
Financial Statement Announcement For The First Quarter Ended 31 March 2010

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 2010 S\$'000	Q1 2009 S\$'000	Change %
Revenue	56,196	51,016	10.2
Other operating income	66	52	26.9
Inventories and consumables used	(6,386)	(5,426)	17.7
Purchased and contracted services	(3,835)	(3,804)	0.8
Staff costs	(27,622)	(24,930)	10.8
Depreciation of property, plant and equipment	(1,695)	(1,739)	(2.5)
Operating lease expenses	(1,332)	(1,247)	6.8
Other operating expenses	(4,196)	(4,252)	(1.3)
Profit from operating activities	11,196	9,670	15.8
Finance expenses	(71)	(129)	(45.0)
Profit before income tax	11,125	9,541	16.6
Income tax expense	(2,002)	(1,707)	17.3
Profit for the period	9,123	7,834	16.5
Attributable to :			
Owners of the Company	9,068	7,792	16.4
Minority interest	55	42	31.0
Profit for the period	9,123	7,834	16.5

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)

	First Quarter		Change %
	Q1 2010 S\$'000	Q1 2009 S\$'000	
Consolidated statement of comprehensive income			
Profit for the period	9,123	7,834	16.5
Other comprehensive income			
Foreign currency translation differences for foreign operations	33	(504)	nm
Total comprehensive income for the period	9,156	7,330	24.9
Attributable to: -			
Owners of the Company	9,101	7,288	24.9
Minority interest	55	42	31.0
Total comprehensive income for the period	9,156	7,330	24.9

Note: nm denotes not meaningful.

Explanatory notes to the income statement

- Staff costs increased in tandem with higher volume of business in the Group. The rate of increase for staff costs in Q1 2010 is higher as compared with the growth in revenue due to a reduction in jobs credit grant received in Q1 2010.
- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- Profit from ordinary activities before taxation includes the following:

Group	First Quarter	
	Q1 2010 S\$'000	Q1 2009 S\$'000
(a) Other operating income		
Interest income from fixed deposits	66	52
(b) Other operating expenses		
Allowance for doubtful receivables	339	312
Amortisation of intangible assets	12	12
Exchange loss	-	123
Loss on disposal of property, plant and equipment	-	9
Property, plant and equipment written off	12	5

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

Group	First Quarter	
	Q1 2010 S\$'000	Q1 2009 S\$'000
Deferred tax expense		
(Over)/Under provision in respect of prior periods	(56)	88
Current tax expense		
Under/(Over) provision in respect of prior periods	8	(217)

RafflesMedicalGroup

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	
	31/03/2010 S\$'000	31/12/2009 S\$'000	31/03/2010 S\$'000	31/12/2009 S\$'000
Non-current assets				
Property, plant and equipment	145,123	146,435	3,382	3,527
Intangible assets	355	367	245	245
Investment properties	85,000	85,000	-	-
Subsidiaries	-	-	197,731	197,582
Deferred tax assets	625	528	-	-
	<u>231,103</u>	<u>232,330</u>	<u>201,358</u>	<u>201,354</u>
Current assets				
Inventories	4,918	5,273	1,601	1,711
Trade and other receivables	27,345	24,283	16,965	15,695
Cash and cash equivalents	82,566	74,372	67,790	59,087
Assets classified as held for sale	553	553	-	-
	<u>115,382</u>	<u>104,481</u>	<u>86,356</u>	<u>76,493</u>
Total assets	<u>346,485</u>	<u>336,811</u>	<u>287,714</u>	<u>277,847</u>
Equity attributable to owners of the Company				
Share capital	173,303	172,659	173,303	172,659
Reserves	86,556	77,114	39,651	38,064
	<u>259,859</u>	<u>249,773</u>	<u>212,954</u>	<u>210,723</u>
Minority interests	432	377	-	-
Total equity	<u>260,291</u>	<u>250,150</u>	<u>212,954</u>	<u>210,723</u>
Non-current liabilities				
Deferred tax liabilities	1,439	1,439	209	209
Interest-bearing liabilities	19,000	20,000	-	-
	<u>20,439</u>	<u>21,439</u>	<u>209</u>	<u>209</u>
Current liabilities				
Trade and other payables	51,595	51,972	70,428	62,757
Interest-bearing liabilities	4,577	4,519	2,237	2,236
Current tax payable	9,583	8,731	1,886	1,922
	<u>65,755</u>	<u>65,222</u>	<u>74,551</u>	<u>66,915</u>
Total liabilities	<u>86,194</u>	<u>86,661</u>	<u>74,760</u>	<u>67,124</u>
Total equity and liabilities	<u>346,485</u>	<u>336,811</u>	<u>287,714</u>	<u>277,847</u>

Explanatory notes to the Balance Sheet

1. Strong operating cashflows generated by the Group in line with higher volume of business in the Group have resulted in improvements in net cash position of S\$59.0 million as at 31 March 2010 as compared to that of S\$49.9 million as at 31 December 2009.
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 31/03/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$4,577,157	S\$0	S\$4,518,758

Amount repayable after one year

As at 31/03/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$19,000,000	S\$0	S\$20,000,000

Details of any collateral

Nil.

