

AUDITED FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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 | 2015 S\$'000 | 2014 S\$'000 | Change % |
|---|-------------------------|-------------------------|---------------------|
| Revenue | 410,535 | 374,641 | 9.6 |
| Other operating income | 3,717 | 4,230 | (12.1) |
| Inventories and consumables used | (44,270) | (39,829) | 11.2 |
| Purchased and contracted services | (36,871) | (34,368) | 7.3 |
| Staff costs | (203,537) | (182,094) | 11.8 |
| Depreciation of property, plant and equipment | (12,757) | (9,646) | 32.3 |
| Amortisation of intangible assets | (50) | - | nm |
| Operating lease expenses | (11,040) | (8,561) | 29.0 |
| Other operating expenses | (25,123) | (24,046) | 4.5 |
| Profit from operating activities | 80,604 | 80,327 | 0.3 |
| Finance income | 1,098 | 1,012 | 8.5 |
| Finance expenses | (95) | (58) | 63.8 |
| Profit before tax | 81,607 | 81,281 | 0.4 |
| Tax expense | (12,576) | (13,319) | (5.6) |
| Profit for the year | 69,031 | 67,962 | 1.6 |
| Profit attributable to : | | | |
| Owners of the Company | 69,291 | 67,639 | 2.4 |
| Non-controlling interests | (260) | 323 | nm |
| Profit for the year | 69,031 | 67,962 | 1.6 |
| Excluding exceptional item: | | | |
| Profit before tax | 81,607 | 81,281 | 0.4 |
| Less: Change in fair value of investment properties | (1,494) | (3,000) | (50.2) |
| Profit before tax | 80,113 | 78,281 | 2.3 |
| Tax expense | (12,576) | (13,319) | (5.6) |
| Profit for the year | 67,537 | 64,962 | 4.0 |
| Profit attributable to Owners of the Company | 67,797 | 64,639 | 4.9 |

Excluding the fair value gain on investment properties, the Group's results showed a **4.9%** increase in profit attributable to Owners of the Company.

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).

| | 2015 S\$'000 | 2014 S\$'000 | Change % |
|--|-----------------|-----------------|-------------|
| Consolidated statement of comprehensive income | | | |
| Profit for the year | 69,031 | 67,962 | 1.6 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Revaluation of property, plant and equipment | 1,712 | - | nm |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences - foreign operations | (1,264) | (106) | nm |
| Total comprehensive income for the year | <u>69,479</u> | <u>67,856</u> | 2.4 |
| Total comprehensive income attributable to: | | | |
| Owners of the company | 70,075 | 67,533 | 3.8 |
| Non-controlling interests | (596) | 323 | nm |
| Total comprehensive income for the year | <u>69,479</u> | <u>67,856</u> | 2.4 |

Note: nm denotes not meaningful.

Explanatory notes to the Consolidated Income Statement

- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- Staff costs increased in tandem with higher volume of business in the Group. The rate of increase for staff costs was higher than the growth in revenue mainly due to:
 - the recruitment of more doctors, specialists, nurses and ancillary staff for new and expanded operations at Raffles Hospital and Raffles Medical Orchard; and
 - increased staff costs arising from the acquisition of new subsidiaries during the financial year 2015.
- The higher depreciation was due to the conversion in early 2015 of a previously leased space to specialist centres, to meet the growing patient demand, as well as the purchase of more medical equipment.
- Higher operating lease expenses were in line with more new leases resulting from the expansion of clinics.
- Profit from operating activities before taxation includes the following:

| Group | 2015 S\$'000 | 2014 S\$'000 |
|---|-----------------|-----------------|
| (a) Other operating income | | |
| Changes in fair value of investment properties | 1,494 | 3,000 |
| Gain on disposal of property, plant and equipment | 37 | 77 |
| (b) Other operating expenses | | |
| Allowance for doubtful receivables | 2,003 | 1,342 |
| Loss on disposal of property, plant and equipment | 6 | 2 |
| Property, plant and equipment written off | 28 | 62 |
| Write-off for stock obsolescence | 205 | 200 |

