

AUDITED FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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	2020 S\$'000	2019 S\$'000	Change %
Revenue	568,203	522,038	8.8
Other operating income	31,585	3,086	nm
Inventories and consumables used	(72,289)	(57,603)	25.5
Purchased and contracted services	(63,486)	(53,366)	19.0
Staff costs	(291,698)	(266,883)	9.3
Depreciation of property, plant and equipment	(33,487)	(27,650)	21.1
Amortisation of intangible assets	(2,008)	(1,610)	24.7
Operating lease expenses	(2,023)	(5,091)	(60.3)
Impairment loss on trade receivables	(1,916)	(2,085)	(8.1)
Other operating expenses	(44,439)	(34,668)	28.2
Profit from operating activities	88,442	76,168	16.1
Finance income	1,150	1,697	(32.2)
Finance expenses	(5,153)	(1,941)	165.5
Profit before tax	84,439	75,924	11.2
Tax expense	(19,769)	(15,402)	28.4
Profit for the year	64,670	60,522	6.9
Profit attributable to :			
Owners of the Company	65,891	60,273	9.3
Non-controlling interests	(1,221)	249	nm
Profit for the year	64,670	60,522	6.9

Note: nm denotes not meaningful.

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

Consolidated Statement of Comprehensive Income	2020	2019	Change
	S\$'000	S\$'000	%
Profit for the year	64,670	60,522	6.9
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	9,615	(4,357)	nm
Total comprehensive income for the year	<u>74,285</u>	<u>56,165</u>	32.3
Total comprehensive income attributable to:			
Owners of the company	74,845	56,341	32.8
Non-controlling interests	(560)	(176)	nm
Total comprehensive income for the year	<u>74,285</u>	<u>56,165</u>	32.3

Explanatory notes to the Consolidated Statement of Profit or Loss

- Other operating income included government grants such as Job Support Scheme payout, higher wage credit received and property tax rebate.
- Higher inventories and consumables used was mainly due to increased sales of COVID-19 related products and services.
- More purchased and contracted services were mainly attributed to outsourced recruitment agency costs incurred for supporting COVID-19 projects.
- Higher depreciation expense on plant, property and equipment incurred in 2020 was due to the progressive opening of Raffles Hospital Chongqing throughout 2019 and additional right-of-use assets recognised for new leases.
- Decrease in operating lease expenses was mainly due to the expiry of short term leases of less than one year, which were not capitalised during the transition to adopt *SFRS(I) 16 Leases* in 2019.
- Impairment loss on goodwill for China Clinics and fair value loss on investment properties accounted mainly for the higher other operating expenses in 2020.
- Increase in financial expenses was mainly due to higher interest expense incurred on term loan to part finance the development of Raffles Hospital Chongqing.
- Profit from operating activities before taxation includes the following:

Group	2020	2019
	S\$'000	S\$'000
(a) Other operating income		
Changes in fair value of investment properties	-	2,128
Foreign exchange gain	643	-
Gain on disposal of property, plant and equipment, net	-	30
Job Support Scheme grant, wage credit, property tax rebate and foreign worker levy waiver	28,069	537
(b) Other operating expenses		
Changes in fair value of investment properties	4,502	-
Donations	3	17
Foreign exchange loss	-	515
Impairment loss of goodwill and intangible assets	3,576	-
Property, plant and equipment written off	1,547	173
Recovery of bad debts	(1,218)	(933)
Write-off for stock obsolescence	891	150
Loss on disposal of property, plant and equipment, net	9	-
(c) Adjustment for over / under provision of tax in respect of prior years		
Deferred tax expenses – (Over) / Under provision in respect of prior years	(79)	1,128
Current tax expenses – Over provision in respect of prior years	(95)	(1,280)

