

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

Condensed Financial Statements  
For the six months and full year ended  
31 December 2021

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## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income The Group

	6 months ended 31 December 2021	6 months ended 31 December 2020	Change	12 months ended 31 December 2021	12 months ended 31 December 2020	Change
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	379,976	326,783	16.3	723,791	568,203	27.4
Other operating income	6,448	14,738	(56.2)	13,849	31,585	(56.2)
Inventories and consumables used	(41,247)	(44,008)	(6.3)	(82,013)	(72,289)	13.5
Purchased and contracted services	(30,882)	(31,951)	(3.3)	(61,257)	(63,486)	(3.5)
Staff costs	(204,075)	(154,984)	31.7	(386,973)	(291,698)	32.7
Depreciation of property, plant and equipment	(19,380)	(16,865)	14.9	(36,725)	(33,487)	9.7
Amortisation of intangible assets	(1,466)	(1,045)	40.3	(2,601)	(2,008)	29.5
Operating lease expenses	(861)	(1,320)	(34.8)	(1,744)	(2,023)	(13.8)
Impairment loss on trade receivables	(261)	(106)	nm	(1,495)	(1,916)	(22.0)
Other operating expenses	(23,009)	(27,082)	(15.0)	(43,526)	(44,439)	(2.1)
<b>Profit from operating activities</b>	65,243	64,160	1.7	121,306	88,442	37.2
Finance income	299	321	(6.9)	634	1,150	(44.9)
Finance expenses	(3,549)	(2,503)	41.8	(6,356)	(5,153)	23.3
<b>Profit before tax</b>	61,993	61,978	0.0	115,584	84,439	36.9
Tax expense	(17,117)	(13,599)	25.9	(31,868)	(19,769)	61.2
<b>Profit for the period/year</b>	44,876	48,379	(7.2)	83,716	64,670	29.5
<b>Profit attributable to:</b>						
Owners of the Company	44,726	48,647	(8.1)	84,171	65,891	27.7
Non-controlling interests	150	(268)	nm	(455)	(1,221)	(62.7)
<b>Profit for the period/year</b>	44,876	48,379	(7.2)	83,716	64,670	29.5

Note: nm denotes not meaningful.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

	The Group					
	6 months	6 months	Change	12 months	12 months	Change
	ended 31	ended 31		ended 31	ended 31	
	December	December	December	December		
2021	2020	2021	2020			
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	44,876	48,379	(7.2)	83,716	64,670	29.5
<b>Other comprehensive income</b>						
<b>Item that is or may be reclassified</b>						
<b>subsequently to profit or loss:</b>						
Foreign currency translation differences - foreign operations	4,346	5,048	(13.9)	11,078	9,615	15.2
<b>Total comprehensive income for the period</b>	49,222	53,427	(7.9)	94,794	74,285	27.6
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	48,754	53,245	(8.4)	94,369	74,845	26.1
Non-controlling interests	468	182	157.1	425	(560)	nm
<b>Total comprehensive income for the period</b>	49,222	53,427	(7.9)	94,794	74,285	27.6
<b>Earnings per share</b>						
<b>Basic earnings per share (cents) [A]</b>	2.39	2.63	(9.1)	4.51	3.58	26.0
<b>Diluted earnings per share (cents) [B]</b>	2.38	2.63	(9.5)	4.49	3.58	25.4

[A] The calculation of earnings per share for the second half and full year ended 31 December 2021 were based on the weighted average number of ordinary shares 1,868,994,182 (2H 2020: 1,849,615,251) and 1,867,546,983 (31 December 2020: 1,839,095,915) in issue during the period.

[B] The calculation of earnings per share (on a fully diluted basis) for the second half and full year ended 31 December 2021 were based on the weighted average number of ordinary shares 1,882,484,573 (2H 2020: 1,850,965,341) and 1,876,459,936 (31 December 2020: 1,840,374,386) in issue during the period.

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

- Increase in revenue was mainly due to sales of COVID-19 related products and services in 2H 2021 and FY2021 as compared to the previous corresponding periods. In 2H 2021, the Group's revenue grew by 16.3% to S\$380.0 million from S\$326.8 million in 2H 2020. Revenue from the Healthcare Services division grew by 61.3% in 2H 2021 whilst Hospital Services division decreased by 6.2% in the same period.
- Decrease in other operating income was mainly due to lower government grants received, principally from Jobs Support Scheme payout and property tax rebate, amongst others, in 2H 2021 and FY2021 as compared to the previous corresponding periods.
- Higher inventories and consumables were incurred to support the increased in sales of COVID-19 related products and services in FY2021 as compared to FY2020.
- Staff costs increased in tandem with higher volume of business reported by the Group and additional locum costs were incurred for supporting COVID-19 projects in 2H 2021 and FY2021 as compared to the previous corresponding periods.
- The increase in depreciation charge in 2H 2021 as compared to 2H 2020 was mainly due to additional depreciation of fixed assets attributable to the newly opened Raffles Hospital Shanghai.
- The decrease in other operating expenses in 2H 2021 and FY2021 was mainly due to a fair value gain of S\$0.4 million being recognised for investment properties under other operating income as compared to a fair value loss of S\$4.5 million recognized in other operating expenses in 2H 2020 and FY 2020 respectively.
- The Group's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) grew 4.9% to S\$86.1 million in 2H 2021. The Group's 2H 2020 EBITDA of S\$82.1 million included S\$9.0 million in Jobs Support Scheme (JSS) grants received. As such, Profit After Tax and Minority Interests (**PATMI**) in 2H 2021 correspondingly decreased by 8.1% to S\$44.7 million from S\$48.6 million due, also, to higher tax expense being incurred in 2H 2021 in comparison with that incurred for 2H 2020 as JSS grants were not subject to tax.

