

FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

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

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

Consolidated Statement of Profit or Loss	Third Quarter			Year-To-Date		
	Q3 2018 S\$'000	Q3 2017 S\$'000	Change %	30/09/2018 S\$'000	30/09/2017 S\$'000	Change %
Revenue	121,039	119,585	1.2	361,430	354,588	1.9
Other operating income	1,132	184	nm	2,651	911	nm
Inventories and consumables used	(14,467)	(13,844)	4.5	(42,192)	(40,452)	4.3
Purchased and contracted services	(10,730)	(9,229)	16.3	(30,238)	(28,104)	7.6
Staff costs	(62,344)	(62,643)	(0.5)	(185,945)	(185,300)	0.3
Depreciation of property, plant and equipment	(4,468)	(3,568)	25.2	(13,000)	(10,718)	21.3
Amortisation of intangible assets	(261)	(101)	nm	(789)	(305)	nm
Operating lease expenses	(3,386)	(3,305)	2.5	(10,039)	(10,190)	(1.5)
Other operating expenses	(7,299)	(8,689)	(16.0)	(23,500)	(24,375)	(3.6)
Profit from operating activities	19,216	18,390	4.5	58,378	56,055	4.1
Finance income	226	226	-	646	719	(10.2)
Finance expenses	(354)	(42)	nm	(798)	(135)	nm
Profit before tax	19,088	18,574	2.8	58,226	56,639	2.8
Tax expense	(2,891)	(2,722)	6.2	(9,739)	(9,575)	1.7
Profit for the period	16,197	15,852	2.2	48,487	47,064	3.0
Profit attributable to :						
Owners of the Company	16,410	16,397	0.1	49,113	48,705	0.8
Non-controlling interests	(213)	(545)	(60.9)	(626)	(1,641)	(61.9)
Profit for the period	16,197	15,852	2.2	48,487	47,064	3.0

Note: nm denotes not meaningful

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

	Third Quarter			Year-To-Date		
	Q3 2018	Q3 2017	Change	30/09/2018	30/09/2017	Change
Consolidated statement of comprehensive income	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	16,197	15,852	2.2	48,487	47,064	3.0
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	(5,315)	856	nm	(5,732)	(671)	nm
Total comprehensive income for the period	10,882	16,708	(34.9)	42,755	46,393	(7.8)
Total comprehensive income attributable to:						
Owners of the company	11,694	17,088	(31.6)	44,016	48,143	(8.6)
Non-controlling interests	(812)	(380)	nm	(1,261)	(1,750)	(27.9)
Total comprehensive income for the period	10,882	16,708	(34.9)	42,755	46,393	(7.8)

Note: nm denotes not meaningful

Explanatory notes to the Consolidated Statement of Profit or Loss

- Higher purchased and contracted services were mainly attributed to higher insurance claims as well as repair and maintenance of medical equipment and premises.
- Depreciation increased mainly due to expansion of medical centres in the new Raffles Specialist Centre, to meet the growing patients' demand.
- Lower other operating expenses were mainly due to lower doubtful debts provision, staff training as well as donations.
- Profit from operating activities before taxation includes the following:

Group	Third Quarter		Year-To-Date	
	Q3 2018	Q3 2017	30/09/2018	30/09/2017
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Other operating income				
Gain on disposal of property, plant and equipment	-	4	53	4
Foreign exchange gain/(loss)	(121)	159	357	182
(b) Other operating expenses				
Allowance for doubtful receivables	195	492	1,026	1,348
Property, plant and equipment written off	4	28	67	84
Write-off for stock obsolescence	40	49	127	115
Donations	198	403	449	409

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

Group	Third Quarter		Year-To-Date	
	Q3 2018	Q3 2017	30/09/2018	30/09/2017
	S\$'000	S\$'000	S\$'000	S\$'000
Current Tax Expense				
Under / (Over) provision in respect of prior years	(3)	113	84	70

