

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	Third Quarter			Year-To-Date		
	Q3 2019 S\$'000	Q3 2018 S\$'000	Change %	30/09/2019 S\$'000	30/09/2018 S\$'000	Change %
<b>Revenue</b>	130,515	121,039	7.8	385,770	361,430	6.7
Other operating income	386	1,132	(65.9)	1,418	2,651	(46.5)
Inventories and consumables used	(14,869)	(14,467)	2.8	(44,658)	(42,192)	5.8
Purchased and contracted services	(13,529)	(10,730)	26.1	(38,967)	(30,238)	28.9
Staff costs	(67,859)	(62,344)	8.8	(198,316)	(185,945)	6.7
Depreciation of property, plant and equipment	(6,774)	(4,468)	51.6	(19,797)	(13,000)	52.3
Amortisation of intangible assets	(294)	(261)	12.6	(1,129)	(789)	43.1
Operating lease expenses	(1,355)	(3,386)	(60.0)	(4,434)	(10,039)	(55.8)
Impairment loss on trade receivables	(397)	(674)	(41.1)	(2,151)	(2,430)	(11.5)
Other operating expenses	(8,608)	(6,625)	29.9	(25,724)	(21,070)	22.1
<b>Profit from operating activities</b>	17,216	19,216	(10.4)	52,012	58,378	(10.9)
Finance income	410	226	81.4	1,192	646	84.5
Finance expenses	(686)	(354)	93.8	(1,605)	(798)	101.1
<b>Profit before tax</b>	16,940	19,088	(11.3)	51,599	58,226	(11.4)
Tax expense	(3,303)	(2,891)	14.3	(10,045)	(9,739)	3.1
<b>Profit for the period</b>	13,637	16,197	(15.8)	41,554	48,487	(14.3)
<b>Profit attributable to :</b>						
Owners of the Company	13,631	16,410	(16.9)	41,529	49,113	(15.4)
Non-controlling interests	6	(213)	102.8	25	(626)	104.0
<b>Profit for the period</b>	13,637	16,197	(15.8)	41,554	48,487	(14.3)

**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	Third Quarter			Year-To-Date		
	Q3 2019 S\$'000	Q3 2018 S\$'000	Change %	30/09/2019 S\$'000	30/09/2018 S\$'000	Change %
<b>Profit for the period</b>	13,637	16,197	(15.8)	41,554	48,487	(14.3)
<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	(2,767)	(5,315)	(47.9)	(3,792)	(5,732)	(33.8)
<b>Total comprehensive income for the period</b>	10,870	10,882	(0.1)	37,762	42,755	(11.7)
<b>Total comprehensive income attributable to:</b>						
Owners of the company	11,199	11,694	(4.2)	38,208	44,016	(13.2)
Non-controlling interests	(329)	(812)	(59.5)	(446)	(1,261)	(64.6)
<b>Total comprehensive income for the period</b>	10,870	10,882	(0.1)	37,762	42,755	(11.7)

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

- More purchased and contracted services were mainly attributed to higher insurance claims in tandem with increased insurance premiums.
- 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*.
- 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.
- 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 Q3 2019.
- Profit for the period includes the following:

Group	Third Quarter		Year-To-Date	
	Q3 2019 S\$'000	Q3 2018 S\$'000	30/09/2019 S\$'000	30/09/2018 S\$'000
<b>(a) Other operating income</b>				
Gain on disposal of property, plant and equipment	-	-	33	53
Foreign exchange (loss) / gain	-	(121)	-	357
<b>(b) Other operating expenses</b>				
Recovery of bad debts	(52)	(479)	(289)	(1,404)
Property, plant and equipment written off	58	4	89	67
Write-off for stock obsolescence	30	40	117	127
Foreign exchange loss	49	-	186	-
Donations	10	198	11	449
<b>(c) Adjustment for over / under provision of tax in respect of prior years:</b>				
Current tax expenses - (Over) / Under provision in respect of prior years	-	(3)	(20)	84

