

## Financial Statement For The Third Quarter Ended 30 September 2009

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

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	Third Quarter			Year-To-Date		
	Q3 2009 S\$'000	Q3 2008 S\$'000	Change %	30/9/2009 S\$'000	30/9/2008 S\$'000	Change %
<b>Revenue</b>	55,411	51,309	8.0	160,337	149,345	7.4
Other operating income	101	55	83.6	176	494	(64.4)
Inventories and consumables used	(6,128)	(5,398)	13.5	(17,978)	(16,890)	6.4
Purchased and contracted services	(3,757)	(3,338)	12.6	(11,744)	(9,858)	19.1
Staff costs	(26,821)	(25,081)	6.9	(77,260)	(73,693)	4.8
Depreciation of property, plant and equipment	(1,737)	(1,665)	4.3	(5,183)	(4,865)	6.5
Operating lease expenses	(1,306)	(1,146)	14.0	(3,933)	(3,615)	8.8
Other operating expenses	(3,865)	(4,504)	(14.2)	(11,865)	(12,854)	(7.7)
<b>Profit from operating activities</b>	11,898	10,232	16.3	32,550	28,064	16.0
Finance expenses	(99)	(158)	(37.3)	(329)	(467)	(29.6)
<b>Profit before income tax</b>	11,799	10,074	17.1	32,221	27,597	16.8
Income tax expense	(2,301)	(1,860)	23.7	(6,085)	(5,521)	10.2
<b>Profit for the period</b>	9,498	8,214	15.6	26,136	22,076	18.4
<b>Attributable to: -</b>						
Owners of the Company	9,453	8,188	15.4	26,027	22,008	18.3
Minority interest	45	26	73.1	109	68	60.3
<b>Profit for the period</b>	9,498	8,214	15.6	26,136	22,076	18.4

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## 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Statement of Comprehensive Income	Third Quarter			Year-To-Date		
	Q3 2009 S\$'000	Q3 2008 S\$'000	Change %	30/9/2009 S\$'000	30/9/2008 S\$'000	Change %
<b>Profit for the period</b>	9,498	8,214	15.6	26,136	22,076	18.4
<b>Other comprehensive income</b>						
Translation differences relating to financial statements of foreign subsidiaries	136	123	10.6	81	216	(62.5)
<b>Total comprehensive income for the period</b>	<u>9,634</u>	<u>8,337</u>	15.6	<u>26,217</u>	<u>22,292</u>	17.6
<b>Attributable to: -</b>						
Owners of the Company	9,589	8,311	15.4	26,108	22,224	17.5
Minority interest	45	26	73.1	109	68	60.3
<b>Profit for the period</b>	<u>9,634</u>	<u>8,337</u>	15.6	<u>26,217</u>	<u>22,292</u>	17.6

### Explanatory notes to the Income Statement

- Staff costs increased in tandem with higher volume of business in the Group. However, the Group has been able to achieve a lower rate of increase for staff costs in Q3 2009 as compared with the growth in revenue.
- Inventories and consumables used increased due to higher costs as a result of precautionary measures to curb the spread of H1N1 Influenza as well as increased sales of flu-related medical supplies and services.
- More purchased and contracted services were mainly attributed to higher insurance claims resulting from growth in the Group's insurance premiums.
- Other operating expenses decreased mainly due to lower utilities cost arising from decrease in fuel charges and reduction of insurance commission expenses and bank charges.
- Profit from ordinary activities before taxation** includes the following: -

Group	Third Quarter		Year-To-Date	
	Q3 2009 S\$'000	Q3 2008 S\$'000	30/9/2009 S\$'000	30/9/2008 S\$'000
<b>a Other operating income</b>				
Exchange gain	68	-	58	91
Interest income from fixed deposits	33	55	118	176
Gain on disposal of equity securities held for trading	-	-	-	227
<b>b Other operating expenses</b>				
Allowance for doubtful receivables	312	397	939	1,028
Amortisation of intangible assets	13	30	38	55
Exchange loss	-	58	-	58
Property, plant and equipment written off	-	5	118	31
Loss on disposal of property, plant and equipment	-	-	17	-
Net change in fair value of equity securities held for trading	-	-	-	44
6. The adjustment for under and overprovision of tax in respect of prior periods are as follows: -				
<b>Deferred tax expense</b>				
Underprovision in respect of prior periods	-	-	88	15
<b>Current tax expense</b>				
(Over)/Underprovision in respect of prior periods	-	-	(217)	2