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	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Non-current assets				
Property, plant and equipment	739,905	685,585	4,807	7,893
Intangible assets and goodwill	34,144	37,454	1,003	1,007
Investment properties	294,600	311,160	-	-
Subsidiaries	-	-	610,755	601,775
Deferred tax assets	1,070	1,165	-	-
Trade and other receivables	3,285	3,452	5,250	5,843
	<u>1,073,004</u>	<u>1,038,816</u>	<u>621,815</u>	<u>616,518</u>
Current assets				
Inventories	14,587	10,245	2,748	2,354
Trade and other receivables	113,429	83,935	178,595	136,910
Cash and cash equivalents	203,114	151,826	99,915	47,621
	<u>331,130</u>	<u>246,006</u>	<u>281,258</u>	<u>186,885</u>
Total assets	<u>1,404,134</u>	<u>1,284,822</u>	<u>903,073</u>	<u>803,403</u>
Equity attributable to owners of the Company				
Share capital	420,966	393,470	420,966	393,470
Reserves	478,030	447,423	327,145	299,442
	<u>898,996</u>	<u>840,893</u>	<u>748,111</u>	<u>692,912</u>
Non-controlling interests	15,401	15,961	-	-
Total equity	<u>914,397</u>	<u>856,854</u>	<u>748,111</u>	<u>692,912</u>
Non-current liabilities				
Loans and borrowings	143,859	156,559	47,849	47,771
Trade and other payables	35,910	20,926	2,983	1,157
Lease liabilities	22,298	24,516	599	2,025
Deferred tax liabilities	7,746	7,014	259	393
	<u>209,813</u>	<u>209,015</u>	<u>51,690</u>	<u>51,346</u>
Current liabilities				
Loans and borrowings	27,201	8,542	8,584	8,484
Current tax liabilities	22,623	14,395	3,230	1,791
Trade and other payables	191,382	162,530	90,829	47,678
Lease liabilities	11,535	10,759	629	1,192
Other financial liabilities	2,705	2,754	-	-
Insurance contract provisions	24,478	19,973	-	-
	<u>279,924</u>	<u>218,953</u>	<u>103,272</u>	<u>59,145</u>
Total liabilities	<u>489,737</u>	<u>427,968</u>	<u>154,962</u>	<u>110,491</u>
Total equity and liabilities	<u>1,404,134</u>	<u>1,284,822</u>	<u>903,073</u>	<u>803,403</u>

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

Explanatory notes to the Statements of Financial Position

1. Property, plant and equipment increased by S\$54.3 million, largely due to the capital development expenditure for Raffles Hospital Shanghai, reclassification of investment property to property, plant and equipment as a portion of commercial spaces were converted into premises for own use in Raffles Specialist Centre, renovation works capitalised for upgrading of Beijing clinic into hospital and the recognition of right-of-use asset for new leases.
2. Investment properties decreased by S\$16.6 million, mainly due to reclassification of investment property to property, plant and equipment and fair value loss.
3. Inventories increased in tandem with higher business volume for products relating to COVID-19 projects.
4. Trade and other receivables increased mainly due to the increase in trade receivables arising from COVID-19 projects.
5. Loans and borrowings increased mainly due to bank loans obtained to finance the project expenditure incurred for Raffles Hospital Chongqing.
6. Trade and other payables increased in tandem with higher volume of business in the Group.
7. Insurance contract provisions increased by S\$4.5 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 31/12/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	27,201	-	8,542

