



**Raffles Medical Group Ltd
and its Subsidiaries**

Registration Number : 198901967K

Condensed Interim Financial Statements

For the six months ended 30 June 2024

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income Period ended 30 June 2024

Condensed Interim Consolidated Statement of Profit or Loss	Note	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000 ⁽ⁱ⁾	Change %
Revenue		365,690	370,752	(1.4)
Other operating income		2,218	8,476	(73.8)
Inventories and consumables used		(29,711)	(28,978)	2.5
Purchased and contracted services		(17,366)	(15,310)	13.4
Insurance service expenses		(78,598)	(60,935)	29.0
Net expenses from reinsurance contracts		(3,727)	(1,142)	nm
Staff costs		(154,338)	(157,138)	(1.8)
Depreciation of property, plant and equipment		(18,495)	(17,539)	5.5
Amortisation of intangible assets		(779)	(878)	(11.3)
Operating lease expenses		(910)	(782)	16.4
Impairment loss on trade receivables		(309)	(219)	41.1
Other operating expenses		(22,396)	(19,695)	13.7
Profit from operating activities		41,279	76,612	(46.1)
Finance income		5,296	4,533	16.8
Finance expenses		(3,163)	(2,719)	16.3
Profit before tax	6	43,412	78,426	(44.6)
Tax expense	7	(12,483)	(18,009)	(30.7)
Profit for the period		30,929	60,417	(48.8)
Profit attributable to:				
Owners of the Company		30,643	59,851	(48.8)
Non-controlling interests		286	566	(49.5)
Profit for the period		30,929	60,417	(48.8)

Note:

(i) 1H 2023 figures had been re-presented, where applicable, to be in line with current period presentation.

(ii) nm denotes not meaningful.

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss

- (a) Other operating income decreased mainly due to lower Wage Credit payout and Jobs Growth Incentive grant received in 1H 2024.
- (b) Purchased and contracted services increased mainly due to higher outsourced payroll costs incurred in 1H 2024 in relation to supporting transitional care facilities.
- (c) Reflecting the adoption of SFRS(I) 17 Insurance Contracts since January 2023, which requires certain insurance expenditure to be recognised upfront instead of over the life of each respective contract and the S\$19.3 million increase in insurance services revenue in 1H 2024, insurance service expenses and net expenses from reinsurance contracts increased by S\$17.7 million and S\$2.6 million to S\$78.6 million and S\$3.7 million in 1H 2024, respectively.
- (d) The increase in other operating expenses for 1H 2024 was mainly due to higher property tax and professional fees.

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income Period ended 30 June 2024 (cont'd)

Condensed Interim Consolidated Statement of Other Comprehensive Income	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000 ⁽ⁱ⁾	Change %
Profit for the period	30,929	60,417	(48.8)
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	565	(10,919)	(105.2)
Total comprehensive income for the period	<u>31,494</u>	<u>49,498</u>	(36.4)
Total comprehensive income attributable to:			
Owners of the Company	31,180	49,101	(36.5)
Non-controlling interests	314	397	(20.9)
Total comprehensive income for the period	<u>31,494</u>	<u>49,498</u>	(36.4)
Earnings per share			
Basic earnings per share (cents) [A]	<u>1.65</u>	<u>3.22</u>	(48.8)
Diluted earnings per share (cents) [B]	<u>1.62</u>	<u>3.20</u>	(49.4)

Note:

- (i) 1H 2023 figures had been re-presented, where applicable, to be in line with current period presentation.
- (ii) nm denotes not meaningful.

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

- [A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,857,124,472 (First Half 2023: 1,858,328,741) in issue during the period.
- [B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares 1,887,870,754 (First Half 2023: 1,870,143,100) in issue during the period.