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 2010	Q1 2009
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	11,125	9,541
Adjustments for :-		
Amortisation of intangible assets	12	12
Depreciation of property, plant and equipment	1,695	1,739
Equity-settled share-based payment transactions	341	321
Exchange loss	-	123
Finance expenses	71	129
Interest income from fixed deposits	(66)	(52)
Property, plant and equipment written off	12	5
Loss on disposal of property, plant and equipment	-	9
Operating profit before working capital changes	13,190	11,827
Changes in working capital :-		
Inventories	355	(77)
Trade and other receivables	(3,062)	(1,841)
Trade and other payables	(337)	(3,941)
Cash generated from operations	10,146	5,968
Income taxes paid	(1,247)	(1,148)
Interest paid	(71)	(129)
Net cash generated from operating activities	8,828	4,691
Cashflows from investing activities		
Interest received	66	52
Proceeds from sale of property, plant and equipment	-	139
Purchase of property, plant and equipment	(403)	(946)
Cash flows used in investing activities	(337)	(755)
Cash flows from financing activities		
Proceeds from issue of shares under share option scheme	644	163
Proceeds from bank loan	2,268	2,440
Repayment of bank loan	(3,267)	(3,403)
Repayment of loan to minority shareholder	-	(60)
Net cash used in financing activities	(355)	(860)
Net increase in cash and cash equivalents	8,136	3,076
Cash and cash equivalents at 1 January	74,089	44,121
Effect of exchange rate changes on balances held in foreign currency	1	(21)
Cash and cash equivalents at 31 March	82,226	47,176
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	82,566	47,451
Bank overdrafts	(340)	(275)
	82,226	47,176

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	Minority interests S\$'000	Total equity S\$'000
At 1 January 2009	171,347	(355)	3,837	47,096	221,925	321	222,246
Total comprehensive income for the period	-	(504)	-	7,792	7,288	42	7,330
Transactions with owners, recorded 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	163	-	-	-	163	-	163
Value of employee services received for issue of share options	-	-	321	-	321		321
Repayment of loan to minority shareholder	-	-	-	-	-	(60)	(60)
At 31 March 2009	171,510	(859)	4,158	54,888	229,697	303	230,000
At 1 January 2010	172,659	(321)	5,422	72,013	249,773	377	250,150
Total comprehensive income for the period	-	33	-	9,068	9,101	55	9,156
Transactions with owners, recorded 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	644	-	-	-	644	-	644
Value of employee services received for issue of share options	-	-	341	-	341		341
At 31 March 2010	173,303	(288)	5,763	81,081	259,859	432	260,291

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
At 1 January 2009	171,347	3,837	21,474	196,658
Total comprehensive income for the period	-	-	908	908
Transactions with owners, recorded 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	163	-	-	163
Value of employee services received for issue of share options	-	321	-	321
At 31 March 2009	171,510	4,158	22,382	198,050
At 1 January 2010	172,659	5,422	32,642	210,723
Total comprehensive income for the period	-	-	1,246	1,246
Transactions with owners, recorded 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	644	-	-	644
Value of employee services received for issue of share options	-	341	-	341
At 31 March 2010	173,303	5,763	33,888	212,954

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 2010, the Company issued 811,000 new shares, upon the exercise of options under the Raffles Medical Group (2000) Share Option Scheme.

Exercise price per share	S\$0.33	S\$0.40	S\$0.42	S\$0.68	S\$0.71	S\$1.15	S\$1.24
Number of new shares issued	6,000	100,000	87,000	100,000	242,000	181,000	95,000

On 1 April 2010, options to subscribe for 6,000,000 ordinary shares at an exercise price of S\$1.66 were granted to 399 eligible participants pursuant to the Raffles Medical Group (2000) Share Option Scheme.

As at 31 March 2010, there were outstanding options for conversion into 19,768,000 (31 March 2009 : 15,597,000) 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.

	31/03/2010	31/12/2009
Number of issued shares excluding treasury shares	520,771,393	519,960,393

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 2010 (31 December 2009 : 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 2010 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 2010 are consistent with those applied in the financial statements for the year ended 31 December 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2010. The adoption of the new/revised accounting standards and interpretations does not have any material impact 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 2010	Q1 2009
Earnings per ordinary share for the period based on 1(a) above :-		
(i) Basic earnings per share [A]	1.74 cents	1.50 cents
(ii) Diluted earnings per share [B]	1.71 cents	1.49 cents

[A] The calculation of earnings per ordinary share is based on weighted average number of shares of 520,356,782 (Q1 2009 : 517,901,393) in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) is based on weighted average number of shares of 529,275,603 (Q1 2009 : 522,375,900) 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	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Net asset value per ordinary share [C]	49.90 cents	48.04 cents	40.89 cents	40.53 cents

[C] The calculation of net asset value per ordinary share is based on 520,771,393 (31 December 2009 : 519,960,393) shares as at 31 March 2010.

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 **10.2%** from **S\$51.0** million in Q1 2009 to **S\$56.2** million in Q1 2010. The growth in revenue came from positive contributions in all divisions of the Group. Healthcare Services and Hospital Services divisions increased by **8.8%** and **12.0%** respectively.

Higher patient load, a wider range of medical specialties and improved operating efficiencies contributed to the improved profit of **S\$11.2** million from operating activities, an increase of **15.8%** over the corresponding period in 2009.

The Group's profit after tax grew **16.5%** to **S\$9.1** million in Q1 2010 from **S\$7.8** million in Q1 2009 in line with improved operating leverage and performance.

The continued strong operating cashflows generated by the Group have resulted in improvements in net cash position of **S\$59.0** million as at 31 March 2010.

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 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.**

The Singapore economy rebounded strongly in the first quarter, improving market sentiments significantly. However the global economic recovery remains fragile. Downside risks and uncertainty remain. The withdrawal of the various governments' fiscal stimuli may affect the momentum of recovery.

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

RafflesMedical will also continue to contribute to the Group's performance, through providing comprehensive services and cost-effective solutions to their growing group of corporate clients and individual patients.

The Group expects to benefit from the improving operating environment and continuing demand for high-quality healthcare services from locals and foreigners.

Barring unforeseen deterioration in the external environment, the Directors are optimistic that the Group will continue to perform well in 2010.

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 2010.

13. 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 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tay Kim Choon Kimmy
Company Secretary
26 April 2010