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	143,859	-	156,559

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.**

	2020 S\$'000	2019 S\$'000
Cash flows from operating activities		
Profit for the year	64,670	60,522
<i>Adjustments for:</i>		
Amortisation of intangible assets	2,008	1,610
Impairment of intangible assets and goodwill	3,576	-
Changes in fair value of investment properties	4,502	(2,128)
Depreciation of property, plant and equipment	33,487	27,650
Equity-settled share-based payment transactions	1,617	1,399
Finance expenses	5,153	1,941
Finance income	(1,150)	(1,697)
Gain on disposal of financial assets	(2)	-
Gain on lease modification and derecognition	(36)	-
Loss / (Gain) on disposal of property, plant and equipment, net	9	(30)
Property, plant and equipment written off	1,547	173
Tax expense	19,769	15,402
	<u>135,150</u>	<u>104,842</u>
<i>Changes in:</i>		
Inventories	(4,342)	(925)
Trade and other receivables	(30,298)	(1,382)
Trade and other payables	37,836	14,987
Insurance contract provisions	4,505	6,113
Cash generated from operations	<u>142,851</u>	<u>123,635</u>
Tax paid	<u>(9,705)</u>	<u>(12,488)</u>
Net cash from operating activities	<u>133,146</u>	<u>111,147</u>
Cash flows from investing activities		
Interest received	1,273	1,610
Proceeds from disposal of property, plant and equipment	6	3
Purchase of property, plant and equipment	(58,877)	(96,089)
Acquisition of intangible assets	(1,187)	(2,290)
Disposal of financial assets	42	-
Purchase of financial assets	(35)	-
Capitalised expenditure on investment properties	(3,411)	(105)
Net cash used in investing activities	<u>(62,189)</u>	<u>(96,871)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(19,186)	(17,954)
Repurchase of own shares	-	(400)
Loan from subsidiary's non-controlling interest	12,546	12,111
Proceeds from issue of shares under share option scheme	778	982
Proceeds from bank loans	57,959	168,270
Repayment of bank loans	(55,392)	(118,653)
Payment of lease liabilities	(11,558)	(7,952)
Interest paid	(5,311)	(4,417)
Lease interest paid	(714)	(440)
Net cash (used in)/from financing activities	<u>(20,878)</u>	<u>31,547</u>
Net increase in cash and cash equivalents	50,079	45,823
Cash and cash equivalents at 1 January	150,749	105,984
Effect of exchange rate fluctuations on cash held	1,229	(1,058)
Cash and cash equivalents at 31 December	<u>202,057</u>	<u>150,749</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\$51.4 million from S\$150.7 million as at 31 December 2019 to S\$202.1 million as at 31 December 2020. This was mainly due to strong operating cash flows generated by the Group, offset by purchase of property, plant and equipment of S\$58.9 million, dividend payment to shareholders of the Company of S\$19.2 million and payment for investment properties of S\$3.4 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	Equity compensation reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2019	365,332	(6,131)	27,655	16,367	(4,741)	-	402,007	800,489	16,137	816,626
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	60,273	60,273	249	60,522
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	(3,932)	-	-	-	-	-	(3,932)	(425)	(4,357)
Total other comprehensive income for the year	-	(3,932)	-	-	-	-	-	(3,932)	(425)	(4,357)
Total comprehensive income for the year	-	(3,932)	-	-	-	-	60,273	56,341	(176)	56,165
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	982	-	-	-	-	-	-	982	-	982
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	-	-	-	27,156	-	27,156
Own shares acquired	-	-	-	-	-	(400)	-	(400)	-	(400)
Value of employee services received for issue of share options	-	-	1,399	-	-	-	-	1,399	-	1,399
Final dividend paid of 2.0 cents per ordinary share – Cash	-	-	-	-	-	-	(8,814)	(8,814)	-	(8,814)
Final dividend paid of 2.0 cents per ordinary share – Scrip	-	-	-	-	-	-	(27,156)	(27,156)	-	(27,156)
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	-	(9,140)	(9,140)	-	(9,140)
Total contributions by and distributions to owners	28,138	-	1,399	-	-	(400)	(45,110)	(15,973)	-	(15,973)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	36	-	-	36	-	36
Total changes in ownership interests in subsidiaries	-	-	-	-	36	-	-	36	-	36
Total transactions with owners	28,138	-	1,399	-	36	(400)	(45,110)	(15,937)	-	(15,937)
At 31 December 2019	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854