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

| Group | 2015 S\$'000 | 2014 S\$'000 |
|---|-----------------|-----------------|
| Deferred tax expense | | |
| Under provision in respect of prior years | 29 | 139 |
| Current tax expense | | |
| Over provision in respect of prior years | (52) | (147) |

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 | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2015 S\$'000 | 2014 S\$'000 | 2015 S\$'000 | 2014 S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 264,273 | 228,209 | 7,395 | 5,775 |
| Intangible assets and goodwill | 32,139 | 164 | 93 | 93 |
| Investment properties | 343,866 | 228,300 | - | - |
| Subsidiaries | - | - | 418,965 | 421,346 |
| Deferred tax assets | 790 | - | - | - |
| Trade and other receivables | 3,233 | 2,694 | 2,262 | 1,614 |
| | <u>644,301</u> | <u>459,367</u> | <u>428,715</u> | <u>428,828</u> |
| Current assets | | | | |
| Inventories | 9,577 | 8,526 | 2,117 | 2,159 |
| Trade and other receivables | 74,995 | 36,955 | 104,894 | 17,250 |
| Cash and cash equivalents | 86,057 | 150,179 | 13,352 | 93,604 |
| | <u>170,629</u> | <u>195,660</u> | <u>120,363</u> | <u>113,013</u> |
| Total assets | <u>814,930</u> | <u>655,027</u> | <u>549,078</u> | <u>541,841</u> |
| Equity attributable to owners of the Company | | | | |
| Share capital | 286,366 | 254,257 | 286,366 | 254,257 |
| Reserves | 316,739 | 284,543 | 200,301 | 177,070 |
| | <u>603,105</u> | <u>538,800</u> | <u>486,667</u> | <u>431,327</u> |
| Non-controlling interests | 18,922 | 1,472 | - | - |
| Total equity | <u>622,027</u> | <u>540,272</u> | <u>486,667</u> | <u>431,327</u> |
| Non-current liabilities | | | | |
| Loans and borrowings | 20,880 | - | - | - |
| Trade and other payables | 3,385 | 6,913 | 135 | 174 |
| Other financial liabilities | 7,136 | - | - | - |
| Deferred tax liabilities | 4,662 | 2,979 | 602 | 523 |
| | <u>36,063</u> | <u>9,892</u> | <u>737</u> | <u>697</u> |
| Current liabilities | | | | |
| Loans and borrowings | 11,402 | 6,391 | 7,482 | 6,391 |
| Current tax liabilities | 12,529 | 12,892 | 390 | 1,383 |
| Trade and other payables | 118,451 | 74,486 | 53,802 | 102,043 |
| Other financial liabilities | 1,654 | - | - | - |
| Insurance contract provisions | 12,804 | 11,094 | - | - |
| | <u>156,840</u> | <u>104,863</u> | <u>61,674</u> | <u>109,817</u> |
| Total liabilities | <u>192,903</u> | <u>114,755</u> | <u>62,411</u> | <u>110,514</u> |
| Total equity and liabilities | <u>814,930</u> | <u>655,027</u> | <u>549,078</u> | <u>541,841</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. Property, plant and equipment increased by S\$36.1 million, largely due to the acquisition of a property for the Group's administrative and support operations amounting to S\$20.8 million, acquisition of subsidiaries and reclassification of investment property to property, plant and equipment.
2. The increase of intangible assets and goodwill was mainly due to goodwill arising from the acquisition of subsidiaries during the financial year 2015.
3. Investment properties increased by S\$115.6 million, largely due to the investment property development expenditure for Raffles Hospital Extension and Raffles Holland V, as well as the acquisition of a property for the Shanghai New Bund International Hospital Project.
4. Trade and other receivables increased mainly due to higher receivables from the newly acquired subsidiaries.
5. The Group's net cash position decreased from S\$143.8 million as at 31 December 2014 to S\$53.8 million as at 31 December 2015. This was mainly attributable to payments for investment properties under development amounting to S\$115.3 million and purchase of property, plant and equipment amounting to S\$34.7 million, offset by strong operating cash flows generated by the Group.
6. The increase in loans and borrowings was due to a bank loan obtained to partially finance the Raffles Hospital Extension project.
7. Other financial liabilities relate to written put options with the non-controlling shareholders of newly acquired subsidiaries.
8. Trade and other payables increased mainly due to higher payables from the newly acquired subsidiaries.

