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**Financial Statement Announcement For The First Quarter Ended 31 March 2011**

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**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 2011 S\$'000	Q1 2010 S\$'000	Change %
<b>Revenue</b>	64,433	56,196	14.7
Inventories and consumables used	(7,436)	(6,386)	16.4
Purchased and contracted services	(4,821)	(3,835)	25.7
Staff costs	(31,666)	(27,622)	14.6
Depreciation of property, plant and equipment	(1,878)	(1,695)	10.8
Operating lease expenses	(1,424)	(1,332)	6.9
Other operating expenses	(4,390)	(4,196)	4.6
<b>Profit from operating activities</b>	12,818	11,130	15.2
Finance income	136	66	106.1
Finance expenses	(42)	(71)	(40.8)
<b>Profit before income tax</b>	12,912	11,125	16.1
Income tax expense	(2,353)	(2,002)	17.5
<b>Profit for the period</b>	10,559	9,123	15.7
<b>Attributable to :</b>			
Owners of the Company	10,479	9,068	15.6
Non-controlling interests	80	55	45.5
<b>Profit for the period</b>	10,559	9,123	15.7

- 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		
	Q1 2011	Q1 2010	Change
Consolidated statement of comprehensive income	S\$'000	S\$'000	%
<b>Profit for the period</b>	10,559	9,123	15.7
<b>Other comprehensive income</b>			
Foreign currency translation differences for foreign operations	(257)	33	nm
<b>Total comprehensive income for the period</b>	<u>10,302</u>	<u>9,156</u>	12.5
<b>Attributable to:</b>			
Owners of the Company	10,222	9,101	12.3
Non-controlling interests	80	55	45.5
<b>Total comprehensive income for the period</b>	<u>10,302</u>	<u>9,156</u>	12.5

#### Explanatory notes to the income statement

- Staff costs increased in tandem with higher volume of business in the Group. Excluding the jobs credit grants received by the Group in Q1 2010, the rate of increase for staff costs would have grown by 12.8% in Q1 2011.
- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- More purchased and contracted services were mainly attributed to higher insurance claims.
- Profit from ordinary activities before taxation includes the following:

Group	First Quarter	
	Q1 2011	Q1 2010
	S\$'000	S\$'000
<b>Other operating expenses</b>		
Allowance for doubtful receivables	356	339
Amortisation of intangible assets	-	12
Property, plant and equipment written off	6	12

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

Group	First Quarter	
	Q1 2011	Q1 2010
	S\$'000	S\$'000
<b>Deferred tax expense</b>		
Overprovision in respect of prior periods	-	(56)
<b>Current tax expense</b>		
Underprovision in respect of prior periods	-	8

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	
	31/03/2011	31/12/2010	31/03/2011	31/12/2010
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	142,587	144,253	3,053	3,252
Intangible assets	316	316	245	245
Investment properties	102,529	88,000	-	-
Subsidiaries	-	-	202,052	202,881
Deferred tax assets	567	895	-	-
	<u>245,999</u>	<u>233,464</u>	<u>205,350</u>	<u>206,378</u>
<b>Current assets</b>				
Inventories	5,171	5,083	1,441	1,258
Trade and other receivables	44,595	26,066	44,901	18,251
Cash and cash equivalents	92,800	107,137	75,495	88,664
	<u>142,566</u>	<u>138,286</u>	<u>121,837</u>	<u>108,173</u>
<b>Total assets</b>	<u>388,565</u>	<u>371,750</u>	<u>327,187</u>	<u>314,551</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	177,713	177,006	177,713	177,006
Reserves	120,448	109,414	58,531	55,955
	<u>298,161</u>	<u>286,420</u>	<u>236,244</u>	<u>232,961</u>
<b>Non-controlling interests</b>	622	542	-	-
<b>Total equity</b>	<u>298,783</u>	<u>286,962</u>	<u>236,244</u>	<u>232,961</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,690	1,690	402	402
Interest-bearing liabilities	17,000	18,000	-	-
	<u>18,690</u>	<u>19,690</u>	<u>402</u>	<u>402</u>
<b>Current liabilities</b>				
Trade and other payables	55,480	50,972	86,081	76,905
Interest-bearing liabilities	4,848	4,577	2,524	2,577
Current tax payable	10,764	9,549	1,936	1,706
	<u>71,092</u>	<u>65,098</u>	<u>90,541</u>	<u>81,188</u>
<b>Total liabilities</b>	<u>89,782</u>	<u>84,788</u>	<u>90,943</u>	<u>81,590</u>
<b>Total equity and liabilities</b>	<u>388,565</u>	<u>371,750</u>	<u>327,187</u>	<u>314,551</u>

