

FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE HALF YEAR PERIOD ENDED 30 JUNE 2020

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	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%
Revenue	241,420	255,255	(5.4)
Other operating income	16,847	1,032	nm
Inventories and consumables used	(28,281)	(29,789)	(5.1)
Purchased and contracted services	(31,535)	(25,438)	24.0
Staff costs	(136,714)	(130,457)	4.8
Depreciation of property, plant and equipment	(16,622)	(13,023)	27.6
Amortisation of intangible assets	(963)	(835)	15.3
Operating lease expenses	(703)	(3,079)	(77.2)
Impairment loss on trade receivables	(1,810)	(1,754)	3.2
Other operating expenses	(17,357)	(17,116)	1.4
Profit from operating activities	24,282	34,796	(30.2)
Finance income	829	782	6.0
Finance expenses	(2,650)	(919)	188.4
Profit before tax	22,461	34,659	(35.2)
Tax expense	(6,170)	(6,742)	(8.5)
Profit for the period	16,291	27,917	(41.6)
Profit attributable to :			
Owners of the Company	17,244	27,898	(38.2)
Non-controlling interests	(953)	19	nm
Profit for the period	16,291	27,917	(41.6)

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).

	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%
Consolidated statement of comprehensive income			
Profit for the period	16,291	27,917	(41.6)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	4,567	(1,025)	nm
Total comprehensive income for the period	<u>20,858</u>	<u>26,892</u>	(22.4)
Total comprehensive income attributable to:			
Owners of the company	21,600	27,009	(20.0)
Non-controlling interests	(742)	(117)	nm
Total comprehensive income for the period	<u>20,858</u>	<u>26,892</u>	(22.4)

Note: nm denotes not meaningful

Explanatory notes to the Consolidated Statement of Profit or Loss

- Other operating income included government grants such as Job Support Scheme payout, higher wage credit received and property tax rebate.
- More purchased and contracted services were mainly attributed to outsourced recruitment agency costs incurred for supporting COVID-19 projects.
- Higher depreciation expense on plant, property and equipment incurred in 1H 2020 was due to the progressive opening of Raffles Hospital Chongqing throughout FY 2019, resulting in comparatively lower depreciation expense in 1H 2019.
- Decrease in operating lease expenses was mainly due to the expiry of short term leases of less than one year, which were not capitalised during the transition to adopt SFRS(I) 16 Leases in FY 2019.
- Increase in financial expenses was mainly due to higher interest expense incurred on term loan to part finance the development of Raffles Hospital Chongqing.
- Profit from operating activities before taxation includes the following:

Group	1H 2020	1H 2019
	S\$'000	S\$'000
(a) Other operating income		
Foreign exchange gain	183	-
Gain on disposal of property, plant and equipment, net	9	33
Job Support Scheme, wage credit and property tax rebate	15,249	537
(b) Other operating expenses		
Recovery of bad debts	(390)	(237)
Foreign exchange loss	-	137
Property, plant and equipment written off	79	31
Write-off for stock obsolescence	85	87
(c) Adjustment for over / under provision of tax in respect of prior years		
Current tax expenses - (Over) / Under provision in respect of prior years	(1)	(20)