## Condensed Statements of Financial Position As at 31 December 2021

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	797,362	739,905	3,788	4,807
Intangible assets and goodwill	10	31,830	34,144	875	1,003
Investment properties	12	274,000	294,600	–	–
Subsidiaries		–	–	724,603	610,755
Deferred tax assets		1,138	1,070	322	–
Trade and other receivables		1,857	3,285	5,024	5,250
		<u>1,106,187</u>	<u>1,073,004</u>	<u>734,612</u>	<u>621,815</u>
<b>Current assets</b>					
Inventories		13,374	14,587	3,024	2,748
Trade and other receivables		160,737	113,429	175,985	178,595
Cash and cash equivalents		264,988	203,114	137,708	99,915
		<u>439,099</u>	<u>331,130</u>	<u>316,717</u>	<u>281,258</u>
<b>Total assets</b>		<u>1,545,286</u>	<u>1,404,134</u>	<u>1,051,329</u>	<u>903,073</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	14	426,346	420,966	426,346	420,966
Reserves		534,448	478,030	428,470	327,145
		<u>960,794</u>	<u>898,996</u>	<u>854,816</u>	<u>748,111</u>
<b>Non-controlling interests</b>					
		<u>15,826</u>	<u>15,401</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>		<u>976,620</u>	<u>914,397</u>	<u>854,816</u>	<u>748,111</u>
<b>Non-current liabilities</b>					
Loans and borrowings	13	77,914	143,859	37,914	47,849
Trade and other payables		50,316	35,910	8,582	2,983
Lease liabilities		13,678	22,298	117	599
Deferred tax liabilities		10,147	7,746	–	259
		<u>152,055</u>	<u>209,813</u>	<u>46,613</u>	<u>51,690</u>
<b>Current liabilities</b>					
Loans and borrowings	13	96,297	27,201	18,546	8,584
Current tax liabilities		29,095	22,623	14,669	3,230
Trade and other payables		253,568	191,382	116,378	90,829
Lease liabilities		10,243	11,535	307	629
Other financial liabilities		2,761	2,705	–	–
Insurance contract provisions		24,647	24,478	–	–
		<u>416,611</u>	<u>279,924</u>	<u>149,900</u>	<u>103,272</u>
<b>Total liabilities</b>		<u>568,666</u>	<u>489,737</u>	<u>196,513</u>	<u>154,962</u>
<b>Total equity and liabilities</b>		<u>1,545,286</u>	<u>1,404,134</u>	<u>1,051,329</u>	<u>903,073</u>

### Explanatory Notes to the Condensed Statements of Financial Position

- Property, plant and equipment increased by S\$57.5 million, largely due to the capitalisation of the development expenditure for Raffles Hospital Shanghai and the reclassification of certain investment property for own use.
- Accordingly, Investment properties reflected a corresponding decrease of S\$20.6 million, mainly due to the aforesaid reclassification of certain investment property to property, plant and equipment for own use.
- The higher volume of business generated by the Group in FY2021 was reflected in an increase in Trade and other receivables balances as at 31 December 2021.
- Similarly, Trade and other payables also increased in tandem with higher volume of business in the Group.

