

**Raffles Medical Group Ltd
and its Subsidiaries
Registration Number : 198901967K**

Condensed Interim Financial Statements
For the six months ended 30 June 2021

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income Period ended 30 June 2021

Consolidated Statement of Profit or Loss	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	Change %
Revenue	343,815	241,420	42.4
Other operating income	7,401	16,847	(56.1)
Inventories and consumables used	(40,766)	(28,281)	44.1
Purchased and contracted services	(30,375)	(31,535)	(3.7)
Staff costs	(182,898)	(136,714)	33.8
Depreciation of property, plant and equipment	(17,345)	(16,622)	4.3
Amortisation of intangible assets	(1,135)	(963)	17.9
Operating lease expenses	(883)	(703)	25.6
Impairment loss on trade receivables	(1,234)	(1,810)	(31.8)
Other operating expenses	(20,517)	(17,357)	18.2
Profit from operating activities	56,063	24,282	130.9
Finance income	335	829	(59.6)
Finance expenses	(2,807)	(2,650)	5.9
Profit before tax	53,591	22,461	138.6
Tax expense	(14,751)	(6,170)	139.1
Profit for the period	38,840	16,291	138.4
Profit attributable to:			
Owners of the Company	39,445	17,244	128.7
Non-controlling interests	(605)	(953)	(36.5)
Profit for the period	38,840	16,291	138.4

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)
Period ended 30 June 2021

	6 months ended 30 June 2021	6 months ended 30 June 2020	Change %
	S\$'000	S\$'000	
Consolidated Statement of Other Comprehensive Income			
Profit for the period	38,840	16,291	138.4
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	6,732	4,567	47.4
Total comprehensive income for the period	<u>45,572</u>	<u>20,858</u>	118.5
Total comprehensive income attributable to:			
Owners of the Company	45,615	21,600	111.2
Non-controlling interests	(43)	(742)	(94.2)
Total comprehensive income for the period	<u>45,572</u>	<u>20,858</u>	118.5
Earnings per share			
Basic earnings per share (cents) [A]	<u>2.11</u>	<u>0.94</u>	124.5
Diluted earnings per share (cents) [B]	<u>2.11</u>	<u>0.94</u>	124.5

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,866,075,798 (First Half 2020: 1,828,460,982) in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares 1,870,404,410 (First Half 2020: 1,829,654,680) in issue during the period.

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

- a. Increase in revenue was mainly due to sales from COVID-19 related products and services.
- b. Decrease in other operating income was mainly due to lower government grants such as Job Support Scheme payout and property tax rebate.
- c. Higher inventories and consumables used was mainly due to increased sales of COVID-19 related products and services.
- d. Staff costs increased in tandem with higher volume of business in the Group and locum costs incurred for supporting COVID-19 projects.
- e. Increase in other operating expenses was due to higher expenses incurred for setting up of vaccination centres.

