

**AUDITED FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

<b>Consolidated Statement of Profit or Loss</b>	<b>2018 S\$'000</b>	<b>2017 S\$'000</b>	<b>Change %</b>
<b>Revenue</b>	489,135	477,583	2.4
Other operating income	5,136	3,833	34.0
Inventories and consumables used	(57,205)	(54,067)	5.8
Purchased and contracted services	(42,313)	(39,559)	7.0
Staff costs	(246,182)	(247,600)	(0.6)
Depreciation of property, plant and equipment	(17,172)	(14,388)	19.3
Amortisation of intangible assets	(1,101)	(604)	82.3
Operating lease expenses	(13,332)	(13,204)	1.0
Other operating expenses	(32,731)	(31,908)	2.6
<b>Profit from operating activities</b>	<b>84,235</b>	<b>80,086</b>	<b>5.2</b>
Finance income	1,083	936	15.7
Finance expenses	(1,184)	(204)	nm
<b>Profit before tax</b>	<b>84,134</b>	<b>80,818</b>	<b>4.1</b>
Tax expense	(13,331)	(12,157)	9.7
<b>Profit for the year</b>	<b>70,803</b>	<b>68,661</b>	<b>3.1</b>
<b>Profit attributable to :</b>			
Owners of the Company	71,056	70,779	0.4
Non-controlling interests	(253)	(2,118)	(88.1)
<b>Profit for the year</b>	<b>70,803</b>	<b>68,661</b>	<b>3.1</b>

Note: nm denotes not meaningful

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

	2018 S\$'000	2017 S\$'000	Change %
<b>Consolidated Statement of Comprehensive Income</b>			
<b>Profit for the year</b>	70,803	68,661	3.1
<b>Other comprehensive income</b>			
<b>Item that will not be reclassified subsequently to profit or loss:</b>			
Revaluation surplus from transfer of property, plant and equipment to investment property	14,655	-	nm
<b>Item that is or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences - foreign operations	(6,570)	(169)	nm
<b>Total comprehensive income for the year</b>	<u>78,888</u>	<u>68,492</u>	15.2
<b>Total comprehensive income attributable to:</b>			
Owners of the company	79,864	70,495	13.3
Non-controlling interests	(976)	(2,003)	(51.3)
<b>Total comprehensive income for the year</b>	<u>78,888</u>	<u>68,492</u>	15.2

Note: nm denotes not meaningful.

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

- Higher purchased and contracted services were mainly attributed to increased expenditure for insurance claims, laboratory purchases and repair and maintenance of premises.
- Depreciation increased mainly due to the expansion of medical centres in the new Raffles Specialist Centre, to meet the growing patients' demand.
- The effective tax rate increased mainly due to lower tax incentives claimed.
- Profit from operating activities before taxation includes the following:

Group	2018 S\$'000	2017 S\$'000
<b>(a) Other operating income</b>		
Changes in fair value of investment properties	3,395	3,085
Foreign exchange gain	408	-
Gain on disposal of property, plant and equipment, net	49	-
<b>(b) Other operating expenses</b>		
Allowance for doubtful receivables	3,010	1,481
Recovery of bad debts	(1,749)	-
Donations	639	411
Foreign exchange loss	-	134
Impairment loss of goodwill	400	-
Loss on disposal of property, plant and equipment, net	-	10
Property, plant and equipment written off	220	143
Write-off for stock obsolescence	229	155

- The adjustment for under and over provision of tax in respect of prior years are as follows:

Group	2018 S\$'000	2017 S\$'000
<b>Deferred tax expense</b>		
Under provision in respect of prior years	237	57
<b>Current tax expense</b>		
Under provision in respect of prior years	201	254