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

Group	Share capital S\$'000	Translation reserve S\$'000	Equity compensation reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2020	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	65,891	65,891	(1,221)	64,670
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	8,954	-	-	-	-	-	8,954	661	9,615
Total other comprehensive income for the year	-	8,954	-	-	-	-	-	8,954	661	9,615
Total comprehensive income for the year	-	8,954	-	-	-	-	65,891	74,845	(560)	74,285
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	778	-	-	-	-	-	-	778	-	778
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	26,718	-	-	-	-	-	-	26,718	-	26,718
Value of employee services received for issue of share options	-	-	1,617	-	-	-	-	1,617	-	1,617
Final dividend paid of 2.0 cents per ordinary share – Cash	-	-	-	-	-	-	(9,866)	(9,866)	-	(9,866)
Final dividend paid of 2.0 cents per ordinary share – Scrip	-	-	-	-	-	-	(26,718)	(26,718)	-	(26,718)
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	-	(9,320)	(9,320)	-	(9,320)
Total contributions by and distributions to owners	27,496	-	1,617	-	-	-	(45,904)	(16,791)	-	(16,791)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	49	-	-	49	-	49
Total changes in ownership interests in subsidiaries	-	-	-	-	49	-	-	49	-	49
Total transactions with owners	27,496	-	1,617	-	49	-	(45,904)	(16,742)	-	(16,742)
At 31 December 2020	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397

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	Equity compensation reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2019	365,332	27,655	-	262,905	655,892
Total comprehensive income for the year					
Profit for the year	-	-	-	52,993	52,993
Total comprehensive income for the year	-	-	-	52,993	52,993
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	982	-	-	-	982
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	27,156
Own shares acquired	-	-	(400)	-	(400)
Value of employee services received for issue of share options	-	1,399	-	-	1,399
Final dividend paid of 2.0 cents per ordinary share - Cash	-	-	-	(8,814)	(8,814)
Final dividend paid of 2.0 cents per ordinary share - Scrip	-	-	-	(27,156)	(27,156)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	(9,140)	(9,140)
Total contributions by and distributions to owners	28,138	1,399	(400)	(45,110)	(15,973)
At 31 December 2019	393,470	29,054	(400)	270,788	692,912
At 1 January 2020	393,470	29,054	(400)	270,788	692,912
Total comprehensive income for the year					
Profit for the year	-	-	-	71,990	71,990
Total comprehensive income for the year	-	-	-	71,990	71,990
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	778	-	-	-	778
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	26,718	-	-	-	26,718
Value of employee services received for issue of share options and share awards	-	1,617	-	-	1,617
Final dividend paid of 2.0 cents per ordinary share - Cash	-	-	-	(9,866)	(9,866)
Final dividend paid of 2.0 cents per ordinary share - Scrip	-	-	-	(26,718)	(26,718)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	(9,320)	(9,320)
Total contributions by and distributions to owners	27,496	1,617	-	(45,904)	(16,791)
At 31 December 2020	420,966	30,671	(400)	296,874	748,111

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the year ended 31 December 2020, the Company issued a total of 36,468,168 new ordinary shares due to the allotment and issue of 35,155,168 ordinary shares arising from the application of Raffles Medical Group Ltd Scrip Dividend Scheme in respect of the final dividend for the financial year ended 31 December 2019, as well as the allotment and issue of 1,313,000 new ordinary shares pursuant to the exercise by options holders 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	1,014,000	252,000	47,000

On 5 October 2020, options to subscribe for 9,100,000 ordinary shares at an exercise price of S\$0.81 were granted to 143 eligible participants pursuant to the Raffles Medical Group (2020) Share Option Scheme.

On 5 October 2020, 1,700,000 share awards were granted to 449 eligible participants pursuant to Raffles Medical Group (2020) Performance Share Plan.

As at 31 December 2020, there were outstanding options for conversion into 76,405,000 (31 December 2019: 71,665,000) ordinary shares.

As at 31 December 2020, the number of shares comprised in contingent awards granted under the Raffles Medical Group (2020) Performance Share Plan which has not been released was 1,689,000 (31 December 2019: Nil).

The Company holds 400,000 treasury shares (31 December 2019: 400,000) and there is no subsidiary holdings as at 31 December 2020 (31 December 2019: Nil). The treasury shares held by the Company as at 31 December 2020 represent 0.02% (31 December 2019: 0.02%) of the total number of issued shares (excluding treasury shares).

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

	31/12/2020	31/12/2019
Number of issued shares excluding treasury shares	1,864,326,925	1,827,858,757

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

	Number of treasury shares
Balance as at 1 January 2020	400,000
Acquisition of treasury shares	-
Balance as at 31 December 2020	400,000

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2020 (31 December 2019: Nil).

