

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

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

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

| Consolidated Statement of Profit or Loss      | Second Quarter     |                    |             | Year-To-Date          |                       |             |
|---|--------------------|--------------------|-------------|-----------------------|-----------------------|-------------|
|   | Q2 2018<br>S\$'000 | Q2 2017<br>S\$'000 | Change<br>% | 30/06/2018<br>S\$'000 | 30/06/2017<br>S\$'000 | Change<br>% |
| <b>Revenue</b>                                | 120,202            | 120,088            | 0.1         | 240,391               | 235,003               | 2.3         |
| Other operating income                        | 226                | -                  | nm          | 1,519                 | 727                   | nm          |
| Inventories and consumables used              | (13,407)           | (13,809)           | (2.9)       | (27,725)              | (26,608)              | 4.2         |
| Purchased and contracted services             | (10,264)           | (10,095)           | 1.7         | (19,508)              | (18,875)              | 3.4         |
| Staff costs                                   | (60,225)           | (61,682)           | (2.4)       | (123,601)             | (122,657)             | 0.8         |
| Depreciation of property, plant and equipment | (4,517)            | (3,575)            | 26.3        | (8,532)               | (7,150)               | 19.3        |
| Amortisation of intangible assets             | (167)              | (101)              | 65.3        | (528)                 | (204)                 | nm          |
| Operating lease expenses                      | (3,260)            | (3,431)            | (5.0)       | (6,653)               | (6,885)               | (3.4)       |
| Other operating expenses                      | (8,317)            | (7,817)            | 6.4         | (16,201)              | (15,686)              | 3.3         |
| <b>Profit from operating activities</b>       | <b>20,271</b>      | <b>19,578</b>      | <b>3.5</b>  | <b>39,162</b>         | <b>37,665</b>         | <b>4.0</b>  |
| Finance income                                | 263                | 266                | (1.1)       | 420                   | 493                   | (14.8)      |
| Finance expenses                              | (253)              | (48)               | nm          | (444)                 | (93)                  | nm          |
| <b>Profit before tax</b>                      | <b>20,281</b>      | <b>19,796</b>      | <b>2.4</b>  | <b>39,138</b>         | <b>38,065</b>         | <b>2.8</b>  |
| Tax expense                                   | (3,457)            | (3,549)            | (2.6)       | (6,848)               | (6,853)               | (0.1)       |
| <b>Profit for the period</b>                  | <b>16,824</b>      | <b>16,247</b>      | <b>3.6</b>  | <b>32,290</b>         | <b>31,212</b>         | <b>3.5</b>  |
| <b>Profit attributable to :</b>               |                    |                    |             |                       |                       |             |
| Owners of the Company                         | 16,891             | 16,763             | 0.8         | 32,703                | 32,308                | 1.2         |
| Non-controlling interests                     | (67)               | (516)              | (87.0)      | (413)                 | (1,096)               | (62.3)      |
| <b>Profit for the period</b>                  | <b>16,824</b>      | <b>16,247</b>      | <b>3.6</b>  | <b>32,290</b>         | <b>31,212</b>         | <b>3.5</b>  |

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).

|  | Second Quarter |         |        | Year-To-Date |            |        |
|--|----------------|---------|--------|--------------|------------|--------|
|  | Q2 2018        | Q2 2017 | Change | 30/06/2018   | 30/06/2017 | Change |
| Consolidated statement of comprehensive income                               | S\$'000        | S\$'000 | %      | S\$'000      | S\$'000    | %      |
| <b>Profit for the period</b>   | 16,824         | 16,247  | 3.6    | 32,290       | 31,212     | 3.5    |
| <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                | (2,053)        | 491     | nm     | (417)        | (1,527)    | (72.7) |
| <b>Total comprehensive income for the period</b>                             | 14,771         | 16,738  | (11.8) | 31,873       | 29,685     | 7.4    |
| <b>Total comprehensive income attributable to:</b>                           |                |         |        |              |            |        |
| Owners of the company  | 15,190         | 17,112  | (11.2) | 32,322       | 31,055     | 4.1    |
| Non-controlling interests  | (419)          | (374)   | 12.0   | (449)        | (1,370)    | (67.2) |
| <b>Total comprehensive income for the period</b>                             | 14,771         | 16,738  | (11.8) | 31,873       | 29,685     | 7.4    |