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

Statements of Financial Position	Group			Company		
	2018 S\$'000	2017 S\$'000	1 Jan 2017 S\$'000	2018 S\$'000	2017 S\$'000	1 Jan 2017 S\$'000
<b>Non-current assets</b>						
Property, plant and equipment	565,716	384,021	270,066	5,808	7,585	8,040
Intangible assets and goodwill	37,287	36,773	30,660	1,167	1,296	93
Investment properties	311,160	385,498	371,472	-	-	-
Subsidiaries	-	-	-	562,604	551,131	451,431
Deferred tax assets	1,011	1,025	437	-	-	-
Trade and other receivables	2,590	3,060	4,711	5,869	7,663	7,658
	917,764	810,377	677,346	575,448	567,675	467,222
<b>Current assets</b>						
Inventories	9,320	9,955	9,994	2,341	2,491	2,643
Trade and other receivables	83,221	87,259	101,408	151,955	124,626	103,234
Cash and cash equivalents	105,984	98,270	111,883	2,609	5,716	32,619
	198,525	195,484	223,285	156,905	132,833	138,496
<b>Total assets</b>	1,116,289	1,005,861	900,631	732,353	700,508	605,718
<b>Equity attributable to owners of the Company</b>						
Share capital	365,332	340,201	314,165	365,332	340,201	314,165
Reserves	435,157	393,849	352,223	290,560	268,350	242,894
	800,489	734,050	666,388	655,892	608,551	557,059
<b>Non-controlling interests</b>	16,137	17,575	15,456	-	-	-
<b>Total equity</b>	816,626	751,625	681,844	655,892	608,551	557,059
<b>Non-current liabilities</b>						
Loans and borrowings	97,189	38,000	16,947	20,775	-	-
Trade and other payables	11,380	15,102	4,397	868	58	96
Other financial liabilities	-	1,773	8,377	-	-	-
Deferred tax liabilities	4,765	4,870	4,853	644	899	722
	113,334	59,745	34,574	22,287	957	818
<b>Current liabilities</b>						
Loans and borrowings	19,307	41,204	13,451	19,307	37,262	9,518
Current tax liabilities	13,583	12,904	14,163	1,573	271	1,644
Trade and other payables	136,789	126,305	144,728	33,294	53,467	36,679
Other financial liabilities	2,790	2,941	166	-	-	-
Insurance contract provisions	13,860	11,137	11,705	-	-	-
	186,329	194,491	184,213	54,174	91,000	47,841
<b>Total liabilities</b>	299,663	254,236	218,787	76,461	91,957	48,659
<b>Total equity and liabilities</b>	1,116,289	1,005,861	900,631	732,353	700,508	605,718

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

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

1. Property, plant and equipment increased by S\$181.7 million, primarily due to reclassification of investment property to property, plant and equipment.
2. Investment properties decreased by S\$74.3 million, mainly due to reclassification of investment property to property, plant and equipment.
3. The Group's net cash position reduced from S\$19.1 million as at 31 December 2017 to a net debt position of S\$10.5 million as at 31 December 2018. This was primarily due to project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing.
4. Trade and other payables increased mainly due to the provision and accrual for project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing.
5. The increase in loans and borrowings was due to bank loans obtained to finance the project expenditure incurred for Raffles Hospital Shanghai and Raffles Hospital Chongqing.
6. The decrease in other financial liabilities was mainly due to the acquisition of non-controlling interests in a subsidiary.

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

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

As at 31/12/2018		As at 31/12/2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	19,307	-	41,204

**Amount repayable after one year**

As at 31/12/2018		As at 31/12/2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	97,189	-	38,000