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Condensed Interim Statements of Financial Position As at 30 June 2024

	Note	Group		Company	
		30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Non-current assets					
Property, plant and equipment	11	762,011	768,303	13,678	9,843
Intangible assets and goodwill	10	18,812	18,843	420	567
Investment properties	12	246,100	246,100	–	–
Subsidiaries		–	–	892,456	890,405
Deferred tax assets		3,694	2,550	177	245
Trade and other receivables		11,392	7,737	4,351	5,383
		<u>1,042,009</u>	<u>1,043,533</u>	<u>911,082</u>	<u>906,443</u>
Current assets					
Inventories		11,506	12,465	2,465	2,589
Trade and other receivables		91,435	80,281	51,887	41,882
Insurance contract assets		10,739	2,620	–	–
Reinsurance contract assets		46,016	45,733	–	–
Cash and cash equivalents		316,325	343,598	179,033	192,998
		<u>476,021</u>	<u>484,697</u>	<u>233,385</u>	<u>237,469</u>
Total assets		<u>1,518,030</u>	<u>1,528,230</u>	<u>1,144,467</u>	<u>1,143,912</u>
Equity attributable to owners of the Company					
Share capital	14	440,070	439,819	440,070	439,819
Reserves		576,240	587,919	571,993	593,823
		<u>1,016,310</u>	<u>1,027,738</u>	<u>1,012,063</u>	<u>1,033,642</u>
Non-controlling interests		14,897	16,114	–	–
Total equity		<u>1,031,207</u>	<u>1,043,852</u>	<u>1,012,063</u>	<u>1,033,642</u>
Non-current liabilities					
Loans and borrowings	13	51,887	54,645	10,000	10,000
Trade and other payables		5,104	14,553	689	8,006
Lease liabilities		24,993	27,713	1,070	1,325
Deferred tax liabilities		7,710	8,083	–	–
		<u>89,694</u>	<u>104,994</u>	<u>11,759</u>	<u>19,331</u>
Current liabilities					
Loans and borrowings	13	17,704	16,016	12,107	11,356
Current tax liabilities		27,032	27,135	11,035	10,958
Trade and other payables		213,476	210,684	96,997	68,128
Lease liabilities		9,605	10,049	506	497
Other financial liabilities		2,774	2,700	–	–
Insurance contract liabilities		112,361	91,435	–	–
Reinsurance contract liabilities		14,177	21,365	–	–
		<u>397,129</u>	<u>379,384</u>	<u>120,645</u>	<u>90,939</u>
Total liabilities		<u>486,823</u>	<u>484,378</u>	<u>132,404</u>	<u>110,270</u>
Total equity and liabilities		<u>1,518,030</u>	<u>1,528,230</u>	<u>1,144,467</u>	<u>1,143,912</u>

Explanatory Notes to the Condensed Interim Statements of Financial Position

- (a) The increase in trade and other receivables was mainly due to higher volume of business generated by the Group and increase in deposit for acquisition of American International Hospital in Vietnam.
- (b) The movements in insurance contract assets and liabilities largely reflect the increase in insurance business revenue.

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Condensed Interim Consolidated Statement of Cash Flows Period ended 30 June 2024

	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000 Re-presented
Cash flows from operating activities		
Profit for the period	30,929	60,417
<i>Adjustments for :</i>		
Amortisation of intangible assets	1,202	1,279
Depreciation of property, plant and equipment	18,690	17,743
Equity-settled share-based payment transactions	1,824	1,852
Finance expenses	3,275	2,773
Finance income	(5,296)	(4,533)
Gain on lease derecognition	(37)	–
Loss on disposal of property, plant and equipment, net	1	–
Intangible assets written off	46	–
Property, plant and equipment written off	262	141
Tax expense	12,483	18,009
	<u>63,379</u>	<u>97,681</u>
<i>Changes in working capital :</i>		
Insurance contract liabilities	20,926	15,784
Insurance contract assets	(8,119)	(37,164)
Inventories	959	184
Trade and other payables	(6,217)	29,650
Trade and other receivables	(15,353)	14,774
Reinsurance contract liabilities	(7,188)	7,712
Reinsurance contract assets	(283)	22,897
Cash generated from operations	<u>48,104</u>	<u>151,518</u>
Tax paid	(13,537)	(24,825)
Net cash from operating activities	<u>34,567</u>	<u>126,693</u>
Cash flows from investing activities		
Interest received	5,130	4,234
Proceeds from disposal of property, plant and equipment	1,083	–
Purchase of property, plant and equipment	(11,679)	(9,474)
Acquisition of intangible assets	(1,139)	(261)
Net cash used in investing activities	<u>(6,605)</u>	<u>(5,501)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(44,576)	(70,683)
Acquisition of non-controlling interest	(1,564)	–
Proceeds from issue of shares under share option scheme	251	6,244
Proceeds from bank loans	54,149	53,317
Repayment of bank loans	(53,409)	(53,386)
Repayment of loan to minority shareholder	(1,549)	–
Payment of lease liabilities	(5,732)	(5,767)
Interest paid	(1,908)	(1,994)
Lease interest paid	(671)	(451)
Net cash used in financing activities	<u>(55,009)</u>	<u>(72,720)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(27,047)</u>	<u>48,472</u>
Cash and cash equivalents at 1 January	342,543	252,054
Effect of exchange rate fluctuations on cash held	767	(914)
Cash and cash equivalents at 30 June	<u>316,263</u>	<u>299,612</u>

