

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 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 Income Statement	Second Quarter			Year-To-Date		
	Q2 2016 S\$'000	Q2 2015 S\$'000	Change %	30/06/2016 S\$'000	30/06/2015 S\$'000	Change %
<b>Revenue</b>	118,953	99,253	19.8	235,812	194,276	21.4
Other operating income	119	3	nm	1,997	1,410	41.6
Inventories and consumables used	(12,960)	(10,613)	22.1	(26,287)	(21,036)	25.0
Purchased and contracted services	(10,733)	(9,201)	16.7	(19,744)	(18,091)	9.1
Staff costs	(59,901)	(48,457)	23.6	(121,480)	(96,743)	25.6
Depreciation of property, plant and equipment	(3,550)	(3,049)	16.4	(7,088)	(6,005)	18.0
Amortisation of intangible assets	(89)	-	nm	(179)	-	nm
Operating lease expenses	(3,402)	(2,443)	39.3	(6,916)	(4,736)	46.0
Other operating expenses	(8,484)	(6,332)	34.0	(17,437)	(12,251)	42.3
<b>Profit from operating activities</b>	19,953	19,161	4.1	38,678	36,824	5.0
Finance income	337	317	6.3	583	589	(1.0)
Finance expenses	(37)	(20)	85.0	(72)	(39)	84.6
<b>Profit before tax</b>	20,253	19,458	4.1	39,189	37,374	4.9
Tax expense	(4,122)	(3,435)	20.0	(7,853)	(6,301)	24.6
<b>Profit for the period</b>	16,131	16,023	0.7	31,336	31,073	0.8
<b>Attributable to :</b>						
Owners of the Company	16,672	15,948	4.5	32,198	30,927	4.1
Non-controlling interests	(541)	75	nm	(862)	146	nm
<b>Profit for the period</b>	16,131	16,023	0.7	31,336	31,073	0.8

Note: nm denotes not meaningful

# RafflesMedicalGroup

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

Consolidated statement of comprehensive income	Second Quarter			Year-To-Date		
	Q2 2016	Q2 2015	Change	30/06/2016	30/06/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	16,131	16,023	0.7	31,336	31,073	(0.8)
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences - foreign operations	(1,928)	18	nm	(4,418)	4	nm
<b>Total comprehensive income for the period</b>	14,203	16,041	(11.5)	26,918	31,077	(13.4)
<b>Total comprehensive income attributable to:</b>						
Owners of the company	15,041	15,966	(5.8)	28,955	30,931	(6.4)
Non-controlling interests	(838)	75	nm	(2,037)	146	nm
<b>Total comprehensive income for the period</b>	14,203	16,041	(11.5)	26,918	31,077	(13.4)

Note: nm denotes not meaningful

### Explanatory notes to the Consolidated Income Statement

- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- Staff costs increased in tandem with higher volume of business in the Group. The rate of increase for staff costs was higher than the growth in revenue mainly due to recruitment of more specialist consultants and staff as well as increased staff costs arising from the acquisition of new subsidiaries in Q4 2015.
- Higher operating lease expenses were in line with more new leases resulting from the expansion of clinics and leases arising from the acquisition of new subsidiaries in Q4 2015.
- More purchased and contracted services were mainly attributed to higher insurance claims in tandem with increased insurance premiums.
- Increased advertising and promotional expenses as well as staff benefits and training expenses arising from the acquisition of new subsidiaries in Q4 2015 accounted mainly for the higher other operating expenses in Q2 2016.
- Profit from operating activities before taxation includes the following:

Group	Second Quarter		Year-To-Date	
	Q2 2016	Q2 2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(a) Other operating income</b>				
Gain on disposal of property, plant and equipment	-	3	-	3
<b>(b) Other operating expenses</b>				
Allowance for doubtful receivables	329	475	1,007	947
Property, plant and equipment written off	-	3	5	10
Write-off for stock obsolescence	47	54	86	101

