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	(1,951)	-	(1,951)	(462)	(2,413)
Reversal upon the exercise of written put option	-	-	-	-	1,924	-	1,924	-	1,924
Total changes in ownership interests in subsidiaries	-	-	-	-	(27)	-	(27)	(462)	(489)
Total transactions with owners	25,131	-	1,461	-	(27)	(39,990)	(13,425)	(462)	(13,887)
At 31 December 2018	365,332	(6,131)	27,655	16,367	(4,741)	402,007	800,489	16,137	816,626

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

Group	Share capital S\$'000	Translation reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2019	365,332	(6,131)	27,655	16,367	(4,741)	-	402,007	800,489	16,137	816,626
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	60,273	60,273	249	60,522
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	(3,932)	-	-	-	-	-	(3,932)	(425)	(4,357)
Total other comprehensive income for the year	-	(3,932)	-	-	-	-	-	(3,932)	(425)	(4,357)
Total comprehensive income for the year	-	(3,932)	-	-	-	-	60,273	56,341	(176)	56,165
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	982	-	-	-	-	-	-	982	-	982
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	-	-	-	27,156	-	27,156
Own shares acquired	-	-	-	-	-	(400)	-	(400)	-	(400)
Value of employee services received for issue of share options	-	-	1,399	-	-	-	-	1,399	-	1,399
Final dividend paid of 2.0 cent per ordinary share – Cash	-	-	-	-	-	-	(8,814)	(8,814)	-	(8,814)
Final dividend paid of 2.0 cent per ordinary share – Scrip	-	-	-	-	-	-	(27,156)	(27,156)	-	(27,156)
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	-	(9,140)	(9,140)	-	(9,140)
Total contributions by and distributions to owners	28,138	-	1,399	-	-	(400)	(45,110)	(15,973)	-	(15,973)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	36	-	-	36	-	36
Total changes in ownership interests in subsidiaries	-	-	-	-	36	-	-	36	-	36
Total transactions with owners	28,138	-	1,399	-	36	(400)	(45,110)	(15,937)	-	(15,937)
At 31 December 2019	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854

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

Company	Share capital S\$'000	Share option reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2018	340,201	26,194	-	242,156	608,551
Total comprehensive income for the year			-		
Profit for the year	-	-	-	60,739	60,739
Total comprehensive income for the year	-	-	-	60,739	60,739
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	771	-	-	-	771
Issue of shares in lieu of cash dividends of 1.75 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	24,360	-	-	-	24,360
Value of employee services received for issue of share options	-	1,461	-	-	1,461
Final dividend paid of 1.75 cents per ordinary share - Cash	-	-	-	(6,647)	(6,647)
Final dividend paid of 1.75 cents per ordinary share - Scrip	-	-	-	(24,360)	(24,360)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	(8,983)	(8,983)
Total contributions by and distributions to owners	25,131	1,461	-	(39,990)	(13,398)
At 31 December 2018	365,332	27,655	-	262,905	655,892
At 1 January 2019	365,332	27,655	-	262,905	655,892
Total comprehensive income for the year					
Profit for the year	-	-	-	52,993	52,993
Total comprehensive income for the year	-	-	-	52,993	52,993
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	982	-	-	-	982
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	27,156
Own shares acquired	-	-	(400)	-	(400)
Value of employee services received for issue of share options	-	1,399	-	-	1,399
Final dividend paid of 2.0 cents per ordinary share - Cash	-	-	-	(8,814)	(8,814)
Final dividend paid of 2.0 cents per ordinary share - Scrip	-	-	-	(27,156)	(27,156)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	(9,140)	(9,140)
Total contributions by and distributions to owners	28,138	1,399	(400)	(45,110)	(15,973)
At 31 December 2019	393,470	29,054	(400)	270,788	692,912

- 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 2019, the Company issued a total of 31,084,357 new ordinary shares due to the allotment and issue of 29,516,357 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 2018, as well as the allotment and issue of 1,568,000 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\$0.55	S\$0.73	S\$0.78	S\$1.07	S\$1.09
Number of new shares issued	421,000	480,000	154,000	180,000	330,000	3,000

On 1 July 2019, options to subscribe for 9,900,000 ordinary shares at an exercise price of S\$1.04 and 100,000 ordinary shares at an exercise price of S\$1.08 were granted to 440 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 December 2019, there were outstanding options for conversion into 71,665,000 (31 December 2018: 65,689,000) ordinary shares. The Company holds 400,000 treasury shares and there is no subsidiary holdings as at 31 December 2019 (31 December 2018: Nil).

During the year ended 31 December 2019, the Company acquired 400,000 treasury shares.

The treasury shares held by the Company as at 31 December 2019 represent 0.02% (31 December 2018: Nil) of the total number of issued shares (excluding treasury shares).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.**

	31/12/2019	31/12/2018
Number of issued shares excluding treasury shares	1,827,858,757	1,797,174,400

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

	Number of treasury shares
Balance as at 1 January 2019	-
Acquisition of treasury shares	400,000
Balance as at 31 December 2019	400,000

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2019 (31 December 2018: Nil).