Explanatory Notes to the Condensed Interim Consolidated Statement of Cash Flows

The cash and cash equivalents for the statement of cash flows presentation excluded an amount of S\$62,000 (US\$45,000) deposited in an escrow account of a subsidiary. The Group's cash and cash equivalents decreased by S\$26.2 million from S\$342.5 million as at 31 December 2023 to S\$316.3 million as at 31 March 2024. This was mainly due to distribution of dividends of \$44.6 million to owners of the Company.

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Condensed Interim Statements of Changes in Equity Period ended 30 June 2024

Group	Share capital S\$'000	Translation reserve S\$'000	Equity compensation reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2024	439,819	(22,339)	38,172	16,367	(5,091)	(31,483)	592,293	1,027,738	16,114	1,043,852
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	30,643	30,643	286	30,929
Other comprehensive income										
Foreign currency translation differences - foreign operations	–	537	–	–	–	–	–	537	28	565
Total other comprehensive income for the period	–	537	–	–	–	–	–	537	28	565
Total comprehensive income for the period	–	537	–	–	–	–	30,643	31,180	314	31,494
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	251	–	–	–	–	–	–	251	–	251
Value of employee services received for issue of share options and share awards	–	–	1,824	–	–	–	–	1,824	–	1,824
Final dividend paid of 2.40 cents per ordinary share - Cash	–	–	–	–	–	–	(44,576)	(44,576)	–	(44,576)
Total contributions by and distributions to owners	251	–	1,824	–	–	–	(44,576)	(42,501)	–	(42,501)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	–	–	–	–	(33)	–	–	(33)	(1,531)	(1,564)
Present value of the exercise price of written put options	–	–	–	–	(74)	–	–	(74)	–	(74)
Total changes in ownership interests in subsidiaries	–	–	–	–	(107)	–	–	(107)	(1,531)	(1,638)
Total transactions with owners	251	–	1,824	–	(107)	–	(44,576)	(42,608)	(1,531)	(44,139)
At 30 June 2024	440,070	(21,802)	39,996	16,367	(5,198)	(31,483)	578,360	1,016,310	14,897	1,031,207

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Condensed Interim Statements of Changes in Equity (cont'd) Period ended 30 June 2024

Group	Share capital S\$'000	Translation reserve S\$'000	Equity compensation reserve S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2023, as previously reported	432,379	(13,018)	35,758	16,367	(5,018)	(26,894)	575,480	1,015,054	15,350	1,030,404
Adjustment on initial application of SFRS(I) 17, net of tax	–	–	–	–	–	–	(2,654)	(2,654)	–	(2,654)
Restated balance at 1 January 2023	432,379	(13,018)	35,758	16,367	(5,018)	(26,894)	572,826	1,012,400	15,350	1,027,750
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	59,851	59,851	566	60,417
Other comprehensive income										
Foreign currency translation differences - foreign operations	–	(10,750)	–	–	–	–	–	(10,750)	(169)	(10,919)
Total other comprehensive income for the period	–	(10,750)	–	–	–	–	–	(10,750)	(169)	(10,919)
Total comprehensive income for the period	–	(10,750)	–	–	–	–	59,851	49,101	397	49,498
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	6,244	–	–	–	–	–	–	6,244	–	6,244
Value of employee services received for issue of share options and share awards	–	–	1,852	–	–	–	–	1,852	–	1,852
Final dividend paid of 3.80 cents per ordinary share - Cash	–	–	–	–	–	–	(70,683)	(70,683)	–	(70,683)
Total contributions by and distributions to owners	6,244	–	1,852	–	–	–	(70,683)	(62,587)	–	(62,587)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	–	–	–	–	(27)	–	–	(27)	–	(27)
Total changes in ownership interests in subsidiaries	–	–	–	–	(27)	–	–	(27)	–	(27)
Total transactions with owners	6,244	–	1,852	–	(27)	–	(70,683)	(62,614)	–	(62,614)
Balance at 30 June 2023	438,623	(23,768)	37,610	16,367	(5,045)	(26,894)	561,994	998,887	15,747	1,014,634