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	
	30/06/2020 S\$'000	31/12/2019 S\$'000	30/06/2020 S\$'000	31/12/2019 S\$'000
Non-current assets				
Property, plant and equipment	702,248	685,585	6,161	7,893
Intangible assets and goodwill	37,950	37,454	927	1,007
Investment properties	311,160	311,160	-	-
Subsidiaries	-	-	610,747	601,775
Deferred tax assets	1,182	1,165	-	-
Trade and other receivables	2,221	3,452	5,234	5,843
Financial assets	42	-	21	-
	<u>1,054,803</u>	<u>1,038,816</u>	<u>623,090</u>	<u>616,518</u>
Current assets				
Inventories	13,247	10,245	2,798	2,354
Trade and other receivables	102,981	83,935	151,072	136,910
Cash and cash equivalents	152,637	151,826	58,308	47,621
	<u>268,865</u>	<u>246,006</u>	<u>212,178</u>	<u>186,885</u>
Total assets	<u>1,323,668</u>	<u>1,284,822</u>	<u>835,268</u>	<u>803,403</u>
Equity attributable to owners of the Company				
Share capital	394,248	393,470	394,248	393,470
Reserves	469,705	447,423	306,589	299,442
	<u>863,953</u>	<u>840,893</u>	<u>700,837</u>	<u>692,912</u>
Non-controlling interests	15,219	15,961	-	-
Total equity	<u>879,172</u>	<u>856,854</u>	<u>700,837</u>	<u>692,912</u>
Non-current liabilities				
Loans and borrowings	150,381	156,559	47,810	47,771
Trade and other payables	18,928	20,926	583	1,157
Finance lease liabilities	23,447	24,516	1,199	2,025
Deferred tax liabilities	6,986	7,014	393	393
	<u>199,742</u>	<u>209,015</u>	<u>49,985</u>	<u>51,346</u>
Current liabilities				
Loans and borrowings	18,047	8,542	8,943	8,484
Current tax liabilities	18,034	14,395	1,792	1,791
Trade and other payables	158,543	162,530	72,906	47,678
Finance lease liabilities	10,342	10,759	805	1,192
Other financial liabilities	2,851	2,754	-	-
Insurance contract provisions	36,937	19,973	-	-
	<u>244,754</u>	<u>218,953</u>	<u>84,446</u>	<u>59,145</u>
Total liabilities	<u>444,496</u>	<u>427,968</u>	<u>134,431</u>	<u>110,491</u>
Total equity and liabilities	<u>1,323,668</u>	<u>1,284,822</u>	<u>835,268</u>	<u>803,403</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\$16.7 million, largely due to the capital development expenditure for Raffles Hospital Shanghai.
2. Inventories increased in tandem with higher business volume for products relating to COVID-19.
3. Trade and other receivables increased mainly due to the increase in trade receivables arising from COVID-19 projects.
4. The Group's net debt position increased from S\$13.3 million as at 31 December 2019 to S\$15.8 million as at 30 June 2020. This was primarily due to increased borrowing for project expenditure incurred for Raffles Hospital Chongqing.
5. Insurance contract provisions increased by S\$17.0 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 30/06/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	18,047	-	8,542

Amount repayable after one year

As at 30/06/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	150,381	-	156,559

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.

	1H 2020 S\$'000	1H 2019 S\$'000
Cash flows from operating activities		
Profit for the period	16,291	27,917
<i>Adjustments for :</i>		
Amortisation of intangible assets	963	835
Depreciation of property, plant and equipment	16,622	13,023
Equity-settled share-based payment transactions	779	585
Finance expenses	2,650	919
Finance income	(829)	(782)
Gain on disposal of property, plant and equipment, net	(9)	(33)
Property, plant and equipment written off	79	31
Tax expense	6,170	6,742
	<u>42,716</u>	<u>49,237</u>
<i>Changes in working capital :</i>		
Inventories	(3,002)	(770)
Trade and other receivables	(18,255)	(9,610)
Trade and other payables	(704)	(903)
Insurance contract provisions	16,964	10,223
Cash generated from operations	<u>37,719</u>	<u>48,177</u>
Tax paid	(2,587)	(6,845)
Net cash from operating activities	<u>35,132</u>	<u>41,332</u>
Cash flows from investing activities		
Interest received	925	763
Proceeds from disposal of property, plant and equipment	2	3
Purchase of property, plant and equipment	(27,740)	(44,929)
Acquisition of intangible assets	(813)	(437)
Payment for investment properties	(3,411)	(7)
Purchase of financial assets	(35)	-
Net cash used in investing activities	<u>(31,072)</u>	<u>(44,607)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	-	(8,814)
Repurchase of own shares	-	(202)
Loan from subsidiary's non-controlling interest	2,367	3,315
Proceeds from issue of shares under share option scheme	778	843
Proceeds from bank loans	24,334	103,051
Repayment of bank loans	(22,907)	(94,366)
Payment of lease liabilities	(5,644)	(3,217)
Interest paid	(2,795)	(2,213)
Lease interest paid	(358)	-
Net cash used in financing activities	<u>(4,225)</u>	<u>(1,603)</u>
Net decrease in cash and cash equivalents	(165)	(4,878)
Cash and cash equivalents at 1 January	150,749	105,984
Effect of exchange rate fluctuations on cash held	938	(285)
Cash and cash equivalents at 30 June	<u>151,522</u>	<u>100,821</u>