## Explanatory notes to the Balance Sheet

1. The Group's net cash position decreased from S\$84.6 million as at 31 December 2010 to S\$71.0 million as at 31 March 2011. This was attributed to the payment for the purchase of properties amounting to S\$26.5 million offset by strong operating cash flows generated by the Group in line with the higher volume of business.
2. Trade and other receivables increased mainly due to the deposit paid for the acquisition of a property amounting to S\$12.0 million, coupled with increase in trade receivables arising from higher business volume in the Group.
3. The increase in trade and other payables was mainly driven by higher business volume 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 31/03/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$4,848,237	S\$0	S\$4,577,113

#### Amount repayable after one year

As at 31/03/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$17,000,000	S\$0	S\$18,000,000

#### 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 2011	Q1 2010
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	12,912	11,125
Adjustments for :-		
Amortisation of intangible assets	-	12
Depreciation of property, plant and equipment	1,878	1,695
Equity-settled share-based payment transactions	812	341
Finance expenses	42	71
Finance income	(136)	(66)
Property, plant and equipment written off	6	12
<b>Operating profit before working capital changes</b>	<u>15,514</u>	<u>13,190</u>
Changes in working capital :-		
Inventories	(88)	355
Trade and other receivables	(6,467)	(3,062)
Trade and other payables	4,224	(337)
Cash generated from operations	13,183	10,146
Income taxes paid	(810)	(1,247)
Interest paid	(42)	(71)
<b>Net cash from operating activities</b>	<u>12,331</u>	<u>8,828</u>
<b>Cash flows from investing activities</b>		
Interest received	39	66
Purchase of property, plant and equipment	(234)	(403)
Purchase of investment property	(14,529)	-
Deposit for purchase of property	(11,965)	-
<b>Net cash used in investing activities</b>	<u>(26,689)</u>	<u>(337)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under share option scheme	707	644
Proceeds from bank loan	2,846	2,268
Repayment of bank loan	(3,515)	(3,267)
<b>Net cash from/(used in) financing activities</b>	<u>38</u>	<u>(355)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(14,320)	8,136
Cash and cash equivalents at 1 January	107,137	74,089
Effect of exchange rate changes on balances held in foreign currency	(17)	1
<b>Cash and cash equivalents at 31 March</b>	<u>92,800</u>	<u>82,226</u>
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	92,800	82,566
Bank overdrafts	-	(340)
	<u>92,800</u>	<u>82,226</u>

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 2010</b>	172,659	(321)	5,422	72,013	249,773	377	250,150
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	9,068	9,068	55	9,123
<b>Other comprehensive income</b>							
Foreign currency translation differences for foreign operations	-	33	-	-	33	-	33
<b>Total comprehensive income for the period</b>	-	33	-	9,068	9,101	55	9,156
<b>Transactions with owners, recorded 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	644	-	-	-	644	-	644
Value of employee services received for issue of share options	-	-	341	-	341	-	341
<b>Total contributions by and distributions to owners</b>	644	-	341	-	985	-	985
<b>At 31 March 2010</b>	173,303	(288)	5,763	81,081	259,859	432	260,291
<b>At 1 January 2011</b>	177,006	53	7,781	101,580	286,420	542	286,962
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	10,479	10,479	80	10,559
<b>Other comprehensive income</b>							
Foreign currency translation differences for foreign operations	-	(257)	-	-	(257)	-	(257)
<b>Total comprehensive income for the period</b>	-	(257)	-	10,479	10,222	80	10,302
<b>Transactions with owners, recorded 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	707	-	-	-	707	-	707
Value of employee services received for issue of share options	-	-	812	-	812	-	812
<b>Total contributions by and distributions to owners</b>	707	-	812	-	1,519	-	1,519
<b>At 31 March 2011</b>	177,713	(204)	8,593	112,059	298,161	622	298,783

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 2010</b>	172,659	5,422	32,642	210,723
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,246	1,246
<b>Total comprehensive income for the period</b>	-	-	1,246	1,246
<b>Transactions with owners, recorded 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	644	-	-	644
Value of employee services received for issue of share options	-	341	-	341
<b>Total contributions by and distributions to owners</b>	644	341	-	985
<b>At 31 March 2010</b>	173,303	5,763	33,888	212,954
<b>At 1 January 2011</b>	177,006	7,781	48,174	232,961
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,764	1,764
<b>Total comprehensive income for the period</b>	-	-	1,764	1,764
<b>Transactions with owners, recorded 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	707	-	-	707
Value of employee services received for issue of share options	-	812	-	812
<b>Total contributions by and distributions to owners</b>	707	812	-	1,519
<b>At 31 March 2011</b>	177,713	8,593	49,938	236,244

**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 2011, the Company issued 1,022,000 new shares, upon the exercise of options under the Raffles Medical Group (2000) Share Option Scheme.

