

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

**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.

<b>Consolidated Income Statement</b>	<b>First Quarter</b>		
	<b>Q1 2015</b>	<b>Q1 2014</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	95,023	87,556	8.5
Other operating income	1,407	754	86.6
Inventories and consumables used	(10,423)	(10,088)	3.3
Purchased and contracted services	(8,890)	(9,678)	(8.1)
Staff costs	(48,286)	(41,921)	15.2
Depreciation of property, plant and equipment	(2,956)	(2,143)	37.9
Operating lease expenses	(2,293)	(2,011)	14.0
Other operating expenses	(5,919)	(5,258)	12.6
<b>Profit from operating activities</b>	17,663	17,211	2.6
Finance income	272	232	17.2
Finance expenses	(19)	(13)	46.2
<b>Profit before tax</b>	17,916	17,430	2.8
Tax expense	(2,866)	(2,789)	2.8
<b>Profit for the period</b>	15,050	14,641	2.8
<b>Attributable to :</b>			
Owners of the Company	14,979	14,560	2.9
Non-controlling interests	71	81	(12.3)
<b>Profit for the period</b>	15,050	14,641	2.8

- 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).

	First Quarter		
	Q1 2015	Q1 2014	Change
	S\$'000	S\$'000	%
<b>Consolidated statement of comprehensive income</b>			
<b>Profit for the period</b>	15,050	14,641	2.8
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences - foreign operations	(14)	(80)	(82.5)
<b>Total comprehensive income for the period</b>	<u>15,036</u>	<u>14,561</u>	3.3
<b>Total comprehensive income attributable to:</b>			
Owners of the company	14,965	14,480	3.3
Non-controlling interests	71	81	(12.3)
<b>Total comprehensive income for the period</b>	<u>15,036</u>	<u>14,561</u>	3.3

**Explanatory notes to the Consolidated Income Statement**

- The increase in staff costs was higher due to the recruitment of more doctors, specialists, nurses and ancillary staff for new and expanded operations at Raffles Hospital and upcoming new medical centres at Shaw Centre and Raffles Holland V as well as additional bonus to nurses this quarter.
- The higher depreciation was due to the conversion in Q1 2015 of previously leased space to specialist centres to meet the growing patient demand, as well as the purchase of more medical equipment.
- Higher operating lease expenses were in line with more new leases resulting from the expansion of clinics.
- Increased advertising and promotional expenses accounted mainly for the higher other operating expenses in Q1 2015.
- Profit from operating activities before taxation includes the following:

Group	First Quarter	
	Q1 2015	Q1 2014
	S\$'000	S\$'000
<b>(a) Other operating expenses</b>		
Allowance for doubtful receivables	472	230
Property, plant and equipment written off	7	4
Write-off for stock obsolescence	47	23

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.

	Group		Company	
	31/03/2015 S\$'000	31/12/2014 S\$'000	31/03/2015 S\$'000	31/12/2014 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	228,766	228,209	5,538	5,775
Intangible assets	164	164	93	93
Investment properties	272,348	228,300	-	-
Subsidiaries	-	-	423,511	421,346
Trade and other receivables	2,602	2,694	1,486	1,614
	<u>503,880</u>	<u>459,367</u>	<u>430,628</u>	<u>428,828</u>
<b>Current assets</b>				
Inventories	9,080	8,526	2,261	2,159
Trade and other receivables	48,016	36,955	17,100	17,250
Cash and cash equivalents	120,893	150,179	56,923	93,604
	<u>177,989</u>	<u>195,660</u>	<u>76,284</u>	<u>113,013</u>
<b>Total assets</b>	<u>681,869</u>	<u>655,027</u>	<u>506,912</u>	<u>541,841</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	255,789	254,257	255,789	254,257
Reserves	300,399	284,543	179,805	177,070
	<u>556,188</u>	<u>538,800</u>	<u>435,594</u>	<u>431,327</u>
<b>Non-controlling interests</b>	1,593	1,472	-	-
<b>Total equity</b>	<u>557,781</u>	<u>540,272</u>	<u>435,594</u>	<u>431,327</u>
<b>Non-current liabilities</b>				
Trade and other payables	5,342	6,913	164	174
Deferred tax liabilities	2,979	2,979	523	523
	<u>8,321</u>	<u>9,892</u>	<u>687</u>	<u>697</u>
<b>Current liabilities</b>				
Trade and other payables	69,785	74,486	62,616	102,043
Insurance contract provisions	26,084	11,094	-	-
Interest-bearing liabilities	6,664	6,391	6,664	6,391
Current tax liabilities	13,234	12,892	1,351	1,383
	<u>115,767</u>	<u>104,863</u>	<u>70,631</u>	<u>109,817</u>
<b>Total liabilities</b>	<u>124,088</u>	<u>114,755</u>	<u>71,318</u>	<u>110,514</u>
<b>Total equity and liabilities</b>	<u>681,869</u>	<u>655,027</u>	<u>506,912</u>	<u>541,841</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\$44.0 million due to the investment properties development expenditure for Raffles Hospital Extension and Raffles Holland V.
2. Trade and other receivables increased mainly due to higher billings for premium from the Group's insurance business.
3. The Group's net cash position decreased from S\$143.8 million as at 31 December 2014 to S\$114.2 million as at 31 March 2015. This was mainly attributable to the payments for investment properties under development amounting to S\$44.0 million, offset by strong operating cash flows generated by the Group.
4. Trade and other payables decreased mainly due to payment of bonuses to the employees of the Group.
5. Insurance contract provisions increased by S\$15.0 million, mainly due to higher provision for unearned premiums resulting from higher 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**

