
UPDATE ON COVID-19 PANDEMIC AND THE GROUP'S RESPONSE

1. **Impact of Covid-19**

On 13 March 2020, the Group announced that with effect from this financial year ending 31 December 2020 (**FY2020**), it will adopt half-yearly announcements instead of quarterly announcements.

Accordingly, for FY2020, the next financial results announcement will be for the half-year ending 30 June 2020.

The Group also mentioned that it will continue to proactively engage with stakeholders on any relevant material developments, between the announcements of half-yearly financial statements. The impact of Covid-19 on the Company's business merits an update.

The Covid-19 outbreak has evolved into a global pandemic. Neighbourhoods, cities, provinces and even whole countries have been locked down.

Most businesses have been affected adversely to varying degrees. Even the normally resilient healthcare sector has not been spared. The Group operates hospitals and clinics in Singapore, 8 cities in China and 5 other Asian cities.

Some of our clinics in China had been instructed by the local authorities to close. **RafflesHospitalChongqing** has to operate with 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.

2.0 **Mitigation Responses**

To overcome these limitations, our physicians and nurses in China and Singapore continue to serve our patients through telemedicine applications and delivery of medications, where appropriate.

In Singapore, our staff responded on short notice to perform temperature screening duties at the Airports. Lately, as Covid-19 spreads amongst the foreign workers, our staff redeploy themselves from clinics to treat foreign workers as well as to swab them for Covid-19 viruses. The need for more community isolation facilities saw our staff helping to care for foreign workers who are Covid-19 positive.

Our Specialists colleagues and nurses at **RafflesHospital** continue to serve private patients, but also extended the Emergency Care Collaboration with the Ministry of Health to take in more public subsidised patients.

In the meantime, all physicians and staff of the Group are reminded to reduce waste in the system, use our resources thoughtfully so as to "**Cut Costs to Save Jobs**".

The Group has also donated face masks to other frontline healthcare workers as well as charitable organisations.

3.0 Unaudited Financial Performance for the First Quarter ended 31 March 2020

The Group recorded a revenue of S\$128.0 million for Q1 2020 as compared to S\$128.3 million for Q1 2019, a marginal reduction of 0.3%. It also achieved an EBITDA (Earnings before interest, depreciation, taxes and amortisation) of S\$20.6 million for Q1 2020 as compared with an EDITDA of S\$23.6 million for Q1 2019, a reduction of 12.7%.

The Group's Profit after Tax decreased 45.4% from S\$13.7 million in Q1 2019 to S\$7.5 million in Q1 2020. Excluding the results of China Healthcare Division (*RafflesHospitalChongqing*, *RafflesChinaClinics* and *RafflesMedicalHongkong*), which had been severely impacted by Covid-19 pandemic, the Group's Profit after Tax would have been S\$15.1 million as compared to S\$15.9 million in Q1 2019, a diminution of 5.1%.

The Group's balance sheet remains resilient with a very low net gearing of approximately 3% as at 31 March 2020. There are also unutilised bank facilities of more than S\$200 million available to the Group.

4.0 Looking Forward

As China begins its recovery, we are happy to see walk-in patients returning to our *RafflesHospitalChongqing* and clinics in Beijing, Nanjing and Shanghai.

In Singapore, we look forward to the reduction of Covid-19 cases amongst the foreign workers and the end of the lockdown on 1st June 2020, when we can serve our patients face to face again.

By Order of the Board

Kimmy Goh
Company Secretary
27 April 2020