Note: nm denotes not meaningful

### Explanatory notes to the Consolidated Statement of Profit or Loss

- Depreciation increased mainly due to expansion of medical centres in the new Raffles Specialist Centre, to meet the growing patients' demand.
- Higher other operating expenses were mainly due to building and related expenses relating to the new Raffles Specialist Centre.
- Profit from operating activities before taxation includes the following:

| Group   | Second Quarter |         | Year-To-Date |            |
|---|----------------|---------|--------------|------------|
|   | Q2 2018        | Q2 2017 | 30/06/2018   | 30/06/2017 |
|   | S\$'000        | S\$'000 | S\$'000      | S\$'000    |
| <b>(a) Other operating income</b>                 |                |         |              |            |
| Gain on disposal of property, plant and equipment | 9              | -       | 53           | -          |
| Foreign exchange gain/(loss)                      | 113            | (22)    | 478          | 23         |
| <b>(b) Other operating expenses</b>               |                |         |              |            |
| Allowance for doubtful receivables                | 536            | 676     | 831          | 856        |
| Property, plant and equipment written off         | 18             | 23      | 63           | 56         |
| Write-off for stock obsolescence                  | 45             | 32      | 87           | 66         |

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

| Group  | Second Quarter |         | Year-To-Date |            |
|--|----------------|---------|--------------|------------|
|  | Q2 2018        | Q2 2017 | 30/06/2018   | 30/06/2017 |
|  | S\$'000        | S\$'000 | S\$'000      | S\$'000    |
| <b>Current Tax Expense</b>                         |                |         |              |            |
| Under / (Over) provision in respect of prior years | 87             | -       | 87           | (43)       |

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

| Statements of Financial Position                    | Group                 |                       | Company               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 30/06/2018<br>S\$'000 | 31/12/2017<br>S\$'000 | 30/06/2018<br>S\$'000 | 31/12/2017<br>S\$'000 |
| <b>Non-current assets</b>                           |                       |                       |                       |                       |
| Property, plant and equipment                       | 386,973               | 384,021               | 6,616                 | 7,585                 |
| Intangible assets and goodwill                      | 37,621                | 36,773                | 1,218                 | 1,296                 |
| Investment properties                               | 412,097               | 385,498               | -                     | -                     |
| Subsidiaries  | -                     | -                     | 540,166               | 551,131               |
| Deferred tax assets                                 | 1,034                 | 1,025                 | -                     | -                     |
| Trade and other receivables                         | 3,352                 | 3,060                 | 7,432                 | 7,663                 |
|   | <u>841,077</u>        | <u>810,377</u>        | <u>555,432</u>        | <u>567,675</u>        |
| <b>Current assets</b>                               |                       |                       |                       |                       |
| Inventories   | 9,523                 | 9,955                 | 2,488                 | 2,491                 |
| Trade and other receivables                         | 81,517                | 87,259                | 137,257               | 124,626               |
| Cash and cash equivalents                           | 108,409               | 98,270                | 1,984                 | 5,716                 |
|   | <u>199,449</u>        | <u>195,484</u>        | <u>141,729</u>        | <u>132,833</u>        |
| <b>Total assets</b>                                 | <u>1,040,526</u>      | <u>1,005,861</u>      | <u>697,161</u>        | <u>700,508</u>        |
| <b>Equity attributable to owners of the Company</b> |                       |                       |                       |                       |
| Share capital                                       | 364,956               | 340,201               | 364,956               | 340,201               |
| Reserves  | 397,158               | 393,849               | 241,132               | 268,350               |
|   | <u>762,114</u>        | <u>734,050</u>        | <u>606,088</u>        | <u>608,551</u>        |
| <b>Non-controlling interests</b>                    | 17,126                | 17,575                | -                     | -                     |
| <b>Total equity</b>                                 | <u>779,240</u>        | <u>751,625</u>        | <u>606,088</u>        | <u>608,551</u>        |
| <b>Non-current liabilities</b>                      |                       |                       |                       |                       |
| Loans and borrowings                                | 42,349                | 38,000                | -                     | -                     |
| Trade and other payables                            | 15,276                | 15,102                | 39                    | 58                    |
| Other financial liabilities                         | 522                   | 1,773                 | -                     | -                     |
| Deferred tax liabilities                            | 4,827                 | 4,870                 | 899                   | 899                   |
|   | <u>62,974</u>         | <u>59,745</u>         | <u>938</u>            | <u>957</u>            |
| <b>Current liabilities</b>                          |                       |                       |                       |                       |
| Loans and borrowings                                | 49,258                | 41,204                | 46,979                | 37,262                |
| Current tax liabilities                             | 13,280                | 12,904                | 577                   | 271                   |
| Trade and other payables                            | 111,146               | 126,305               | 42,579                | 53,467                |
| Other financial liabilities                         | 2,998                 | 2,941                 | -                     | -                     |
| Insurance contract provisions                       | 21,630                | 11,137                | -                     | -                     |
|   | <u>198,312</u>        | <u>194,491</u>        | <u>90,135</u>         | <u>91,000</u>         |
| <b>Total liabilities</b>                            | <u>261,286</u>        | <u>254,236</u>        | <u>91,073</u>         | <u>91,957</u>         |
| <b>Total equity and liabilities</b>                 | <u>1,040,526</u>      | <u>1,005,861</u>      | <u>697,161</u>        | <u>700,508</u>        |