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

Statements of Financial Position	Group		Company	
	30/09/2018 S\$'000	31/12/2017 S\$'000	30/09/2018 S\$'000	31/12/2017 S\$'000
Non-current assets				
Property, plant and equipment	387,421	384,021	6,336	7,585
Intangible assets and goodwill	36,357	36,773	1,179	1,296
Investment properties	427,925	385,498	-	-
Subsidiaries	-	-	538,953	551,131
Deferred tax assets	1,013	1,025	-	-
Trade and other receivables	2,703	3,060	6,550	7,663
	<u>855,419</u>	<u>810,377</u>	<u>553,018</u>	<u>567,675</u>
Current assets				
Inventories	10,087	9,955	2,501	2,491
Trade and other receivables	81,165	87,259	177,757	124,626
Cash and cash equivalents	102,572	98,270	3,566	5,716
	<u>193,824</u>	<u>195,484</u>	<u>183,824</u>	<u>132,833</u>
Total assets	<u>1,049,243</u>	<u>1,005,861</u>	<u>736,842</u>	<u>700,508</u>
Equity attributable to owners of the Company				
Share capital	365,079	340,201	365,079	340,201
Reserves	398,757	393,849	282,694	268,350
	<u>763,836</u>	<u>734,050</u>	<u>647,773</u>	<u>608,551</u>
Non-controlling interests	16,013	17,575	-	-
Total equity	<u>779,849</u>	<u>751,625</u>	<u>647,773</u>	<u>608,551</u>
Non-current liabilities				
Loans and borrowings	53,713	38,000	-	-
Trade and other payables	17,522	15,102	29	58
Other financial liabilities	-	1,773	-	-
Deferred tax liabilities	4,776	4,870	899	899
	<u>76,011</u>	<u>59,745</u>	<u>928</u>	<u>957</u>
Current liabilities				
Loans and borrowings	41,974	41,204	39,988	37,262
Current tax liabilities	12,506	12,904	610	271
Trade and other payables	117,701	126,305	47,543	53,467
Other financial liabilities	2,798	2,941	-	-
Insurance contract provisions	18,404	11,137	-	-
	<u>193,383</u>	<u>194,491</u>	<u>88,141</u>	<u>91,000</u>
Total liabilities	<u>269,394</u>	<u>254,236</u>	<u>89,069</u>	<u>91,957</u>
Total equity and liabilities	<u>1,049,243</u>	<u>1,005,861</u>	<u>736,842</u>	<u>700,508</u>

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

Explanatory notes to the Statement of Financial Position

1. Investment properties increased by S\$42.4 million, largely due to the investment property development expenditure for Raffles Hospital Chongqing and Raffles Hospital Shanghai.
2. Trade and other receivables decreased largely due to decreased receivables from non-controlling interests of the subsidiaries acquired in 2015.
3. The Group's net cash position decreased from S\$19.1 million as at 31 December 2017 to S\$6.9 million as at 30 September 2018. This was mainly attributable to payments for investment properties under development of S\$51.1 million, purchase of property, plant and equipment of S\$16.4 million and payment of dividends of \$15.6m, offset by strong operating cash flows generated by the Group.
4. The increase in loans and borrowings was due to bank loan to finance the construction of Raffles Hospital Chongqing.
5. Trade and other payables decreased largely due to decreased payables to non-controlling interests of the subsidiaries acquired in 2015.
6. The decrease in other financial liabilities was mainly due to the acquisition of non-controlling interests in a subsidiary.
7. Insurance contract provisions increased by S\$7.3 million, mainly due to higher provision for unearned premiums resulting from billings for premium from the Group's insurance business.

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

Amount repayable in one year or less, or on demand

As at 30/09/2018		As at 31/12/2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	41,974	-	41,204

Amount repayable after one year

As at 30/09/2018		As at 31/12/2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	53,713	-	38,000

Details of any collateral

Nil.

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

	Q3 2018	Q3 2017
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	16,197	15,852
<i>Adjustments for :</i>		
Amortisation of intangible assets	261	101
Depreciation of property, plant and equipment	4,468	3,568
Equity-settled share-based payment transactions	278	575
Finance expenses	354	42
Finance income	(226)	(226)
Gain on disposal of property, plant and equipment	-	(4)
Property, plant and equipment written off	4	28
Tax expense	2,891	2,722
	<u>24,227</u>	<u>22,658</u>
<i>Changes in working capital :</i>		
Inventories	(564)	25
Trade and other receivables	1,299	5,464
Trade and other payables	14,003	4,687
Insurance contract provisions	(3,226)	(3,938)
Cash generated from operations	<u>35,739</u>	<u>28,896</u>
Tax paid	(3,694)	(4,242)
Interest paid	(334)	(168)
Net cash from operating activities	<u>31,711</u>	<u>24,486</u>
Cash flows from investing activities		
Acquisition of intangible assets	(337)	-
Interest received	252	240
Proceeds from disposal of property, plant and equipment	1	7
Purchase of property, plant and equipment	(4,510)	(4,316)
Payment for investment properties under development	(24,820)	(30,929)
Net cash used in investing activities	<u>(29,414)</u>	<u>(34,998)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(8,983)	(8,854)
Acquisition of non-controlling interests	(2,413)	-
Proceeds from issue of shares under share option scheme	123	650
Proceeds from bank loans	128,703	45,514
Repayment of bank loans	(124,340)	(24,188)
Net cash (used in) / from financing activities	<u>(6,910)</u>	<u>13,122</u>
Net (decrease) / increase in cash and cash equivalents	(4,613)	2,610
Cash and cash equivalents at 1 July	108,409	112,363
Effect of exchange rate fluctuations on cash held	(1,224)	(40)
Cash and cash equivalents at 30 September	<u>102,572</u>	<u>114,933</u>