Condensed Interim Statements of Changes in Equity (cont'd) Period ended 30 June 2024

Company	Share capital S\$'000	Equity compensation reserve S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2024	439,819	38,172	(142)	(31,483)	587,276	1,033,642
Total comprehensive income for the period						
Profit for the period	–	–	–	–	20,922	20,922
Total comprehensive income for the period	–	–	–	–	20,922	20,922
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	251	–	–	–	–	251
Value of employee services received for issue of share options and share awards	–	1,824	–	–	–	1,824
Final dividend paid of 2.40 cents per ordinary share - Cash	–	–	–	–	(44,576)	(44,576)
Total contributions by and distributions to owners	251	1,824	–	–	(44,576)	(42,501)
At 30 June 2024	440,070	39,996	(142)	(31,483)	563,622	1,012,063
At 1 January 2023	432,379	35,758	(323)	(26,894)	553,591	994,511
Total comprehensive income for the period						
Profit for the period	–	–	–	–	48,075	48,075
Total comprehensive income for the period	–	–	–	–	48,075	48,075
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	6,244	–	–	–	–	6,244
Value of employee services received for issue of share options and share awards	–	1,852	–	–	–	1,852
Final dividend paid of 3.80 cents per ordinary share - Cash	–	–	–	–	(70,683)	(70,683)
Total contributions by and distributions to owners	6,244	1,852	–	–	(70,683)	(62,587)
At 30 June 2023	438,623	37,610	(323)	(26,894)	530,983	979,999

Notes to the Condensed Interim Financial Statements

1 Corporate information

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

These condensed interim financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the **Group**).

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

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

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

The Group and the Company are partners of the following:

- Raffles International Medical Assistance LLP

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

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

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

2. Basis of preparation (cont'd)

2.1 New and amended standards adopted by the Group

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

2.2 Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed financial statements is on lease term: whether the Group is reasonably certain to exercise extension options and insurance and reinsurance contract: estimation of fulfilment cash flows.

Extension options

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

Fulfilment cash flows

Although the insurance contract liabilities are estimated based on management's best knowledge and judgement of current facts, the actual outcome may differ from the estimates.

The areas involving a higher degree of judgement or complexity, or areas whereby judgement, assumptions and estimates have been involved in estimating the fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risk are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

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

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

2. Basis of preparation (cont'd)

2.2 Use of estimates and judgements (cont'd)

Measurement of fair values

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

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

3 Seasonal operations

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

4 Segment and revenue information

The Group has 4 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Chairman reviews internal management reports regularly. The following summary describes the operations in each of the Group's reportable segments:

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

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

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

Insurance services : The provision of insurance products.

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

Inter-segment pricing is determined on mutually agreed terms.

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

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

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4.1 Reportable segments

	Healthcare services		Hospital services		Insurance services		Investment holdings		Total	
	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
						Re-presented				Re-presented
Revenue and expenses										
Revenue	141,333	167,266	167,590	160,364	86,247	66,924	22,682	22,880	417,852	417,434
Inter-segment revenue	6,863	5,350	24,366	20,558	1,893	1,435	19,040	19,339	52,162	46,682
Finance expenses	(1,205)	(711)	(497)	(17)	(112)	(54)	(1,461)	(1,991)	(3,275)	(2,773)
Depreciation and amortisation	(7,843)	(7,426)	(4,887)	(4,974)	(635)	(624)	(124)	(97)	(13,489)	(13,121)
Reportable segment profit before tax	27,603	59,940	14,279	8,655	(6,448)	(1,253)	11,801	14,280	47,235	81,622
Other material non-cash items:										
- Reversal / (Impairment losses) on trade receivable	52	66	(361)	(285)	-	-	-	-	(309)	(219)
Reportable segment assets	1,181,698	1,190,364	261,377	241,896	152,038	180,851	930,976	957,319	2,526,089	2,570,430
Capital expenditure	12,598	8,050	3,850	4,129	739	168	76	46	17,263	12,393
Reportable segment liabilities	226,575	224,773	192,602	174,533	135,352	151,173	708,067	752,222	1,262,596	1,302,701

