

## FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

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

Consolidated Income Statement	Third Quarter			Year-To-Date		
	Q3 2016 S\$'000	Q3 2015 S\$'000	Change %	30/09/2016 S\$'000	30/09/2015 S\$'000	Change %
<b>Revenue</b>	119,280	101,524	17.5	355,092	295,800	20.0
Other operating income	2	1	nm	1,999	1,411	41.7
Inventories and consumables used	(12,931)	(10,908)	18.5	(39,218)	(31,944)	22.8
Purchased and contracted services	(10,192)	(9,424)	8.1	(29,936)	(27,515)	8.8
Staff costs	(61,384)	(49,904)	23.0	(182,864)	(146,647)	24.7
Depreciation of property, plant and equipment	(3,683)	(3,236)	13.8	(10,771)	(9,241)	16.6
Amortisation of intangible assets	(90)	-	nm	(269)	-	nm
Operating lease expenses	(3,499)	(2,853)	22.6	(10,415)	(7,589)	37.2
Other operating expenses	(8,940)	(6,690)	33.6	(26,377)	(18,941)	39.3
<b>Profit from operating activities</b>	18,563	18,510	0.3	57,241	55,334	3.4
Finance income	315	311	1.3	898	900	(0.2)
Finance expenses	(39)	(25)	56.0	(111)	(64)	73.4
<b>Profit before tax</b>	18,839	18,796	0.2	58,028	56,170	3.3
Tax expense	(3,062)	(3,139)	(2.5)	(10,915)	(9,440)	15.6
<b>Profit for the period</b>	15,777	15,657	0.8	47,113	46,730	0.8
<b>Attributable to :</b>						
Owners of the Company	16,242	15,617	4.0	48,440	46,544	4.1
Non-controlling interests	(465)	40	nm	(1,327)	186	nm
<b>Profit for the period</b>	15,777	15,657	0.8	47,113	46,730	0.8

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).

	Third Quarter			Year-To-Date		
	Q3 2016	Q3 2015	Change	30/09/2016	30/09/2015	Change
Consolidated statement of comprehensive income	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	15,777	15,657	0.8	47,113	46,730	0.8
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences - foreign operations	601	53	nm	(3,817)	57	nm
<b>Total comprehensive income for the period</b>	16,378	15,710	4.3	43,296	46,787	(7.5)
<b>Total comprehensive income attributable to:</b>						
Owners of the company	16,812	15,670	7.3	45,767	46,601	(1.8)
Non-controlling interests	(434)	40	nm	(2,471)	186	nm
<b>Total comprehensive income for the period</b>	16,378	15,710	4.3	43,296	46,787	(7.5)

Note: nm denotes not meaningful

## Explanatory notes to the Consolidated Income Statement

- Higher consumption of inventories and consumables was in tandem with increased sales of medical supplies and services.
- The rate of increase for staff costs was higher than the growth in revenue owing to the recruitment of more doctors, specialists, nurses and ancillary staff to cater to the expanded existing business operations as well as increased staff costs from the new subsidiaries acquired in Q4 2015.
- Increased operating lease expenses were in line with more new leases resulting from the expansion of clinics and leases associated with the new subsidiaries acquired in Q4 2015.
- Increased advertising and promotional expenses as well as staff benefits and training expenses associated with the new subsidiaries acquired in Q4 2015 accounted for the higher other operating expenses in Q3 2016.
- Profit from operating activities before taxation includes the following:

Group	Third Quarter		Year-To-Date	
	Q3 2016	Q3 2015	30/09/2016	30/09/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(a) Other operating income</b>				
Gain on disposal of property, plant and equipment	-	1	-	4
<b>(b) Other operating expenses</b>				
Allowance for doubtful receivables	655	636	1,662	1,583
Loss on disposal of property, plant and equipment	-	6	-	6
Property, plant and equipment written off	66	10	71	20
Write-off for stock obsolescence	52	42	138	143

- The adjustment for tax in respect of prior years are as follows:

Group	Third Quarter		Year-To-Date	
	Q3 2016	Q3 2015	30/09/2016	30/09/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current Tax Expense</b>				
Under / (Over) provision in respect of prior years	-	-	22	(91)

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.