**Details of any collateral**

Nil.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	2018 S\$'000	2017 S\$'000
<b>Cash flows from operating activities</b>		
Profit for the year	70,803	68,661
<i>Adjustments for :</i>		
Amortisation of intangible assets	1,101	604
Impairment loss on goodwill	400	-
Changes in fair value of investment properties	(3,395)	(3,085)
Depreciation of property, plant and equipment	17,172	14,388
Equity-settled share-based payment transactions	1,461	2,449
Finance expenses	1,184	204
Finance income	(1,083)	(936)
(Gain) / Loss on disposal of property, plant and equipment, net	(49)	10
Property, plant and equipment written off	220	143
Tax expense	13,331	12,157
	<u>101,145</u>	<u>94,595</u>
<i>Changes in working capital :</i>		
Inventories	635	39
Trade and other receivables	4,835	16,343
Trade and other payables	(3,086)	(13,109)
Insurance contract provisions	2,723	(568)
Cash generated from operations	<u>106,252</u>	<u>97,300</u>
Tax paid	(12,694)	(13,970)
Interest paid	(2,030)	(637)
<b>Net cash from operating activities</b>	<u>91,528</u>	<u>82,693</u>
<b>Cash flows from investing activities</b>		
Interest received	1,078	952
Proceeds from disposal of property, plant and equipment	121	12
Purchase of property, plant and equipment	(28,557)	(10,007)
Acquisition of intangible assets	(2,850)	(5,888)
Payment for investment properties under development	(72,448)	(125,733)
<b>Net cash used in investing activities</b>	<u>(102,656)</u>	<u>(140,664)</u>
<b>Cash flows from financing activities</b>		
Acquisition of non-controlling interests	(2,413)	-
Dividends paid to owners of the Company	(15,630)	(14,389)
Loan from subsidiary's non-controlling interest	99	233
Proceeds from issue of shares under share option scheme	771	5,278
Proceeds from issue of shares to non-controlling interests of subsidiaries	-	4,122
Proceeds from bank loans	477,199	236,219
Repayment of bank loans	(439,950)	(186,721)
<b>Net cash from financing activities</b>	<u>20,076</u>	<u>44,742</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,948	(13,229)
Cash and cash equivalents at 1 January	98,270	111,883
Effect of exchange rate fluctuations on cash held	(1,234)	(384)
<b>Cash and cash equivalents at 31 December</b>	<u>105,984</u>	<u>98,270</u>

## Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents increased from S\$98.3 million as at 31 December 2017 to S\$106.0 million as at 31 December 2018. This was mainly due to strong cashflows generated by the Group from operations and financing from bank loans despite payment for project expenditure for Raffles Specialist Centre, Raffles Hospital Shanghai and Raffles Hospital Chongqing, purchase of property, plant and equipment as well as dividend payment to shareholders of the Company.

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

Group	Share capital S\$'000	Translation reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>At 1 January 2017</b>	314,165	-	23,745	1,712	(8,543)	335,309	666,388	15,456	681,844
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	70,779	70,779	(2,118)	68,661
<b>Other comprehensive income</b>									
Foreign currency translation differences - foreign operations	-	(284)	-	-	-	-	(284)	115	(169)
<b>Total other comprehensive income for the year</b>	-	(284)	-	-	-	-	(284)	115	(169)
<b>Total comprehensive income for the year</b>	-	(284)	-	-	-	70,779	70,495	(2,003)	68,492
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	5,278	-	-	-	-	-	5,278	-	5,278
Issue of shares in lieu of cash dividends of 1.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	20,758	-	-	-	-	-	20,758	-	20,758
Issue of shares to non-controlling interests of subsidiary	-	-	-	-	-	-	-	4,122	4,122
Value of employee services received for issue of share options	-	-	2,449	-	-	-	2,449	-	2,449
Final dividend paid of 1.5 cents per ordinary share - Cash	-	-	-	-	-	(5,535)	(5,535)	-	(5,535)
Final dividend paid of 1.5 cents per ordinary share - Scrip	-	-	-	-	-	(20,758)	(20,758)	-	(20,758)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	-	-	(8,854)	(8,854)	-	(8,854)
<b>Total contributions by and distributions to owners</b>	26,036	-	2,449	-	-	(35,147)	(6,662)	4,122	(2,540)
<b>Changes in ownership interests in subsidiaries</b>									
Present value of the exercise price of written put options	-	-	-	-	3,829	-	3,829	-	3,829
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	3,829	-	3,829	-	3,829
<b>Total transactions with owners</b>	26,036	-	2,449	-	3,829	(35,147)	(2,833)	4,122	1,289
<b>At 31 December 2017</b>	340,201	(284)	26,194	1,712	(4,714)	370,941	734,050	17,575	751,625