## Condensed Consolidated Statement of Cash Flows

	The Group			
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	44,876	48,379	83,716	64,670
<i>Adjustments for :</i>				
Amortisation of intangible assets	1,466	1,045	2,601	2,008
Impairment of intangible assets and goodwill	3,780	3,576	3,780	3,576
Changes in fair value of investment properties	(414)	4,502	(414)	4,502
Depreciation of property, plant and equipment	19,380	16,865	36,725	33,487
Equity-settled share-based payment transactions	1,357	838	2,469	1,617
Finance expenses	3,549	2,503	6,356	5,153
Finance income	(299)	(321)	(634)	(1,150)
Gain on disposal of financial assets	–	(2)	–	(2)
Gain on lease modification and derecognition	(91)	(36)	(120)	(36)
Loss on disposal of property, plant and equipment, net	68	18	59	9
Property, plant and equipment written off	1,220	1,468	1,278	1,547
Tax expense	17,117	13,599	31,868	19,769
	<u>92,009</u>	<u>92,434</u>	<u>167,684</u>	<u>135,150</u>
<i>Changes in:</i>				
- Inventories	1,123	(1,340)	1,213	(4,342)
- Trade and other receivables	(33,969)	(12,043)	(48,325)	(30,298)
- Trade and other payables	36,740	38,540	61,113	37,836
- Insurance contract provisions	(8,737)	(12,459)	169	4,505
Cash generated from operations	87,166	105,132	181,854	142,851
Tax paid	(10,237)	(7,118)	(21,742)	(9,705)
<b>Net cash from operating activities</b>	<u>76,929</u>	<u>98,014</u>	<u>160,112</u>	<u>133,146</u>
<b>Cash flows from investing activities</b>				
Interest received	303	348	625	1,273
Proceeds from disposal of property, plant and equipment	32	4	45	6
Purchase of property, plant and equipment	(9,920)	(31,137)	(49,940)	(58,877)
Acquisition of intangible assets	(2,173)	(374)	(2,864)	(1,187)
Disposal of financial assets	–	42	–	42
Purchase of financial assets	–	–	–	(35)
Capitalised expenditure on investment properties	–	–	(65)	(3,411)
<b>Net cash used in investing activities</b>	<u>(11,758)</u>	<u>(31,117)</u>	<u>(52,199)</u>	<u>(62,189)</u>
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	–	(19,186)	(37,349)	(19,186)
Acquisition of own shares	(3,230)	–	(3,230)	–
Loan from subsidiary's non-controlling interest	3,302	10,179	7,467	12,546
Proceeds from issue of shares under share option scheme	3,091	–	5,595	778
Proceeds from bank loans	7,194	33,625	39,547	57,959
Repayment of bank loans	(16,782)	(32,485)	(40,056)	(55,392)
Payment of lease liabilities	(5,950)	(5,914)	(11,542)	(11,558)
Interest paid	(3,591)	(2,516)	(6,729)	(5,311)
Lease interest paid	(259)	(356)	(576)	(714)
<b>Net cash used in financing activities</b>	<u>(16,225)</u>	<u>(16,653)</u>	<u>(46,873)</u>	<u>(20,878)</u>
<b>Net increase in cash and cash equivalents</b>	48,946	50,244	61,040	50,079
Cash and cash equivalents at 30 June / 1 January	214,665	151,522	202,057	150,749
Effect of exchange rate fluctuations on cash held	297	291	811	1,229
<b>Cash and cash equivalents at 31 December</b>	<u>263,908</u>	<u>202,057</u>	<u>263,908</u>	<u>202,057</u>

### Explanatory Notes to the Condensed 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\$61.8 million from S\$202.1 million as at 31 December 2020 to S\$263.9 million as at 31 December 2021. This was mainly due to strong cashflows generated by the Group's operating activities, partly offset by purchase of property, plant and equipment of S\$49.9 million, payment of dividends of S\$37.3 million and payment of interest S\$7.3 million.

**Condensed Statements of Changes in Equity**

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
<b>At 1 January 2021</b>	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397
<b>Total comprehensive income for the period</b>										
Profit for the year	–	–	–	–	–	–	84,171	84,171	(455)	83,716
<b>Other comprehensive income</b>										
Foreign currency translation differences - foreign operations	–	10,198	–	–	–	–	–	10,198	880	11,078
<b>Total other comprehensive income for the year</b>	–	10,198	–	–	–	–	–	10,198	880	11,078
<b>Total comprehensive income for the year</b>	–	10,198	–	–	–	–	84,171	94,369	425	94,794
<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 Schemes	5,301	–	–	–	–	–	–	5,301	–	5,301
Issue of shares to employees under Raffles Medical Group Performance Share Plan	79	–	(79)	–	–	–	–	–	–	–
Own shares acquired	–	–	–	–	–	(3,230)	–	(3,230)	–	(3,230)
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	–	–	2,469	–	–	–	–	2,469	–	2,469
Final dividend paid of 2.0 cents per ordinary share – Cash	–	–	–	–	–	–	(37,349)	(37,349)	–	(37,349)
<b>Total contributions by and distributions to owners</b>	5,380	–	2,390	–	(106)	(2,830)	(37,349)	(32,515)	–	(32,515)
<b>Changes in ownership interests in subsidiaries</b>										
Present value of the exercise price of written put options	–	–	–	–	(56)	–	–	(56)	–	(56)
<b>Total changes in ownership interests in subsidiaries</b>	–	–	–	–	(56)	–	–	(56)	–	(56)
<b>Total transactions with owners</b>	5,380	–	2,390	–	(162)	(2,830)	(37,349)	(32,571)	–	(32,571)
<b>At 31 December 2021</b>	426,346	9,089	33,061	16,367	(4,818)	(3,230)	483,979	960,794	15,826	976,620