	Group		Company	
	30/09/2016 S\$'000	31/12/2015 S\$'000	30/09/2016 S\$'000	31/12/2015 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	259,979	264,273	7,686	7,395
Intangible assets and goodwill	31,533	32,139	93	93
Investment properties	367,642	343,866	-	-
Subsidiaries	-	-	449,872	418,965
Deferred Tax Assets	468	790	-	-
Trade and other receivables	3,217	3,233	1,880	2,262
	<u>662,839</u>	<u>644,301</u>	<u>459,531</u>	<u>428,715</u>
<b>Current assets</b>				
Inventories	9,792	9,577	2,414	2,117
Trade and other receivables	93,021	74,995	101,136	104,894
Cash and cash equivalents	108,985	86,057	33,929	13,352
	<u>211,798</u>	<u>170,629</u>	<u>137,479</u>	<u>120,363</u>
<b>Total assets</b>	<u>874,637</u>	<u>814,930</u>	<u>597,010</u>	<u>549,078</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	313,328	286,366	313,328	286,366
Reserves	331,722	316,739	238,445	200,301
	<u>645,050</u>	<u>603,105</u>	<u>551,773</u>	<u>486,667</u>
<b>Non-controlling interests</b>	16,335	18,922	-	-
<b>Total equity</b>	<u>661,385</u>	<u>622,027</u>	<u>551,773</u>	<u>486,667</u>
<b>Non-current liabilities</b>				
Loans and borrowings	19,147	20,880	-	-
Trade and other payables	3,469	3,385	106	135
Other financial liabilities	6,267	7,136	-	-
Deferred tax liabilities	4,561	4,662	602	602
	<u>33,444</u>	<u>36,063</u>	<u>708</u>	<u>737</u>
<b>Current liabilities</b>				
Loans and borrowings	11,798	11,402	7,809	7,482
Current tax liabilities	12,632	12,529	1,355	390
Trade and other payables	136,040	118,451	35,365	53,802
Other financial liabilities	542	1,654	-	-
Insurance contract provisions	18,796	12,804	-	-
	<u>179,808</u>	<u>156,840</u>	<u>44,529</u>	<u>61,674</u>
<b>Total liabilities</b>	<u>213,252</u>	<u>192,903</u>	<u>45,237</u>	<u>62,411</u>
<b>Total equity and liabilities</b>	<u>874,637</u>	<u>814,930</u>	<u>597,010</u>	<u>549,078</u>

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

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

1. Investment properties increased by S\$23.8 million, due to development expenditure for Raffles Hospital Extension, Raffles Holland V and the acquisition of an investment property.
2. The increase in trade and other receivables was mainly due to increased receivables arising from the consolidation of subsidiaries acquired in Q4 2015.
3. The Group's net cash position increased from S\$53.8 million as at 31 December 2015 to S\$78.0 million as at 30 September 2016. This was mainly contributed by the strong operating cash flows from its business operations, partly offset by payments for investment properties amounting to S\$28.6 million and dividends payment of S\$14.1 million.
4. The increase in the Group's trade and other payables was driven by higher business volume and increased payables arising from the consolidation of subsidiaries acquired in Q4 2015.
5. The decrease in other financial liabilities was due to the adjustment to the present value of the exercise price of written put options with the non-controlling shareholders in respect of the subsidiaries acquired in Q4 2015.
6. The increase in insurance contract provisions of S\$6.0 million arose from higher provision for unearned premiums, a consequence of higher annual premium billings from the Group's insurance business.

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

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

As at 30/09/2016		As at 31/12/2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	11,798	-	11,402

**Amount repayable after one year**

As at 30/09/2016		As at 31/12/2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	19,147	-	20,880

**Details of any collateral**

Nil.