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

Amount repayable in one year or less, or on demand

| As at 31/12/2015 | | As at 31/12/2014 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| - | 11,402 | - | 6,391 |

Amount repayable after one year

| As at 31/12/2015 | | As at 31/12/2014 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| - | 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.

| | 2015 | 2014 |
|--|------------------|------------------|
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Profit for the year | 69,031 | 67,962 |
| <i>Adjustments for :</i> | | |
| Amortisation of intangible assets | 50 | - |
| Changes in fair value of investment properties | (1,494) | (3,000) |
| Depreciation of property, plant and equipment | 12,757 | 9,646 |
| Equity-settled share-based payment transactions | 2,205 | 3,363 |
| Finance expenses | 95 | 58 |
| Finance income | (1,098) | (1,012) |
| Gain on disposal of property, plant and equipment | (37) | (77) |
| Loss on disposal of property, plant and equipment | 6 | 2 |
| Property, plant and equipment written off | 28 | 62 |
| Tax expense | 12,576 | 13,319 |
| | <u>94,119</u> | <u>90,323</u> |
| <i>Changes in working capital :</i> | | |
| Inventories | (226) | 554 |
| Trade and other receivables | (8,114) | 4,558 |
| Trade and other payables | (2,139) | 6,638 |
| Insurance contract provisions | 1,710 | 1,394 |
| Cash generated from operations | <u>85,350</u> | <u>103,467</u> |
| Tax paid | (12,534) | (9,971) |
| Net cash from operating activities | <u>72,816</u> | <u>93,496</u> |
| Cash flows from investing activities | | |
| Interest received | 1,126 | 1,032 |
| Proceeds from disposal of property, plant and equipment | 479 | 88 |
| Acquisition of subsidiaries, net of cash acquired | (29,786) | - |
| Purchase of property, plant and equipment | (34,687) | (17,699) |
| Payment for investment properties under development | (115,328) | (189,390) |
| Net cash used in investing activities | <u>(178,196)</u> | <u>(205,969)</u> |
| Cash flows from financing activities | | |
| Dividends paid to owners of the Company | (11,581) | (12,428) |
| Dividends paid to non-controlling interests | (100) | (140) |
| Loan from subsidiary's non-controlling interest | 1,376 | - |
| Proceeds from issue of shares under share option scheme | 12,396 | 7,828 |
| Proceeds from issue of shares to non-controlling interests of subsidiaries | 13,414 | - |
| Proceeds from bank loans | 105,792 | 62,174 |
| Repayment of bank loans | (80,152) | (60,756) |
| Net cash from / (used in) financing activities | <u>41,145</u> | <u>(3,322)</u> |
| Net decrease in cash and cash equivalents | (64,235) | (115,795) |
| Cash and cash equivalents at 1 January | 150,179 | 265,907 |
| Effect of exchange rate fluctuations on cash held | 113 | 67 |
| Cash and cash equivalents at 31 December | <u>86,057</u> | <u>150,179</u> |

Explanatory notes to the Statement of Cash Flows

- (a) The Group's cash and cash equivalents decreased by S\$64.1 million from S\$150.2 million as at 31 December 2014 to S\$86.1 million as at 31 December 2015. This was mainly attributed to the payment for investment properties under development amounting to \$115.3 million, the purchase of property, plant and equipment amounting to S\$34.7 million and acquisition of majority equity interest in a subsidiary, International SOS (MC Holdings) Pte Ltd, amounting to S\$29.7 million, net of cash acquired. This is offset by strong operating cash flows generated by the Group, as well as proceeds from issue of shares and bank loans.
- (b) Included in the purchase of property, plant and equipment of S\$34.7 million is an amount of S\$20.8 million that relates to the acquisition of a property for the Group's administrative and support operations.