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

**Explanatory notes to the Statement of Financial Position**

1. Investment properties increased by S\$26.6 million, largely due to the investment property development expenditure for Raffles Hospital Chongqing and Raffles Hospital Shanghai.
2. The Group's net cash position decreased from S\$19.1 million as at 31 December 2017 to S\$16.8 million as at 30 June 2018. This was mainly attributable to payments for investment properties under development of S\$26.3 million, purchase of property, plant and equipment of S\$11.9 million and payment of dividends of \$6.6m, offset by strong operating cash flows generated by the Group.
3. 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.
4. Trade and other payables decreased largely due to decreased payables to non-controlling interests of the subsidiaries acquired in 2015.
5. Insurance contract provisions increased by S\$10.5 million, mainly due to higher provision for unearned premiums resulting from billings for premium from the Group's insurance business.

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

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

| As at 30/06/2018   |                      | As at 31/12/2017   |                      |
|--------------------|----------------------|--------------------|----------------------|
| Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| -                  | 49,258               | -                  | 41,204               |

**Amount repayable after one year**

| As at 30/06/2018   |                      | As at 31/12/2017   |                      |
|--------------------|----------------------|--------------------|----------------------|
| Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| -                  | 42,349               | -                  | 38,000               |

**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 2018         | Q2 2017         |
|--|-----------------|-----------------|
|  | S\$'000         | S\$'000         |
| <b>Cash flows from operating activities</b>                                |                 |                 |
| Profit for the period  | 16,824          | 16,247          |
| <i>Adjustments for :</i>   |                 |                 |
| Amortisation of intangible assets  | 167             | 101             |
| Depreciation of property, plant and equipment                              | 4,517           | 3,575           |
| Equity-settled share-based payment transactions                            | 225             | 575             |
| Finance expenses   | 253             | 48              |
| Finance income   | (263)           | (266)           |
| Gain on disposal of property, plant and equipment                          | (9)             | -               |
| Property, plant and equipment written off                                  | 18              | 23              |
| Tax expense  | 3,457           | 3,549           |
|  | <u>25,189</u>   | <u>23,852</u>   |
| <i>Changes in working capital :</i>  |                 |                 |
| Inventories  | 233             | 74              |
| Trade and other receivables  | 9,957           | 8,299           |
| Trade and other payables   | (8,800)         | 3,062           |
| Insurance contract provisions  | (3,558)         | (4,489)         |
| Cash generated from operations   | <u>23,021</u>   | <u>30,798</u>   |
| Tax paid   | (3,864)         | (4,322)         |
| Interest paid  | (288)           | (150)           |
| <b>Net cash from operating activities</b>                                  | <u>18,869</u>   | <u>26,326</u>   |
| <b>Cash flows from investing activities</b>                                |                 |                 |
| Acquisition of intangible assets   | (533)           | -               |
| Interest received  | 216             | 266             |
| Proceeds from sales of property, plant and equipment                       | 12              | -               |
| Purchase of property, plant and equipment                                  | (7,802)         | (2,755)         |
| Payment for investment properties under development                        | (8,679)         | (53,578)        |
| <b>Net cash used in investing activities</b>                               | <u>(16,786)</u> | <u>(56,067)</u> |
| <b>Cash flows from financing activities</b>                                |                 |                 |
| Dividends paid to owners of the Company                                    | (6,647)         | (5,535)         |
| Loan from subsidiary's non-controlling interest                            | -               | 123             |
| Proceeds from issue of shares under share option scheme                    | 96              | 2,875           |
| Proceeds from issue of shares to non-controlling interests of subsidiaries | -               | 2,038           |
| Proceeds from bank loans   | 108,109         | 49,063          |
| Repayment of bank loans  | (88,832)        | (25,805)        |
| <b>Net cash from financing activities</b>                                  | <u>12,726</u>   | <u>22,759</u>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b>              | 14,809          | (6,982)         |
| Cash and cash equivalents at 1 April                                       | 94,008          | 119,395         |
| Effect of exchange rate fluctuations on cash held                          | (408)           | (50)            |
| <b>Cash and cash equivalents at 30 June</b>                                | <u>108,409</u>  | <u>112,363</u>  |