Condensed Interim Statements of Financial Position As at 30 June 2021

	Group		Company	
	30 June 2021 S\$'000	31 December 2020 S\$'000	30 June 2021 S\$'000	31 December 2020 S\$'000
Non-current assets				
Property, plant and equipment	763,520	739,905	3,999	4,807
Intangible assets and goodwill	35,132	34,144	894	1,003
Investment properties	294,600	294,600	–	–
Subsidiaries	–	–	684,578	610,755
Deferred tax assets	1,147	1,070	56	–
Trade and other receivables	2,172	3,285	245	5,250
	<u>1,096,571</u>	<u>1,073,004</u>	<u>689,772</u>	<u>621,815</u>
Current assets				
Inventories	14,497	14,587	2,810	2,748
Trade and other receivables	128,279	113,429	152,712	178,595
Cash and cash equivalents	215,741	203,114	104,278	99,915
	<u>358,517</u>	<u>331,130</u>	<u>259,800</u>	<u>281,258</u>
Total assets	<u>1,455,088</u>	<u>1,404,134</u>	<u>949,572</u>	<u>903,073</u>
Equity attributable to owners of the Company				
Share capital	423,176	420,966	423,176	420,966
Reserves	487,656	478,030	324,009	327,145
	<u>910,832</u>	<u>898,996</u>	<u>747,185</u>	<u>748,111</u>
Non-controlling interests	15,358	15,401	–	–
Total equity	<u>926,190</u>	<u>914,397</u>	<u>747,185</u>	<u>748,111</u>
Non-current liabilities				
Loans and borrowings	145,036	143,859	47,887	47,849
Trade and other payables	40,318	35,910	4,281	2,983
Lease liabilities	17,614	22,298	143	599
Deferred tax liabilities	7,680	7,746	–	259
	<u>210,648</u>	<u>209,813</u>	<u>52,311</u>	<u>51,690</u>
Current liabilities				
Loans and borrowings	37,346	27,201	8,610	8,584
Current tax liabilities	25,451	22,623	9,729	3,230
Trade and other payables	207,487	191,382	131,177	90,829
Lease liabilities	11,831	11,535	560	629
Other financial liabilities	2,751	2,705	–	–
Insurance contract provisions	33,384	24,478	–	–
	<u>318,250</u>	<u>279,924</u>	<u>150,076</u>	<u>103,272</u>
Total liabilities	<u>528,898</u>	<u>489,737</u>	<u>202,387</u>	<u>154,962</u>
Total equity and liabilities	<u>1,455,088</u>	<u>1,404,134</u>	<u>949,572</u>	<u>903,073</u>

Explanatory Notes to the Condensed Interim Statements of Financial Position

- Property, plant and equipment increased by S\$23.6 million, largely due to the capital development expenditure for Raffles Hospital Shanghai.
- Trade and other receivables increased mainly due to increased billings for COVID-19 related projects.
- Loans and borrowings increased mainly due to bank loans obtained to finance the project expenditure incurred for Raffles Hospital Chongqing.
- Trade and other payables increased in tandem with higher volume of business in the Group.
- Insurance contract provisions increased by S\$8.9 million, mainly due to higher provision for unearned premiums resulting from billings for premium from the Group's insurance business.

Condensed Interim Consolidated Statement of Cash Flows Period ended 30 June 2021

	6 months ended 30 June 2021	6 months ended 30 June 2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	38,840	16,291
<i>Adjustments for :</i>		
Amortisation of intangible assets	1,135	963
Depreciation of property, plant and equipment	17,345	16,622
Equity-settled share-based payment transactions	1,112	779
Finance expenses	2,807	2,650
Finance income	(335)	(829)
Gain on lease modification and derecognition	(29)	–
Gain on disposal of property, plant and equipment, net	(9)	(9)
Property, plant and equipment written off	58	79
Tax expense	14,751	6,170
	<u>75,675</u>	<u>42,716</u>
<i>Changes in working capital :</i>		
Inventories	90	(3,002)
Trade and other receivables	(14,356)	(18,255)
Trade and other payables	24,373	(704)
Insurance contract provisions	8,906	16,964
Cash generated from operations	<u>94,688</u>	<u>37,719</u>
Tax paid	(11,505)	(2,587)
Net cash from operating activities	<u>83,183</u>	<u>35,132</u>
Cash flows from investing activities		
Interest received	322	925
Proceeds from disposal of property, plant and equipment	13	2
Purchase of property, plant and equipment	(40,020)	(27,740)
Acquisition of intangible assets	(691)	(813)
Payment for investment properties	(65)	(3,411)
Purchase of financial assets	–	(35)
Net cash used in investing activities	<u>(40,441)</u>	<u>(31,072)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(37,349)	–
Loan from subsidiary's non-controlling interest	4,165	2,367
Proceeds from issue of shares under share option scheme	2,504	778
Proceeds from bank loans	32,353	24,334
Repayment of bank loans	(23,274)	(22,907)
Payment of lease liabilities	(5,592)	(5,644)
Interest paid	(3,138)	(2,795)
Lease interest paid	(317)	(358)
Net cash used in financing activities	<u>(30,648)</u>	<u>(4,225)</u>
Net increase / (decrease) in cash and cash equivalents	12,094	(165)
Cash and cash equivalents at 1 January	202,057	150,749
Effect of exchange rate fluctuations on cash held	514	938
Cash and cash equivalents at 30 June	<u>214,665</u>	<u>151,522</u>