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

Group	Second Quarter		Year-To-Date	
	Q2 2016	Q2 2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current Tax Expense</b>				
Under / (Over) provision in respect of prior years	22	(91)	22	(91)

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

	Group		Company	
	30/06/2016 S\$'000	31/12/2015 S\$'000	30/06/2016 S\$'000	31/12/2015 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	260,222	264,273	6,787	7,395
Intangible assets and goodwill	31,342	32,139	93	93
Investment properties	355,242	343,866	-	-
Subsidiaries	-	-	448,142	418,965
Deferred Tax Assets	474	790	-	-
Trade and other receivables	5,331	3,233	2,140	2,262
	<u>652,611</u>	<u>644,301</u>	<u>457,162</u>	<u>428,715</u>
<b>Current assets</b>				
Inventories	9,650	9,577	2,429	2,117
Trade and other receivables	89,389	74,995	86,879	104,894
Cash and cash equivalents	123,546	86,057	42,332	13,352
	<u>222,585</u>	<u>170,629</u>	<u>131,640</u>	<u>120,363</u>
<b>Total assets</b>	<u>875,196</u>	<u>814,930</u>	<u>588,802</u>	<u>549,078</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	312,710	286,366	312,710	286,366
Reserves	321,566	316,739	181,146	200,301
	<u>634,276</u>	<u>603,105</u>	<u>493,856</u>	<u>486,667</u>
<b>Non-controlling interests</b>	16,885	18,922	-	-
<b>Total equity</b>	<u>651,161</u>	<u>622,027</u>	<u>493,856</u>	<u>486,667</u>
<b>Non-current liabilities</b>				
Loans and borrowings	18,915	20,880	-	-
Trade and other payables	2,545	3,385	116	135
Other financial liabilities	7,008	7,136	-	-
Deferred tax liabilities	4,595	4,662	602	602
	<u>33,063</u>	<u>36,063</u>	<u>718</u>	<u>737</u>
<b>Current liabilities</b>				
Loans and borrowings	11,789	11,402	7,580	7,482
Current tax liabilities	13,513	12,529	1,195	390
Trade and other payables	139,581	118,451	85,453	53,802
Other financial liabilities	1,142	1,654	-	-
Insurance contract provisions	24,947	12,804	-	-
	<u>190,972</u>	<u>156,840</u>	<u>94,228</u>	<u>61,674</u>
<b>Total liabilities</b>	<u>224,035</u>	<u>192,903</u>	<u>94,946</u>	<u>62,411</u>
<b>Total equity and liabilities</b>	<u>875,196</u>	<u>814,930</u>	<u>588,802</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 Statement of Financial Position**

- Investment properties increased by S\$11.4 million, largely due to the investment property development expenditure for Raffles Hospital Extension and Raffles Holland V.
- Trade and other receivables increased mainly due to increased receivables arising from the acquisition of subsidiaries during the financial year 2015.
- The Group's net cash position increased from S\$53.8 million as at 31 December 2015 to S\$92.8 million as at 30 June 2016. This was attributed mainly to strong operating cash flows generated by the Group from its increased business operations.
- The increase in the Group's trade and other payables was mainly driven by higher business volume and increased payables arising from the acquisition of subsidiaries during the financial year 2015.
- Insurance contract provisions increased by S\$12.1 million, mainly due to higher provision for unearned premiums resulting from higher billings for premium from the Group's insurance business.

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2016		As at 31/12/2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	11,789	-	11,402

**Amount repayable after one year**

As at 30/06/2016		As at 31/12/2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	18,915	-	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.

