

**Financial Statement Announcement For The First Quarter Ended 31 March 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	First Quarter		
	Q1 2009 S\$'000	Q1 2008 S\$'000	Change %
<b>Revenue</b>	51,016	47,410	7.6
Other operating income	52	183	(71.6)
Inventories and consumables used	(5,426)	(5,684)	(4.5)
Purchased and contracted services	(3,804)	(3,254)	16.9
Staff costs	(24,930)	(23,939)	4.1
Depreciation of property, plant and equipment	(1,739)	(1,566)	11.0
Operating lease expenses	(1,247)	(1,081)	15.4
Other operating expenses	(4,252)	(4,069)	4.5
<b>Profit from operating activities</b>	<b>9,670</b>	<b>8,000</b>	<b>20.9</b>
Finance expenses	(129)	(151)	(14.6)
<b>Profit before income tax</b>	<b>9,541</b>	<b>7,849</b>	<b>21.6</b>
Income tax expense	(1,707)	(1,734)	(1.6)
<b>Profit for the period</b>	<b>7,834</b>	<b>6,115</b>	<b>28.1</b>
<b>Attributable to:</b>			
Owners of the Company	7,792	6,103	27.7
Minority interest	42	12	250.0
<b>Profit for the period</b>	<b>7,834</b>	<b>6,115</b>	<b>28.1</b>

# RafflesMedicalGroup

## 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	First Quarter		
	Q1 2009 S\$'000	Q1 2008 S\$'000	Change %
<b>Profit for the period</b>	7,834	6,115	28.1
<b>Other comprehensive income</b>			
Translation differences relating to financial statements of foreign subsidiaries	(504)	238	n/m
<b>Total comprehensive income for the period</b>	<u>7,330</u>	<u>6,353</u>	15.4
<b>Attributable to: -</b>			
Owners of the Company	7,288	6,341	14.9
Minority interest	42	12	250.0
<b>Profit for the period</b>	<u>7,330</u>	<u>6,353</u>	15.4

Note: n/m denotes not meaningful.

### Explanatory notes to the Income Statement

- Staff costs and other operating expenses increased in tandem with higher volume of business in the Group. However, the Group has been able to achieve a lower rate of increase in these costs in Q1 2009 as compared with the growth in revenue. The increase in purchased and contracted services is mainly attributed to higher insurance claims.
- Profit from ordinary activities before taxation** includes the following: -

Group	First Quarter	
	Q1 2009 S\$'000	Q1 2008 S\$'000
<b>(a) Other operating income</b>		
Exchange gain	-	76
Net change in fair value of equity securities held for trading	-	35
Interest income from fixed deposits	52	72
<b>(b) Other operating expenses</b>		
Allowance for doubtful receivables	312	261
Amortisation of intangible assets	12	12
Exchange loss	123	-
Property, plant and equipment written off	5	5
Loss on disposal of property, plant and equipment	9	-

- The adjustment for under and overprovision of tax in respect of prior periods are as follows: -**

Group	First Quarter	
	Q1 2009 S\$'000	Q1 2008 S\$'000
<b>Deferred tax expense</b>		
Underprovision in respect of prior periods	88	-
<b>Current tax expense</b>		
Overprovision in respect of prior periods	(217)	1

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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	
	31/03/2009 S\$'000	31/12/2008 S\$'000	31/03/2009 S\$'000	31/12/2008 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	149,336	150,251	3,453	3,273
Intangible assets	243	255	136	152
Investment properties	84,400	84,400	-	-
Subsidiaries	-	-	197,238	197,165
Membership rights, at cost	164	164	93	93
Deferred tax assets	1,146	1,179	-	-
	<u>235,289</u>	<u>236,249</u>	<u>200,920</u>	<u>200,683</u>
<b>Current assets</b>				
Inventories	4,826	4,750	1,546	1,544
Trade and other receivables	26,741	24,901	12,850	11,807
Cash and cash equivalents	47,451	44,501	35,396	30,788
	<u>79,018</u>	<u>74,152</u>	<u>49,792</u>	<u>44,139</u>
<b>Total assets</b>	<u>314,307</u>	<u>310,401</u>	<u>250,712</u>	<u>244,822</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	171,510	171,347	171,510	171,347
Reserves	58,187	50,578	26,540	25,311
	<u>229,697</u>	<u>221,925</u>	<u>198,050</u>	<u>196,658</u>
<b>Minority interests</b>	303	321	-	-
<b>Total equity</b>	<u>230,000</u>	<u>222,246</u>	<u>198,050</u>	<u>196,658</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	784	742	197	121
Interest-bearing liabilities	21,000	22,000	-	-
	<u>21,784</u>	<u>22,742</u>	<u>197</u>	<u>121</u>
<b>Current liabilities</b>				
Trade and other payables	47,933	51,503	46,979	42,637
Interest-bearing liabilities	4,669	4,614	2,394	2,234
Current tax payable	9,921	9,296	3,092	3,172
	<u>62,523</u>	<u>65,413</u>	<u>52,465</u>	<u>48,043</u>
<b>Total liabilities</b>	<u>84,307</u>	<u>88,155</u>	<u>52,662</u>	<u>48,164</u>
<b>Total equity and liabilities</b>	<u>314,307</u>	<u>310,401</u>	<u>250,712</u>	<u>244,822</u>