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

Group	Share capital S\$'000	Translation reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	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 2018</b>	340,201	(284)	26,194	1,712	(4,714)	370,941	734,050	17,575	751,625
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	71,056	71,056	(253)	70,803
<b>Other comprehensive income</b>									
Foreign currency translation differences - foreign operations	-	(5,847)	-	-	-	-	(5,847)	(723)	(6,570)
Revaluation surplus from transfer of property, plant and equipment to investment property	-	-	-	14,655	-	-	14,655	-	14,655
<b>Total other comprehensive income for the year</b>	-	(5,847)	-	14,655	-	-	8,808	(723)	8,085
<b>Total comprehensive income for the year</b>	-	(5,847)	-	14,655	-	71,056	79,864	(976)	78,888
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	771	-	-	-	-	-	771	-	771
Issue of shares in lieu of cash dividends of 1.75 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	24,360	-	-	-	-	-	24,360	-	24,360
Value of employee services received for issue of share options	-	-	1,461	-	-	-	1,461	-	1,461
Final dividend paid of 1.75 cents per ordinary share - Cash	-	-	-	-	-	(6,647)	(6,647)	-	(6,647)
Final dividend paid of 1.75 cents per ordinary share - Scrip	-	-	-	-	-	(24,360)	(24,360)	-	(24,360)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	-	-	(8,983)	(8,983)	-	(8,983)
<b>Total contributions by and distributions to owners</b>	25,131	-	1,461	-	-	(39,990)	(13,398)	-	(13,398)
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	(1,951)	-	(1,951)	(462)	(2,413)
Reversal upon the exercise of written put option	-	-	-	-	1,924	-	1,924	-	1,924
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	(27)	-	(27)	(462)	(489)
<b>Total transactions with owners</b>	25,131	-	1,461	-	(27)	(39,990)	(13,425)	(462)	(13,887)
<b>At 31 December 2018</b>	365,332	(6,131)	27,655	16,367	(4,741)	402,007	800,489	16,137	816,626

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

Company	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<b>At 1 January 2017</b>	314,165	23,745	219,149	557,059
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	58,154	58,154
<b>Total comprehensive income for the year</b>	-	-	58,154	58,154
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	5,278	-	-	5,278
Issue of shares in lieu of cash dividends of 1.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	20,758	-	-	20,758
Value of employee services received for issue of share options	-	2,449	-	2,449
Final dividend paid of 1.5 cents per ordinary share - Cash	-	-	(5,535)	(5,535)
Final dividend paid of 1.5 cents per ordinary share - Scrip	-	-	(20,758)	(20,758)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	(8,854)	(8,854)
<b>Total contributions by and distributions to owners</b>	26,036	2,449	(35,147)	(6,662)
<b>At 31 December 2017</b>	340,201	26,194	242,156	608,551
<b>At 1 January 2018</b>	340,201	26,194	242,156	608,551
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	60,739	60,739
<b>Total comprehensive income for the year</b>	-	-	60,739	60,739
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	771	-	-	771
Issue of shares in lieu of cash dividends of 1.75 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	24,360	-	-	24,360
Value of employee services received for issue of share options	-	1,461	-	1,461
Final dividend paid of 1.75 cents per ordinary share - Cash	-	-	(6,647)	(6,647)
Final dividend paid of 1.75 cents per ordinary share - Scrip	-	-	(24,360)	(24,360)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	(8,983)	(8,983)
<b>Total contributions by and distributions to owners</b>	25,131	1,461	(39,990)	(13,398)
<b>At 31 December 2018</b>	365,332	27,655	262,905	655,892



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

During the year ended 31 December 2018, the Company issued a total of 26,135,430 new ordinary shares due to the allotment and issue of 24,606,430 ordinary shares arising from the application of Raffles Medical Group Ltd Scrip Dividend Scheme in respect of the final dividend for the financial year ended 31 December 2017, as well as the allotment and issue of 1,529,000 new ordinary shares pursuant to the exercise by options holders under the Raffles Medical Group Share Option Schemes.