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

The financial statements of consolidated results for the year ended 31 December 2020 have been audited in accordance with Singapore Standards on Auditing.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

As attached.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2020 are consistent with those applied in the financial statements for the year ended 31 December 2019, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2020. 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.

	2020	2019
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	3.58 cents	3.32 cents
(ii) Diluted earnings per share [B]	3.58 cents	3.32 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,839,095,915 (2019: 1,813,326,091) in issue during the year.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares of 1,840,374,386 (2019: 1,815,814,937) in issue during the year.

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

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

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net asset value per ordinary share [C]	48.22 cents	46.00 cents	40.13 cents	37.91 cents

[C] The calculation of net asset value per ordinary share was based on 1,864,326,925 shares as at 31 December 2020 (31 December 2019: 1,827,858,757).

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.**

In the first half of FY2020, the Group experienced the full impact of the COVID-19 pandemic and circuit breaker. Some clinics were closed. Non-essential services like health screening and dental services were suspended. Elective surgeries were deferred. Foreign patients were permitted to seek treatment in Singapore only on a very selective basis.

As a result, the Group reported a **5.4%** lower revenue of **S\$241.4** million and a **38.2%** lower Profit After Tax and Minority Interests (**PATMI**) for 1H2020 when compared with 1H2019. The timely governmental support enabled the Group to retain all its staff and avoided any retrenchment. Faced with this challenging situation, all staff members of the Group were quickly redeployed with agility and responsiveness to the evolving healthcare environment. The Group's physicians, nurses and supporting staff undertook air border screening, swabbing of foreign workers and arriving air travellers, caring for thousands of COVID-19 positive foreign workers at community isolation facilities. We also started new services like COVID-19 Polymerase Chain Reaction (PCR) and serology testing. In this past year, we also cared for more acute patients under the Emergency Care Collaboration (ECC) with the Ministry of Health, as the government hospitals focused on their battles against COVID-19 outbreak. For these new activities, the Group was able to hire more than 1,300 part time staff in the year.

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)**

With the above efforts, the Group was able to post a revenue growth of **8.8%** from **S\$522.0** million in FY2019 to **S\$568.2** million in FY2020 and revenue from the Healthcare and Hospital Services divisions grew by **17.8%** and **2.1%** respectively. The Group's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) grew **17.6%** from **S\$105.4** million in FY2019 to **S\$123.9** million in FY2020. PATMI grew **9.3%** from **S\$60.3** million in FY2019 to **S\$65.9** million in FY2020.

Cash generated from operations increased by **S\$22.0** million to **S\$133.1** million in FY2020. After the funding of its China expansion through a combination of internally generated cash and borrowings, and the distribution of dividend of **S\$19.2** million, the Group's cash and cash equivalent increased by **34.0%** or **S\$51.4** million to **S\$202.1** million as at 31 December 2020 from **S\$150.7** million a year ago. As a result, the Group's net gearing remains low, at **0.2%**, as at 31 December 2020.

The Directors are pleased to recommend a final dividend of **2.0** cents per share. Including the interim dividend of **0.5** cent per share paid in October 2020, the total dividend payable for the year will be **2.5** cents per share.

With effect from FY2021, the Board proposes to consolidate its interim and final dividends into an annual core dividend of up to half its average sustainable PATMI. Where appropriate, after considering the payment of core dividend, share buybacks, the financial resources needed for continued growth and the gearing level of the Group, the Board may consider paying a special dividend. This is part of a holistic capital management framework that recognises that the Group is in a growth phase, its gearing is low, and there is an intention to grow earnings on a per share basis. This overall framework was also used in the decision not to offer a scrip dividend option this year.

For the transition year FY2021 and barring unforeseen circumstances, the Group expects to pay a total core and special dividend of not less than **2.5** cents per share.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current financial year's results are in line with the Directors' expectations as disclosed in the Group's first half of FY2020 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.**

While local patients at our Singapore and overseas operations gradually return to normal, foreign patients seeking treatment in Singapore still remain constrained by travel restrictions.