Explanatory notes to the Statement of Cash Flows

The cash and cash equivalents for the statement of cash flows presentation excluded an amount of S\$1.1 million (US\$0.8 million) deposited in an escrow account of a subsidiary. The Group's cash and cash equivalents increased by S\$0.8 million from S\$150.7 million as at 31 December 2019 to S\$151.5 million as at 30 June 2020. This was mainly due to strong cashflows generated by the Group from operations, offset by purchase of property, plant and equipment of S\$27.7 million and payment of finance lease liabilities of S\$5.6 million.

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	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 2019	365,332	(6,131)	27,655	16,367	(4,741)	-	402,007	800,489	16,137	816,626
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	27,898	27,898	19	27,917
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	(889)	-	-	-	-	-	(889)	(136)	(1,025)
Total other comprehensive income for the period	-	(889)	-	-	-	-	-	(889)	(136)	(1,025)
Total comprehensive income for the period	-	(889)	-	-	-	-	27,898	27,009	(117)	26,892
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	843	-	-	-	-	-	-	843	-	843
Issue of shares in lieu of cash dividends of 2.00 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	-	-	-	27,156	-	27,156
Own shares acquired	-	-	-	-	-	(202)	-	(202)	-	(202)
Value of employee services received for issue of share options	-	-	585	-	-	-	-	585	-	585
Final dividend paid of 2.00 cents per ordinary share – Cash	-	-	-	-	-	-	(8,814)	(8,814)	-	(8,814)
Final dividend paid of 2.00 cents per ordinary share – Scrip	-	-	-	-	-	-	(27,156)	(27,156)	-	(27,156)
Total contributions by and distributions to owners	27,999	-	585	-	-	(202)	(35,970)	(7,588)	-	(7,588)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	22	-	-	22	-	22
Total changes in ownership interests in subsidiaries	-	-	-	-	22	-	-	22	-	22
Total transactions with owners	27,999	-	585	-	22	(202)	(35,970)	(7,566)	-	(7,566)
At 30 June 2019	393,331	(7,020)	28,240	16,367	(4,719)	(202)	393,935	819,932	16,020	835,952

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	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 2020	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	17,244	17,244	(953)	16,291
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	4,356	-	-	-	-	-	4,356	211	4,567
Total other comprehensive income for the period	-	4,356	-	-	-	-	-	4,356	211	4,567
Total comprehensive income for the period	-	4,356	-	-	-	-	17,244	21,600	(742)	20,858
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	778	-	-	-	-	-	-	778	-	778
Value of employee services received for issue of share options	-	-	779	-	-	-	-	779	-	779
Total contributions by and distributions to owners	778	-	779	-	-	-	-	1,557	-	1,557
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	(97)	-	-	(97)	-	(97)
Total changes in ownership interests in subsidiaries	-	-	-	-	(97)	-	-	(97)	-	(97)
Total transactions with owners	778	-	779	-	(97)	-	-	1,460	-	1,460
At 30 June 2020	394,248	(5,707)	29,833	16,367	(4,802)	(400)	434,414	863,953	15,219	879,172