Exercise price per share (Post Share Split)	S\$0.26	S\$0.41	S\$0.55	S\$0.73	S\$0.78	S\$1.07
Number of new shares issued	399,000	282,000	468,000	170,000	189,000	21,000

On 3 September 2018, options to subscribe for 8,000,000 ordinary shares at an exercise price of S\$1.09 were granted to about 425 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 December 2018, there were outstanding options for conversion into 65,689,000 (31 December 2017: 60,886,000) ordinary shares. The Company does not hold any treasury shares, nor any subsidiary holdings, as at 31 December 2018 (31 December 2017: Nil).

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

	31/12/2018	31/12/2017
Number of issued shares excluding treasury shares	1,797,174,400	1,771,038,970

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 December 2018 (31 December 2017: Nil).

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2018 (31 December 2017: Nil).

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

The financial statements of consolidated results for the year ended 31 December 2018 have been audited in accordance with Singapore Standards on Auditing.

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

As attached.

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

The Group adopted the new financial reporting frame, Singapore Financial Reporting Standards (International) (SFRS(I)), in accordance with all Singapore-incorporated companies listed on the Singapore Exchange (SGX) for annual periods beginning on or after 1 January 2018. The Group assessed the transition provisions and elected to reset the cumulative translation differences recorded in the foreign translation reserve to \$NIL. In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS. Accumulated profit decreased from \$339,401,000 to \$335,309,000 and translation reserve increased from \$(4,092,000) to \$NIL.

The Group also adopted the following SFRS(I) that are effective for annual periods beginning on or after 1 January 2018:

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

The adoption of the above did not result in any substantial change in the financial statement.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Item 4 above.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>2018</b>	<b>2017</b>
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	3.98 cents	4.02 cents
(ii) Diluted earnings per share [B]	3.97 cents	4.00 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,784,387,214 (2017: 1,760,971,541) in issue during the year.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares of 1,788,293,057 (2017: 1,770,760,550) in issue during the year.

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

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

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value per ordinary share [C]	44.54 cents	41.45 cents	36.50 cents	34.36 cents

[C] The calculation of net asset value per ordinary share was based on 1,797,174,400 shares as at 31 December 2018 (31 December 2017: 1,771,038,970).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group registered a revenue growth of **2.4%** from **S\$477.6** million in 2017 to **S\$489.1** million in 2018. Revenue for Healthcare Services division recorded a revenue increase of **6.0%** while the revenue of Hospital Services division decreased marginally by **0.8%**. The increase in revenue from Healthcare Services division was due to contributions from a new contract to provide Air Borders screening services as well as the addition of new corporate clients. Revenue from the Hospital Services division in 2018 reduced marginally partly due to the refurbishment of the current inpatient facilities in 2018.

The Group's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) increased by **7.8%** from **S\$95.1** million in 2017 to **S\$102.5** million for 2018. The net profit after tax attributable to owners of the Company increased marginally to **S\$71.1** million in 2018, due to higher tax expense, and additional depreciation arising from the recently completed **RafflesSpecialistCentre**.

The continued strong operating cashflows generated from the Group's business operations contributed to a healthy cash position of **S\$106.0** million. This was after accounting for the distribution of dividend of **S\$15.6** million and payment of **S\$101.0** million for investment properties under development as well as capital expenditure for business expansion in the year.