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

	Group		Company	
	30/9/2009 S\$'000	31/12/2008 S\$'000	30/9/2009 S\$'000	31/12/2008 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	147,596	150,251	3,587	3,273
Intangible assets	217	255	152	152
Investment properties	84,400	84,400	-	-
Subsidiaries	-	-	197,629	197,165
Membership rights, at cost	164	164	93	93
Deferred tax assets	591	1,179	-	-
	<u>232,968</u>	<u>236,249</u>	<u>201,461</u>	<u>200,683</u>
<b>Current assets</b>				
Inventories	5,198	4,750	1,701	1,544
Trade and other receivables	26,800	24,901	15,639	11,807
Cash and cash equivalents	59,247	44,501	44,888	30,788
	<u>91,245</u>	<u>74,152</u>	<u>62,228</u>	<u>44,139</u>
<b>Total assets</b>	<u>324,213</u>	<u>310,401</u>	<u>263,689</u>	<u>244,822</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	172,040	171,347	172,040	171,347
Reserves	64,917	50,578	36,092	25,311
	<u>236,957</u>	<u>221,925</u>	<u>208,132</u>	<u>196,658</u>
<b>Minority interests</b>	335	321	-	-
<b>Total equity</b>	<u>237,292</u>	<u>222,246</u>	<u>208,132</u>	<u>196,658</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,522	742	209	121
Interest-bearing liabilities	20,000	22,000	-	-
	<u>21,522</u>	<u>22,742</u>	<u>209</u>	<u>121</u>
<b>Current liabilities</b>				
Trade and other payables	52,074	51,503	51,539	42,637
Interest-bearing liabilities	4,441	4,614	2,246	2,234
Current tax payable	8,884	9,296	1,563	3,172
	<u>65,399</u>	<u>65,413</u>	<u>55,348</u>	<u>48,043</u>
<b>Total liabilities</b>	<u>86,921</u>	<u>88,155</u>	<u>55,557</u>	<u>48,164</u>
<b>Total equity and liabilities</b>	<u>324,213</u>	<u>310,401</u>	<u>263,689</u>	<u>244,822</u>

## Explanatory notes to the Balance Sheet

1. The Group has a net cash position of S\$34.8 million as of 30 September 2009 as compared to that of S\$17.9 million in 2008. Strong operating cashflows generated by the Group in line with higher volume of business in the Group have resulted in improvements in cash position.
2. Trade and other receivables increased in tandem with higher volume of business in the Group.

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

#### Amount repayable in one year or less, or on demand

As at 30/9/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
Nil	S\$4,441,130	Nil	S\$4,614,224

#### Amount repayable after one year

As at 30/9/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
Nil	S\$20,000,000	Nil	S\$22,000,000

#### Details of any collateral

Nil.

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

	Q3 2009	Q3 2008
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	11,799	10,074
Adjustments for: -		
Amortisation of intangible assets	13	30
Depreciation of property, plant and equipment	1,737	1,665
Equity-settled share-based payment transactions	445	311
Exchange (gain) / loss	(68)	58
Finance expenses	99	158
Interest income from fixed deposits	(33)	(55)
Property, plant and equipment written off	-	5
<b>Operating profit before working capital changes</b>	<u>13,992</u>	<u>12,246</u>
Changes in working capital: -		
Inventories	45	(328)
Trade and other receivables	(168)	3,418
Trade and other payables	1,444	1,712
Cash generated from operations	<u>15,313</u>	<u>17,048</u>
Income taxes paid	(2,086)	(1,128)
Interest paid	(99)	(158)
<b>Cash flows generated from operating activities</b>	<u>13,128</u>	<u>15,762</u>
<b>Investing activities</b>		
Interest received	33	70
Proceeds from sale of property, plant & equipment	42	-
Purchase of property, plant and equipment	(1,085)	(1,647)
<b>Cash flows used in generated from investing activities</b>	<u>(1,010)</u>	<u>(1,577)</u>
<b>Financing activities</b>		
Dividends paid to owners of the Company	(5,188)	(5,175)
Proceeds from issue of shares under share option scheme	365	53
Repayment of bank loan	(1,000)	(1,000)
<b>Cash flows used in financing activities</b>	<u>(5,823)</u>	<u>(6,122)</u>
<b>Net increase in cash and cash equivalents</b>	6,295	8,063
Cash and cash equivalents at beginning of the period	52,741	26,637
Effect of exchange rate changes on balances held in foreign currency	16	(12)
<b>Cash and cash equivalents at end of the period</b>	<u>59,052</u>	<u>34,688</u>
Cash and cash equivalents at end of the period include the following: -		
Cash & fixed deposits	59,247	34,959
Bank overdrafts	(195)	(271)
	<u>59,052</u>	<u>34,688</u>

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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.

<b>Group</b>	Share capital S\$'000	Currency translation reserve S\$'000	Share option reserve S\$'000	Accumul-ated profits S\$'000	Total attributable to owners of the Company S\$'000	Minority interests S\$'000	Total equity S\$'000
<b>At 1 July 2008</b>	171,225	(322)	3,191	34,544	208,638	250	208,888
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	53	-	-	-	53	-	53
Value of employee services received for issue of share options	-	-	311	-	311	-	311
Interim dividend paid of 1.0 cent per ordinary share	-	-	-	(5,175)	(5,175)	-	(5,175)
Total comprehensive income for the period	-	123	-	8,188	8,311	26	8,337
<b>At 30 September 2008</b>	171,278	(199)	3,502	37,557	212,138	276	212,414
<b>At 1 July 2009</b>	171,675	(411)	4,589	55,893	231,746	290	232,036
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	365	-	-	-	365	-	365
Value of employee services received for issue of share options	-	-	445	-	445	-	445
Interim dividend paid of 1.0 cent per ordinary share	-	-	-	(5,188)	(5,188)	-	(5,188)
Total comprehensive income for the period	-	136	-	9,453	9,589	45	9,634
<b>At 30 September 2009</b>	172,040	(275)	5,034	60,158	236,957	335	237,292

# RafflesMedicalGroup

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).