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	Reserve for own shares S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2019	365,332	27,655	-	262,905	655,892
Total comprehensive income for the period					
Profit for the period	-	-	-	3,329	3,329
Total comprehensive income for the period	-	-	-	3,329	3,329
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	843	-	-	-	843
Issue of shares in lieu of cash dividends of 2.00 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	-	-	-	27,156
Own shares acquired	-	-	(202)	-	(202)
Value of employee services received for issue of share options	-	585	-	-	585
Final dividend paid of 2.00 cents per ordinary share - Cash	-	-	-	(8,814)	(8,814)
Final dividend paid of 2.00 cents per ordinary share - Scrip	-	-	-	(27,156)	(27,156)
Total contributions by and distributions to owners	27,999	585	(202)	(35,970)	(7,588)
At 30 June 2019	393,331	28,240	(202)	230,264	651,633
At 1 January 2020	393,470	29,054	(400)	270,788	692,912
Total comprehensive income for the period					
Profit for the period	-	-	-	6,368	6,368
Total comprehensive income for the period	-	-	-	6,368	6,368
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	778	-	-	-	778
Value of employee services received for issue of share options	-	779	-	-	779
Total contributions by and distributions to owners	778	779	-	-	1,557
At 30 June 2020	394,248	29,833	(400)	277,156	700,837

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 first half ended 30 June 2020, the Company issued a total of 1,313,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.55	S\$0.73	S\$0.78
Number of new shares issued	1,014,000	252,000	47,000

As at 30 June 2020, there were outstanding options for conversion into 68,203,000 (30 June 2019: 62,495,000) ordinary shares. The Company holds 400,000 treasury shares and there is no subsidiary holdings as at 30 June 2020 (30 June 2019: 200,000).

The treasury shares held by the Company as at 30 June 2020 represent 0.02% (30 June 2019: 0.01%) of the total number of issued shares (excluding treasury shares).

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.

	30/06/2020	31/12/2019
Number of issued shares excluding treasury shares	1,829,171,757	1,827,858,757

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.

	Number of treasury shares
Balance as at 1 January 2020 and 30 June 2020	400,000

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 June 2020 (30 June 2019: 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 first half ended 30 June 2020 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 first half ended 30 June 2020 are consistent with those applied in the financial statements for the year ended 31 December 2019, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2020 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 adoption of the new/revised accounting standards and interpretations does not have any material effect 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.

	First Half	
	1H 2020	1H 2019
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	0.94 cents	1.55 cents
(ii) Diluted earnings per share [B]	0.94 cents	1.55 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,828,460,982 (First Half 2019: 1,798,535,723) 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 of 1,829,654,680 (First Half 2019: 1,801,419,050) 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	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Net asset value per ordinary share [C]	47.23 cents	46.00 cents	38.31 cents	37.91 cents

[C] The calculation of net asset value per ordinary share was based on 1,829,171,757 shares as at 30 June 2020 (31 December 2019: 1,827,858,757).

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.

Most businesses, including the normally resilient healthcare sector, had been impacted by COVID-19, which evolved into a global pandemic in 1H 2020. To contain the pandemic in Singapore, the Government declared a 2-month Circuit Breaker (**CB**) in April 2020. The CB required all businesses to shut non-essential activities, including the provision of certain types of clinical services such as dental, health-screening and other non-urgent consultations. Various governments around the world, including our neighbouring countries, closed their borders to contain the pandemic. Some of our clinics in China had also been instructed by the local authorities to shut operations during the peak of the pandemic. **RafflesHospitalChongqing (RHCQ)** served a significantly smaller patient load as the movement of people was curtailed. In Singapore, foreign patients are prohibited from coming to seek care at any hospital.

Against this backdrop, the Group reported weaker revenue of **S\$241.4** million, representing a decrease of **5.4%** (**S\$13.9** million) against the **S\$255.3** million achieved in 1H 2019. As most elective surgeries were deferred since the onset of COVID-19, revenue from the Group's Hospital services registered a decrease of **14.5%** (**S\$21.5** million) to **S\$126.6** million in 1H 2020 from **S\$148.1** million in 1H 2019. Bolstered by activities such as telemedicine, air-border screening and swabbing of foreign workers, as well as providing the needed medical care for the Government's Changi Exhibition Centre-Community Care Facility (**CEC-CCF**) for COVID-19 positive cases, revenue for Healthcare services registered a growth of **6.8%** (**S\$8.0** million) from **S\$116.6** million in 1H 2019 to **S\$124.6** million in 1H 2020.