The Directors are pleased to recommend a final dividend of **2.0** cents per share amounting to approximately **S\$35.9** million for the year ended 31 December 2018. Including interim dividend of **0.5 cent** per share paid in September 2018, the total dividend for the financial year ended 31 December 2018 will be **2.5** cents per share, an increase of **11.1%** as compared to the previous year.

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

The current financial year's results are in line with the Directors' expectations as disclosed in the Group's Q3 2018 results announcement.

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

The Group is pleased to announce that **RafflesHospital Chongqing** obtained the requisite regulatory approvals on 29 December 2018. On 2 January 2019, **RafflesHospital Chongqing** opened its doors to patients. **RafflesHospital Chongqing** will progressively open up more inpatient beds and other facilities in response to demand from patients and corporate clients.

**RafflesHospital Singapore** completed the adjoining **RafflesSpecialistCentre** in early 2018. It also proceeded with the renovation of the existing hospital building, which is expected to be completed by mid 2019. The expanded outpatient and inpatient capacities will enable **RafflesHospital Singapore** to meet market growth for the coming years.

**RafflesMedical** embarked on a journey of digitalisation and innovation to improve patient experience when accessing healthcare services for both their treatment and wellness needs. Through the secure **RafflesConnect** platform, patients can consult a doctor via the 24/7 tele-consultation service, and have their medication delivered to them directly. This new service allows patients to access healthcare at their convenience without having to travel to the clinics. This platform was officially launched in January 2019 where patients can also access their health records, receive health advisories, personalised health tips, and access other health services on one integrated e-healthcare platform.

**RafflesHealthinsurance** has launched **RafflesShield**, which complies with the new regulatory measures for the Integrated Shield plans. The new measures will require new riders to include co-payment and cap.

Construction of **RafflesHospital Shanghai**, in Pudong, is progressing well. It is expected to complete in the fourth quarter of 2019.

Based on the current economic conditions and barring unforeseen circumstances, the Directors expect the Group to grow its revenue and remain profitable in 2019, notwithstanding the anticipated start-up loss for **RafflesHospital Chongqing**.

**11. Dividend**

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

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

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

Name of Dividend	Proposed Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	2.00 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

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

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

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

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

Name of Dividend	Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	1.75 cents per ordinary share (one tier tax)
Tax Rate	Tax Exempt

**(c) Date payable**

The Directors are pleased to recommend a final dividend of 2.00 cents per share amounting approximately to S\$35.9 million in respect of the financial year ended 31 December 2018 for approval by the shareholders at the next Annual General Meeting to be convened on 26 April 2019. Including the interim dividend of 0.5 cent per share paid in September 2018, the total dividends for the financial year ended 31 December 2018 will be 2.50 cents per share, an increase of 11.1% as compared to previous year.

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 be applicable to the final dividend. The issue price of a new share shall not be set at more than 10% discount to, nor shall it exceed the average of the last dealt prices of a share on the SGX-ST for each of the market days during the price determination period (being the period commencing on the day on which the shares are first quoted ex-dividend and ending on the books closure date to determine the entitlements to the final dividend). Further details will be announced at a later date.

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

Not applicable.

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

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

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

**Business Segments**

2018	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
<b>Revenue and expenses</b>				
Revenue	218,925	289,421	29,220	537,566
Inter-segment revenue	3,050	23,111	22,270	48,431
Finance expenses	(368)	-	(816)	(1,184)
Depreciation and amortisation	(5,392)	(6,327)	(207)	(11,926)
Reportable segment profit before tax	12,513	57,169	20,799	90,481
Reportable segment assets	796,924	206,373	840,770	1,844,067
Capital expenditure	4,019	9,711	101,229	114,959
Reportable segment liabilities	136,927	129,676	675,570	942,173