**Explanatory notes to the Statement of Cash Flows**

The Group's cash and cash equivalents increased by S\$14.4 million from S\$94.0 million as at 31 March 2018 to S\$108.4 million as at 30 June 2018. This was mainly attributed to strong operating cashflows generated by the Group from its business operations and financing from bank loans, offset by payment for investment properties under development and capital expenditure for business expansion which amounted to S\$16.5 million as well as payment of dividends of S\$6.6 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<br>S\$'000 | Translation reserve<br>S\$'000 | Share option reserve<br>S\$'000 | Revaluation reserve<br>S\$'000 | Other reserve<br>S\$'000 | Accumulated profits<br>S\$'000 | Total attributable to owners of the Company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------|--------------------------------|--|--------------------------------------|-------------------------|
| <b>At 1 April 2017 as originally presented</b>  | 315,852                  | (5,694)                        | 24,469                          | 1,712                          | (6,184)                  | 354,946                        | 685,101  | 16,544                               | 701,645                 |
| Adoption of SFRS (I) 1  | -                        | 4,092                          | -                               | -                              | -                        | (4,092)                        | -  | -                                    | -                       |
| <b>At 1 April 2017 restated</b>   | 315,852                  | (1,602)                        | 24,469                          | 1,712                          | (6,184)                  | 350,854                        | 685,101  | 16,544                               | 701,645                 |
| <b>Total comprehensive income for the period</b>  |                          |                                |                                 |                                |                          |                                |  |                                      |                         |
| Profit for the period   | -                        | -                              | -                               | -                              | -                        | 16,763                         | 16,763   | (516)                                | 16,247                  |
| <b>Other comprehensive income</b>   |                          |                                |                                 |                                |                          |                                |  |                                      |                         |
| Foreign currency translation differences - foreign operations   | -                        | 349                            | -                               | -                              | -                        | -                              | 349  | 142                                  | 491                     |
| <b>Total other comprehensive income for the period</b>  | -                        | 349                            | -                               | -                              | -                        | -                              | 349  | 142                                  | 491                     |
| <b>Total comprehensive income for the period</b>  | -                        | 349                            | -                               | -                              | -                        | 16,763                         | 17,112   | (374)                                | 16,738                  |
| <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                               | 2,875                    | -                              | -                               | -                              | -                        | -                              | 2,875  | -                                    | 2,875                   |
| Issue of shares in lieu of cash dividends of 1.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme | 20,758                   | -                              | -                               | -                              | -                        | -                              | 20,758   | -                                    | 20,758                  |
| Issue of shares to non-controlling interests of subsidiary  | -                        | -                              | -                               | -                              | -                        | -                              | -  | 2,038                                | 2,038                   |
| Value of employee services received for issue of share options  | -                        | -                              | 575                             | -                              | -                        | -                              | 575  | -                                    | 575                     |
| Final dividend paid of 1.5 cents per ordinary share – Cash  | -                        | -                              | -                               | -                              | -                        | (5,535)                        | (5,535)  | -                                    | (5,535)                 |
| Final dividend paid of 1.5 cents per ordinary share – Scrip   | -                        | -                              | -                               | -                              | -                        | (20,758)                       | (20,758)   | -                                    | (20,758)                |
| <b>Total contributions by and distributions to owners</b>   | 23,633                   | -                              | 575                             | -                              | -                        | (26,293)                       | (2,085)  | 2,038                                | (47)                    |
| <b>Changes in ownership interests in subsidiaries</b>   |                          |                                |                                 |                                |                          |                                |  |                                      |                         |
| Present value of the exercise price of written put options  | -                        | -                              | -                               | -                              | (431)                    | -                              | (431)  | -                                    | (431)                   |
| <b>Total changes in ownership interests in subsidiaries</b>   | -                        | -                              | -                               | -                              | (431)                    | -                              | (431)  | -                                    | (431)                   |
| <b>Total transactions with owners</b>   | 23,633                   | -                              | 575                             | -                              | (431)                    | (26,293)                       | (2,516)  | 2,038                                | (478)                   |
| <b>At 30 June 2017</b>  | 339,485                  | (1,253)                        | 25,044                          | 1,712                          | (6,615)                  | 341,324                        | 699,697  | 18,208                               | 717,905                 |