Explanatory Notes to the Condensed Interim Consolidated 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\$12.6 million from S\$202.1 million as at 31 December 2020 to S\$214.7 million as at 30 June 2021. This was mainly due to strong cashflows generated by the Group's operating activities and net loan proceeds of S\$9.1 million, partly offset by purchase of property, plant and equipment of S\$40.0 million and payment of dividends of S\$37.3 million.

Condensed Interim Statements of Changes in Equity
Period ended 30 June 2021

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 2021	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	39,445	39,445	(605)	38,840
Other comprehensive income										
Foreign currency translation differences - foreign operations	–	6,170	–	–	–	–	–	6,170	562	6,732
Total other comprehensive income for the period	–	6,170	–	–	–	–	–	6,170	562	6,732
Total comprehensive income for the period	–	6,170	–	–	–	–	39,445	45,615	(43)	45,572
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	2,210	–	–	–	–	–	–	2,210	–	2,210
Own shares reissued pursuant to Raffles Medical Group Employees' Share Option Schemes	–	–	–	–	(106)	400	–	294	–	294
Value of employee services received for issue of share options and share awards	–	–	1,112	–	–	–	–	1,112	–	1,112
Final dividend paid of 2.0 cents per ordinary share - Cash	–	–	–	–	–	–	(37,349)	(37,349)	–	(37,349)
Total contributions by and distributions to owners	2,210	–	1,112	–	(106)	400	(37,349)	(33,733)	–	(33,733)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	–	–	–	–	(46)	–	–	(46)	–	(46)
Total changes in ownership interests in subsidiaries	–	–	–	–	(46)	–	–	(46)	–	(46)
Total transactions with owners	2,210	–	1,112	–	(152)	400	(37,349)	(33,779)	–	(33,779)
At 30 June 2021	423,176	5,061	31,783	16,367	(4,808)	–	439,253	910,832	15,358	926,190

Condensed Interim Statements of Changes in Equity (cont'd)
Period ended 30 June 2021

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 period										
Profit for the period	-	-	-	-	-	-	17,244	17,244	(953)	16,291
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	4,356	-	-	-	-	-	4,356	211	4,567
Total other comprehensive income for the period	-	4,356	-	-	-	-	-	4,356	211	4,567
Total comprehensive income for the period	-	4,356	-	-	-	-	17,244	21,600	(742)	20,858
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
Value of employee services received for issue of share options	-	-	779	-	-	-	-	779	-	779
Total contributions by and distributions to owners	778	-	779	-	-	-	-	1,557	-	1,557
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	(97)	-	-	(97)	-	(97)
Total changes in ownership interests in subsidiaries	-	-	-	-	(97)	-	-	(97)	-	(97)
Total transactions with owners	778	-	779	-	(97)	-	-	1,460	-	1,460
At 30 June 2020	394,248	(5,707)	29,833	16,367	(4,802)	(400)	434,414	863,953	15,219	879,172

Condensed Interim Statements of Changes in Equity (cont'd)
Period ended 30 June 2021