<b>As at 31/03/2015</b>		<b>As at 31/12/2014</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	6,664	-	6,391

**Amount repayable after one year**

Nil.

**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.

	Q1 2015	Q1 2014
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	15,050	14,641
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	2,956	2,143
Equity-settled share-based payment transactions	891	661
Finance expenses	19	13
Finance income	(272)	(232)
Property, plant and equipment written off	7	4
Tax expense	2,866	2,789
	<u>21,517</u>	<u>20,019</u>
<i>Changes in working capital :-</i>		
Inventories	(554)	30
Trade and other receivables	(11,013)	(15,159)
Trade and other payables	(6,272)	(2,035)
Insurance contract provisions	14,990	13,456
Cash generated from operations	18,668	16,311
Tax paid	(2,523)	(495)
<b>Net cash from operating activities</b>	<u>16,145</u>	<u>15,816</u>
<b>Cash flows from investing activities</b>		
Interest received	315	327
Purchase of property, plant and equipment	(3,477)	(185,485)
Payment for investment properties under development	(43,984)	-
<b>Net cash used in investing activities</b>	<u>(47,146)</u>	<u>(185,158)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under share option scheme	1,532	1,258
Proceeds from issue of shares to non-controlling interests of subsidiary	50	-
Proceeds from bank loans	13,322	15,692
Repayment of bank loans	(13,304)	(15,192)
<b>Net cash from financing activities</b>	<u>1,600</u>	<u>1,758</u>
<b>Net decrease in cash and cash equivalents</b>	(29,401)	(167,584)
Cash and cash equivalents at 1 January	150,179	265,907
Effect of exchange rate fluctuations on cash held	115	(16)
<b>Cash and cash equivalents at 31 March</b>	<u>120,893</u>	<u>98,307</u>

**Explanatory note to the Statement of Cash Flows**

The Group's cash and cash equivalents decreased by S\$29.3 million from S\$150.2 million as at 31 December 2014 to S\$120.9 million as at 31 March 2015. This was mainly attributed to the payments for investment properties under development amounting to S\$44.0 million, offset by strong operating cash flows generated by the Group.

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	Currency translation reserve S\$'000	Share option 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
<b>At 1 January 2014</b>	228,160	(115)	15,521	228,938	472,504	1,289	473,793
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	14,560	14,560	81	14,641
<b>Other comprehensive income</b>							
Foreign currency translation differences - foreign operations	-	(80)	-	-	(80)	-	(80)
<b>Total comprehensive income for the period</b>	-	(80)	-	14,560	14,480	81	14,561
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	1,258	-	-	-	1,258	-	1,258
Value of employee services received for issue of share options	-	-	661	-	661	-	661
<b>Total contributions by and distributions to owners</b>	1,258	-	661	-	1,919	-	(1,919)
<b>At 31 March 2014</b>	229,418	(195)	16,182	243,498	488,903	1,370	490,273

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	Currency translation reserve S\$'000	Share option 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
<b>At 1 January 2015</b>	254,257	(221)	18,884	265,880	538,800	1,472	540,272
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	14,979	14,979	71	15,050
<b>Other comprehensive income</b>							
Foreign currency translation differences - foreign operations	-	(14)	-	-	(14)	-	(14)
<b>Total comprehensive income for the period</b>	-	(14)	-	14,979	14,965	71	15,036
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	1,532	-	-	-	1,532	-	1,532
Issue of shares to non-controlling interests	-	-	-	-	-	50	50
Value of employee services received for issue of share options	-	-	891	-	891	-	891
<b>Total contributions by and distributions to owners</b>	1,532	-	891	-	2,423	50	2,473
<b>At 31 March 2015</b>	255,789	(235)	19,775	280,859	556,188	1,593	557,781

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
<b>At 1 January 2014</b>	228,160	15,521	136,696	380,377
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	2,290	2,290
<b>Total comprehensive income for the period</b>	-	-	2,290	2,290
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	1,258	-	-	1,258
Value of employee services received for issue of share options	-	661	-	661
<b>Total contributions by and distributions to owners</b>	1,258	661	-	1,919
<b>At 31 March 2014</b>	229,418	16,182	138,986	384,586
<b>At 1 January 2015</b>	254,257	18,884	158,186	431,327
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,844	1,844
<b>Total comprehensive income for the period</b>	-	-	1,844	1,844
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	1,532	-	-	1,532
Value of employee services received for issue of share options	-	891	-	891
<b>Total contributions by and distributions to owners</b>	1,532	891	-	2,423
<b>At 31 March 2015</b>	255,789	19,775	160,030	435,594



**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 first quarter ended 31 March 2015, the Company issued a total of 864,000 new ordinary shares, upon the exercise of options under the Raffles Medical Group Share Option Schemes.