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

| Group  | Share capital<br>S\$'000 | Translation reserve<br>S\$'000 | Share option reserve<br>S\$'000 | Revaluation reserve<br>S\$'000 | Other reserve<br>S\$'000 | Accumulated profits<br>S\$'000 | Total attributable to owners of the Company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total equity<br>S\$'000 |
|--|--------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------|--------------------------------|--|--------------------------------------|-------------------------|
| <b>At 1 April 2018</b>   | 340,500                  | 1,036                          | 26,769                          | 1,712                          | (3,945)                  | 386,753                        | 752,825  | 17,545                               | 770,370                 |
| <b>Total comprehensive income for the period</b>   |                          |                                |                                 |                                |                          |                                |  |                                      |                         |
| Profit for the period  | -                        | -                              | -                               | -                              | -                        | 16,891                         | 16,891   | (67)                                 | 16,824                  |
| <b>Other comprehensive income</b>  |                          |                                |                                 |                                |                          |                                |  |                                      |                         |
| Foreign currency translation differences - foreign operations  | -                        | (1,701)                        | -                               | -                              | -                        | -                              | (1,701)  | (352)                                | (2,053)                 |
| <b>Total other comprehensive income for the period</b>   | -                        | (1,701)                        | -                               | -                              | -                        | -                              | (1,701)  | (352)                                | (2,053)                 |
| <b>Total comprehensive income for the period</b>   | -                        | (1,701)                        | -                               | -                              | -                        | 16,891                         | 15,190   | (419)                                | 14,771                  |
| <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                                | 96                       | -                              | -                               | -                              | -                        | -                              | 96   | -                                    | 96                      |
| 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   | -                        | -                              | 225                             | -                              | -                        | -                              | 225  | -                                    | 225                     |
| 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)                |
| <b>Total contributions by and distributions to owners</b>  | 24,456                   | -                              | 225                             | -                              | -                        | (31,007)                       | (6,326)  | -                                    | (6,326)                 |
| <b>Changes in ownership interests in subsidiaries</b>  |                          |                                |                                 |                                |                          |                                |  |                                      |                         |
| Present value of the exercise price of written put options   | -                        | -                              | -                               | -                              | 425                      | -                              | 425  | -                                    | 425                     |
| <b>Total changes in ownership interests in subsidiaries</b>  | -                        | -                              | -                               | -                              | 425                      | -                              | 425  | -                                    | 425                     |
| <b>Total transactions with owners</b>  | 24,456                   | -                              | 225                             | -                              | 425                      | (31,007)                       | (5,901)  | -                                    | (5,901)                 |
| <b>At 30 June 2018</b>   | 364,956                  | (665)                          | 26,994                          | 1,712                          | (3,520)                  | 372,637                        | 762,114  | 17,126                               | 779,240                 |