Company	Share capital S\$'000	Equity compensation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2021	420,966	30,671	–	(400)	296,874	748,111
Total comprehensive income for the period						
Profit for the period	–	–	–	–	32,807	32,807
Total comprehensive income for the period	–	–	–	–	32,807	32,807
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	2,210	–	–	–	–	2,210
Own shares reissued pursuant to Raffles Medical Group Employees' Share Option Schemes	–	–	(106)	400	–	294
Value of employee services received for issue of share options and share awards	–	1,112	–	–	–	1,112
Final dividend paid of 2.00 cents per ordinary share - Cash	–	–	–	–	(37,349)	(37,349)
Total contributions by and distributions to owners	2,210	1,112	(106)	400	(37,349)	(33,733)
At 30 June 2021	423,176	31,783	(106)	–	292,332	747,185
At 1 January 2020	393,470	29,054	–	(400)	270,788	692,912
Total comprehensive income for the period						
Profit for the period	–	–	–	–	6,368	6,368
Total comprehensive income for the period	–	–	–	–	6,368	6,368
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
Value of employee services received for issue of share options	–	779	–	–	–	779
Total contributions by and distributions to owners	778	779	–	–	–	1,557
At 30 June 2020	394,248	29,833	–	(400)	277,156	700,837

Notes to the Condensed Interim Financial Statements

1 Corporate information

Raffles Medical Group Ltd (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 585 North Bridge Road, Raffles Hospital #11-00, Singapore 188770.

These condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the Group).

The principal activities of the Company are those relating to the operation of medical clinics, other general medical services and investment holdings.

The Group and the Company are the sole proprietor of the following:

- Family Doctors
- RafflesCare
- Raffles Airport Medical Centre
- Raffles Corporate Wellness
- Raffles Dental Surgery
- Raffles Healthcare Consultancy
- Raffles Healthcare Institute
- Raffles Health Screeners
- Raffles Medical Management
- Raffles Medihelp
- Raffles Optica
- Raffles Pharmacare
- Raffles Pharmacy
- Raffles Solitaire
- Raffles Solitaire International
- Raffles Specialist Centre

The Group and the Company are partners of the following:

- Changi Medical Services LLP
- Raffles International Medical Assistance LLP

All transactions of these sole proprietorships and partnerships are reflected in the condensed interim financial statements of the Company.

The immediate and ultimate holding company during the financial period is Raffles Medical Holdings Pte Ltd, which is incorporated in Singapore.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 12 – Classification of investment property

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 12 – determination of fair value of investment properties on the basis of significant unobservable inputs

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

If third party information, such as property valuation report, is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Audit & Risk Committee.

2 Basis of preparation (cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Chairman reviews internal management reports regularly. The following summary describes the operations in each of the Group's reportable segments:

Healthcare services : The operations of medical clinics and other general medical services; provision of health insurance, trading in pharmaceutical and nutraceutical products and diagnostic equipment, and provision of management and consultancy services.

Hospital services : The provision of specialised medical services and operation of hospital and business of medical laboratory and imaging centre.

Investment holdings : Investment holding and those relating to investment properties.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities operating within these businesses.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise current tax and deferred tax liabilities and assets.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

4.1 Reportable segments

	Healthcare services		Hospital services		Investment holdings		Total	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Revenue and expenses								
Revenue	205,985	124,574	171,388	126,563	16,618	14,881	393,991	266,018
Inter-segment revenue	1,439	1,520	35,453	9,837	13,284	13,241	50,176	24,598
Finance expenses	(423)	(524)	(8)	(13)	(2,376)	(2,113)	(2,807)	(2,650)
Depreciation and amortisation	(8,468)	(8,287)	(4,845)	(4,526)	(81)	(82)	(13,394)	(12,895)
Reportable segment profit before tax	34,738	10,291	15,729	8,275	7,695	8,585	58,162	27,151
Other material non-cash items:								
- Impairment losses on trade receivable	(622)	(955)	(504)	(855)	(108)	-	(1,234)	(1,810)
Reportable segment assets	1,067,642	956,720	286,337	219,824	987,583	941,493	2,341,562	2,118,037
Capital expenditure	3,403	9,112	12,856	2,425	17,395	17,182	33,654	28,719
Reportable segment liabilities	314,748	248,591	174,671	138,351	773,592	735,282	1,263,011	1,122,224