## Explanatory notes to the Balance Sheet

1. The Group has a net cash position of S\$21.8 million as of 31 March 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. Trade and other payables decreased due to faster payment to suppliers.

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

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

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
Nil	S\$4,669,232	Nil	S\$4,614,224

#### Amount repayable after one year

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
Nil	S\$21,000,000	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.

	Q1 2009	Q1 2008
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	9,541	7,849
Adjustments for: -		
Amortisation of intangible assets	12	12
Depreciation of property, plant and equipment	1,739	1,566
Equity-settled share-based payment transactions	321	255
Exchange loss/(gain)	123	(76)
Finance expenses	129	151
Interest income from fixed deposits	(52)	(72)
Net change in fair value of equity securities held for trading	-	(35)
Property, plant and equipment written off	5	5
Loss on disposal of property, plant and equipment	9	-
<b>Operating profit before working capital changes</b>	<u>11,827</u>	<u>9,655</u>
Changes in working capital: -		
Inventories	(77)	(449)
Trade and other receivables	(1,841)	(5,541)
Trade and other payables	<u>(3,941)</u>	<u>515</u>
Cash generated from operations	5,968	4,180
Income taxes paid	(1,148)	(862)
Interest paid	<u>(129)</u>	<u>(151)</u>
<b>Cash flows generated from operating activities</b>	<u>4,691</u>	<u>3,167</u>
<b>Investing activities</b>		
Acquisition of equity securities held for trading	-	(1,251)
Interest received	52	83
Proceeds from sale of property, plant and equipment	139	-
Purchase of property, plant and equipment	<u>(946)</u>	<u>(518)</u>
<b>Cash flows used in investing activities</b>	<u>(755)</u>	<u>(1,686)</u>
<b>Financing activities</b>		
Proceeds from issue of shares under share option scheme	163	154
Proceeds from bank loan	2,440	26,632
Repayment of bank loan	(3,403)	(25,260)
Repayment of loan to minority shareholder	<u>(60)</u>	<u>-</u>
<b>Cash flows used in financing activities</b>	<u>(860)</u>	<u>1,526</u>
<b>Net increase in cash and cash equivalents</b>	3,076	3,007
Cash and cash equivalents at beginning of the period	44,121	19,744
Effect of exchange rate changes on balances held in foreign currency	(21)	(34)
<b>Cash and cash equivalents at end of the period</b>	<u>47,176</u>	<u>22,717</u>
Cash and cash equivalents at end of the period include the following: -		
Cash & fixed deposits	47,451	22,829
Bank overdrafts	<u>(275)</u>	<u>(112)</u>
	<u>47,176</u>	<u>22,717</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 Interest S\$'000	Total equity S\$'000
<b>At 1 January 2008</b>	170,047	(334)	2,621	28,476	200,810	224	201,034
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	154	-	-	-	154	-	154
Value of employee services received for issue of share options	-	-	255	-	255	-	255
Total comprehensive income for the period	-	238	-	6,103	6,341	12	6,353
<b>At 31 March 2008</b>	<b>170,201</b>	<b>(96)</b>	<b>2,876</b>	<b>34,579</b>	<b>207,560</b>	<b>236</b>	<b>207,796</b>
<b>At 1 January 2009</b>	171,347	(355)	3,837	47,096	221,925	321	222,246
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	163	-	-	-	163	-	163
Value of employee services received for issue of share options	-	-	321	-	321	-	321
Repayment of loan to minority shareholder	-	-	-	-	-	(60)	(60)
Total comprehensive income for the period	-	(504)	-	7,792	7,288	42	7,330
<b>At 31 March 2009</b>	<b>171,510</b>	<b>(859)</b>	<b>4,158</b>	<b>54,888</b>	<b>229,697</b>	<b>303</b>	<b>230,000</b>