<b>Company</b>	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<b>At 1 July 2008</b>	171,225	1,664	22,924	195,813
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	53	-	-	53
Value of employee services received for issue of share options	-	177	-	177
Interim dividend paid of 1.0 cent per ordinary share	-	-	(5,175)	(5,175)
Total comprehensive income for the period	-	-	1,245	1,245
<b>At 30 September 2008</b>	171,278	1,841	18,994	192,113
<b>At 1 July 2009</b>	171,675	4,589	34,412	210,676
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	365	-	-	365
Value of employee services received for issue of share options	-	445	-	445
Interim dividend paid of 1.0 cent per ordinary share	-	-	(5,188)	(5,188)
Total comprehensive income for the period	-	-	1,834	1,834
<b>At 30 September 2009</b>	172,040	5,034	31,058	208,132

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

During the third quarter ended 30 September 2009, the Company issued 628,000 new shares, upon the exercise of options under the Raffles Medical Group (2000) Share Option Scheme.

Exercise price per share	S\$0.32	S\$0.23	S\$0.42	S\$0.71	S\$1.15	S\$1.24
Number of new shares issued	200,000	136,000	10,000	142,000	100,000	40,000

As at 30 September 2009, there were outstanding options for conversion into 22,056,000 (30 September 2008: 16,418,000) ordinary 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.**

	<b>30/9/2009</b>	<b>31/12/2008</b>
Number of issued shares excluding treasury shares	519,107,393	517,725,393

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2009 (31 December 2008 : Nil).

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

The financial statement on consolidated results for the third quarter ended 30 September 2009 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 quarter ended 30 September 2009 are consistent with those applied in the financial statements for the year ended 31 December 2008.

**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.**

Not applicable.

**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 2009	Q3 2008	30/9/2009	30/9/2008
Earnings per ordinary share for the period based on 1(a) above :-				
(i) Based on existing issued share capital [A]	1.82 cents	1.58 cents	5.02 cents	4.26 cents
(ii) On a fully diluted basis [B]	1.80 cents	1.57 cents	4.98 cents	4.20 cents

[A] The calculations of earnings per ordinary share for the quarter and 9 months ended 30 September 2009 were based on weighted average shares of 518,795,371 (Q3 2008: 517,466,295) and 518,383,268 (9 months ended 30 September 2008: 516,611,083), respectively in issue during the period.

[B] The calculations of earnings per ordinary share (on a fully diluted basis) for the quarter and 9 months ended 30 September 2009 were based on weighted average shares of 525,498,165 (Q3 2008: 523,137,972) and 522,791,730 (9 months ended 30 September 2008: 524,267,913), 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	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
Net asset value per ordinary share [C]	45.65 cents	42.87 cents	40.09 cents	37.99 cents

[C] The calculation of net asset value per ordinary share is based on 519,107,393 shares as at 30 September 2009 (31 December 2008 : 517,725,393).

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

The Group achieved another record quarterly revenue of **S\$55.4** million in Q3 2009 as compared to **S\$51.3** million for the corresponding quarter last year, an increase of **8.0%**. All divisions continued to contribute positively to the growth of the Group with revenue from Healthcare and Hospital Services divisions increasing **9.3%** and **8.1%** respectively.

The Group's operating profit increased by **16.3%** from **S\$10.2** million in Q3 2008 to **S\$11.9** million in Q3 2009. This is attributed to improved operating efficiencies, higher patient load and operating leverage.

As at 30 September 2009, the Group had a healthy net cash position of **S\$34.8** million resulting from the continued strong cash flow generated from operating activities of **S\$13.1** million for Q3 2009 and after distributing interim dividends of **S\$5.2** million.

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 2009 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.**

Singapore technically emerged out of recession and the global financial crisis seems to be more stabilised. However, the recovery of the real economy remains fragile and downside risks remain.

**RafflesHospital** will continue its focus on quality and value-driven curative healthcare services. With its well-diversified foreign patient base and growth in specialists and competencies, the hospital is expected to perform well and contribute to the Group's performance.

**RafflesMedical** will also continue to contribute to the Group's performance, with more services and cost-effective solutions to their growing corporate clients and individual patients.

With our sound business fundamentals, strong operating cash flows and a healthy balance sheet, the Directors expect the Group to perform well for the rest of 2009.

**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.**

Not applicable.

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

The Board has confirmed that to the best of its knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the third quarter 30 September 2009 to be false or misleading.

**BY ORDER OF THE BOARD**

**Tay Kim Choon Kimmy**  
**Company Secretary**  
**5 November 2009**