4.1 Reportable segments (cont'd)

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

	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Revenues		
Total revenue for reportable segments	393,991	266,018
Elimination of inter-segment revenue	(50,176)	(24,598)
Consolidated revenue	<u>343,815</u>	<u>241,420</u>
Profit or loss before tax		
Total profit for reportable segments	58,162	27,151
Elimination of inter-segment profits / Consolidation adjustment	515	-
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(5,086)	(4,690)
Consolidated profit before tax	<u>53,591</u>	<u>22,461</u>
Assets		
Total assets for reportable segments	2,341,562	2,118,037
Elimination of inter-segment assets	(887,621)	(795,551)
Unallocated amounts-current tax and deferred tax assets	1,147	1,182
Consolidated total assets	<u>1,455,088</u>	<u>1,323,668</u>
Liabilities		
Total liabilities for reportable segments	1,263,011	1,122,224
Elimination of inter-segment liabilities	(767,244)	(702,748)
Unallocated amounts-current tax and deferred tax liabilities	33,131	25,020
Consolidated total liabilities	<u>528,898</u>	<u>444,496</u>

Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
30 June 2021			
Depreciation and amortisation	13,394	5,086	<u>18,480</u>
30 June 2020			
Depreciation and amortisation	12,895	4,690	<u>17,585</u>

4.1 Reportable segments (cont'd)

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.

	Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Revenue		
Singapore	313,780	219,059
Greater China	23,513	14,861
Rest of Asia	6,522	7,500
Consolidated revenue	343,815	241,420
 Non-current assets		
Singapore	693,204	705,095
Greater China	392,250	336,475
Rest of Asia	7,798	9,788
Consolidated non-current assets*	1,093,252	1,051,358

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

4.2 Disaggregation of Revenue

	Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Revenue from contracts with customers	339,764	240,043
Rental income	4,051	1,377
	343,815	241,420

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2021							
Financial assets not measured at fair value							
Trade and other receivables #	127,939	–	127,939				
Cash and cash equivalents	215,741	–	215,741				
	<u>343,680</u>	<u>–</u>	<u>343,680</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(182,382)	(182,382)	–	(182,420)	–	(182,420)
Trade and other payables*	–	(246,004)	(246,004)				
Other financial liabilities	–	(2,751)	(2,751)	–	–	(2,751)	(2,751)
	<u>–</u>	<u>(431,137)</u>	<u>(431,137)</u>				
31 December 2020							
Financial assets not measured at fair value							
Trade and other receivables #	114,056	–	114,056				
Cash and cash equivalents	203,114	–	203,114				
	<u>317,170</u>	<u>–</u>	<u>317,170</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(171,060)	(171,060)	–	(171,164)	–	(171,164)
Trade and other payables*	–	(222,483)	(222,483)				
Other financial liabilities	–	(2,705)	(2,705)	–	–	(2,705)	(2,705)
	<u>–</u>	<u>(396,248)</u>	<u>(396,248)</u>				

Excludes prepayments

* Excludes deferred income

5 Financial assets and financial liabilities (cont'd)

Company	Carrying amount			Fair value			
	At amortised cost S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2021							
Financial assets not measured at fair value							
Trade and other receivables #	151,811	–	151,811				
Cash and cash equivalents	104,278	–	104,278				
Amounts due from subsidiaries	639,370	–	639,370	–	–	639,370	639,370
	<u>895,459</u>	<u>–</u>	<u>895,459</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(56,497)	(56,497)	–	(56,523)	–	(56,523)
Trade and other payables*	–	(134,434)	(134,434)				
	<u>–</u>	<u>(190,931)</u>	<u>(190,931)</u>				
31 December 2020							
Financial assets not measured at fair value							
Trade and other receivables #	182,776	–	182,776				
Cash and cash equivalents	99,915	–	99,915				
Amounts due from subsidiaries	566,105	–	566,105	–	–	566,105	566,105
	<u>848,796</u>	<u>–</u>	<u>848,796</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(56,433)	(56,433)	–	(56,498)	–	(56,498)
Trade and other payables*	–	(91,485)	(91,485)				
	<u>–</u>	<u>(147,918)</u>	<u>(147,918)</u>				

Excludes prepayments

* Excludes deferred income

6 Profit before tax

Profit before tax has been arrived after charging/(crediting):

	Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Contributions to defined contribution plans	14,278	10,000
Foreign exchange gain	(204)	(183)
Gain on disposal of property, plant and equipment, net	(9)	(9)
Grant expense	153	–
Interest expense:		
- bank loans	2,454	2,255
- subsidiary's non-controlling interest	36	37
- lease liabilities	317	358
Interest income	(335)	(829)
Job Support Scheme grant, wage credit, property tax rebate and foreign worker levy	(6,516)	(15,249)
Property, plant and equipment written-off	58	79
Recovery of bad debts	(618)	(390)
Value of employee services received for issue of share options and share awards, included in staff costs	1,112	779
Write-off for stock obsolescence	–	85
	<u> </u>	<u> </u>

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Current income tax expense	14,267	6,215
Current withholding tax expense	646	–
Deferred income tax expense relating to origination and reversal of temporary differences	(149)	(44)
	<u>14,764</u>	<u>6,171</u>
Adjustment for over provision of tax in respect of prior years		
Current income tax expense – Over provision in respect of prior years	(13)	(1)
	<u>14,751</u>	<u>6,170</u>

8 Dividends

	Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Ordinary dividends paid:		
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 2.00 cents per share (6 months ended 30 June 2020: NIL)	37,349	–

9 Net assets value

	Group		Company	
	30 June 2021 S\$	31 December 2020 S\$	30 June 2021 S\$	31 December 2020 S\$
Net asset value per ordinary share [C]	48.77 cents	48.22 cents	40.01 cents	40.13 cents

[C] The calculation of net asset value per ordinary share was based on 1,867,563,925 shares as at 30 June 2021 (31 December 2020: 1,864,326,925).

10 Intangible assets

	Goodwill S\$'000	Customer relationship S\$'000	Membership rights S\$'000	Software under development S\$'000	Software S\$'000	Total S\$'000
Group						
At 31 Dec 2020						
Cost	25,321	4,458	164	1,221	12,694	43,858
Accumulated amortisation and impairment	(4,088)	(1,793)	(76)	–	(3,757)	(9,714)
Carrying amounts	<u>21,233</u>	<u>2,665</u>	<u>88</u>	<u>1,221</u>	<u>8,937</u>	<u>34,144</u>
At 1 January 2021						
Additions	–	–	–	–	691	691
Reclassification	–	–	–	–	728	728
Effects of movement in exchange rate	684	240	–	–	67	991
At 30 June 2021	<u>26,005</u>	<u>4,698</u>	<u>164</u>	<u>1,221</u>	<u>14,180</u>	<u>46,268</u>
Accumulated amortisation and impairment losses						
At 1 January 2021	(4,088)	(1,793)	(76)	–	(3,757)	(9,714)
Amortisation	–	(186)	–	–	(949)	(1,135)
Effects of movement in exchange rate	(109)	(165)	–	–	(13)	(287)
At 30 June 2021	<u>(4,197)</u>	<u>(2,144)</u>	<u>(76)</u>	<u>–</u>	<u>(4,719)</u>	<u>(11,136)</u>
Carrying amounts at 30 June 2021	<u>21,808</u>	<u>2,554</u>	<u>88</u>	<u>1,221</u>	<u>9,461</u>	<u>35,132</u>

10 Intangible assets (cont'd)

Company	Membership rights S\$'000	Software S\$'000	Total S\$'000
At 31 Dec 2020			
Cost	93	1,483	1,576
Accumulated amortisation and impairment	(25)	(548)	(573)
Carrying amounts	68	935	1,003
At 1 January 2021			
Additions	–	7	7
At 30 June 2021	93	1,490	1,583
Accumulated amortisation and impairment losses			
At 1 January 2021	(25)	(548)	(573)
Amortisation	–	(116)	(116)
At 30 June 2021	(25)	(664)	(689)
Carrying amounts at 30 June 2021	68	826	894

Impairment testing

Goodwill that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. No impairment indicators were identified as at 30 June 2021 based on the CGU's business performance. The Group performed its annual impairment test in December 2020. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

11 Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired amounting to S\$32,963,000 (30 June 2020: S\$27,907,000) and disposed of assets amounting to S\$4,000 (30 June 2020: S\$2,000).