In Singapore, the Group continues to support the Government's COVID-19 initiatives like air border screening, swabbing of foreign workers and arriving air travellers, and guests at public events, performing COVID-19 PCR and serology testing. The Group is also supporting the Government's COVID-19 vaccination initiatives with 4 dedicated vaccination centres to-date.

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

As COVID-19 continues to disrupt traditional business models, we will continue to develop and invest in our digital platform, **RafflesConnect**, to expand our reach and to improve patients' experience. Through **RafflesConnect**, and our telemedicine services, we have expanded our outreach to offer our foreign patients access to our doctors and specialists through teleconsultation with medication delivery.

RafflesHospitalChongqing operated with markedly improved patient loads from a year ago after the COVID-19 situation improved in China. We have also completed upgrading our Beijing clinic into **RafflesHospitalBeijing** with inpatient and surgical services. Fitting out works at **RafflesHospitalShanghai** and installation and commissioning of major medical equipment are nearing completion and we are in the process of preparing the Hospital to receive patients in the second quarter of 2021.

While we remain hopeful that all our operations will return substantially to normal, some time in 2021, some cities where we have operations, may still be affected by sporadic outbreaks and localised lockdowns as the world continues to grapple with COVID-19. Despite these challenges, we will continue to focus on providing quality care to the local patients who seek better healthcare across multiple geographies. COVID-19 vaccinations have begun in some of the geographies we operate in. This should improve the outlook for these economies.

The Group has also decided for the next 5 years from FY2021 to set aside 1% of its PATMI for donation to worthy causes as well as participating in joint projects with charitable organisations. The Group will also permit staff to take some time off work to contribute to charities.

Based on current conditions, and barring unforeseen circumstances, including the worsening of the COVID-19 situation in the geographies in which the Group operates, the Directors expect the Group to remain profitable in 2021.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	0.5 cent per ordinary share (one tier tax)
Tax Rate	Tax Exempt

Name of Dividend	Proposed Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	2.0 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

11. Dividend (Cont'd)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	0.5 cent per ordinary share (one tier tax)
Tax Rate	Tax Exempt

Name of Dividend	Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	2.0 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

(c) Date payable

The Directors are pleased to recommend a final dividend of 2.0 cents per share amounting approximately to S\$37.3 million in respect of the financial year ended 31 December 2020 for approval by the shareholders at the next Annual General Meeting to be convened on 26 April 2021. Including the interim dividend of 0.5 cent per share paid in October 2020, the total dividends for the financial year ended 31 December 2020 will be 2.5 cents per share.

The date of payment of the proposed dividends, if approved at the Annual General Meeting, will be announced at a later date

(d) Books closure date

The books closure date will be announced at a later date.

(e) Scrip Dividend Scheme

The Scrip Dividend Scheme will not be applicable to the final dividend this year.

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

Not applicable.

13. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain a general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments

	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
2020				
Revenue and expenses				
Revenue	281,265	312,795	32,743	626,803
Inter-segment revenue	3,146	29,169	26,285	58,600
Finance expenses	(996)	(24)	(4,133)	(5,153)
Depreciation and amortisation	(16,747)	(9,087)	(163)	(25,997)
Reportable segment profit before tax	31,492	49,695	11,488	92,675
Other material non-cash items:				
- Impairment losses on intangible assets and goodwill	(3,551)	(25)	-	(3,576)
- Impairment losses on trade receivable	(328)	(1,424)	(164)	(1,916)
Reportable segment assets	1,027,838	249,317	957,316	2,234,471
Capital expenditure	20,640	9,116	36,191	65,947
Reportable segment liabilities	277,629	159,565	750,531	1,187,725
2019				
Revenue and expenses				
Revenue	238,718	306,434	33,724	578,876
Inter-segment revenue	3,808	26,775	26,255	56,838
Finance expenses	(832)	(21)	(1,088)	(1,941)
Depreciation and amortisation	(13,039)	(7,733)	(185)	(20,957)
Reportable segment profit before tax	13,812	48,379	22,036	84,227
Other material non-cash items:				
- Impairment losses on trade receivable	(1,621)	(461)	(3)	(2,085)
Reportable segment assets	908,111	214,302	926,249	2,048,662
Capital expenditure	23,938	22,348	92,653	138,939
Reportable segment liabilities	217,160	141,495	786,627	1,145,282