**Condensed Statements of Changes in Equity (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
<b>At 1 January 2020</b>	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854
<b>Total comprehensive income for the year</b>										
Profit for the year	-	-	-	-	-	-	65,891	65,891	(1,221)	64,670
<b>Other comprehensive income</b>										
Foreign currency translation differences - foreign operations	-	8,954	-	-	-	-	-	8,954	661	9,615
<b>Total other comprehensive income for the year</b>	-	8,954	-	-	-	-	-	8,954	661	9,615
<b>Total comprehensive income for the year</b>	-	8,954	-	-	-	-	65,891	74,845	(560)	74,285
<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 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 and share awards	-	-	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 cents per ordinary share – Cash	-	-	-	-	-	-	(9,320)	(9,320)	-	(9,320)
<b>Total contributions by and distributions to owners</b>	27,496	-	1,617	-	-	-	(45,904)	(16,791)	-	(16,791)
<b>Changes in ownership interests in subsidiaries</b>										
Present value of the exercise price of written put options	-	-	-	-	49	-	-	49	-	49
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	49	-	-	49	-	49
<b>Total transactions with owners</b>	27,496	-	1,617	-	49	-	(45,904)	(16,742)	-	(16,742)
<b>At 31 December 2020</b>	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397



**Condensed Statements of Changes in Equity (cont'd)**

Company	Share	Equity	Other	Reserve	Accumulated	Total
	capital	compensation	reserve	for own	profits	
	S\$'000	S\$'000	S\$'000	shares	S\$'000	S\$'000
<b>At 1 January 2021</b>	420,966	30,671	–	(400)	296,874	748,111
<b>Total comprehensive income for the year</b>						
Profit for the year	–	–	–	–	139,220	139,220
<b>Total comprehensive income for the year</b>	–	–	–	–	139,220	139,220
<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 Schemes	5,301	–	–	–	–	5,301
Issue of shares to employees under Raffles Medical Group Performance Share Plan	79	(79)	–	–	–	–
Own shares acquired	–	–	–	(3,230)	–	(3,230)
Own shares reissued pursuant to Raffles Medical Group Employees' Share Option Scheme	–	–	(106)	400	–	294
Value of employee services received for issue of share options and share awards	–	2,469	–	–	–	2,469
Final dividend paid of 2.0 cents per ordinary share - Cash	–	–	–	–	(37,349)	(37,349)
<b>Total contributions by and distributions to owners</b>	5,380	2,390	(106)	(2,830)	(37,349)	(32,515)
<b>At 31 December 2021</b>	426,346	33,061	(106)	(3,230)	398,745	854,816
<b>At 1 January 2020</b>	393,470	29,054	–	(400)	270,788	692,912
<b>Total comprehensive income for the year</b>						
Profit for the year	–	–	–	–	71,990	71,990
<b>Total comprehensive income for the year</b>	–	–	–	–	71,990	71,990
<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 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)
<b>Total contributions by and distributions to owners</b>	27,496	1,617	–	–	(45,904)	(16,791)
<b>At 31 December 2020</b>	420,966	30,671	–	(400)	296,874	748,111

## Notes to the Condensed 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 financial statements as at and for the six months and full year ended 31 December 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 financial statements of the Company.

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

## 2 Basis of preparation

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 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 interim financial statements for the period ended 30 June 2021.

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

### 2.1 New and amended standards adopted by the Group

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions* (Amendments to SFRS(I) 16)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

The application of these amendments to standards does not have a material effect on the financial statements.

### 2.2 Use of estimates and judgements

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed financial statements is on lease term and whether the Group is reasonably certain to exercise extension options. Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group expects to make use of all extension options in the lease contracts, which typically vary between 1 and 3 years.

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 financial year 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

## 2.2 Use of estimates and judgements (cont'd)

### *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.

## 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	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue and expenses</b>								
Revenue	458,749	281,265	346,101	312,795	39,691	32,743	844,541	626,803
Inter-segment revenue	15,196	3,146	72,608	29,169	32,946	26,285	120,750	58,600
Finance expenses	(797)	(996)	(11)	(24)	(5,548)	(4,113)	(6,356)	(5,153)
Depreciation and amortisation	(16,889)	(16,747)	(11,367)	(9,087)	(162)	(163)	(28,418)	(25,997)
Reportable segment profit before tax	78,478	31,492	23,955	49,695	23,534	11,488	125,967	92,675
Other material non-cash items:								
- Impairment losses on intangible assets and goodwill	(3,780)	(3,551)	–	(25)	–	–	(3,780)	(3,576)
- Impairment losses on trade receivable	(917)	(328)	(741)	(1,424)	163	(164)	(1,495)	(1,916)
Reportable segment assets	1,175,191	1,027,838	287,000	249,317	1,022,846	957,316	2,485,037	2,234,471
Capital expenditure	7,445	20,640	25,048	9,116	31,207	36,191	63,700	65,947
Reportable segment liabilities	318,406	277,629	222,183	159,565	797,131	750,531	1,337,720	1,187,725