Exercise price per share	S\$0.185	S\$0.23	S\$0.32	S\$0.33	S\$0.68	S\$0.71	S\$0.78	S\$1.15	S\$1.24
Number of new shares issued	1,000	15,000	238,000	8,000	300,000	89,000	213,000	63,000	95,000

On 1 April 2011, options to subscribe for 5,000,000 ordinary shares at an exercise price of S\$2.20 were granted to 410 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 March 2011, there were outstanding options for conversion into 18,464,000 (31 March 2010 : 19,768,000) 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.**

	31/03/2011	31/12/2010
Number of issued shares excluding treasury shares	526,966,393	525,944,393

**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 2011 (31 December 2010 : 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 2011 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 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2011. 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 2011	Q1 2010
Earnings per ordinary share for the period based on 1(a) above :-		
(i) Basic earnings per share [A]	1.99 cents	1.74 cents
(ii) Diluted earnings per share [B]	1.96 cents	1.71 cents

[A] The calculation of earnings per ordinary share is based on weighted average number of shares of 526,418,893 (Q1 2010 : 520,356,782) 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 535,986,642 (Q1 2010 : 529,275,603) 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	
	31/03/2011	31/12/2010	31/03/2011	31/12/2010
Net asset value per ordinary share [C]	56.58 cents	54.46 cents	44.83 cents	44.29 cents

[C] The calculation of net asset value per ordinary share is based on 526,966,393 shares as at 31 March 2011 (31 December 2010 : 525,944,393).

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 registered another record quarterly revenue of **S\$64.4** million in Q1 2011, an increase of **14.7%** as compared to **S\$56.2** million in Q1 2010. All divisions contributed positively to the growth of the Group with revenue from Healthcare and Hospital Services divisions increasing **14.4%** and **15.0%** respectively.

The strong revenue growth from increasing patient load, a wider range of medical specialties and improved operating efficiencies had contributed to the improved profit of **S\$12.8** million in Q1 2011 from operating activities, an increase of **15.2%** from **S\$11.1** million in Q1 2010. In line with improved operating leverage and performance, the Group's net profit after tax grew **15.7%** to **S\$10.6** million from **S\$9.1** million over the corresponding quarter last year.

With strong cash flow from operating activities of **S\$12.3** million for Q1 2011, the Group had net cash position of **S\$71.0** million as at 31 March 2011.

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 2010 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 recovery in the United States is gathering momentum, although risks remain with continuing Eurozone debt concerns and the conflicts in the Middle East and North Africa. Singapore's GDP registered a healthy 8.5% growth for first quarter of 2011, while regional economies continue to do well. The Group expects to continue to benefit from the growing demand for high quality healthcare services locally and from the region, on the back of rising affluence and the aging population.

**RafflesHospital** will continue its focus on quality and value-driven curative healthcare services. Foreign patient load continues to increase. 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.

Further to the announcement dated 26 July 2010, **RafflesHospital** expects to submit its formal application to the Urban Redevelopment Authority for the additional 102,408 square feet expansion by Q3 2011. This additional area will enable the Group to expand existing clinical services as well as to develop new facilities and services at the hospital.

**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 (Cont'd).**

The purchase of the 7 storey freehold podium/commercial block of Thong Sia Building at 30 Bideford Road in Singapore was completed on 15 April 2011. The Group intends to establish a comprehensive Specialist Medical Centre at the 42,668 square feet property and it envisages to commence operations in 2012.

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

The healthcare landscape remains competitive, with additional beds of new public and private hospitals coming onstream over the next few years. Whilst adding more space to *RafflesHospital*, the Group continues to be vigilant and responsive to new opportunities that may appear on the horizon.

Barring unforeseen circumstances, the Directors are optimistic that the Group will continue to grow in 2011.

**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.**

No dividend has been declared or recommended for the quarter ended 31 March 2011.

**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 2011 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Tay Kim Choon Kimmy**  
**Company Secretary**  
**28 April 2011**