Exercise price per share	S\$0.42	S\$0.78	S\$1.15	S\$1.24	S\$1.66	S\$2.20	S\$2.34	S\$3.28
Number of new shares issued	30,000	130,000	30,000	16,000	372,000	134,000	50,000	102,000

On 1 April 2015, options to subscribe for 5,000,000 ordinary shares at an exercise price of S\$3.93 were granted to 588 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 March 2015, there were outstanding options for conversion into 20,840,000 (31 March 2014: 19,824,000) ordinary shares. The Company does not hold any treasury shares as at 31 March 2015 (31 March 2014: 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.**

	31/03/2015	31/12/2014
Number of issued shares excluding treasury shares	565,024,834	564,160,834

**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 31 March 2015 (31 December 2014: 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 quarter ended 31 March 2015 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 quarter ended 31 March 2015 are consistent with those applied in the financial statements for the year ended 31 December 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2015. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

**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.**

Please refer to Item 4 above.

**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 Quarter	
	Q1 2015	Q1 2014
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Basic earnings per share [A]	2.65 cents	2.63 cents
(ii) Diluted earnings per share [B]	2.62 cents	2.60 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 564,629,590 (Q1 2014: 554,336,373) 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 571,441,868 (Q1 2014: 560,439,945) 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	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Net asset value per ordinary share [C]	98.44 cents	95.50 cents	77.09 cents	76.45 cents

[C] The calculation of net asset value per ordinary share was based on 565,024,834 shares as at 31 March 2015 (31 December 2014: 564,160,834).

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.

Revenue for the Group showed a healthy growth of **8.5%** from **S\$87.6** million in Q1 2014 to **S\$95.0** million in Q1 2015. All divisions contributed positively to the growth of the Group with revenue from Healthcare and Hospital Services divisions increasing **13.7%** and **6.2%** respectively.

Profit from operating activities increased by **2.6%** to **S\$17.7** million in Q1 2015 from **S\$17.2** million in Q1 2014. The increased profit was attributable to higher revenue from increased patient load offset by higher staff costs and depreciation expenses. The higher increase in staff costs was due to the recruitment of more doctors, specialists, nurses and ancillary staff for new and expanded operations at **RafflesHospital** and upcoming new medical centres at Shaw Centre and **Raffles Holland V**, as well as additional bonus paid to nurses this quarter. The Group's net profit after tax increased by **2.8%** to **S\$15.1** million in Q1 2015 from **S\$14.6** million in Q1 2014.

With strong cashflow from operations, the Group is in a healthy cash position of **S\$120.9** million as at 31 March 2015. This is after accounting for payment of **S\$44.0** million for investment properties under development and **S\$3.5** million in capital expenditure.

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 2014 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* will continue to grow with the expansion of the Cardiology, Surgery, Urology, ENT and Cancer clusters and the introduction of bone marrow transplant services. With the expanded centres and continued introduction of new specialist services to meet patient demand, *RafflesHospital* is on track to further increase the breadth and depth of services to our patients.

*RafflesHospital Extension* commenced construction works in December 2014. When completed in the first quarter of 2017, the integrated medical complex will offer significant scope for *RafflesHospital's* expansion and growth over the next 10 years.

*Raffles Holland V* is currently on track to be completed in the first quarter of 2016. Approximately 9,000 square feet will be dedicated to the expansion of the Group's medical and specialist services to cater to both local and expatriate patients. The remaining commercial space will be leased to DBS Bank and other tenants offering specialty lifestyle, food and beverage and retail services.

*RafflesMedical* and *RafflesDental* are expected to continue to benefit from the government initiated Community Health Assist Scheme (CHAS), Pioneer Generation (PG) package and the Flexi-Medisave scheme. Most of the Group's clinics are accredited to serve Singaporeans under CHAS and PG. The opening of the new multi-service centre at Shaw Centre in June 2015, and a new GP clinic at Eastpoint Mall will also offer more convenience to our patients and corporate clients.

The more measured pace of economic growth in the region and Singapore may have a dampening effect on healthcare demand. However, with the planned completion of the *Raffles Holland V* and *RafflesHospital Extension* projects, the Group is well positioned for the future. The Group will continue to be vigilant and to proactively respond to new opportunities that may arise.

Based on current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue to grow for the rest of the year.

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/recommended, a statement to that effect.**

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

**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 quarter ended 31 March 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Kimmy Goh**  
**Company Secretary**  
**27 April 2015**