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	
	30/09/2019 S\$'000	31/12/2018 S\$'000	30/09/2019 S\$'000	31/12/2018 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	644,106	565,716	8,492	5,808
Intangible assets and goodwill	36,537	37,287	1,047	1,167
Investment properties	311,212	311,160	-	-
Subsidiaries	-	-	571,446	562,604
Deferred tax assets	1,237	1,011	-	-
Trade and other receivables	2,301	2,590	5,684	5,869
	<u>995,393</u>	<u>917,764</u>	<u>586,669</u>	<u>575,448</u>
<b>Current assets</b>				
Inventories	9,977	9,320	2,385	2,341
Trade and other receivables	93,644	83,221	106,691	151,955
Cash and cash equivalents	118,038	105,984	39,578	2,609
	<u>221,659</u>	<u>198,525</u>	<u>148,654</u>	<u>156,905</u>
<b>Total assets</b>	<u>1,217,052</u>	<u>1,116,289</u>	<u>735,323</u>	<u>732,353</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	393,470	365,332	393,470	365,332
Reserves	428,811	435,157	250,891	290,560
	<u>822,281</u>	<u>800,489</u>	<u>644,361</u>	<u>655,892</u>
<b>Non-controlling interests</b>	15,691	16,137	-	-
<b>Total equity</b>	<u>837,972</u>	<u>816,626</u>	<u>644,361</u>	<u>655,892</u>
<b>Non-current liabilities</b>				
Loans and borrowings	118,994	97,189	22,157	20,775
Trade and other payables	28,933	11,380	9,906	868
Finance lease liabilities	13,561	-	2,260	-
Deferred tax liabilities	4,681	4,765	644	644
	<u>166,169</u>	<u>113,334</u>	<u>34,967</u>	<u>22,287</u>
<b>Current liabilities</b>				
Loans and borrowings	9,508	19,307	9,508	19,307
Current tax liabilities	13,191	13,583	1,111	1,573
Trade and other payables	153,812	136,789	44,018	33,294
Finance lease liabilities	6,955	-	1,358	-
Other financial liabilities	2,826	2,790	-	-
Insurance contract provisions	26,619	13,860	-	-
	<u>212,911</u>	<u>186,329</u>	<u>55,995</u>	<u>54,174</u>
<b>Total liabilities</b>	<u>379,080</u>	<u>299,663</u>	<u>90,962</u>	<u>76,461</u>
<b>Total equity and liabilities</b>	<u>1,217,052</u>	<u>1,116,289</u>	<u>735,323</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 Statement of Financial Position**

1. Property, plant and equipment increased by S\$78.4 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. Trade and other receivables increased mainly due to billings for premium from the Group's insurance business.
3. 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.
4. 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 the subsidiary.
5. Finance 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.
6. Insurance contract provisions increased by S\$12.8 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 30/09/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	9,508	-	19,307

**Amount repayable after one year**

As at 30/09/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	118,994	-	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.

	Q3 2019 S\$'000	Q3 2018 S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	13,637	16,197
<i>Adjustments for:</i>		
Amortisation of intangible assets	294	261
Depreciation of property, plant and equipment	6,774	4,468
Equity-settled share-based payment transactions	407	278
Finance expenses	686	354
Finance income	(410)	(226)
Property, plant and equipment written off	58	4
Tax expense	3,303	2,891
	<u>24,749</u>	<u>24,227</u>
<i>Changes in working capital:</i>		
Inventories	113	(564)
Trade and other receivables	(404)	1,299
Trade and other payables	10,205	14,003
Insurance contract provisions	2,536	(3,226)
Cash generated from operations	<u>37,199</u>	<u>35,739</u>
Tax paid	(3,904)	(3,694)
Interest paid	(503)	(334)
<b>Net cash from operating activities</b>	<u>32,792</u>	<u>31,711</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(466)	(337)
Interest received	417	252
Proceeds from disposal of property, plant and equipment	17	1
Purchase of property, plant and equipment	(17,353)	(4,510)
Payment for investment properties under development	(45)	(24,820)
<b>Net cash used in investing activities</b>	<u>(17,430)</u>	<u>(29,414)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to owners of the Company	(9,140)	(8,983)
Loan from subsidiary's non-controlling interest	8,454	-
Repurchase of own shares	(198)	-
Acquisition of non-controlling interests	-	(2,413)
Proceeds from issue of shares under share option scheme	139	123
Proceeds from bank loans	22,058	128,703
Repayment of bank loans	(18,091)	(124,340)
Payment of finance lease liabilities	(1,952)	-
<b>Net cash from / (used in) financing activities</b>	<u>1,270</u>	<u>(6,910)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	16,632	(4,613)
Cash and cash equivalents at 1 July	100,821	108,409
Effect of exchange rate fluctuations on cash held	(521)	(1,224)
<b>Cash and cash equivalents at 30 September</b>	<u>116,932</u>	<u>102,572</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\$16.1 million from S\$100.8 million as at 30 June 2019 to S\$116.9 million as at 30 September 2019. This was mainly due to strong operating cash flows generated by the Group, partly offset by purchase of property, plant and equipment of S\$17.4 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
<b>At 1 July 2018</b>	364,956	(665)	26,994	1,712	(3,520)	372,637	762,114	17,126	779,240
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	16,410	16,410	(213)	16,197
<b>Other comprehensive income</b>									
Foreign currency translation differences - foreign operations	-	(4,716)	-	-	-	-	(4,716)	(599)	(5,315)
<b>Total other comprehensive income for the period</b>	-	(4,716)	-	-	-	-	(4,716)	(599)	(5,315)
<b>Total comprehensive income for the period</b>	-	(4,716)	-	-	-	16,410	11,694	(812)	10,882
<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	123	-	-	-	-	-	123	-	123
Value of employee services received for issue of share options	-	-	278	-	-	-	278	-	278
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	(8,983)	(8,983)	-	(8,983)
<b>Total contributions by and distributions to owners</b>	123	-	278	-	-	(8,983)	(8,582)	-	(8,582)
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	(2,112)	-	(2,112)	(301)	(2,413)
Present value of the exercise price of written put options	-	-	-	-	722	-	722	-	722
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	(1,390)	-	(1,390)	(301)	(1,691)
<b>Total transactions with owners</b>	123	-	278	-	(1,390)	(8,983)	(9,972)	(301)	(10,273)
<b>At 30 September 2018</b>	365,079	(5,381)	27,272	1,712	(4,910)	380,064	763,836	16,013	779,849