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

The financial statements of consolidated results for the year ended 31 December 2019 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 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2019 as disclosed in item 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2019	2018
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	3.32 cents	3.98 cents
(ii) Diluted earnings per share [B]	3.32 cents	3.97 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,813,326,091 (2018: 1,784,387,214) in issue during the year.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares of 1,815,814,937 (2018: 1,788,293,057) in issue during the year.

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share [C]	46.00 cents	44.54 cents	37.91 cents	36.50 cents

[C] The calculation of net asset value per ordinary share was based on 1,827,858,757 shares as at 31 December 2019 (31 December 2018: 1,797,174,400).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue grew **6.7%** from **S\$489.1** million in 2018 to **S\$522.0** million in 2019. The revenues generated by the Healthcare Services and Hospital Services divisions grew by **9.0%** and **5.9%** respectively. The revenue growth for Healthcare Services was attributable to an increase in corporate clients and greater scope of services for existing and new insurance contracts. The revenue growth for Hospital Services division was driven by higher patient load.

Earnings before interest, taxes, depreciation and amortisation (**EBITDA**) increased by **2.8%** from **S\$102.5** million in 2018 to **S\$105.4** million in 2019. Net profit after tax for 2019 decreased by **14.5%** to **S\$60.5** million due to the gestation loss for **RafflesHospital Chongqing (RHCQ)**. The gestation loss for RHCQ was **S\$9.2** million at the EBITDA level. Excluding RHCQ, EBITDA would have increased by **11.8%** year-on-year.

The Group has a healthy cash position of **S\$150.7** million as at 31 December 2019 due to strong operating cashflows generated from the Group's business operations. This was after accounting for the payment of **S\$98.5** million for fixed assets under development as well as capital expenditure incurred during the financial year.

The building structure of **RafflesHospital Shanghai** was topped out (completed) in May 2019. The interior fit-out and purchase of major equipment is now underway.

The Directors are pleased to recommend a final dividend of **2.0** cents per share amounting to approximately **S\$36.6** million. Including interim dividend of **0.5 cent** per share paid in August 2019, the total dividends for the financial year ended 31 December 2019 will be **2.5** cents per share.

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 year's results are in line with the Directors' expectations as disclosed in the Group's Q3 2019 results announcement.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The novel coronavirus outbreak (**COVID-19**) will impact all economies to varying degrees. It is expected to affect Asian economies more than those in the West. The Singapore and China economies will be affected. As the Group has a significant presence in these two economies, management will respond appropriately as a healthcare provider and business organisation to these deleterious impacts.

RafflesMedical has added Waterway Point to its **RafflesHealthScreeners** portfolio, increasing the number of executive health screening centres to 5 in Singapore. Patients can also opt to have laboratory investigations done in the comfort of their homes by choosing the preferred packages from the **RafflesHealth** e-store.

RafflesConnect, a secured personal healthcare platform that enables easy access to healthcare services and information, was launched in January 2019. Through **RafflesConnect**, patients can consult a **RafflesMedical** doctor anytime and anywhere via tele-consultation and have their medication delivered to them. With the COVID-19 outbreak, there has been a significant rise in the utilisation of **RafflesConnect** as patient access updated health advisories and tele-consult a **RafflesMedical** doctor.

RafflesHospital Singapore will continue to provide quality care to locals, expatriates and overseas patients. With facilities, ranging from its accredited Accident & Emergency Department to twenty-seven multi-speciality clinics, advanced imaging and diagnostic services to high-end in-patient suites, **RafflesHospital Singapore** is well-positioned to provide seamless and integrated care to all patients. The hospital will also expand the Emergency Care Collaboration scheme with the Ministry of Health.

RafflesHealthinsurance will continue to invest in digitalisation, building digital platforms and increasing its social media presence to improve customer engagement and acquisition. In the employee benefit market, **RafflesHealthinsurance** will continue to expand its employee benefit business through brokers.

RafflesHospital Chongqing is now operating round the clock and staffed by a team of multi-disciplinary international and local doctors. The hospital has obtained approval to be one of the designated hospitals covered by China's social health insurance scheme (Yibao). Under this scheme, local patients will be able to claim medical expenditures incurred in **RafflesHospital Chongqing**.

Preparations are on track to enable **RafflesHospital Shanghai** to be ready for operations. However, in view of the COVID-19 situation, the actual date of commencement of operations will depend on when Shanghai returns to normalcy.

Based on the current conditions, and barring unforeseen circumstances, including the prolongation of COVID-19 situation, the Group expects to remain profitable in 2020.

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)	2.0 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)	2.0 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

(c) Date payable

The Directors are pleased to recommend a final dividend of 2.0 cents per share amounting approximately to S\$36.6 million in respect of the financial year ended 31 December 2019 for approval by the shareholders at the next Annual General Meeting to be convened on 24 April 2020. Including the interim dividend of 0.5 cent per share paid in August 2019, the total dividends for the financial year ended 31 December 2019 will be 2.5 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.