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 |
|---|--------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------|--------------------------------|--|--------------------------------------|-------------------------|
| At 1 January 2014 | 228,160 | (115) | 15,521 | - | - | 228,938 | 472,504 | 1,289 | 473,793 |
| Total comprehensive income for the year | | | | | | | | | |
| Profit for the year | - | - | - | - | - | 67,639 | 67,639 | 323 | 67,962 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation differences -foreign operations | - | (106) | - | - | - | - | (106) | - | (106) |
| Total comprehensive income for the year | - | (106) | - | - | - | 67,639 | 67,533 | 323 | 67,856 |
| Transactions with owners, recognised directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme | 7,828 | - | - | - | - | - | 7,828 | - | 7,828 |
| Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme | 18,269 | - | - | - | - | - | 18,269 | - | 18,269 |
| Value of employee services received for issue of share options | - | - | 3,363 | - | - | - | 3,363 | - | 3,363 |
| Final dividend paid of 4.0 cents per ordinary share - Cash | - | - | - | - | - | (3,977) | (3,977) | - | (3,977) |
| Final dividend paid of 4.0 cents per ordinary share - Scrip | - | - | - | - | - | (18,269) | (18,269) | - | (18,269) |
| Interim dividend paid of 1.5 cent per ordinary share – Cash | - | - | - | - | - | (8,451) | (8,451) | - | (8,451) |
| Dividends distributed to non-controlling shareholder of a subsidiary | - | - | - | - | - | - | - | (140) | (140) |
| Total contributions by and distributions to owners | 26,097 | - | 3,363 | - | - | (30,697) | (1,237) | (140) | (1,377) |
| At 31 December 2014 | 254,257 | (221) | 18,884 | - | - | 265,880 | 538,800 | 1,472 | 540,272 |

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 |
|---|--------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------|--------------------------------|--|--------------------------------------|-------------------------|
| At 1 January 2015 | 254,257 | (221) | 18,884 | - | - | 265,880 | 538,800 | 1,472 | 540,272 |
| Total comprehensive income for the year | | | | | | | | | |
| Profit for the year | - | - | - | - | - | 69,291 | 69,291 | (260) | 69,031 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation differences -foreign operations | - | (928) | - | - | - | - | (928) | (336) | (1,264) |
| Revaluation of property, plant and equipment | - | - | - | 1,712 | - | - | 1,712 | - | 1,712 |
| Total comprehensive income for the year | - | (928) | - | 1,712 | - | 69,291 | 70,075 | (596) | 69,479 |
| Transactions with owners, recognised directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme | 12,396 | - | - | - | - | - | 12,396 | - | 12,396 |
| Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme | 19,713 | - | - | - | - | - | 19,713 | - | 19,713 |
| Issue of shares to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | 13,414 | 13,414 |
| Value of employee services received for issue of share options | - | - | 2,205 | - | - | - | 2,205 | - | 2,205 |
| Final dividend paid of 4.0 cents per ordinary share - Cash | - | - | - | - | - | (2,971) | (2,971) | - | (2,971) |
| Final dividend paid of 4.0 cents per ordinary share - Scrip | - | - | - | - | - | (19,713) | (19,713) | - | (19,713) |
| Interim dividend paid of 1.5 cent per ordinary share - Cash | - | - | - | - | - | (8,610) | (8,610) | - | (8,610) |
| Dividends distributed to non-controlling shareholder of a subsidiary | - | - | - | - | - | - | - | (100) | (100) |
| Total contributions by and distributions to owners | 32,109 | - | 2,205 | - | - | (31,294) | 3,020 | 13,314 | 16,334 |
| Changes in ownership interests in subsidiaries | | | | | | | | | |
| Acquisition of subsidiaries with non-controlling interests | - | - | - | - | - | - | - | 4,732 | 4,732 |
| Present value of the exercise price of written put options | - | - | - | - | (8,790) | - | (8,790) | - | (8,790) |
| Total changes in ownership interests in subsidiaries | - | - | - | - | (8,790) | - | (8,790) | 4,732 | (4,058) |
| Total transactions with owners | 32,109 | - | 2,205 | - | (8,790) | (31,294) | (5,770) | 18,046 | 12,276 |
| At 31 December 2015 | 286,366 | (1,149) | 21,089 | 1,712 | (8,790) | 303,877 | 603,105 | 18,922 | 622,027 |