## 4.1 Reportable segments (cont'd)

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

	31 December 2021 S\$'000	31 December 2020 S\$'000
<b>Revenues</b>		
Total revenue for reportable segments	844,541	626,803
Elimination of inter-segment revenue	(120,750)	(58,600)
Consolidated revenue	<u>723,791</u>	<u>568,203</u>
<b>Profit or loss before tax</b>		
Total profit for reportable segments	125,967	92,675
Elimination of inter-segment profits / Consolidation adjustment	525	1,262
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(10,908)	(9,498)
Consolidated profit before tax	<u>115,584</u>	<u>84,439</u>
<b>Assets</b>		
Total assets for reportable segments	2,485,037	2,234,471
Elimination of inter-segment assets	(940,889)	(831,407)
Unallocated amounts-current tax and deferred tax assets	1,138	1,070
Consolidated total assets	<u>1,545,286</u>	<u>1,404,134</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	1,337,720	1,187,725
Elimination of inter-segment liabilities	(808,296)	(728,357)
Unallocated amounts-current tax and deferred tax liabilities	39,242	30,369
Consolidated total liabilities	<u>568,666</u>	<u>489,737</u>

### Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
<b>31 December 2021</b>			
Depreciation and amortisation	28,418	10,908	<u>39,326</u>
<b>31 December 2020</b>			
Depreciation and amortisation	25,997	9,498	<u>35,495</u>

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre, Raffles Hospital Chongqing and Raffles Hospital Shanghai 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.

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.

## 4.1 Reportable segments (cont'd)

The amount of S\$10,908,000 (2020: S\$9,498,000) relates to the depreciation of these properties for the year ended 31 December 2021.

### Geographical information

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.

	<b>Group</b>	
	<b>31 December 2021 S\$'000</b>	<b>31 December 2020 S\$'000</b>
<b>Revenue</b>		
Singapore	660,448	518,037
Greater China	49,292	34,292
Rest of Asia	14,051	15,874
Consolidated revenue	<u>723,791</u>	<u>568,203</u>
 <b>Non-current assets</b>		
Singapore	686,590	696,045
Greater China	409,338	363,944
Rest of Asia	7,264	8,660
Consolidated non-current assets*	<u>1,103,192</u>	<u>1,068,649</u>

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

## 4.2 Disaggregation of Revenue

	<b>Group</b>	
	<b>31 December 2021 S\$'000</b>	<b>31 December 2020 S\$'000</b>
Revenue from contracts with customers	716,215	561,214
Rental income	7,576	6,989
	<u>723,791</u>	<u>568,203</u>

**5 Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 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
<b>31 December 2021</b>							
<b>Financial assets not measured at fair value</b>							
Trade and other receivables #	159,287	–	159,287				
Cash and cash equivalents	264,988	–	264,988				
	<u>424,275</u>	<u>–</u>	<u>424,275</u>				
<b>Financial liabilities not measured at fair value</b>							
Loans and borrowings	–	(174,211)	(174,211)	–	(174,211)	–	(174,211)
Trade and other payables*	–	(298,808)	(298,808)				
Other financial liabilities	–	(2,761)	(2,761)	–	–	(2,761)	(2,761)
	<u>–</u>	<u>(475,780)</u>	<u>(475,780)</u>				
<b>31 December 2020</b>							
<b>Financial assets not measured at fair value</b>							
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>				
<b>Financial liabilities not measured at fair value</b>							
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 and other long-term employee benefits



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
<b>31 December 2021</b>							
<b>Financial assets not measured at fair value</b>							
Trade and other receivables #	179,548	–	179,548				
Cash and cash equivalents	137,708	–	137,708				
Amounts due from subsidiaries	678,731	–	678,731	–	–	678,731	678,731
	<u>995,987</u>	<u>–</u>	<u>995,987</u>				
<b>Financial liabilities not measured at fair value</b>							
Loans and borrowings	–	(56,460)	(56,460)	–	(56,460)	–	(56,460)
Trade and other payables*	–	(122,688)	(122,688)				
	<u>–</u>	<u>(179,148)</u>	<u>(179,148)</u>				
<b>31 December 2020</b>							
<b>Financial assets not measured at fair value</b>							
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>				
<b>Financial liabilities not measured at fair value</b>							
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 and other long-term employee benefits

## 6 Profit before tax

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

	<b>Group</b>			
	<b>6 months ended 31 December 2021 S\$'000</b>	<b>6 months ended 31 December 2020 S\$'000</b>	<b>12 months ended 31 December 2021 S\$'000</b>	<b>12 months ended 31 December 2020 S\$'000</b>
Contributions to defined contribution plans	17,043	10,205	31,321	20,205
Foreign exchange gain	(338)	(460)	(542)	(643)
Changes in fair value in investment properties	(414)	4,502	(414)	4,502
Loss on disposal of property, plant and equipment, net	68	18	59	9
Interest expense:				
- bank loans	2,470	2,109	4,924	4,364
- subsidiary's non-controlling interest	820	38	856	75
- lease liabilities	259	356	576	714
Interest income	(299)	(321)	(634)	(1,150)
Jobs Growth Incentive (JGI), Jobs Support Scheme (JSS) grant, wage credit, property tax rebate and foreign worker levy	(5,476)	(12,820)	(11,992)	(28,069)
Property, plant and equipment written-off	1,220	1,468	1,278	1,547
Recovery of bad debts	(114)	(828)	(732)	(1,218)
Value of employee services received for issue of share options and share awards, included in staff costs	1,357	838	2,469	1,617
Write-off for stock obsolescence	351	806	351	891
Write-off for non-trade receivables	680	-	680	-