Explanatory notes to the Statement of Cash Flows

The Group's cash and cash equivalents decreased from S\$108.4 million as at 30 June 2018 to S\$102.6 million as at 30 September 2018. This was mainly attributed to payment for investment properties under development and capital expenditure for business expansion which amounted to S\$29.3 million, acquisition of non-controlling interests in a subsidiary amounting to S\$2.4 million as well as payment of dividends of S\$9.0 million, offset by strong operating cashflows generated by the Group from its business operations and financing from bank loans.

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 July 2017 as originally presented	339,485	(5,345)	25,044	1,712	(6,615)	345,416	699,697	18,208	717,905
Adoption of SFRS (I) 1	-	4,092	-	-	-	(4,092)	-	-	-
At 1 July 2017 restated	339,485	(1,253)	25,044	1,712	(6,615)	341,324	699,697	18,208	717,905
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	16,397	16,397	(545)	15,852
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	691	-	-	-	-	691	165	856
Total other comprehensive income for the period	-	691	-	-	-	-	691	165	856
Total comprehensive income for the period	-	691	-	-	-	16,397	17,088	(380)	16,708
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	650	-	-	-	-	-	650	-	650
Value of employee services received for issue of share options	-	-	575	-	-	-	575	-	575
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	(8,854)	(8,854)	-	(8,854)
Total contributions by and distributions to owners	650	-	575	-	-	(8,854)	(7,629)	-	(7,629)
Changes in ownership interests in subsidiaries									
Present value of the exercise price of written put options	-	-	-	-	930	-	930	-	930
Total changes in ownership interests in subsidiaries	-	-	-	-	930	-	930	-	930
Total transactions with owners	650	-	575	-	930	(8,854)	(6,699)	-	(6,699)
At 30 September 2017	340,135	(562)	25,619	1,712	(5,685)	348,867	710,086	17,828	727,914

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 July 2018	364,956	(665)	26,994	1,712	(3,520)	372,637	762,114	17,126	779,240
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	16,410	16,410	(213)	16,197
Other comprehensive income									
Foreign currency translation differences - foreign operations	-	(4,716)	-	-	-	-	(4,716)	(599)	(5,315)
Total other comprehensive income for the period	-	(4,716)	-	-	-	-	(4,716)	(599)	(5,315)
Total comprehensive income for the period	-	(4,716)	-	-	-	16,410	11,694	(812)	10,882
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	123	-	-	-	-	-	123	-	123
Value of employee services received for issue of share options	-	-	278	-	-	-	278	-	278
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	-	-	-	(8,983)	(8,983)	-	(8,983)
Total contributions by and distributions to owners	123	-	278	-	-	(8,983)	(8,582)	-	(8,582)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	(2,112)	-	(2,112)	(301)	(2,413)
Present value of the exercise price of written put options	-	-	-	-	722	-	722	-	722
Total changes in ownership interests in subsidiaries	-	-	-	-	(1,390)	-	(1,390)	(301)	(1,691)
Total transactions with owners	123	-	278	-	(1,390)	(8,983)	(9,972)	(301)	(10,273)
At 30 September 2018	365,079	(5,381)	27,272	1,712	(4,910)	380,064	763,836	16,013	779,849

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 July 2017	339,485	25,044	195,635	560,164
Total comprehensive income for the period				
Profit for the period	-	-	52,989	52,989
Total comprehensive income for the period	-	-	52,989	52,989
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	650	-	-	650
Value of employee services received for issue of share options	-	575	-	575
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	(8,854)	(8,854)
Total contributions by and distributions to owners	650	575	(8,854)	(7,629)
At 30 September 2017	340,135	25,619	239,770	605,524
At 1 July 2018	364,956	26,994	214,138	606,088
Total comprehensive income for the period				
Profit for the period	-	-	50,267	50,267
Total comprehensive income for the period	-	-	50,267	50,267
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	123	-	-	123
Value of employee services received for issue of share options	-	278	-	278
Interim dividend paid of 0.5 cent per ordinary share – Cash	-	-	(8,983)	(8,983)
Total contributions by and distributions to owners	123	278	(8,983)	(8,582)
At 30 September 2018	365,079	27,272	255,422	647,773

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

During the third quarter ended 30 September 2018, the Company issued a total of 198,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.26	S\$0.55	S\$0.73	S\$0.78
Number of new shares issued	30,000	60,000	48,000	60,000

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

As at 30 September 2018, there were outstanding options for conversion into 66,328,000 (30 September 2017: 61,108,000) ordinary shares. The Company does not hold any treasury shares as at 30 September 2018 (30 September 2017: Nil).