4.1 Reportable segments (cont'd)

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

	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
		Re-presented
Revenues		
Total revenue for reportable segments	417,852	417,434
Elimination of inter-segment revenue	(52,162)	(46,682)
Consolidated revenue	<u>365,690</u>	<u>370,752</u>
Profit or loss before tax		
Total profit for reportable segments	47,235	81,622
Elimination of inter-segment profits / Consolidation adjustment	2,580	2,705
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(6,403)	(5,901)
Consolidated profit before tax	<u>43,412</u>	<u>78,426</u>
Assets		
Total assets for reportable segments	2,526,089	2,569,703
Elimination of inter-segment assets	(1,011,753)	(1,013,060)
Unallocated amounts-current tax and deferred tax assets	2,403	5,027
Consolidated total assets	<u>1,516,739</u>	<u>1,561,670</u>
Liabilities		
Total liabilities for reportable segments	1,262,596	1,301,985
Elimination of inter-segment liabilities	(810,515)	(807,433)
Unallocated amounts-current tax and deferred tax liabilities	33,451	52,484
Consolidated total liabilities	<u>485,532</u>	<u>547,036</u>

Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
30 June 2024			
Depreciation and amortisation	<u>13,489</u>	6,403	<u>19,892</u>
30 June 2023			
Depreciation and amortisation	<u>13,121</u>	5,901	<u>19,022</u>

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

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

4.1 Reportable segments (cont'd)

The amount of S\$6,403,000 (30 June 2023: S\$5,901,000) relates to the depreciation of these properties for the year ended 30 June 2024.

Geographical information

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

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

	Group	
	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
	Re-presented	
Revenue		
Singapore	327,453	333,755
Greater China	30,470	28,762
Rest of Asia	7,767	8,235
Consolidated revenue	365,690	370,752
Non-current assets		
Singapore	683,873	674,470
Greater China	331,102	332,297
Rest of Asia	11,948	5,490
Consolidated non-current assets*	1,026,923	1,012,257

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

4.2 Disaggregation of Revenue

	Group	
	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
	Re-presented	
Revenue from contracts with customers	278,493	302,732
Rental income	3,686	3,420
Insurance revenue	83,511	64,600
	365,690	370,752

RafflesMedicalGroup

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2024							
Financial assets not measured at fair value							
Trade and other receivables #	100,001	–	100,001				
Cash and cash equivalents	316,325	–	316,325				
	<u>416,326</u>	<u>–</u>	<u>416,326</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(69,591)	(69,591)	–	(69,591)	–	(69,591)
Trade and other payables*	–	(208,557)	(208,557)				
Other financial liabilities	–	(2,774)	(2,774)	–	–	(2,774)	(2,774)
	<u>–</u>	<u>(280,922)</u>	<u>(280,922)</u>				
31 December 2023							
Financial assets not measured at fair value							
Trade and other receivables #	85,360	–	85,360				
Cash and cash equivalents	343,598	–	343,598				
	<u>428,958</u>	<u>–</u>	<u>428,958</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(70,661)	(70,661)	–	(70,661)	–	(70,661)
Trade and other payables*	–	(216,251)	(216,251)				
Other financial liabilities	–	(2,700)	(2,700)	–	–	(2,700)	(2,700)
	<u>–</u>	<u>(289,612)</u>	<u>(289,612)</u>				