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

	Q3 2016 S\$'000	Q3 2015 S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	15,777	15,657
<i>Adjustments for :</i>		
Amortisation of intangible assets	90	-
Depreciation of property, plant and equipment	3,683	3,236
Equity-settled share-based payment transactions	737	395
Finance expenses	39	25
Finance income	(315)	(311)
Gain on disposal of property, plant and equipment	-	(1)
Loss on disposal of property, plant and equipment	-	6
Property, plant and equipment written off	66	10
Tax expense	3,062	3,139
	<u>23,139</u>	<u>22,156</u>
<i>Changes in working capital :</i>		
Inventories	(142)	44
Trade and other receivables	(1,561)	(4,218)
Trade and other payables	(3,184)	5,264
Insurance contract provisions	(6,151)	(2,731)
Cash generated from operations	<u>12,101</u>	<u>20,515</u>
Tax paid	(3,964)	(3,940)
<b>Net cash from operating activities</b>	<u>8,137</u>	<u>16,575</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	-	(73)
Interest received	323	348
Proceeds from sale of property, plant and equipment	-	4
Purchase of property, plant and equipment	(3,457)	(4,321)
Purchase of investment property	(5,237)	-
Payment for investment properties under development	(6,334)	(8,351)
Payment of deposit for acquisition of property	-	(41,702)
<b>Net cash used in investing activities</b>	<u>(14,705)</u>	<u>(54,095)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to owners of the Company	(8,734)	(8,610)
Dividends paid to non-controlling interests	(116)	-
Proceeds from issue of shares under share option scheme	618	2,055
Proceeds from issue of shares to non-controlling interests of subsidiaries	-	13,364
Proceeds from bank loans	22,839	24,518
Repayment of bank loans	(22,689)	(24,461)
Loan from subsidiary's non-controlling interest	-	554
<b>Net cash (used in) / from financing activities</b>	<u>(8,082)</u>	<u>7,420</u>
<b>Net decrease in cash and cash equivalents</b>	(14,650)	(30,100)
Cash and cash equivalents at 1 July	123,546	119,525
Effect of exchange rate fluctuations on cash held	89	105
<b>Cash and cash equivalents at 30 September</b>	<u>108,985</u>	<u>89,530</u>

#### Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents decreased by S\$14.6 million to S\$109.0 million as at 30 September 2016. This was mainly due to payment of S\$8.9 million dividends and S\$15.0 million of investment properties and capital expenditure, partly compensated by strong operating cashflows generated by the Group.

# RafflesMedicalGroup

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	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>At 1 July 2015</b>	282,461	(217)	20,242	274,123	576,609	1,568	578,177
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	15,617	15,617	40	15,657
<b>Other comprehensive income</b>							
Foreign currency translation differences - foreign operations	-	53	-	-	53	-	53
<b>Total comprehensive income for the period</b>	-	53	-	15,617	15,670	40	15,710
<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	2,055	-	-	-	2,055	-	2,055
Issue of shares to non-controlling interests	-	-	-	-	-	13,364	13,364
Value of employee services received for issue of share options	-	-	395	-	395	-	395
Interim dividend paid of 1.5 cent per ordinary share – Cash	-	-	-	(8,610)	(8,610)	-	(8,610)
<b>Total contributions by and distributions to owners</b>	2,055	-	395	(8,610)	(6,160)	13,364	7,204
<b>At 30 September 2015</b>	284,516	(164)	20,637	281,130	586,119	14,972	601,091

# RafflesMedicalGroup

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 July 2016</b>	312,710	(4,392)	22,273	1,712	(8,150)	310,123	634,276	16,885	651,161
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	16,242	16,242	(465)	15,777
<b>Other comprehensive income</b>									
Foreign currency translation differences - foreign operations	-	570	-	-	-	-	570	31	601
<b>Total comprehensive income for the period</b>	-	570	-	-	-	16,242	16,812	(434)	16,378
<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	618	-	-	-	-	-	618	-	618
Value of employee services received for issue of share options	-	-	737	-	-	-	737	-	737
Interim dividend paid of 1.5 cent per ordinary share – Cash	-	-	-	-	-	(8,734)	(8,734)	-	(8,734)
Dividends distributed to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	(116)	(116)
<b>Total contributions by and distributions to owners</b>	618	-	737	-	-	(8,734)	(7,379)	(116)	(7,495)
<b>Changes in ownership interests in subsidiaries</b>									
Present value of the exercise price of written put options	-	-	-	-	1,341	-	1,341	-	1,341
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	1,341	-	1,341	-	1,341
<b>Total transactions with owners</b>	618	-	737	-	1,341	(8,734)	(6,038)	(116)	(6,154)
<b>At 30 September 2016</b>	313,328	(3,822)	23,010	1,712	(6,809)	317,631	645,050	16,335	661,385