# 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).

Company	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<b>At 1 January 2008</b>	170,047	1,361	13,551	184,959
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	154	-	-	154
Value of employee services received for issue of share options	-	126	-	126
Total comprehensive income for the period	-	-	1,112	1,112
<b>At 31 March 2008</b>	170,201	1,487	14,663	186,351
<b>At 1 January 2009</b>	171,347	3,837	21,474	196,658
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	163	-	-	163
Value of employee services received for issue of share options	-	321	-	321
Total comprehensive income for the period	-	-	908	908
<b>At 31 March 2009</b>	171,510	4,158	22,382	198,050

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 quarter ended 31 March 2009, the Company issued 520,000 new shares, upon the exercise of options under the Raffles Medical Group (2000) Share Option Scheme.

Exercise price per share	S\$0.30	S\$0.32	S\$0.33
Number of new shares issued	200,000	260,000	60,000

On 1 April 2009, options to subscribe for 8,000,000 ordinary shares at an exercise price of S\$0.78 were granted to 7 independent directors of the Company and subsidiaries and 362 eligible participants, pursuant to the Raffles Medical Group (2000) Share Option Scheme.

As at 31 March 2009, there were outstanding options for conversion into 15,597,000 (Q1 2008: 15,185,000) 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.

	31/03/2009	31/12/2008
Number of issued shares excluding treasury shares	518,245,393	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 31 March 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 first quarter ended 31 March 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 31 March 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.**

	First Quarter	
	Q1 2009	Q1 2008
Earnings per ordinary share for the period based on 1(a) above: --		
(i) Basic earnings per share [A]	1.50 cents	1.18 cents
(ii) Diluted earnings per share [B]	1.49 cents	1.17 cents

[A] The calculation of earnings per ordinary share is based on weighted average shares of 517,901,393 (Q1 2008: 515,507,514) in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) is based on weighted average shares of 522,375,900 (Q1 2008 : 523,130,475) 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	
	31/03/2009	31/12/2008	31/03/2009	31/12/2008
Net asset value per ordinary share [C]	44.32 cents	42.87 cents	38.22 cents	37.99 cents

[C] The calculation of net asset value per ordinary share is based on 518,245,393 (31 December 2008 : 517,725,393) shares as at 31 March 2009.

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 generated revenue of **S\$51.0** million, an increase of **7.6%** as compared to **S\$47.4** million in Q1 2008. Revenue from Healthcare Services and Hospital Services divisions grew by **10.8%** and **5.2%** respectively as all divisions continued to contribute positively to the growth of the Group.

The increase in operating profit by **20.9%**, from **S\$8.0** million in Q1 2008 to **S\$9.7** million this quarter was mainly due to improved operating efficiencies.

The Group's net profit after tax grew by **28.1%** from **S\$6.1** million in Q1 2008 to **S\$7.8** million in Q1 2009 in line with better operating performance and leverage.

With its strong cash flow from operating activities of **S\$4.7** million for Q1 2009, the Group continued to maintain a healthy net cash position of **S\$21.8** million as at 31st March 2009.

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 2008 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.**

The global financial and economic turmoil continues to pose serious challenges to all businesses. The Singapore and regional economies are all still contracting. The Group will continue to be vigilant and cautiously manage its businesses and their costs.

With the continued focus on curative healthcare services, whilst maintaining a well-diversified foreign patient base, **RafflesHospital's** business is expected to perform well and contribute to the Group's performance.

**RafflesMedical** and **International Medical Insurers** 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 sound underlying business fundamentals, continued accumulation of healthy operating cash flows, and a strong balance sheet, the Group is well positioned to continue performing well, barring unforeseen deterioration in the external environment.

## 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 quarter ended 31 March 2009.

## 13. Confirmation pursuant to Rule 705(4) of the Listing Manual

We, Dr Loo Choon Yong and Professor Lim Pin, being two directors of Raffles Medical Group Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the first quarter 31 March 2009 to be false or misleading.

On behalf of the board of directors

Dr Loo Choon Yong  
Chairman

Professor Lim Pin  
Director

## BY ORDER OF THE BOARD

Tan Kim Choon Kimmy  
Company Secretary  
16 April 2009