Excludes prepayments

* Excludes deferred income and other long-term employee benefits

RafflesMedicalGroup

5 Financial assets and financial liabilities (cont'd)

Company	Carrying amount			Fair value			
	At amortised cost S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2024							
Financial assets not measured at fair value							
Trade and other receivables #	55,499	–	55,499				
Cash and cash equivalents	179,033	–	179,033				
Amounts due from subsidiaries	841,802	–	841,802	–	–	841,802	841,802
	<u>1,076,334</u>	<u>–</u>	<u>1,076,334</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(22,107)	(22,107)	–	(22,107)	–	(22,107)
Trade and other payables*	–	(92,203)	(92,203)				
	<u>–</u>	<u>(114,310)</u>	<u>(114,310)</u>				
31 December 2023							
Financial assets not measured at fair value							
Trade and other receivables #	46,243	–	46,243				
Cash and cash equivalents	192,998	–	192,998				
Amounts due from subsidiaries	841,940	–	841,940	–	–	841,940	841,940
	<u>1,081,181</u>	<u>–</u>	<u>1,081,181</u>				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(21,356)	(21,356)	–	(21,356)	–	(21,356)
Trade and other payables*	–	(71,225)	(71,225)				
	<u>–</u>	<u>(92,581)</u>	<u>(92,581)</u>				

Excludes prepayments

* Excludes deferred income and other long-term employee benefits

6 Profit before tax

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

	Group	
	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
Contributions to defined contribution plans	9,740	10,589
Foreign exchange loss	355	799
Loss on disposal of property, plant and equipment, net	1	–
Interest expense:		
- bank loans	1,604	1,558
- subsidiary's non-controlling interest	725	764
- lease liabilities	671	451
- others	275	–
Interest income	(5,296)	(4,533)
Jobs Growth Incentive (JGI), wage credit and other grants	(1,589)	(8,187)
Property, plant and equipment written-off	262	141
Recovery of bad debts	(216)	(228)
Value of employee services received for issue of share options and share awards, included in staff costs	1,824	1,852
Write-off for stock obsolescence	165	81

* During the year, interest expense of \$112,000 (2023: \$54,000) was included in 'insurance service expenses' in the statement of profit or loss.

7 Taxation

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

	Group	
	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
Current income tax expense	13,169	17,500
Current withholding tax expense	590	718
Deferred income tax expense relating to reversal of temporary differences	(1,524)	(209)
	<u>12,235</u>	<u>18,009</u>
Adjustment for under provision of tax in respect of prior years		
Current income tax expense – Under provision in respect of prior years	238	–
Deferred income tax expense – Under provision in respect of prior years	10	–
	<u>12,483</u>	<u>18,009</u>

8 Dividends

	Group	
	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
Ordinary dividends paid:		
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 2.40 cents per share (6 months ended 30 June 2023: 3.80 cents per share)	44,576	70,683

9 Net assets value

	Group		Company	
	30 June 2024 S\$	31 December 2023 S\$	30 June 2024 S\$	31 December 2023 S\$
Net asset value per ordinary share [C]	54.72 cents	55.34 cents	54.49 cents	55.66 cents

[C] The calculation of net asset value per ordinary share was based on 1,857,321,175 shares as at 30 June 2024 (31 December 2023: 1,857,011,175).

10 Intangible assets and goodwill

	Goodwill S\$'000	Customer relationship S\$'000	Membership rights S\$'000	Software under development S\$'000	Software S\$'000	Total S\$'000
Group						
Cost						
At 1 January 2023	24,501	4,297	164	–	16,774	45,736
Additions	–	–	–	640	796	1,436
Write-off	–	–	(25)	–	(4)	(29)
Effects of movement in exchange rate	(927)	(172)	–	–	(178)	(1,277)
At 31 December 2023	23,574	4,125	139	640	17,388	45,866
Additions	–	–	–	912	227	1,139
Write-off	–	–	–	–	(54)	(54)
Effects of movement in exchange rate	105	12	–	–	9	126
At 30 June 2024	23,679	4,137	139	1,552	17,570	47,077
Accumulated amortisation and impairment losses						
At 1 January 2023	13,351	3,843	136	–	8,132	25,462
Amortisation	–	74	–	–	2,272	2,346
Write-off	–	–	(25)	–	(1)	(26)
Effects of movement in exchange rate	(536)	(155)	–	–	(68)	(759)
At 31 December 2023	12,815	3,762	111	–	10,335	27,023
Amortisation	–	36	–	–	1,166	1,202
Write-off	–	–	–	–	(8)	(8)
Effects of movement in exchange rate	25	15	–	–	8	48
At 30 June 2024	12,840	3,813	111	–	11,501	28,265
Carrying amounts						
At 1 January 2023	11,150	454	28	–	8,642	20,274
At 31 December 2023	10,759	363	28	640	7,053	18,843
At 30 June 2024	10,839	324	28	1,552	6,069	18,812

10 Intangible assets and goodwill (cont'd)

Impairment testing

Goodwill that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. No impairment indicators were identified as at 30 June 2024 based on the CGU's business performance. The Group performed its annual impairment test in December 2023. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

11 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment amounting to S\$16,124,000 (30 June 2023: S\$12,132,000) and disposed of assets amounting to S\$1,358,000 (30 June 2023: S\$Nil).