	Q2 2016 S\$'000	Q2 2015 S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	16,131	16,023
<i>Adjustments for :</i>		
Amortisation of intangible assets	89	-
Depreciation of property, plant and equipment	3,550	3,049
Equity-settled share-based payment transactions	733	467
Finance expenses	37	20
Finance income	(337)	(317)
Gain on disposal of property, plant and equipment	-	(3)
Property, plant and equipment written off	-	3
Tax expense	4,122	3,435
	<u>24,325</u>	<u>22,677</u>
<i>Changes in working capital :</i>		
Inventories	(100)	(125)
Trade and other receivables	4,188	8,282
Trade and other payables	2,101	788
Insurance contract provisions	(2,588)	(4,457)
Cash generated from operations	<u>27,926</u>	<u>27,165</u>
Tax paid	(4,084)	(3,810)
<b>Net cash from operating activities</b>	<u>23,842</u>	<u>23,355</u>
<b>Cash flows from investing activities</b>		
Interest received	349	255
Proceeds from sale of property, plant and equipment	-	3
Purchase of property, plant and equipment	(1,772)	(22,779)
Payment for investment properties under development	(6,524)	(6,602)
<b>Net cash used in investing activities</b>	<u>(7,947)</u>	<u>(29,123)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to owners of the Company	(5,246)	(2,971)
Dividends paid to non-controlling interests of subsidiaries	-	(100)
Proceeds from issue of shares under share option scheme	4,020	6,959
Proceeds from bank loans	21,869	20,942
Repayment of bank loans	(23,614)	(20,395)
Loan from subsidiary's non-controlling interest	193	22
<b>Net cash (used in) / from financing activities</b>	<u>(2,778)</u>	<u>4,457</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	13,117	(1,311)
Cash and cash equivalents at 1 April	110,553	120,893
Effect of exchange rate fluctuations on cash held	(124)	(57)
<b>Cash and cash equivalents at 30 June</b>	<u>123,546</u>	<u>119,525</u>

## Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents increased by S\$13.0 million from S\$110.6 million as at 31 March 2016 to S\$123.6 million as at 30 June 2016. This was attributed mainly 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\$6.5 million and payment of dividends amounting to S\$5.2 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	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>At 1 April 2015</b>	255,789	(235)	19,775	280,859	556,188	1,593	557,781
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	15,948	15,948	75	16,023
<b>Other comprehensive income</b>							
Foreign currency translation differences - foreign operations	-	18	-	-	18	-	18
<b>Total comprehensive income for the period</b>	-	18	-	15,948	15,966	75	16,041
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	6,959	-	-	-	6,959	-	6,959
Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	19,713	-	-	-	19,713	-	19,713
Value of employee services received for issue of share options	-	-	467	-	467	-	467
Final dividend paid of 4.0 cents per ordinary share – Cash	-	-	-	(2,971)	(2,971)	-	(2,971)
Final dividend paid of 4.0 cents per ordinary share – Scrip	-	-	-	(19,713)	(19,713)	-	(19,713)
Dividends distributed to non-controlling shareholder of a subsidiary	-	-	-	-	-	(100)	(100)
<b>Total contributions by and distributions to owners</b>	26,672	-	467	(22,684)	4,455	(100)	4,355
<b>At 30 June 2015</b>	282,461	(217)	20,242	274,123	576,609	1,568	578,177

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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
<b>At 1 April 2016</b>	287,984	(2,761)	21,540	1,712	(8,167)	319,403	619,711	17,723	637,434
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	16,672	16,672	(541)	16,131
<b>Other comprehensive income</b>									
Foreign currency translation differences - foreign operations	-	(1,631)	-	-	-	-	(1,631)	(297)	(1,928)
<b>Total comprehensive income for the period</b>	-	(1,631)	-	-	-	16,672	15,041	(838)	14,203
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
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 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 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)
<b>Total contributions by and distributions to owners</b>	24,726	-	733	-	-	(25,952)	(493)	-	(493)
<b>Changes in ownership interests in subsidiaries</b>									
Present value of the exercise price of written put options	-	-	-	-	17	-	17	-	17
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	17	-	17	-	17
<b>Total transactions with owners</b>	24,726	-	733	-	17	(25,952)	(476)	-	(476)
<b>At 30 June 2016</b>	312,710	(4,392)	22,273	1,712	(8,150)	310,123	634,276	16,885	651,161