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 July 2015</b>	282,461	20,242	184,218	486,921
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	37	37
<b>Total comprehensive income for the period</b>	-	-	37	37
<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	2,055	-	-	2,055
Value of employee services received for issue of share options	-	395	-	395
Interim dividend paid of 1.5 cent per ordinary share – Cash	-	-	(8,610)	(8,610)
<b>Total contributions by and distributions to owners</b>	2,055	395	(8,610)	(6,160)
<b>At 30 September 2015</b>	284,516	20,637	175,645	480,798
<b>At 1 July 2016</b>	312,710	22,273	158,873	493,856
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	65,296	65,296
<b>Total comprehensive income for the period</b>	-	-	65,296	65,296
<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	618	-	-	618
Value of employee services received for issue of share options	-	737	-	737
Interim dividend paid of 1.5 cent per ordinary share – Cash	-	-	(8,734)	(8,734)
<b>Total contributions by and distributions to owners</b>	618	737	(8,734)	(7,379)
<b>At 30 September 2016</b>	313,328	23,010	215,435	551,773



- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

On 11 May 2016, the Company completed the subdivision of each ordinary share in the capital of the Company into (3) ordinary shares (Share Split).

During the third quarter ended 30 September 2016, the Company issued a total of 664,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share (Post Share Split)	S\$0.55	S\$0.73	S\$0.78	S\$1.07	S\$1.09
Number of new shares issued	60,000	33,000	181,000	288,000	102,000

As at 30 September 2016, there were outstanding options for conversion into 63,819,000 (30 September 2015: 21,460,000 (Pre Share Split)) ordinary shares. The Company does not hold any treasury shares as at 30 September 2016 (30 September 2015: 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.

	30/09/2016	31/12/2015 (Pre Share Split)
Number of issued shares excluding treasury shares	1,747,151,318	575,033,749

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2016 (31 December 2015: Nil).

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

The financial statements on consolidated results for the third quarter ended 30 September 2016 have not been audited or reviewed.

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

Not applicable.

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

Accounting policies and methods of computation used in the consolidated financial statements for the third quarter ended 30 September 2016 are consistent with those applied in the financial statements for the year ended 31 December 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2016. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

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

Please refer to Item 4 above.

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

	Third Quarter		Year-To-Date	
	Q3 2016	Q3 2015	30/09/2016	30/09/2015
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	0.93 cents	0.91 cents	2.79 cents	2.73 cents
(ii) Diluted earnings per share [B]	0.92 cents	0.90 cents	2.77 cents	2.70 cents

[A] The calculation of earnings per ordinary share for the quarter and 9 months ended 30 September 2016 were based on weighted average number of shares 1,746,759,851 (Q3 2015: 1,721,530,659) and 1,734,475,096 (9 months ended 30 September 2015: 1,706,053,185) respectively in issue during the period. For comparative purposes, the weighted average number of ordinary shares for Q3 2015 and 9 months ended 30 September 2015 had been adjusted for the Share Split.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and 9 months ended 30 September 2016 were based on weighted average number of shares of 1,764,175,656 (Q3 2015: 1,742,733,678) and 1,750,856,421 (9 months ended 30 September 2015: 1,724,421,324) respectively in issue during the period. For comparative purposes, the weighted average number of ordinary shares for Q3 2015 and 9 months ended 30 September 2015 had been adjusted for the Share Split.

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

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

	Group		Company	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
Net asset value per ordinary share [C]	36.92 cents	34.96 cents	31.58 cents	28.21 cents

[C] The calculation of net asset value per ordinary share was based on 1,747,151,318 shares as at 30 September 2016 (31 December 2015: 1,725,101,247). For comparative purposes, the number of ordinary shares as at 31 December 2015 had been adjusted for the Share Split.

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 recorded a quarterly revenue of **S\$119.3** million in Q3 2016, an increase of **17.5%** as compared to **S\$101.5** million in Q3 2015. The growth in revenue was attributed to positive contributions from all segments of the Group. Revenue from Healthcare Services grew by **39.7%** and Hospital Services increased by **6.0%**. Revenue growth was driven by higher patient load from expanding **RafflesMedical** clinic network, more specialist consultants as well as the newly acquired International SOS (MC Holdings) Pte Ltd and its subsidiaries (**MCH**). Excluding the revenue contribution from MCH, the Group's revenue would have grown by **7.9%**.