2017	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
<b>Revenue and expenses</b>				
Revenue	206,574	291,807	21,418	519,799
Inter-segment revenue	3,232	23,438	15,546	42,216
Finance expenses	(204)	-	-	(204)
Depreciation and amortisation	(5,012)	(5,652)	(206)	(10,870)
Reportable segment profit before tax	6,539	62,479	15,922	84,940
Reportable segment assets	768,789	168,032	753,146	1,689,967
Capital expenditure	8,236	4,788	134,281	147,305
Reportable segment liabilities	159,282	90,080	559,167	808,529

1 Jan 2017	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Total S\$'000
<b>Assets and liabilities</b>				
Reportable segment assets	714,005	141,131	591,293	1,446,429
Capital expenditure	9,900	3,702	34,678	48,280
Reportable segment liabilities	150,004	64,662	467,701	682,367

**14. Business Segments (Cont'd)**

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

	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenues</b>		
Total revenue for reportable segments	537,566	519,799
Elimination of inter-segment revenue	(48,431)	(42,216)
Consolidated revenue	<u>489,135</u>	<u>477,583</u>
<b>Profit or loss</b>		
Total profit for reportable segments	90,481	84,940
Adjustment for depreciation of property, plant and equipment	(6,347)	(4,122)
Consolidated profit before tax	<u>84,134</u>	<u>80,818</u>

	<b>2018</b>	<b>2017</b>	<b>1 Jan 2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>			
Total assets for reportable segments	1,844,067	1,689,967	1,446,429
Elimination of inter-segment assets	(728,789)	(685,131)	(546,235)
Unallocated amounts – current tax and deferred tax assets	1,011	1,025	437
Consolidated total assets	<u>1,116,289</u>	<u>1,005,861</u>	<u>900,631</u>
<b>Liabilities</b>			
Total liabilities for reportable segments	942,173	808,529	682,367
Elimination of inter-segment liabilities	(660,858)	(572,067)	(482,596)
Unallocated amounts – current tax and deferred tax liabilities	18,348	17,774	19,016
Consolidated total liabilities	<u>299,663</u>	<u>254,236</u>	<u>218,787</u>

**Other material items**

	<b>Reportable segment totals</b>	<b>Adjustments</b>	<b>Consolidated totals</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>2018</b>			
Depreciation and amortisation	11,926	6,347	<u>18,273</u>
<b>2017</b>			
Depreciation and amortisation	10,870	4,122	<u>14,992</u>

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



**14. Business Segments (Cont'd)**

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

The amount of S\$6,347,000 (2017: S\$4,122,000) relates to the depreciation of these properties for the year ended 31 December 2018.

**Geographical Segments**

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

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

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Singapore	431,351	421,824
Greater China	39,846	38,477
Rest of Asia	17,938	17,282
Consolidated revenue	489,135	477,583
<b>Non-current assets</b>		
Singapore	685,016	671,792
Greater China	223,936	128,528
Rest of Asia	5,211	5,972
Consolidated non-current assets*	914,163	806,292

\* Non-current assets exclude financial instruments (other than equity-accounted investees) and deferred tax assets.

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

Please refer to Item 8.



**16. A breakdown of sales.**

		Group		
		2018 S\$'000	2017 S\$'000	Change %
16 (a)	Revenue reported for first half year	240,391	235,003	2.3
16 (b)	Operating profit after tax before deducting non-controlling interests reported for first half year	32,290	31,212	3.5
16 (c)	Revenue reported for second half year	248,744	242,580	2.5
16 (d)	Operating profit after tax before deducting non-controlling interests reported for second half year	38,513	37,449	2.8

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

	2018 S\$'000	2017 S\$'000
Interim Ordinary Dividend	8,983	8,854
Final Ordinary Dividend	35,943*	31,007
Total	44,926	39,861

\* The proposed final ordinary dividend for the financial year 2018 is based on estimated number of shares outstanding as at 31 December 2018.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dr Loo Choon Yong	69	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

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

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

**BY ORDER OF THE BOARD**

Kimmy Goh  
Company Secretary  
25 February 2019