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
<b>At 1 April 2015</b>	255,789	19,775	160,030	435,594
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	46,872	46,872
<b>Total comprehensive income for the period</b>	-	-	46,872	46,872
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	6,959	-	-	6,959
Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	19,713	-	-	19,713
Value of employee services received for issue of share options	-	467	-	467
Final dividend paid of 4.0 cents per ordinary share - Cash	-	-	(2,971)	(2,971)
Final dividend paid of 4.0 cents per ordinary share - Scrip	-	-	(19,713)	(19,713)
<b>Total contributions by and distributions to owners</b>	26,672	467	(22,684)	4,455
<b>At 30 June 2015</b>	282,461	20,242	184,218	486,921
<b>At 1 April 2016</b>	287,984	21,540	180,693	490,217
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	4,132	4,132
<b>Total comprehensive income for the period</b>	-	-	4,132	4,132
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
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 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 cents per ordinary share - Cash	-	-	(5,246)	(5,246)
Final dividend paid of 4.5 cents per ordinary share - Scrip	-	-	(20,706)	(20,706)
<b>Total contributions by and distributions to owners</b>	24,726	733	(25,952)	(493)
<b>At 30 June 2016</b>	312,710	22,273	158,873	493,856



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 (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 835,000 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\$0.78	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	9,000	10,000	62,000	106,000	11,000	85,000	252,000	300,000

During the quarter ended 30 June 2016, the Company issued a further 1,994,000 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\$0.41	S\$0.55	S\$0.73	S\$0.78	S\$1.07	S\$1.09
Number of new shares issued	96,000	33,000	136,000	195,000	582,000	588,000	364,000

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 30 June 2016, there were outstanding options for conversion into 64,519,000 ordinary shares after the Share Split (30 June 2015: 22,517,000). The Company does not hold any treasury shares as at 30 June 2016 (30 June 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.

	30/06/2016	31/12/2015
Number of issued shares excluding treasury shares	1,746,487,318	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 30 June 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 second quarter ended 30 June 2016 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 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.**

	Second Quarter		Year-To-Date	
	Q2 2016	Q2 2015	30/06/2016	30/06/2015
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	0.96 cents	0.94 cents	1.86 cents	1.82 cents
(ii) Diluted earnings per share [B]	0.95 cents	0.93 cents	1.85 cents	1.80 cents

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2016 were based on weighted average number of shares 1,730,549,799 (Q2 2015: 1,702,436,367) and 1,728,265,221 (First Half 2015: 1,698,186,180) respectively in issue during the period. For comparative purposes, the weighted average number of ordinary shares for Q2 2015 and First Half 2015 had been adjusted for the Share Split.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and half year ended 30 June 2015 were based on weighted average number of shares of 1,748,043,138 (Q2 2015: 1,721,849,391) and 1,744,145,084 (First Half 2015: 1,716,365,019) respectively in issue during the period. For comparative purposes, the weighted average number of ordinary shares for Q2 2015 and First Half 2015 had been adjusted for the 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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value per ordinary share [C]	36.32 cents	34.96 cents	28.28 cents	28.21 cents

[C] The calculation of net asset value per ordinary share was based on 1,746,487,318 shares as at 30 June 2016 (31 December 2015: 1,725,101,247). For comparative purposes, the number of ordinary shares as at 31 December 2015 had been adjusted for the 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.

Revenue for the Group showed a healthy growth of **19.8%** from **S\$99.3** million in Q2 2015 to **S\$119.0** million in Q2 2016. All divisions contributed positively to the growth of the Group with revenue from Healthcare Services and Hospital Services increasing by **42.2%** and **7.9%** respectively. The strong growth in the Group's revenue was mainly due to higher patient load, an expanding **RafflesMedical** clinic network, higher revenue contributed by more specialist consultants as well as the newly acquired International SOS (MC Holdings) Pte Ltd and its subsidiaries (**MCH**). Excluding the revenue contribution from MCH, the Group's revenue would have grown by **8.7%**.