## 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 consolidated statement of profit or loss are:

	Group			
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Current income tax expense	14,271	11,787	28,538	18,002
Current withholding tax expense	729	1,038	1,375	1,038
Deferred income tax expense relating to origination and reversal of temporary differences	2,235	947	2,086	903
	17,235	13,772	31,999	19,943
<b>Adjustment for prior years</b>				
Current income tax expense – Adjustment for prior years	(338)	(94)	(351)	(95)
Deferred tax expense – Adjustment for prior years	220	(79)	220	(79)
	(118)	(173)	(131)	(174)
Tax Expenses	17,117	13,599	31,868	19,769

## 8 Dividends

	Group			
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Ordinary dividends paid:				
Interim dividend of nil (2020: 0.50) cents per share	–	9,320	–	9,320
Final dividend in respect of the previous financial year of 2.00 (2020: 2.00) cents per share	–	36,584	37,349	36,584
	–	36,584	37,349	36,584

## 9 Net assets value

	Group		Company	
	31 December 2021 S\$	31 December 2020 S\$	31 December 2021 S\$	31 December 2020 S\$
Net asset value per ordinary share [C]	51.43 cents	48.22 cents	45.75 cents	40.13 cents

[C] The calculation of net asset value per ordinary share was based on 1,868,290,025 shares as at 31 December 2021 (31 December 2020: 1,864,326,925).

## 10 Intangible assets and goodwill

Group	Goodwill \$'000	Customer relationship \$'000	Membership rights \$'000	Software		Total \$'000
				under development \$'000	Software \$'000	
<b>Cost</b>						
At 1 January 2020	24,387	4,328	164	1,255	11,411	41,545
Additions	–	–	–	411	776	1,187
Transfer	–	–	–	(445)	445	–
Effects of movement in exchange rate	934	130	–	–	62	1,126
At 31 December 2020	25,321	4,458	164	1,221	12,694	43,858
Additions	–	–	–	–	2,973	2,973
Transfer	–	–	–	(1,057)	1,057	–
Effects of movement in exchange rate	1,118	214	–	–	133	1,465
At 31 December 2021	26,439	4,672	164	164	16,857	48,296
<b>Accumulated amortisation and impairment losses</b>						
At 1 January 2020	552	1,430	–	–	2,109	4,091
Amortisation	–	363	–	–	1,645	2,008
Impairment loss	3,500	–	76	–	–	3,576
Effects of movement in exchange rate	36	–	–	–	3	39
At 31 December 2020	4,088	1,793	76	–	3,757	9,714
Amortisation	–	376	–	–	2,225	2,601
Impairment loss	3,780	–	–	–	–	3,780
Effects of movement in exchange rate	249	93	–	–	29	371
At 31 December 2021	8,117	2,262	76	–	6,011	16,466
<b>Carrying amounts</b>						
At 1 January 2020	23,835	2,898	164	1,255	9,302	37,454
At 31 December 2020	21,233	2,665	88	1,221	8,937	34,144
At 31 December 2021	18,322	2,410	88	164	10,846	31,830

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

Group	Group	
	2021 \$'000	2020 \$'000
China clinics	15,364	18,336
Cambodia clinic	2,958	2,897
	<u>18,322</u>	<u>21,233</u>

The recoverable amounts of CGUs were based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs.

## 10 Intangible assets and goodwill (cont'd)

Key assumptions used in the estimation of value in use were as follows:

<b>Group</b>	<b>2021</b> %	<b>2020</b> %
Discount rate	12.1 – 18.1	11.8 – 17.7
Terminal growth rate	2.0 – 3.0	3.0
Revenue growth rate for next five years	3.0 – 25.9	6.0 – 50.4

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal GDP rates for the countries in which the CGUs operate.

Revenue growth was projected based on expectation of future outcomes taking into account the average growth levels experienced over the past five years and the estimated growth for the next five years.

The recoverable amount of the China clinic CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. In 2021, the operations of the China clinics were affected by the continual COVID-19 coronavirus pandemic and the measures. Management has taken into consideration the uncertainty of the pandemic situation in China going forward in the estimates of future cash flows. The carrying amount of the CGU was determined to be higher than its recoverable amount by \$3,780,000 (2020: \$3,750,000) and an impairment loss of \$3,780,000 (2020: \$3,750,000) was recognised. The impairment loss was fully allocated to goodwill and included in 'other operating expenses'. Following the impairment loss recognised in the Group's China clinic CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

## 11 Property, plant and equipment

During the year ended 31 December 2021, the Group acquired amounting to S\$60,727,000 (31 December 2020: S\$64,760,000) and disposed of assets amounting to S\$4,285,000 (31 December 2020: S\$526,000).