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<br>S\$'000 | Share option reserve<br>S\$'000 | Accumulated profits<br>S\$'000 | Total<br>S\$'000 |
|--|--------------------------|---------------------------------|--------------------------------|------------------|
| <b>At 1 April 2017</b>   | 315,852                  | 24,469                          | 220,114                        | 560,435          |
| <b>Total comprehensive income for the period</b>   |                          |                                 |                                |                  |
| Profit for the period  | -                        | -                               | 1,814                          | 1,814            |
| <b>Total comprehensive income for the period</b>   | -                        | -                               | 1,814                          | 1,814            |
| <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                                | 2,875                    | -                               | -                              | 2,875            |
| Issue of shares in lieu of cash dividends of 1.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme  | 20,758                   | -                               | -                              | 20,758           |
| Value of employee services received for issue of share options   | -                        | 575                             | -                              | 575              |
| Final dividend paid of 1.5 cents per ordinary share - Cash   | -                        | -                               | (5,535)                        | (5,535)          |
| Final dividend paid of 1.5 cents per ordinary share - Scrip  | -                        | -                               | (20,758)                       | (20,758)         |
| <b>Total contributions by and distributions to owners</b>  | 23,633                   | 575                             | (26,293)                       | (2,085)          |
| <b>At 30 June 2017</b>   | 339,485                  | 25,044                          | 195,635                        | 560,164          |
| <b>At 1 April 2018</b>   | 340,500                  | 26,769                          | 243,505                        | 610,774          |
| <b>Total comprehensive income for the period</b>   |                          |                                 |                                |                  |
| Profit for the period  | -                        | -                               | 1,640                          | 1,640            |
| <b>Total comprehensive income for the period</b>   | -                        | -                               | 1,640                          | 1,640            |
| <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                                | 96                       | -                               | -                              | 96               |
| 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   | -                        | 225                             | -                              | 225              |
| 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)         |
| <b>Total contributions by and distributions to owners</b>  | 24,456                   | 225                             | (31,007)                       | (6,326)          |
| <b>At 30 June 2018</b>   | 364,956                  | 26,994                          | 214,138                        | 606,088          |



- 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 second quarter ended 30 June 2018, the Company issued a total of 260,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

|                             |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|
| Exercise price per share    | S\$0.26 | S\$0.73 | S\$0.78 | S\$1.07 |
| Number of new shares issued | 216,000 | 14,000  | 9,000   | 21,000  |

As at 30 June 2018, there were outstanding options for conversion into 58,802,000 (30 June 2017: 62,295,000) ordinary shares. The Company does not hold any treasury shares as at 30 June 2018 (30 June 2017: 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.**

|   | 30/06/2018    | 31/12/2017    |
|---|---------------|---------------|
| Number of issued shares excluding treasury shares | 1,796,583,400 | 1,771,038,970 |

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 30 June 2018 (30 June 2017: Nil).

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2018 (30 June 2017: 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 2018 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 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2018 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 Group's financial statements for the financial period beginning 1 January 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) issued by the Accounting Standards Council (ASC).

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

#### Adoption of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative translation losses of \$4,092,000 was reclassified from translation reserves to accumulated profits as at 1 January 2017.

#### Adoption of SFRS(I)s

In addition, during the current financial year, the Group has adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial period beginning 1 January 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

Except for SFRS(I) 1 as disclosed above, the adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

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 2018        | Q2 2017    | 30/06/2018   | 30/06/2017 |
| Earnings per ordinary share for the year based on 1(a) above :- |                |            |              |            |
| (i) Basic earnings per share [A]                                | 0.95 cents     | 0.96 cents | 1.85 cents   | 1.85 cents |
| (ii) Diluted earnings per share [B]                             | 0.95 cents     | 0.95 cents | 1.84 cents   | 1.83 cents |