The Group's net profit after tax attributable to the shareholders of the Company increased by **4.5%** to **S\$16.7** million in Q2 2016 from **S\$15.9** million in Q2 2015. Higher revenue was offset by greater staff costs, operating expenses and supplies used. Higher staff cost was the result of staff recruitment for the opening of the new medical centre at **Raffles Holland V**. On a comparable basis, excluding the performance of MCH, the Group's operating profit growth would have been **6.5%** instead of **4.1%**.

The Group generating strong operating cash flows from its various business units maintained a strong cash position of **S\$123.6** million as at 30 June 2016, after accounting for payment of **S\$6.5** million for investment in **RafflesHospital Extension** and **Raffles Holland V** as well as the Group's final dividend distribution of **S\$5.2** million for the financial year ended 31 December 2015.

The Directors are pleased to declare for the financial year ending 31 December 2016, an interim ordinary dividend of 0.5 Singapore cent per ordinary share. The dividend will be paid on 31 August 2016.

**RafflesMedical Orchard** and the newly opened **RafflesMedical Holland V** reflect the Group's initiative to deliver one-stop comprehensive healthcare services. Their convenient locations coupled with the provision of quality services comprising specialist care, family medicine, dental services, health screening, radiology, and TCM services under the **RafflesChineseMedicine** brand, continue to attract both the local and foreign patients.

**RafflesHealthinsurance** continued with healthy growth in the corporate employee benefits business.

**RafflesMedical** in Loyang Point has relocated to a better location in the newly upgraded wing of the mall in April 2016, to serve the growing needs of patients in the area. The Bukit Batok Central clinic was opened in May 2016 to serve this mature suburban area, and has been showing promising growth. **RafflesMedical** continued to grow its portfolio of corporate clients through the **RafflesOne** marketing concept by leveraging on the employee medical benefits services offered by the Group. The Group's ability to serve our patients and corporate clients in 13 cities in Asia make us an even more compelling choice. New key contracts with organisations from the services, engineering, property and retail industries such as SATS, SIA Engineering Company, Surbana Jurong and City Development Limited, were added to the Group's extensive portfolio of corporate clients.

**RafflesHospital** continued to perform well in 2016 with consistent growth from inpatient services and growing specialist and emergency outpatient services.

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. (cont'd)**

In the second quarter of the operations of MCH under the Group, there was an increase in patient visits as compared to first quarter. New healthcare membership plans are being offered to our clients in China. Further growth in revenue is expected for the rest of the year, arising from the offering of similar plans and expanded scope of medical services in the other countries in which MCH operates.

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 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 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 also offer opportunities for growth and expansion for future years.

*Raffles Holland V*, the Group's commercial building at Holland Village obtained the Temporary Occupancy Permit in March 2016 and opened for business in June 2016. *RafflesMedical Holland V* commenced operations on level 5 and offers family medicine, health screening, dental, traditional Chinese medicine, specialist paediatrics, obstetrics and gynaecology, dermatology and radiology services. Other commercial spaces have been leased to tenants such as DBS Bank, Hoshino Coffee, Sushi Tei, Haakon, Provence Bakery & Cafe, Café O, Patissez, Face Bistro and Soup Restaurant, some of which have opened for business while other units are being fitted out. As of 25 July 2016, 60% of the space have been committed. Including units under negotiation, the occupancy rate would have been 90%. *Raffles Holland V* represents the Group's new initiative of locating comprehensive healthcare services with other lifestyle attractions in prime suburban regions.

The moderation of the economic growth in Singapore and the region may have a dampening effect on the healthcare sector. However, the Group is well positioned to grow and expand in Singapore and the region through its branch network, MCH Clinics and the opening of *RafflesHospital Extension* next year. The Group will continue to be vigilant to respond to new opportunities that may arise in Singapore and the region.

Barring unforeseen circumstances, the Directors expect the Group to continue growing for the rest of the year.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	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)	1.5 ^ 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.

### (c) Date payable

The dividend will be paid on 31 August 2016.

### (d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 25 August 2016 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 24 August 2016 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 2016 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**  
**25 July 2016**