During the six months ended 31 December 2021, the Group acquired amounting to S\$27,764,000 (6 months ended 31 December 2020: S\$36,853,000) and disposed of assets amounting to S\$4,281,000 (6 months ended 31 December 2020: S\$524,000)

## 12 Investment properties

	<b>Group</b>	
	<b>2021</b> <b>S\$'000</b>	<b>2020</b> <b>S\$'000</b>
Balance as at 1 January	294,600	311,160
Adjustments	–	(58)
Reclassification to property, plant and equipment	(21,014)	(12,000)
Changes in fair value	414	(4,502)
Balance as at 31 December	<u>274,000</u>	<u>294,600</u>

## 12 Investment properties (cont'd)

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. Investment properties that are measured at fair value are stated at fair value as at 31 December 2021 based on valuation performed by independent professional valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2020: Jones Lang LaSalle Property Consultants Pte. Ltd.), having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment properties of \$274,000,000 (2020: \$294,600,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

### Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation and discounted cash flow approach	<ul style="list-style-type: none"> <li>Capitalisation rates 3.5% to 5.50% (2020: 3.5% to 6.25%)</li> <li>Discount rates 7.00% (2020: 7.25%)</li> <li>Terminal yield rates 4.25% (2020: 4.25%)</li> </ul>	The estimated fair value varies inversely against the capitalisation rates and discount rates.

## 13 Borrowings

	Group		Company	
	31 December 2021 S\$'000	31 December 2020 S\$'000	31 December 2021 S\$'000	31 December 2020 S\$'000
<b>Amount repayable within one year or on demand</b>				
Unsecured bank loans	96,297	27,201	18,546	8,584
<b>Amount repayable after one year</b>				
Unsecured bank loans	77,914	143,859	37,914	47,849
Total loans and borrowings	174,211	171,060	56,460	56,433

## 14 Share capital

Company	2021		2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<b>Fully paid ordinary shares, with no par value:</b>				
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	5,902	5,301	1,313	778
Issue of shares under performance share plan	98	79	–	–
At 31 December	<u>1,870,726</u>	<u>426,346</u>	<u>1,864,726</u>	<u>420,966</u>

The total number of issued shares excluding treasury shares as at 31 December 2021 was 1,868,290,025 (31 December 2020: 1,864,326,925)

### (i) Exercise of share options and share awards

During the year ended 31 December 2021, the Company issued a total of 5,902,000 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\$0.81	S\$1.04	S\$1.07	S\$1.09	S\$1.31	S\$1.42	S\$1.50
Number of new shares issued / treasury shares utilised	2,064,000	1,670,000	125,000	385,000	770,000	1,052,000	210,000	11,000	15,000

During the year, the company also issued 98,000 new ordinary shares pursuant to the Raffles Medical Group Performance Share Plan.

On 1 September 2021, options to subscribe for 6,900,000 ordinary shares at an exercise price of S\$1.40 were granted to 148 eligible participants pursuant to the Raffles Medical Group (2020) Share Option Scheme.

On 1 September 2021, 1,000,000 share awards were granted to 379 eligible participants pursuant to Raffles Medical Group (2020) Performance Share Plan.

As at 31 December 2021, there were outstanding options for conversion into 75,145,000 (31 December 2020: 76,405,000) ordinary shares.

As at 31 December 2021, the number of shares comprised in contingent awards granted under the Raffles Medical Group (2020) Performance Share Plan which has not been released was 2,564,000 (31 December 2020: 1,689,000).

**14 Share capital (cont'd)**

**(ii) Treasury shares**

The Company holds 2,436,900 treasury shares as at 31 December 2021 (31 December 2020: 400,000).

The treasury shares held by the Company as at 31 December 2021 represent 0.13% (31 December 2020: 0.02%) of the total number of issued shares (excluding treasury shares).

	<b>Number of treasury shares</b>
Balance as at 1 January 2021	400,000
Use of treasury shares	(400,000)
Acquisition of treasury shares	2,436,900
Balance as at 31 December 2021	2,436,900

**(iii) Subsidiary holdings**

There is no subsidiary holdings as at 31 December 2021 (31 December 2020: Nil).

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2021 (31 December 2020: Nil).

**15 Subsequent events**

There are no known subsequent events which led to adjustments to this set of 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 financial statements of Raffles Medical Group Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements have been audited in accordance with Singapore Standards on Auditing. A copy of the Independent Auditors' report is attached.

The condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the six-month period ended 31 December 2021 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 COVID-19 pandemic continues to evolve and, as new strains emerged, governments had to adapt their actions to deal with each new threat and the changing needs of the healthcare landscape. To support the government's COVID-19 initiatives, the Group had to remain flexible, adaptable and responsive.