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 |
|---|--------------------------|------------------------------------|-----------------------------------|------------------|
| At 1 January 2014 | 228,160 | 15,521 | 136,696 | 380,377 |
| Total comprehensive income for the year | | | | |
| Profit for the year | - | - | 52,187 | 52,187 |
| Total comprehensive income for the year | - | - | 52,187 | 52,187 |
| Transactions with owners, recognised directly in equity | | | | |
| Contributions by and distributions to owners | | | | |
| Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme | 7,828 | - | - | 7,828 |
| Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme | 18,269 | - | - | 18,269 |
| Value of employee services received for issue of share options | - | 3,363 | - | 3,363 |
| Final dividend paid of 4.0 cents per ordinary share - Cash | - | - | (3,977) | (3,977) |
| Final dividend paid of 4.0 cents per ordinary share - Scrip | - | - | (18,269) | (18,269) |
| Interim dividend paid of 1.5 cent per ordinary share - Cash | - | - | (8,451) | (8,451) |
| Total contributions by and distributions to owners | 26,097 | 3,363 | (30,697) | (1,237) |
| At 31 December 2014 | 254,257 | 18,884 | 158,186 | 431,327 |
| At 1 January 2015 | 254,257 | 18,884 | 158,186 | 431,327 |
| Total comprehensive income for the year | | | | |
| Profit for the year | - | - | 52,320 | 52,320 |
| Total comprehensive income for the year | - | - | 52,320 | 52,320 |
| Transactions with owners, recognised directly in equity | | | | |
| Contributions by and distributions to owners | | | | |
| Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme | 12,396 | - | - | 12,396 |
| Issue of shares in lieu of cash dividends of 4.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme | 19,713 | - | - | 19,713 |
| Value of employee services received for issue of share options | - | 2,205 | - | 2,205 |
| Final dividend paid of 4.0 cents per ordinary share - Cash | - | - | (2,971) | (2,971) |
| Final dividend paid of 4.0 cents per ordinary share - Scrip | - | - | (19,713) | (19,713) |
| Interim dividend paid of 1.5 cent per ordinary share - Cash | - | - | (8,610) | (8,610) |
| Total contributions by and distributions to owners | 32,109 | 2,205 | (31,294) | 3,020 |
| At 31 December 2015 | 286,366 | 21,089 | 179,212 | 486,667 |

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.

During the year ended 31 December 2015, the Company issued a total of 10,872,915 new ordinary shares due to the allotment and issue of 5,475,915 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 2014, as well as the allotment and issue of 5,397,000 new ordinary shares pursuant to the exercise by options holders under the Raffles Medical Group Share Option Schemes.

| | | | | | |
|-----------------------------|---------|---------|---------|---------|---------|
| Exercise price per share | S\$0.42 | S\$0.71 | S\$0.78 | S\$1.15 | S\$1.24 |
| Number of new shares issued | 30,000 | 189,000 | 396,000 | 212,000 | 161,000 |

| | | | | | |
|-----------------------------|---------|---------|---------|---------|-----------|
| Exercise price per share | S\$1.66 | S\$2.20 | S\$2.34 | S\$3.20 | S\$3.28 |
| Number of new shares issued | 937,000 | 524,000 | 852,000 | 996,000 | 1,100,000 |

On 1 April 2015, options to subscribe for 5,000,000 ordinary shares at an exercise price of S\$3.93 were granted to 588 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 December 2015, there were outstanding options for conversion into 20,544,000 (31 December 2014: 21,921,000) ordinary shares. The Company does not hold any treasury shares as at 31 December 2015 (31 December 2014: 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.

| | 31/12/2015 | 31/12/2014 |
|---|-------------|-------------|
| Number of issued shares excluding treasury shares | 575,033,749 | 564,160,834 |

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 31 December 2015 (31 December 2014: 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 year ended 31 December 2015 have been audited in accordance with Singapore Standards on Auditing.