12 Investment properties

Cost	Group	
	30 June 2021 S\$'000	30 June 2020 S\$'000
Balance as at 1 January and 30 June	294,600	311,160

12 Investment properties (cont'd)

Investment properties relate to the shop units within Raffles Hospital Building and Raffles Specialist Centre, units of commercial space within Samsung Hub and Raffles Holland V that are leased to external parties. Each of the leases contains an initial non-cancellable period of 1 to 5 years. This is subject to the terms and conditions of the lease agreements entered into and subsequent renewals are negotiated with the respective lessee. These properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Valuation of investment properties

The Group's policy is for investment property to be measured at fair value for which the Group completes property valuations at least annually by independent registered valuers at the end of the year. The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2021. However, the Management had taken into considerations those underlying factors that would have impacts to the fair value of the investment properties since the last valuations completed in December 2020; including any tenant changes, assessing market rentals, etc. There is no major aspects that could affect the fair value of the investment properties since as at 30 June 2021.

13 Borrowings

	Group		Company	
	30 June 2021 S\$'000	31 December 2020 S\$'000	30 June 2021 S\$'000	31 December 2020 S\$'000
Amount repayable within one year or on demand				
Unsecured bank loans	37,346	27,201	8,610	8,584
Amount repayable after one year				
Unsecured bank loans	145,036	143,859	47,887	47,849
Total loans and borrowings	182,382	171,060	56,497	56,433

14 Share capital

	30 June 2021		31 December 2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Company				
Fully paid ordinary shares, with no par value:				
At 1 January	1,864,726	420,966	1,828,258	393,470
Issue of shares under scrip dividend	–	–	35,155	26,718
Issue of shares under share option scheme	2,837	2,210	1,313	778
At 30 June / 31 December	1,867,563	423,176	1,864,726	420,966

The total number of issued shares excluding treasury shares as at 30 June 2021 was 1,867,563,925 (31 December 2020: 1,864,326,925)

14 Share capital (cont'd)

(i) Exercise of share options

During the first half ended 30 June 2021, the Company issued a total of 2,837,000 new ordinary shares and utilised 400,000 treasury shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.73	S\$0.78	S\$1.07	S\$1.09
Number of new shares issued / treasury shares utilised	2,064,000	903,000	84,000	186,000

As at 30 June 2021, there were outstanding options for conversion into 71,723,000 (30 June 2020: 68,203,000) ordinary shares.

(ii) Treasury shares

The Company does not hold any treasury shares as at 30 June 2021 (30 June 2020: 400,000).

The treasury shares held by the Company as at 30 June 2021 represent Nil (30 June 2020: 0.02%) of the total number of issued shares (excluding treasury shares).

	Number of treasury shares
Balance as at 1 January 2021	400,000
Use of treasury shares	(400,000)
Balance as at 30 June 2021	–

(iii) Subsidiary holdings

There is no subsidiary holdings as at 30 June 2021 (30 June 2020: Nil).

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2021 (30 June 2020: Nil).

15 Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

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

The condensed interim statements of financial position of Raffles Medical Group Ltd and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 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 year started on a cautiously optimistic note despite an evolving global pandemic situation. The Group actively supported the government in its COVID-19 vaccine programme by setting up and operating 17 vaccination centres across Singapore. As the new Delta strain emerged, the Group again stepped up to support the government in its efforts to root out COVID-19 clusters through extensive community testing by conducting Polymerase Chain Reaction (**PCR**) swab tests at its PCR test centres. Throughout this period, only severely sick foreign patients are able to seek medical treatment in Singapore. While China continues to experience sporadic COVID-19 clusters, the situation is largely under control and business is beginning to return to normal in most of our operations there. Our hospitals and clinics in China also participated in the government's COVID-19 vaccination efforts and we continue to see improved patient loads in both **RafflesHospitalChongqing** and **RafflesHospitalBeijing**.