12 Investment properties

	<u>Group</u>	
	2024 S\$'000	2023 S\$'000
Balance as at 1 January and 30 June	246,100	273,400

Valuation of investment properties

The Group's policy is for investment property to be measured at fair value for which the Group completes property valuations at least annually by independent registered valuers at the end of the year. The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2024. However, the Management had taken into considerations those underlying factors that would have impacts to the fair value of the investment properties since the last valuations completed in December 2023; including any tenant changes, assessing market rentals, etc. There are no major factors that could affect the fair value of the investment properties as at 30 June 2024.

13 Loans and borrowings

	<u>Group</u>		<u>Company</u>	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Amount repayable within one year or on demand				
Unsecured bank loans	17,704	16,016	12,107	11,356
Amount repayable after one year				
Unsecured bank loans	51,887	54,645	10,000	10,000
Total loans and borrowings	69,591	70,661	22,107	21,356

14 Share capital

Company	30 June 2024		31 December 2023	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
Fully paid ordinary shares, with no par value:				
At 1 January	1,884,198	439,819	1,877,272	432,379
Issue of shares under share option scheme	310	251	6,926	7,440
At 30 June / 31 December	<u>1,884,508</u>	<u>440,070</u>	<u>1,884,198</u>	<u>439,819</u>

The total number of issued shares excluding treasury shares as at 30 June 2024 was 1,857,321,175 (31 December 2023: 1,857,011,175).

(i) Exercise of share options and share awards

During the first half ended 30 June 2024, the Company issued a total of 310,000 new ordinary shares, at exercise price of S\$0.81 per share, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

As at 30 June 2024, there were outstanding options for conversion into 73,382,000 (30 June 2023: 70,488,000) ordinary shares.

As at 30 June 2024, the number of shares comprised in contingent awards granted under the Raffles Medical Group (2020) Performance Share Plan which has not been released was 2,063,000 (30 June 2023: 2,340,650).

(ii) Treasury shares

The Company holds 27,187,750 treasury shares as at 30 June 2024 (30 June 2023: 22,725,300).

Treasury shares held by the Company as at 30 June 2024 represent 1.46% (30 June 2023: 1.22%) of the total number of issued shares (excluding treasury shares).

	Number of treasury shares
Balance as at 1 January 2024	27,187,750
Acquisition of treasury shares	-
Balance as at 30 June 2024	27,187,750

(iii) Subsidiary holdings

There is no subsidiary holdings as at 30 June 2024 (30 June 2023: Nil).

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2024 (30 June 2023: Nil).

15 Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

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

The condensed interim financial statements of Raffles Medical Group Ltd (the Company) and its subsidiaries (the Group), which comprise the condensed interim consolidated statement of financial position of the Group and the condensed interim statement of financial position of the Company as at 30 June 2024, the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows of the Group for the six-month period then ended, and notes to the financial statements have not been audited or reviewed.

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

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

The Group's revenue for 1H 2024 was **S\$365.7** million, **1.4%** lower than 1H 2023. Profit after tax and minority interests (PATMI) for 1H 2024 was **S\$30.6** million, **48.8%** lower than 1H 2023. The Group's PATMI in 1H 2023, included some COVID-19 related activities which were discontinued progressively.

The Group's core Hospital Services division continued to remain strong and profitable, registering revenue growth of **4.5%** to **S\$167.6** million in 1H 2024. Building on the momentum of the previous year, Hospital Services' profit, grew **65.0%** to **S\$14.3** million in 1H 2024. The Group's Healthcare Services division revenue, registered a lower revenue and profitability of **S\$141.3** million and **S\$27.6** million respectively, with the cessation of COVID-19 services.