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

As attached.

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

Accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2015 are consistent with those applied in the financial statements for the year ended 31 December 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2015. 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.

| | 2015 | 2014 |
|---|-------------|-------------|
| Earnings per ordinary share for the year based on 1(a) above :- | | |
| (i) Basic earnings per share [A] | 12.15 cents | 12.09 cents |
| (ii) Diluted earnings per share [B] | 12.03 cents | 11.96 cents |

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 570,188,922 (2014: 559,426,440) 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 575,979,847 (2014: 565,508,120) 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 | |
|--|--------------|-------------|-------------|-------------|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Net asset value per ordinary share [C] | 104.88 cents | 95.50 cents | 84.63 cents | 76.45 cents |

[C] The calculation of net asset value per ordinary share was based on 575,033,749 shares as at 31 December 2015 (31 December 2014: 564,160,834).

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 achieved a record revenue of **S\$410.5** million for the year ended 2015, a growth of **9.6%** as compared to 2014. Revenue growth in 2015 was spurred by increases in both Healthcare Services and Hospital Services divisions. Healthcare Services grew by **14.6%** in 2015 with sales contributions from newly acquired International SOS (MC Holdings) Pte Ltd and its subsidiaries (**MCH**) since 17 October 2015, as well as an expanding **RafflesMedical** clinic network and the provision of insurance services to more corporate clients. Revenue from hospital services increased by **7.0%** with higher revenue contributed by more specialist consultants, increased patient load and greater patient acuity.

The Group registered a net profit after tax (attributable to the owners of the Company) growth of **2.4%**, increasing from **S\$67.6** million in 2014 to **S\$69.3** million in 2015. Excluding the fair value gain on investment properties of S\$1.5 million in 2015, the proforma increase in net profit after tax (attributable to the owners of the Company) for the Group was **4.9%** from **S\$64.6** million in 2014 to **S\$67.8** million in 2015. Steady revenue performance from the Hospital and Healthcare Services was offset by higher staff costs, depreciation expenses and operating lease expenses. The Group renovated some specialist clinics and also purchased more medical equipment for expanded as well as new operations at **RafflesHospital** and newly opened **RafflesMedicalCentre Orchard**. Operating lease expenses increased following specialist and general practice clinic network expansion. Staff costs also edged higher due to the tight labour market for healthcare workers and higher staff cost from the newly acquired subsidiaries of MCH.

The Group's strong cash balances and continued operating cashflow from its various business units were able to support its investments in MCH, **RafflesHospital Shanghai** and **RafflesHospital Extension** as well as **Raffles Holland V**. These investments, including payment of capital expenditure for business expansion, amounted to **S\$179.8** million in 2015. Cash position stays healthy at **S\$86.1** million as at 31 December 2015.

The Directors are pleased to recommend a final dividend of **4.5** cents per share amounting approximately to S\$25.9 million. Including interim dividend of 1.5 cents per share paid in August 2015, the total dividend for the financial year ended 31 December 2015 increased by 0.5 cent (9.1%) to **6.0** cents per share as compared to the corresponding period last year.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

RafflesMedical opened a new clinic at Rivervale Mall on 21 September 2015 and a multi-disciplinary centre at Waterway Point on 18 January 2016. Continued growth is expected from government initiated schemes like the Community Health Assist Scheme (CHAS) and the Pioneer Generation (PG) package, as well as expanded network clinics coverage. *RafflesMedical*, having had major clients from the property, engineering, research, communications, beauty and retail industries added to the corporate client portfolio in the last quarter of 2015 expects to ride on the growth trend in the corporate landscape in 2016. *RafflesMedical HongKong* was appointed to serve the 10,000 staff and dependents of Hong Kong Aircraft Engineering Company Limited (HAECO) in January 2015. It has also been appointed in January 2016 by Cathay Pacific Airways to take over the clinics at Cathay City to serve its staff and dependents.