The Group's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) registered a decrease of **13.9%** (**S\$6.8** million) in 1H 2020 to **S\$41.9** million in 1H 2020 as compared to **S\$48.7** million in 1H 2019. Higher expenditure on purchased services, staff cost and personal protection equipment to support the Group's COVID-19 initiatives, combined with higher depreciation charges and interest expense, resulted in Profit after Tax for 1H 2020, declining by **41.6%** (**S\$11.6** million) to **S\$16.3** million in 1H 2020 from **S\$27.9** million in 1H 2019. Excluding the results of China Healthcare Division (**RafflesHospitalChongqing**, **RafflesChinaClinics** and **RafflesMedicalHongkong**) which had been severely impacted by COVID-19 in 1H 2020, the Group's Profit after Tax would have been **S\$31.2** million as compared to **S\$32.3** million in 1H 2019, a diminution of **3.7%** (**S\$1.1** million).

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)**

The Group continues to generate cash from its operating activities. This enables the Group to fund its expansion through a combination of internally generated cash and borrowings. As at 30 June 2020, the Group had **S\$151.5** million and **S\$168.4** million in cash and debt respectively. The Group's balance sheet remains resilient with very low net gearing of approximately **1.8%** as at 30 June 2020.

For the half year ended 30 June 2020, the Directors are pleased to declare an interim dividend of **0.5** Singapore cents per share.

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 full year 2019 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.**

As Singapore, China and countries across the region begin their recovery from COVID-19, we are beginning to see patients returning to our Hospitals including **RafflesHospitalChongqing** and all our network clinics across the region.

In Singapore, the Group continues to support the Government's COVID-19 initiatives, including providing the necessary medical personnel to support the operation of CEC-CCF, swabbing of foreign workers and air-border screening, as well as other screening operations in support of the Ministry of Trade and Industry and the Ministry of Foreign Affairs. We have also extended our Emergency Care Collaboration agreement with the Ministry of Health (**MOH**) to take in more subsidised patients to help keep public hospital capacity for COVID-19 patients. In this connection, we have also obtained an accredited MOH's licence on Molecular Microbiology services for COVID-19 polymerase chain reaction (**PCR**) and serology testing.

With the relaxation of the CB in June, all the key services of **RafflesMedical** have resumed and patient load is improving. We will continue to invest and develop our digital platform – **RafflesConnect** to serve our patients better. Launched in 2019, **RafflesConnect** was the linchpin of our telemedicine services during COVID-19 as it leverages on the Group's network of doctors and medical professionals to provide comprehensive online services to our patients who were unable to visit a doctor during the CB.

In response to the COVID-19 situation, **RafflesHealthinsurance** had adjusted its marketing initiatives with a focus on digital platforms, so as to create a seamless digital journey for our customers.

Our hospital and clinics in China have resumed operations and patient load is gradually returning to pre-COVID levels. With life and business progressively normalising in China, we will continue to focus on responding to the demand for high quality healthcare amongst affluent Chinese people and the large pool of expatriate employees in the country.

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)**

Preparations are on track for the opening of *RafflesHospital Shanghai*. Currently, fitting-out works and recruitment are in progress. In view of the COVID-19 situation, the actual date of commencement of operations will depend on Shanghai's return to normalcy.

Based on the current conditions, and barring unforeseen circumstances, including the deterioration of the COVID-19 situation, the Directors expects the Group to remain profitable for the rest of the year.

11. **Dividend**

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

The date of payment of the interim dividend will be announced at a later date.

(d) Record date

The record date 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.

- 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 first half ended 30 June 2020 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
27 July 2020