The Group remains focused on growing and consolidating its three existing hospitals in China. For 1H 2024, revenue for the China region grew **5.9%** to **S\$30.5** million from **S\$28.8** million in 1H 2023. Although, the Raffles Hospitals in China are getting better known and patient number has grown across board, our hospitals in Shanghai and Chongqing are still in the developmental phase and continued to incur gestational losses.

The Group's health insurance arm, **RafflesHealthInsurance (RHI)**, grew its revenue by **28.9%** to **S\$86.2** million for 1H 2024. However, consistent with the industry trends, RHI also registered a higher loss ratio in 1H 2024, resulting in operating loss of **S\$6.4** million as compared with **S\$1.3** million loss reported in 1H 2023.

Reflecting the adoption of SFRS(I) 17 Insurance Contracts since January 2023, which requires certain insurance expenditure to be recognised upfront instead of over the life of each respective contract, insurance service expenses and net expenses from reinsurance contracts increased by **S\$17.7** million and **S\$2.6** million to **S\$78.6** million and **S\$3.7** million in 1H 2024, respectively. With the cessation of COVID-19, the "Other Operating Income" which comprises mainly the government grants was **S\$2.2** million when compared to **S\$8.5** million for 1H 2023. Consequently, the Group recorded a lower PATMI of **S\$30.6** million for 1H 2024.

For the 6 months ended 30 June 2024, the Group generated cash from operating activities amounting to **S\$34.6** million. Following the Company's Annual General Meeting in April 2024, the Group paid dividends amounting to **S\$44.6** million. The Group's balance sheet remained strong with **S\$316.3** million in cash and cash equivalents as at 30 June 2024.

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

The current financial period's results are in line with the Directors' expectations as disclosed in the Group's FY2023 results announcement.

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

The Group's Hospitals revenue continued to gain momentum in 1H 2024. Hospital revenues in both Singapore and China continued to register growth for 1H 2024.

Earlier this year, we added 176 beds to its capacity and has started receiving patients in 1H 2024, to support the transitional care facilities (TCF) with the Ministry of Health. Under the TCF programme, the Group also continues to operate step-down care facilities, in the East at Singapore Expo in addition to TCF at **RafflesHospitalSingapore**.

The Group's efforts on improving its operating leverages across its operations, including its China operations is bearing fruit. In 1H 2024, while Hospital Services revenue grew **4.5%**, against 1H 2023, profits grew **65.0%** over the same period. The Group will continue focusing on improving operating leverage across its operations.

The slower economic growth in China together with the stronger Singapore Dollar, may dampen the demand for high-end healthcare services. The inflationary pressure will result in some margin compression.

Barring unforeseen circumstances, the Board expects the Group to remain profitable in FY2024.

5 Dividend

(a) Current Financial Period Reported on

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

(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) Record date

Not applicable.

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

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

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

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

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

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

9 Disclosures of incorporation of Entities, Acquisition and Realisation of Shares pursuant to Rule 706(A) of the Listing Manual

On 18 January 2024, RJC Ltd, a subsidiary of the Company, completed the acquisition of the remaining 49% which it does not already hold, in the equity interest of RSM Ltd (**RSM**), Japan, for a total cash consideration of JPY40,089,000 (S\$367,000). RSM in turn holds a 100% equity interest in Zui Wai Kai Medical Corporation, which primarily operates the Group's Osaka Clinic. The net asset deficit of the acquired shares is S\$0.3 million at the acquisition date. The consideration was arrived at following arm's length negotiations on a "willing buyer-willing seller" basis, taking into account, amongst others, the performance of RSM in the recent years, and its existing assets and operations. The consideration was fully satisfied in cash from the Company's internal resources. With the completion of this acquisition, RSM became a wholly owned subsidiary of RJC Ltd.

On 25 April 2024, the Company has also acquired an additional 7.5% equity interest in Raffles Japanese Clinic Pte Ltd (**RJC**) for a total cash consideration of S\$1.2 million based on the net tangible asset of RJC as at 31 December 2023 on a "willing buyer-willing seller" basis. The net asset value of the acquired shares is S\$1.2 million at the acquisition date. The consideration was fully satisfied in cash from the Company's internal resources. On completion of this acquisition, the Company's shareholding interest in RJC will increase from 80% to 87.5%.

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the foregoing transactions, save through their interests in the Company.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Loo Choon Yong
Chairman

Mr Lew Yoong Keong Allen
Director

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
29 July 2024