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

2019	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
Revenue and expenses				
Revenue	238,718	306,434	33,724	578,876
Inter-segment revenue	3,808	26,775	26,255	56,838
Finance expenses	(832)	(21)	(1,088)	(1,941)
Depreciation and amortisation	(13,039)	(7,733)	(185)	(20,957)
Reportable segment profit before tax	13,812	48,379	22,036	84,227
Reportable segment assets	908,111	214,302	926,249	2,048,662
Capital expenditure	23,938	22,348	92,653	138,939
Reportable segment liabilities	217,160	141,495	786,627	1,145,282

2018	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
Revenue and expenses				
Revenue	218,925	289,421	29,220	537,566
Inter-segment revenue	3,050	23,111	22,270	48,431
Finance expenses	(368)	-	(816)	(1,184)
Depreciation and amortisation	(5,392)	(6,327)	(207)	(11,926)
Reportable segment profit before tax	12,513	57,169	20,799	90,481
Reportable segment assets	796,924	206,373	840,770	1,844,067
Capital expenditure	4,019	9,711	101,229	114,959
Reportable segment liabilities	136,927	129,676	675,570	942,173

14. Business Segments (Cont'd)

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

	2019	2018
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	578,876	537,566
Elimination of inter-segment revenue	(56,838)	(48,431)
Consolidated revenue	<u>522,038</u>	<u>489,135</u>
Profit or loss		
Total profit for reportable segments	84,227	90,481
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(8,303)	(6,347)
Consolidated profit before tax	<u>75,924</u>	<u>84,134</u>
Assets		
Total assets for reportable segments	2,048,662	1,844,067
Elimination of inter-segment assets	(765,005)	(728,789)
Unallocated amounts – current tax and deferred tax assets	1,165	1,011
Consolidated total assets	<u>1,284,822</u>	<u>1,116,289</u>
Liabilities		
Total liabilities for reportable segments	1,145,282	942,173
Elimination of inter-segment liabilities	(738,723)	(660,858)
Unallocated amounts – current tax and deferred tax liabilities	21,409	18,348
Consolidated total liabilities	<u>427,968</u>	<u>299,663</u>

Other material items

	Reportable segment totals	Adjustments	Consolidated totals
	S\$'000	S\$'000	S\$'000
2019			
Depreciation and amortisation	20,957	8,303	<u>29,260</u>
2018			
Depreciation and amortisation	11,926	6,347	<u>18,273</u>

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre and Chongqing 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 in the supply of medical services by the Group. Accordingly, the carrying values of these properties are depreciated over their useful lives in the consolidated financial statements of the Group.

The amount of S\$8,303,000 (2018: S\$6,347,000) relates to the depreciation of these properties for the year ended 31 December 2019.

Geographical Segments

The Group operations are primarily in Singapore, Greater China, Vietnam, Cambodia and Japan.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2019	2018
	\$'000	\$'000
Revenue		
Singapore	462,245	431,351
Greater China	40,021	39,846
Rest of Asia	19,772	17,938
Consolidated revenue	<u>522,038</u>	<u>489,135</u>
Non-current assets		
Singapore	712,489	685,016
Greater China	312,866	223,936
Rest of Asia	8,844	5,211
Consolidated non-current assets*	<u>1,034,199</u>	<u>914,163</u>

* Non-current assets exclude financial instruments (other than equity-accounted investees) and deferred tax assets. The Group initially applied SFRS(I) 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases. As a result, the Group recognised S\$20.8 million of right-of-use assets and S\$21.1 million of liabilities from these lease contracts. The assets and liabilities are included in all the segments as at 31 December 2019. The Group has applied SFRS(I) 16 using the modified retrospective approach under which comparative information is not restated.

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		
		2019 S\$'000	2018 S\$'000	Change %
16 (a)	Revenue reported for first half year	255,255	240,391	6.2
16 (b)	Operating profit after tax before deducting non controlling interests reported for first half year	27,917	32,290	(13.5)
16 (c)	Revenue reported for second half year	266,783	248,744	7.3
16 (d)	Operating profit after tax before deducting non-controlling interests reported for second half year	32,605	38,513	(15.3)

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

	2019 S\$'000	2018 S\$'000
Interim Ordinary Dividend	9,140	8,983
Final Ordinary Dividend	36,557*	35,970
Total	45,697	44,953

* The proposed final ordinary dividend for the financial year 2019 is based on estimated number of shares outstanding as at 31 December 2019 (excluding treasury shares).

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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dr Loo Choon Yong	70	Father of Dr Sarah Lu Qinghui	Executive Chairman of Raffles Medical Group (RMG) Ltd since 1997, having overall executive responsibility for the business direction, strategies and management of the RMG group of companies.	Nil

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
24 February 2020