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
<b>At 1 July 2019</b>	393,331	(7,020)	28,240	16,367	(4,719)	(202)	393,935	819,932	16,020	835,952
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	13,631	13,631	6	13,637
<b>Other comprehensive income</b>										
Foreign currency translation differences - foreign operations	-	(2,432)	-	-	-	-	-	(2,432)	(335)	(2,767)
<b>Total other comprehensive income for the period</b>	-	(2,432)	-	-	-	-	-	(2,432)	(335)	(2,767)
<b>Total comprehensive income for the period</b>	-	(2,432)	-	-	-	-	13,631	11,199	(329)	10,870
<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	139	-	-	-	-	-	-	139	-	139
Repurchase of own shares	-	-	-	-	-	(198)	-	(198)	-	(198)
Value of employee services received for issue of share options	-	-	407	-	-	-	-	407	-	407
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	-	(9,140)	(9,140)	-	(9,140)
<b>Total contributions by and distributions to owners</b>	139	-	407	-	-	(198)	(9,140)	(8,792)	-	(8,792)
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-
Present value of the exercise price of written put options	-	-	-	-	(58)	-	-	(58)	-	(58)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	(58)	-	-	(58)	-	(58)
<b>Total transactions with owners</b>	139	-	407	-	(58)	(198)	(9,140)	(8,850)	-	(8,850)
<b>At 30 September 2019</b>	393,470	(9,452)	28,647	16,367	(4,777)	(400)	398,426	822,281	15,691	837,972

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
<b>At 1 July 2018</b>	364,956	26,994	-	214,138	606,088
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	50,267	50,267
<b>Total comprehensive income for the period</b>	-	-	-	50,267	50,267
<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	123	-	-	-	123
Value of employee services received for issue of share options	-	278	-	-	278
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	(8,983)	(8,983)
<b>Total contributions by and distributions to owners</b>	123	278	-	(8,983)	(8,582)
<b>At 30 September 2018</b>	365,079	27,272	-	255,422	647,773
<b>At 1 July 2019</b>	393,331	28,240	(202)	230,264	651,633
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	1,520	1,520
<b>Total comprehensive income for the period</b>	-	-	-	1,520	1,520
<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	139	-	-	-	139
Repurchase of own shares	-	-	(198)	-	(198)
Value of employee services received for issue of share options	-	407	-	-	407
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	(9,140)	(9,140)
<b>Total contributions by and distributions to owners</b>	139	407	(198)	(9,140)	(8,792)
<b>At 30 September 2019</b>	393,470	28,647	(400)	222,644	644,361



- 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 third quarter ended 30 September 2019, the Company issued a total of 241,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.55	S\$0.73	S\$0.78
Number of new shares issued	210,000	10,000	21,000

On 1 July 2019, options to subscribe for 10,000,000 ordinary shares at an exercise price of S\$1.04 were granted to 440 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 30 September 2019, there were outstanding options for conversion into 71,731,000 (30 September 2018: 66,328,000) ordinary shares. The Company holds 400,000 treasury shares and there is no subsidiary holdings as at 30 September 2019 (30 September 2018: Nil).