14. Business Segments (Cont'd)

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

	2020	2019
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	626,803	578,876
Elimination of inter-segment revenue	(58,600)	(56,838)
Consolidated revenue	<u>568,203</u>	<u>522,038</u>
Profit or loss		
Total profit for reportable segments	92,675	84,227
Elimination of inter-segment profits / Consolidation adjustment	1,262	-
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(9,498)	(8,303)
Consolidated profit before tax	<u>84,439</u>	<u>75,924</u>
Assets		
Total assets for reportable segments	2,234,471	2,048,662
Elimination of inter-segment assets	(831,407)	(765,005)
Unallocated amounts – current tax and deferred tax assets	1,070	1,165
Consolidated total assets	<u>1,404,134</u>	<u>1,284,822</u>
Liabilities		
Total liabilities for reportable segments	1,187,725	1,145,282
Elimination of inter-segment liabilities	(728,357)	(738,723)
Unallocated amounts – current tax and deferred tax liabilities	30,369	21,409
Consolidated total liabilities	<u>489,737</u>	<u>427,968</u>

Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
2020			
Depreciation and amortisation	25,997	9,498	<u>35,495</u>
2019			
Depreciation and amortisation	20,957	8,303	<u>29,260</u>

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre and Raffles Hospital Chongqing are owned by its subsidiaries and classified as investment properties in the subsidiaries' standalone financial statements. In accordance with the Group's accounting policies, investment property is measured at fair value and not depreciated.

14. Business Segments (Cont'd)

For the preparation of the consolidated financial statements, a portion of these properties are reclassified from investment properties to property, plant and equipment as these properties are used in the supply of medical services by the Group. Accordingly, the carrying values of these properties are depreciated over their useful lives in the consolidated financial statements of the Group.

The amount of S\$9,498,000 (2019: S\$8,303,000) relates to the depreciation of these properties for the year ended 31 December 2020.

Geographical Segments

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

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

	2020	2019
	\$'000	\$'000
Revenue		
Singapore	518,037	462,245
Greater China	34,292	40,021
Rest of Asia	15,874	19,772
Consolidated revenue	568,203	522,038
Non-current assets		
Singapore	696,045	712,489
Greater China	363,944	312,866
Rest of Asia	8,660	8,844
Consolidated non-current assets*	1,068,649	1,034,199

* Non-current assets exclude financial instruments and deferred tax assets.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Item 8.

16. A breakdown of sales.

		Group		
		2020	2019	Change
		S\$'000	S\$'000	%
16 (a)	Revenue reported for first half year	241,420	255,255	(5.4)
16 (b)	Operating profit after tax before deducting non controlling interests reported for first half year	16,291	27,917	(41.6)
16 (c)	Revenue reported for second half year	326,783	266,783	22.5
16 (d)	Operating profit after tax before deducting non-controlling interests reported for second half year	48,379	32,605	48.4

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

	2020 S\$'000	2019 S\$'000
Interim Ordinary Dividend	9,320	9,140
Final Ordinary Dividend	37,287*	36,584
Total	46,607	45,724

* The proposed final ordinary dividend for the financial year 2020 is based on estimated number of shares outstanding as at 31 December 2020 (excluding treasury shares).

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dr Loo Choon Yong	71	Father of Dr Sarah Lu Qinghui	Executive Chairman of Raffles Medical Group (RMG) Ltd since 1997, having overall executive responsibility for the business direction, strategies and management of the RMG group of companies.	Nil
Dr Sarah Lu Qinghui	39	Daughter of Dr Loo Choon Yong	(1) Executive and Non-Independent Director, 1 June 2020 (2) Consultant Breast Surgeon, Raffles Hospital Pte Ltd, 1 June 2020	Non-Executive and Non-Independent Director from 20 February 2018 to 31 May 2020

19. Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1) of the Listing Manual

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
22 February 2021