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

	30/09/2018	31/12/2017
Number of issued shares excluding treasury shares	1,796,781,400	1,771,038,970

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 30 September 2018 (30 September 2017: Nil).

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 September 2018 (30 September 2017: Nil).

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

The financial statements on consolidated results for the third quarter ended 30 September 2018 have not been audited or reviewed.

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

Not applicable.

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

Accounting policies and methods of computation used in the consolidated financial statements for the third quarter ended 30 September 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2018 as disclosed in item 5 below.

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.**

The Group's financial statements for the financial period beginning 1 January 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) issued by the Accounting Standards Council (ASC).

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

Adoption of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative translation losses of \$4,092,000 was reclassified from translation reserves to accumulated profits as at 1 January 2017.

Adoption of SFRS(I)s

In addition, during the current financial year, the Group has adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial period beginning 1 January 2018:

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

Except for SFRS(I) 1 as disclosed above, the adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

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

	Third Quarter		Year-To-Date	
	Q3 2018	Q3 2017	30/09/2018	30/09/2017
Earnings per ordinary share for the year based on 1(a) above :-				
(i) Basic earnings per share [A]	0.91 cents	0.93 cents	2.76 cents	2.77 cents
(ii) Diluted earnings per share [B]	0.91 cents	0.92 cents	2.75 cents	2.76 cents

[A] The calculation of earnings per ordinary share for the quarter and 9 months ended 30 September 2018 were based on weighted average number of shares 1,796,636,030 (Q3 2017: 1,770,595,916) and 1,780,168,788 (9 months ended 30 September 2017: 1,757,608,359) respectively in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and 9 months ended 30 September 2018 were based on weighted average number of shares of 1,800,197,648 (Q3 2017: 1,777,447,344) and 1,784,152,159 (9 months ended 30 September 2017: 1,767,545,217) respectively in issue during the period.

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

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

	Group		Company	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
Net asset value per ordinary share [C]	42.51 cents	41.45 cents	36.05 cents	34.36 cents

[C] The calculation of net asset value per ordinary share was based on 1,796,781,400 shares as at 30 September 2018 (31 December 2017: 1,771,038,970).

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

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

The Group's revenue grew 1.2% from S\$119.6 million in Q3 2017 to S\$121.0 million in Q3 2018. Healthcare Services division recorded a revenue increase of 8.0% while the revenue of Hospital Services division decreased by 3.8%. The increase in revenue from Healthcare Services division was contributed by the addition of new corporate clients and the new contract to provide Air Borders screening services. The decrease in revenue from the Hospital Services division in Q3 2018 was due in part to the refurbishment of the current inpatient facilities.

The Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 8.5% from S\$22.1 million in Q3 2017 to S\$23.9 million for Q3 2018. The net profit after tax attributable to owners of the Company increased marginally to S\$16.4 million in Q3 2018.

The continued strong operating cashflows generated from the Group's business operations contributed to a healthy cash position of S\$102.6 million. This was after accounting for the distribution of interim dividend of S\$9.0 million and payment of S\$24.8 million for investment properties under development.

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

The current financial period's results are in line with the Directors' expectations as disclosed in the Group's Q2 2018 results announcement.

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

RafflesHospital opened a new inpatient ward this quarter catering to the needs of patients under the Emergency Care Collaboration with the Ministry of Health. Continuing renovation works will add more inpatient facilities in the next quarter to support the Group's growth strategies for the coming year.

The construction of *RafflesHospital Chongqing* and procurement of equipment are progressing according to schedule. The Hospital Management team has been in Chongqing preparing for the opening of the hospital. A team of international and local physicians from various specialties has been recruited. *RafflesHospital Chongqing* shall, subject to obtaining all the requisite regulatory approvals, be opened by the end of the year.

Construction of *RafflesHospital Shanghai*, in Pudong, is progressing well. It is slated to open in the second half of 2019.

Based on the current economic conditions and barring unforeseen circumstances, the Directors expect the Group to grow and remain profitable in 2018.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2018.

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the unaudited interim financial statements of the Group and the Company for the third quarter ended 30 September 2018 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
29 October 2018