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2018 were based on weighted average number of shares 1,772,369,089 (Q2 2017: 1,751,564,695) and 1,771,798,699 (First Half 2017: 1,751,006,950) respectively in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and half year ended 30 June 2018 were based on weighted average number of shares of 1,776,487,880 (Q2 2017: 1,763,436,586) and 1,776,144,402 (First Half 2017: 1,763,421,837) respectively in issue during the period.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

|  | Group       |             | Company     |             |
|--|-------------|-------------|-------------|-------------|
|  | 30/06/2018  | 31/12/2017  | 30/06/2018  | 31/12/2017  |
| Net asset value per ordinary share [C] | 42.42 cents | 41.45 cents | 33.74 cents | 34.36 cents |

[C] The calculation of net asset value per ordinary share was based on 1,796,583,400 shares as at 30 June 2018 (31 December 2017: 1,771,038,970).

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 for Q2 2018 was steady at **S\$120.2** million. Revenue for Healthcare Services division increased by **5.4%**, offset by a decrease of **2.3%** in the Hospital Services division. The increase in revenue from Healthcare Services division was contributed by the addition of new corporate clients, and a new contract, awarded by the Ministry of Health and Civil Aviation Authority of Singapore, to provide Air Borders screening services. The decrease in revenue from the Hospital Services division this quarter was the result of softer than expected demand from the foreign patients, even though local patients registered a slight increase.

The Group recorded a profit after tax of **S\$16.8** million for Q2 2018, an increase of **3.6%** from **S\$16.2** million in Q2 2017.

The Group maintained its strong cashflow from operating activities of **S\$18.9** million in Q2 2018. The strong operating cashflow enabled the Group to support its investments in **RafflesHospital Extension**, **RafflesHospital Shanghai** and **RafflesHospital Chongqing**. These investments, together with capital expenditure for business expansion, amounted to **S\$16.5** million in Q2 2018.

The Group has a healthy cash position of **S\$108.4** million as at 30 June 2018.

The Directors are pleased to declare for the financial year ending 31 December 2018, an interim ordinary dividend of **0.5** Singapore cents per ordinary share. The dividend will be paid on 6 September 2018.

**RafflesMedical** has also successfully implemented its e-Commerce service, since the pilot in October 2017, to allow patients to conveniently purchase their health screening, vaccination, health supplements and other medical services online before they turn up at the respective medical centres.

**RafflesMedical's** 5-year partnership with the Ministry of Health (**MOH**) and the Agency for Integrated Care (**AIC**) was launched in January 2018. Since then, quite a number of patients have been assisted to better manage their chronic conditions.

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 2018 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** began its refurbishment works for its outpatient clinics and inpatient wards in Q2 2018. The refurbishment is progressing well. These facilities will open in Q3 2018. The increase in primary care and specialist outpatient capacity, together with expanded inpatient facilities, will support future growth at Raffles Hospital.

**RafflesHealthInsurance (RHI)** has recently obtained regulatory approvals to enter into the Integrated Shield market, making it the seventh MediShield player in the market. The shield product, Raffles Shield, has been officially launched on 1 August 2018.

In addition, RHI has entered into a strategic partnership with NTUC Income Insurance Company to offer NTUC IncomeShield policyholders access to its panel of specialists at **RafflesHospital** as well as other private hospitals in Singapore. The partnership takes effect from 1 August 2018.

Construction of **RafflesHospital Chongqing** and procurement of equipment are progressing according to schedule. Recruitment of international and local physicians as well as senior hospital management staff has begun and the response has been positive. **RafflesHospital Chongqing** is scheduled to open in the fourth quarter of this year.

Construction of **RafflesHospital Shanghai**, in Pudong, is progressing well. It is slated to open in the second half of 2019.

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

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<br>(one tier tax) |
| Tax Rate                             | Tax Exempt                                     |

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year? Yes**

|                                      |  |
|--------------------------------------|--|
| Name of dividend                     | Interim  |
| Dividend Type                        | Ordinary                                       |
| Dividend Amount per Share (in cents) | 0.5 cents per ordinary share<br>(one tier tax) |
| Tax Rate                             | Tax Exempt                                     |

**11. Dividend (Cont'd)**

**(c) Date payable**

The dividend will be paid on 6 September 2018.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 30 August 2018 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 29 August 2018 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 2018 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**  
**6 August 2018**