RafflesHealthinsurance will also continue to record growth on the back of the Group's *RafflesOne* programme, which had gained positive traction with the Group's corporate clients during the year 2015.

RafflesHospital patient census and occupancy rate maintained its growth momentum in the last quarter of 2015, gaining support from local as well as foreign patients.

RafflesMedicalCentre Orchard, has continued to grow since its opening in June 2015 providing local and overseas patients with a convenient alternative choice for one-stop specialist care, family medicine, dental services, health screening & radiology and complementary medicine in Singapore's premier shopping and hotel belt.

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 Q3 2015 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.**

Raffles Holland V is on track to be completed in the first quarter of 2016. Approximately 9,000 square feet will be dedicated to the expansion of the Group's medical and specialist services to cater to both local and expatriate patients. The remaining commercial space will be leased to DBS and other tenants offering specialty lifestyle, food and beverage and retail services.

The *RafflesHospital Extension* project is advancing smoothly. Foundation works have been completed by the end of 2015. Basement and superstructure works have commenced. When completed in 2017, the integrated medical complex will offer an avenue for *RafflesHospital's* expansion in the long term.

On 18 November 2015, the foundation stone was laid for *RafflesHospital Shanghai* in Pudong Qiantan. The Group's investment into tertiary healthcare in China was well received. Consultants are finalising building plans for submission to the authorities.

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

The slower economic growth in Singapore and the region may have a dampening effect on healthcare demand in general. However, the Group has positioned well for the future with the planned completion of the *Raffles Holland V* and *RafflesHospital Extension* projects as well as the expansion to other regional markets in cities where there is strong demand for good reliable healthcare. The Group will continue to be vigilant and to proactively respond to new opportunities and challenges that may arise.

Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue to grow in 2016.

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) | 1.5 cents per ordinary share (one tier tax) |
| Tax Rate | Tax Exempt |

| | |
|--------------------------------------|---|
| Name of Dividend | Proposed Final |
| Dividend Type | Ordinary |
| Dividend Amount per Share (in cents) | 4.5 cents 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) | 1.5 cents per ordinary share (one tier tax) |
| Tax Rate | Tax Exempt |

| | |
|--------------------------------------|---|
| Name of Dividend | Final |
| Dividend Type | Ordinary |
| Dividend Amount per Share (in cents) | 4.0 cents per ordinary share (one tier tax) |
| Tax Rate | Tax Exempt |

11. Dividend (Cont'd)

(c) Date payable

The Directors are pleased to recommend a final dividend of 4.5 cents per share amounting approximately to S\$25.9 million in respect of the financial year ended 31 December 2015 for approval by the shareholders at the next Annual General Meeting to be convened on 20 April 2016. Including the interim dividend of 1.5 cents per share paid in August 2015, the total dividends for the financial year ended 31 December 2015 would amount to 6.0 cents per share, an increase of 0.5 cent (9.1%) as compared to the financial year ended 31 December 2014.

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

| | Healthcare services S\$'000 | Hospital services S\$'000 | Investment holdings S\$'000 | Total S\$'000 |
|---|--|--------------------------------------|--|--------------------------|
| 2015 | | | | |
| Revenue and expenses | | | | |
| External revenue | 160,504 | 268,385 | 12,782 | 441,671 |
| Inter-segment revenue | 2,473 | 16,785 | 11,878 | 31,136 |
| Finance expenses | (95) | - | - | (95) |
| Depreciation of property, plant and equipment | (3,298) | (5,441) | (196) | (8,935) |
| Reportable segment profit before tax | 13,044 | 63,209 | 9,176 | 85,429 |
| Reportable segment assets | 630,895 | 134,588 | 559,859 | 1,325,342 |
| Capital expenditure | 26,644 | 7,925 | 123,805 | 158,374 |
| Reportable segment liabilities | 144,868 | 54,055 | 440,903 | 639,826 |