At the beginning of FY2021, a large part of our resources was deployed to running vaccination centres to support the Singapore government's drive to expeditiously achieve a high rate of vaccination of its population.

During the height of the Delta-strain wave, the Group participated in extensive community testing by conducting Polymerase Chain Reaction (PCR) swabs tests at its PCR test centres.

The Group continues to look after COVID-19 patients at the community treatment facilities it operates. On the vaccination front, the focus has now pivoted towards booster shots and paediatric vaccinations while the country grapples with the new and highly infectious Omicron strain.

As some borders have started to open, the Group is cautiously optimistic that foreign patients will be able to resume seeking treatment in Singapore. Outside of Singapore, China continues to experience sporadic COVID-19 clusters which were controlled through lock-downs and extensive community testing.

Our hospitals and clinics in China continue to participate in the government's Covid-19 vaccination and community testing efforts. Our **RafflesHospitalShanghai** received its licence to operate in July 2021 and has been receiving patients.

For FY2021, the Group posted revenue growth of **27.4%** to **S\$723.8** million from **S\$568.2** million in FY2020. Revenue from the Healthcare and Hospital Services divisions grew by **63.1%** and **10.6%** respectively.

The Group's earnings before Interest, taxes, depreciation and amortisation (**EBITDA**) grew **29.6%** to **S\$160.6** million in FY2021 from **S\$123.9** million in FY2020. Profit after tax and minority interests (**PATMI**) grew **27.7%** to **S\$84.2** million in FY2021 from **S\$65.9** million in FY2020.

**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. (cont'd)

The Group generated **S\$160.1** million cash from its operating activities in FY2021. This enabled the Group to continue funding its expansion through a combination of internally generated cash and some borrowings. As at 31 December 2021, after paying dividends of **S\$37.3** million, executing share buy backs of **S\$3.2** million and funding investments in Fixed Assets, the Group remained in a net cash position with **S\$265.0** million in cash.

During its FY2020 results' announcement in February last 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.

For the transition year FY2021, the Group guided earlier that it expects to pay a total final dividend of not less than 2.5 cents per share. In view of the Group's strong performance in FY2021, the Directors are pleased to recommend a final dividend of 2.8 cents per share, comprising of a core dividend of 1.8 cents per share and a special dividend of 1.0 cent per share in respect of FY2021.

**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 year's results are better than the corresponding year in FY2020 and are in line with the Directors' expectations as disclosed in the Group's 1H 2021 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 continues to be an evolving situation around the world. While emerging variants remain a threat, we are, however, cautiously optimistic that with a high level of vaccination of Singaporeans and residents, borders will re-open 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 operating vaccination centres and community treatment facilities as well as air-border screening and the pre-departure testing of travellers. We expect our COVID-19 support activities to continue to evolve and adapt to the changing nature of the pandemic.

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 patients needing emergency care to support public hospitals when the need arises.

In July 2021, our **RafflesHospitalShanghai** received its licence to commence operation and started receiving patients shortly after. We now have a total of 3 hospitals in operation in China. As with the rest of the world, China continues to experience sporadic COVID-19 clusters which may impact some of our operations there, from time-to-time. However, we remain cautiously optimistic that, amidst an improving operating environment, our hospitals in China, **RafflesHospitalChongqing**, **RafflesHospitalShanghai** and **RafflesHospitalBeijing** will continue to see improved patient loads.

**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. (cont'd)**

As the COVID-19 pandemic evolves, the Group expects its COVID-19 support activities to taper off. International travel should resume and we expect some of our regional patients to return. Our three Raffles Hospitals in China will continue to attract more patients in their respective geographies.

Based on current conditions, and barring unforeseen circumstances, the Directors expect the Group to remain profitable in FY2022.

**5 Dividend**

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

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

Name of dividend	Proposed Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	1.8 cents per ordinary share (one-tier tax)
Tax Rate	Tax Exempt

Name of dividend	Proposed Final
Dividend Type	Special
Dividend Amount per Share (in cents)	1.0 cent per ordinary share (one-tier tax)
Tax Rate	Tax Exempt

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

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

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

**5 Dividend (cont'd)**

**(c) Date payable**

The Directors are pleased to recommend a final dividend of 2.8 cents per share, comprising of a core dividend of 1.8 cents per share and a special dividend of 1.0 cent per share, amounting approximately to S\$52.3 million in respect of the financial year ended 31 December 2021 for approval by the shareholders at the next Annual General Meeting to be convened on 25 April 2022.

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.

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

Not applicable.

**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 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 2.

**10 A breakdown of sales.**

		Group		
		2021 S\$'000	2020 S\$'000	Change %
(a)	Revenue reported for first half year	343,815	241,420	42.4
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	38,840	16,291	138.4
(c)	Revenue reported for second half year	379,976	326,783	16.3
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	44,876	48,379	(7.2)

- 11 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	72	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	40	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	Nil

**BY ORDER OF THE BOARD**

**Kimmy Goh**  
Company Secretary

**21 February 2022**