The Group's net profit after tax attributable to the shareholders of the Company increased by **4.0%** from **S\$15.6** million in Q3 2015 to **S\$16.2** million in Q3 2016. Strong revenue performance was offset by higher staff cost and inventories and consumables used. The increase in staff costs was due to staff recruitment to cater for the expanding business operations and the new medical centre in **Raffles Holland V**. On a comparable basis, excluding the results of MCH, the Group's operating profit growth would have been **4.5%** instead of **0.3%**.

The continued strong operating cashflows generated from the Group's business operations contributed to a healthy cash position of **S\$109.0** million as at 30 September 2016 after accounting for payment of **S\$15.0** million for capital expenditure and investment properties, as well as distribution of interim dividends of **S\$8.9** million.

**RafflesMedical** in Compass One Mall reopened in September 2016 after the mall's upgrading, to serve the high demand of services for patients in the Seng Kang area. Another new clinic at the Fragrance Empire Building was opened in August 2016 to serve the growing corporate clients in the West Coast area. **RafflesMedical** continued to grow its portfolio of corporate clients through the **RafflesOne** marketing concept by leveraging on the employee medical benefits, group insurance and administration services being offered by the Group. Some multinational corporations (MNCs) have begun accessing the Group's services outside Singapore such as Hanoi, Ho Chih Minh City, Shanghai and Beijing. New contracts from the services, food & beverages, retail and financial industries were added to the Group's extensive portfolio of corporate clients.

**RafflesHealthinsurance** continued with healthy revenue growth in the corporate employee benefits business.

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

The current financial period's results are in line with the Directors' expectations as disclosed in the Group's Q2 2016 results announcement.

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

*RafflesHospital Extension* is progressing according to schedule and when completed by 2017, it will contribute an additional 220,000 square feet of gross floor area to *RafflesHospital*. The integrated medical complex will not only support the current *RafflesHospital's* range of specialist services, healthcare training and clinical research but also offer opportunities for growth and expansion for future years.

*RafflesHospital's* improved quarter and year to date performance reflects strong performance in all hospital operational units. With concurrent specialists recruitment aligned to our patients' needs, *RafflesHospital* is poised for its next lap of growth in 2017.

*RafflesMedical Orchard* and *RafflesMedical Holland V* continue to show increasing patient growth, reflecting the demand for one-stop comprehensive healthcare services in convenient locations. The integrated primary care, specialist care, dental services, health screening, laboratory and radiology services as well as *RafflesChineseMedicine* brand of TCM services, continue to remain attractive for both local and foreign patients demanding coordinated quality care.

*Raffles Holland V*, representing the Group's initiative of locating comprehensive healthcare services with other lifestyle attractions in prime suburban regions, celebrated its official opening on 21 October 2016. Conveniently located at Holland Village, the entire 5<sup>th</sup> floor of the mall is dedicated to *RafflesMedical Holland V*, and the remaining space is leased to tenants such as Virgin Active, Sushi Tei, The Nailist, DBS Bank, Hoshino Coffee, Otto's Deli Fresh, Provence Bakery & Cafe, Face Bistro, Patissez, Soup Restaurant, Café O, Haakon, Taste and Laundry Club. Some of the tenants have opened for business while other units are being fitted out. As at 24 October 2016, approximately 95% of the space has been committed. The remaining units are under negotiation.

The dampening economic climate in Singapore and the region may impact the healthcare sector. However, the Group will continue to grow its business in Singapore and the region. The opening of *RafflesHospital Extension* next year will enable the Group to enjoy the greater synergies brought about by the expanded area for outpatient and inpatient services.

Barring unforeseen circumstances, the Directors expect the Group to continue growing for the rest of the year and to remain profitable.

**11. Dividend**

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

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

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

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2016.

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

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

**14. Confirmation pursuant to Rule 705 (5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the unaudited interim financial statements of the Group and the Company for the third quarter ended 30 September 2016 to be false or misleading in any material aspect.

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

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

**BY ORDER OF THE BOARD**

**Kimmy Goh**  
**Company Secretary**  
**24 October 2016**