The Group posted stronger revenue of **S\$343.8** million in 1H 2021, representing a growth of **42.4%** against the **S\$241.4** million achieved in 1H 2020. Revenue from the Healthcare and Hospital Services divisions grew by **65.4%** and **35.4%** respectively. The Group's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) grew **78.0%** from **S\$41.9** million in 1H 2020 to **S\$74.5** million in 1H 2021. Profit After Tax and Minority Interests (**PATMI**) grew **128.7%** from **S\$17.2** million in 1H 2020 to **S\$39.4** million in 1H 2021.

The Group continues to generate cash from its operating activities. This enables the Group to continue funding its expansion through a combination of internally generated cash and some borrowings. As at 30 June 2021, after paying dividends of **S\$37.3** million, the Group remains in a net cash position with **S\$215.7** million in cash and **S\$211.8** million of debt.

During its FY2020 results' announcement in February this year, the Board stated its intention to consolidate its interim and final dividends with effect from FY2021 into an annual core dividend of up to half its average sustainable PATMI. In view of the foregoing, the Directors will not be declaring any interim dividend. However, for the transition year FY2021, the Group expects to pay a total final dividend of not less than 2.5 cents per share.

3 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 better than the corresponding period in 2020 and are in line with the Directors' expectations as disclosed in the Group's full year 2020 results announcement.

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

The COVID-19 pandemic remains an evolving situation around the world with new variants emerging. We are, however, optimistic that with progressive vaccination, borders will reopen and travel may resume in the near future.

In Singapore, the Group continues to support the government's COVID-19 initiatives. Adapting to the ever-changing nature of the pandemic, we have expanded our services beyond air-border screening and pre-event testing to include vaccination centres, pre-departure swabbing of cruise passengers, as well operating dedicated Polymerase Chain Reaction (**PCR**) test centres to conduct tests for those exposed to new COVID-19 clusters.

Our Emergency Care Collaboration programme with the Ministry of Health continues to place us in a special position to step-up and take in additional A&E patients to support public hospitals when they have to be closed to the public to attend to COVID-19 patients.

Our **RafflesConnect** telemedicine platform, which now includes specialist services continues to complement our traditional business model and has facilitated our continued provision of medical care to existing patients who reside outside Singapore.

Amidst an improving operating environment, our hospitals in China, **RafflesHospitalChongqing** and **RafflesHospitalBeijing** continue to serve improved patient loads.

The Directors are pleased to announce that **RafflesHospitalShanghai** will commence operations today. The 770,000 square-foot, 12 storey facility with a capacity of 400 beds will start receiving patients from today. Located in Qiantan, Pudong, **RafflesHospitalShanghai** will provide a suite of comprehensive medical services ranging from 24/7 emergency medicine, inpatient and outpatient services that include family medicine, health screening, cardiology, general surgery, orthopaedics, obstetrics and gynaecology, paediatrics, internal medicine and dentistry.

The world continues to grapple with COVID-19 and new variants that may render vaccinations less effective against the infection are emerging. Countries where we have operations, including Singapore, may still be affected by sporadic outbreaks from time-to-time. Despite these challenges, we will continue to focus on providing quality healthcare to all our patients across multiple geographies.

The prospects of the Group depend on the COVID-19 status of the geographies we operate in, the vaccination rate of the population thereof, the return of normal economic activities, international travel as well as the attraction of patients to our Raffles Hospitals in China.

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 be more profitable for FY 2021 than FY 2020.

5 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? No Interim Dividend is declared.

5 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

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

During the FY2020 results' announcement earlier this year, the Board announced its intent to consolidate its interim and final dividends with effect from FY2021 into an annual core dividend of up to half its average sustainable PATMI. In view of the foregoing, the Directors will not be declaring any interim dividend.

7 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.

8 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.

9 Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Loo Choon Yong
Chairman

Mr Lew Yoong Keong Allen
Director

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
26 July 2021