During the third quarter ended 30 September 2019, the Company acquired 200,000 treasury shares.

The treasury shares held by the Company as at 30 September 2019 represent 0.02% (30 September 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.**

	30/09/2019	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 July 2019	200,000
Acquisition of treasury shares	200,000
Balance as at 30 September 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 30 September 2019 (30 September 2018: 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 third quarter ended 30 September 2019 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 third quarter ended 30 September 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.**

	Third Quarter		Year-To-Date	
	Q3 2019	Q3 2018	30/09/2019	30/09/2018
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	0.75 cents	0.91 cents	2.30 cents	2.76 cents
(ii) Diluted earnings per share [B]	0.74 cents	0.91 cents	2.29 cents	2.75 cents

[A] The calculation of earnings per ordinary share for the quarter and 9 months ended 30 September 2019 were based on weighted average number of shares 1,827,891,866 (Q3 2018: 1,796,636,030) and 1,808,428,635 (9 months ended 30 September 2018: 1,780,168,788) respectively in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and 9 months ended 30 September 2019 were based on weighted average number of shares of 1,830,194,890 (Q3 2018: 1,800,197,648) and 1,810,999,947 (9 months ended 30 September 2018: 1,784,152,159) 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	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
Net asset value per ordinary share [C]	44.99 cents	44.54 cents	35.25 cents	36.50 cents

[C] The calculation of net asset value per ordinary share was based on 1,827,858,757 shares as at 30 September 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 **7.8%** from **S\$121.0** million in Q3 2018 to **S\$130.5** million in Q3 2019. Revenue from Healthcare Services grew by **9.5%** and Hospital Services increased by **7.0%**. The increase in revenue from Healthcare Services division was the result of securing more insurance contracts and corporate clients. The growth in revenue from the Hospital Services division was contributed by increased patient load.

Earnings before interest, taxes, depreciation and amortisation (**EBITDA**) of the Group increased by **1.4%** from **S\$23.9** million in Q3 2018 to **S\$24.3** million in Q3 2019. Net profit after tax for Q3 2019 decreased **15.8%** to **S\$13.6** million due to gestation losses for **RafflesHospital Chongqing (RHCQ)**. The gestation loss for RHCQ was **S\$2.6** million at the EBITDA level in Q3 2019. Excluding the results of RHCQ, EBITDA would have increased by **12.1%** as compared to Q3 2018 and net profit after tax would have grown by **4.8%**.

The Group has a healthy cash position of **S\$116.9** million as at 30 September 2019 due to strong operating cashflows generated from the business operations. This was after accounting for the payment of **S\$17.4** million for fixed assets under development as well as capital expenditure in the third quarter of this year.

The building structure of **RafflesHospital Shanghai** was completed in May 2019. The interior fit-out and purchase of major equipment is now underway. Recruitment of the hospital opening team has begun.

**RafflesMedicalGroup** has been awarded the "Most Outstanding Company in Singapore – Healthcare Sector" for 2019 by Asiamoney.

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 Q2 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.**

*RafflesHospital Chongqing* is now operating round the clock and staffed by a team of multi-disciplinary international and local doctors.

*RafflesConnect*, a secured personal healthcare platform that facilitates healthcare access, engagement and information, was launched in January 2019. Patients can consult a *RafflesMedical* doctor 24/7 via tele-consultation and have their medication delivered to them.

*RafflesHospital Singapore* continues to enhance its services and care to its patients. The state of the art Da Vinci Robot Assisted Surgery System will be added to our service offerings. Professional care will be delivered within our Quality and Audit framework which are aligned with the Ministry of Health (MOH), Joint Commission International (JCI) and Mayo indices.

*RafflesHealthinsurance* is investing in digital marketing initiatives to raise awareness and expand our retail customer base. *RafflesHealthinsurance* continues to make headway in growing employee benefit business.

Based on the current conditions and barring unforeseen circumstances, the Group is expected to remain profitable in 2019 despite gestation losses for *RafflesHospital Chongqing*.

11. **Dividend**

(a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

12. **If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the third quarter ended 30 September 2019.

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 third quarter ended 30 September 2019 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**  
**29 October 2019**