| | Healthcare services S\$'000 | Hospital services S\$'000 | Investment holdings S\$'000 | Total S\$'000 |
|---|--|--------------------------------------|--|--------------------------|
| 2014 | | | | |
| Revenue and expenses | | | | |
| External revenue | 140,073 | 250,821 | 14,727 | 405,621 |
| Inter-segment revenue | 1,995 | 15,138 | 13,847 | 30,980 |
| Finance expenses | (58) | - | - | (58) |
| Depreciation of property, plant and equipment | (2,694) | (4,172) | (194) | (7,060) |
| Reportable segment profit before tax | 12,293 | 60,811 | 10,763 | 83,867 |
| Reportable segment assets | 581,003 | 134,152 | 433,750 | 1,148,905 |
| Capital expenditure | 4,132 | 13,551 | 191,469 | 209,152 |
| Reportable segment liabilities | 145,533 | 59,587 | 363,927 | 569,047 |

14. Business Segments (Cont'd)

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

| | 2015 | 2014 |
|--|----------------|----------------|
| | S\$'000 | S\$'000 |
| Revenues | | |
| Total revenue for reportable segments | 441,671 | 405,621 |
| Elimination of inter-segment revenue | (31,136) | (30,980) |
| Consolidated revenue | <u>410,535</u> | <u>374,641</u> |
| Profit or loss | | |
| Total profit for reportable segments | 85,429 | 83,867 |
| Adjustment for depreciation of property, plant and equipment | (3,822) | (2,586) |
| Consolidated profit before tax | <u>81,607</u> | <u>81,281</u> |
| Assets | | |
| Total assets for reportable segments | 1,325,342 | 1,148,905 |
| Elimination of inter-segment assets | (511,202) | (493,878) |
| Unallocated amounts – current tax and deferred tax assets | 790 | - |
| Consolidated total assets | <u>814,930</u> | <u>655,027</u> |
| Liabilities | | |
| Total liabilities for reportable segments | 639,826 | 569,047 |
| Elimination of inter-segment liabilities | (464,113) | (470,163) |
| Unallocated amounts – current tax and deferred tax liabilities | 17,190 | 15,871 |
| Consolidated total liabilities | <u>192,903</u> | <u>114,755</u> |

Other material items

| | Reportable segment totals | Adjustments | Consolidated totals |
|---|--|--------------------|--------------------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| 2015 | | | |
| Depreciation of property, plant and equipment | 8,935 | 3,822 | <u>12,757</u> |
| 2014 | | | |
| Depreciation of property, plant and equipment | 7,060 | 2,586 | <u>9,646</u> |

The hospital building at North Bridge Road is owned by a subsidiary and classified as investment property in the subsidiary's 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, the hospital building is reclassified from investment property to property, plant and equipment as the building is used in the supply of hospital services by the Group. Accordingly, the carrying value of the hospital building is depreciated over its useful life in the consolidated financial statements of the Group.

The amount of S\$3,822,000 (2014: S\$2,586,000) relates to the depreciation of the hospital building for the year ended 31 December 2015.

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 | | |
|--------|---|-----------------|-----------------|-------------|
| | | 2015 S\$'000 | 2014 S\$'000 | Change % |
| 16 (a) | Revenue reported for first half year | 194,276 | 180,150 | 7.8 |
| 16 (b) | Operating profit after tax before deducting non-controlling interests reported for first half year | 31,073 | 30,304 | 2.5 |
| 16 (c) | Revenue reported for second half year | 216,259 | 194,491 | 11.2 |
| 16 (d) | Operating profit after tax before deducting non-controlling interests reported for second half year | 37,958 | 37,658 | 0.8 |

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

| | 2015 S\$'000 | 2014 S\$'000 |
|---------------------------|-----------------|-----------------|
| Interim Ordinary Dividend | 8,610 | 8,451 |
| Final Ordinary Dividend | 25,877* | 22,684 |
| Total | 34,487 | 31,135 |

* The proposed final ordinary dividend for the financial year 2015 is based on estimated number of shares outstanding as at 31 December 2015.

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.**

The Board of Directors hereby confirms that none of the personnel occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
22 February 2016