
Full Year Financial Statement And Dividend Announcement For the Year Ended 31 December 2005

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

	2005 S\$'000	2004 S\$'000 Restated	Change %
Group			
Revenue	112,898	101,456	11.3
Other operating income	940	990	(5.1)
Inventories and consumables used	(13,710)	(11,943)	14.8
Staff costs	(61,523)	(57,258)	7.4
Depreciation of property, plant and equipment	(3,053)	(2,994)	2.0
Other operating expenses	(22,050)	(18,928)	16.5
Profit from operations	13,502	11,323	19.2
Finance costs	(81)	(70)	15.7
Share of profits in a jointly-controlled entity	1,375	1,188	15.7
Profit from ordinary activities before taxation	14,796	12,441	18.9
Income tax expense	(2,758)	(2,957)	(6.7)
Profit from ordinary activities after taxation	12,038	9,484	26.9
Attributable to :			
Equity holders of the parent	11,958	9,481	26.1
Minority interests	80	3	NM
Profit for the year	12,038	9,484	26.9

Note : NM denotes not meaningful

Profit from ordinary activities before taxation includes the following:

Group	2005	2004
	S\$'000	S\$'000
(a) Other operating income		
Exchange gain	134	-
Gain on disposal of property, plant and equipment	-	629
Interest income from fixed deposits and commercial notes	806	361
(b) Other operating expenses		
Amortisation of intangible assets	52	51
Exchange loss	-	237
Loss on disposal of property, plant and equipment	6	-
Property, plant and equipment written off	39	108
Reversal of allowance for doubtful receivables	(36)	(422)

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

Group	2005	2004
	S\$'000	S\$'000
Current tax expense		
(Over)/Underprovision in respect of prior years	(46)	19
Deferred tax expense		
Adjustment due to change in tax rates in respect of prior years	-	56
Reversal in respect of prior years	79	350

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	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Non-current assets				
Property, plant and equipment	21,412	19,354	2,855	2,417
Intangible assets	257	309	-	-
Subsidiaries	-	-	74,873	73,087
Jointly-controlled entity	53,000	51,680	-	-
Membership rights, at cost	88	88	68	68
Deferred tax assets	846	1,004	-	-
	75,603	72,435	77,796	75,572
Current assets				
Investment in commercial notes	13,000	9,500	5,000	1,500
Inventories	2,942	2,568	994	804
Trade and other receivables	12,271	11,005	10,524	11,284
Cash and cash equivalents	35,129	32,181	28,763	28,694
	63,342	55,254	45,281	42,282
Total assets	138,945	127,689	123,077	117,854
Equity attributable to equity holders of the parent				
Share capital	40,035	39,175	40,035	39,175
Reserves	67,455	60,984	61,079	63,203
	107,490	100,159	101,114	102,378
Minority interests	231	151	-	-
Total equity	107,721	100,310	101,114	102,378
Non-current liabilities				
Deferred tax liabilities	714	712	175	175
Current liabilities				
Trade and other payables	24,392	21,956	17,667	11,516
Interest-bearing liabilities	2,345	2,076	1,983	1,916
Current tax payable	3,773	2,635	2,138	1,869
	30,510	26,667	21,788	15,301
Total liabilities	31,224	27,379	21,963	15,476
Total equity and liabilities	138,945	127,689	123,077	117,854

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

Amount repayable in one year or less, or on demand

As at 31/12/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$2,345,042	S\$0	S\$2,075,770

Amount repayable after one year

As at 31/12/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$0	S\$0	S\$0

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.

	2005 S\$'000	2004 S\$'000 Restated
Operating activities		
Profit from ordinary activities before taxation	14,796	12,441
Adjustments for :-		
Amortisation of intangible assets	52	51
Depreciation of property, plant and equipment	3,053	2,994
Employee share option expense	487	570
Finance costs	81	70
Exchange (gain)/loss	(134)	237
Loss/(Gain) on disposal of property, plant and equipment	6	(629)
Interest income from fixed deposits and commercial notes	(806)	(361)
Property, plant and equipment written off	39	108
Share of profits in a jointly controlled entity	(1,375)	(1,188)
Operating profit before working capital changes	16,199	14,293
Changes in working capital :-		
Inventories	(371)	265
Trade and other receivables	(1,161)	4,381
Trade and other payables	2,428	(1,356)
Cash generated from operations	17,095	17,583
Income tax paid	(1,388)	(2,072)
Interest paid	(81)	(70)
Cash flows from operating activities	15,626	15,441
Investing activities		
Investment in commercial notes	(3,500)	11,520
Interest received	715	399
Purchase of property, plant and equipment	(5,757)	(1,556)
Proceeds from sale of property, plant and equipment	610	1,987
Cash flows from investing activities	(7,932)	12,350
Financing activities		
Proceeds from bank loan	1,983	-
Repayment of bank loan	(1,957)	-
Proceeds from issue of shares	2,957	1,359
Dividends paid	(7,975)	(7,804)
Cash flows from financing activities	(4,992)	(6,445)
Net increase in cash and cash equivalents	2,702	21,346
Cash and cash equivalents at beginning of the year	32,021	10,649
Effect of exchange rate changes on balances held in foreign currency	44	26
Cash and cash equivalents at end of the year	34,767	32,021
Cash and cash equivalents at end of the year include the following :		
Cash & fixed deposits	35,129	32,181
Bank overdrafts	(362)	(160)
	34,767	32,021

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	Share premium S\$'000	Currency translation Reserve S\$'000	Share option reserve S\$'000	Accumul-ated profits S\$'000	Total attributable to equity holders of the parent S\$'000	Minority interests S\$'000	Total equity S\$'000
At 1 January 2004, as previously reported	38,734	53,157	(173)	-	4,574	96,292	148	96,440
Effects of adopting FRS 102	-	-	-	66	(66)	-	-	-
At 1 January 2004, restated	38,734	53,157	(173)	66	4,508	96,292	148	96,440
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	441	918	-	-	-	1,359	-	1,359
Translation differences relating to financial statements of foreign subsidiaries	-	-	261	-	-	261	-	261
Net profit for the year	-	-	-	-	9,481	9,481	3	9,484
Value of employee services received for issue of share options	-	-	-	570	-	570	-	570
Dividend paid of 2.5 cents per share less tax at 20%	-	-	-	-	(7,804)	(7,804)	-	(7,804)
At 31 December 2004	39,175	54,075	88	636	6,185	100,159	151	100,310
At 31 December 2004, as previously reported	39,175	54,075	88	-	6,821	100,159	151	100,310
Effects of adopting FRS 102	-	-	-	636	(636)	-	-	-
At 31 December 2004, restated	39,175	54,075	88	636	6,185	100,159	151	100,310
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	860	2,097	-	-	-	2,957	-	2,957
Translation differences relating to financial statements of foreign subsidiaries	-	-	(96)	-	-	(96)	-	(96)
Net profit for the year	-	-	-	-	11,958	11,958	80	12,038
Value of employee services received for issue of share options	-	-	-	487	-	487	-	487
Dividend paid of 2.5 cents per share less tax at 20%	-	-	-	-	(7,975)	(7,975)	-	(7,975)
At 31 December 2005	40,035	56,172	(8)	1,123	10,168	107,490	231	107,721

Company	Share capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2004, as previously reported	38,734	53,157	-	10,859	102,750
Effects of adopting FRS 102	-	-	30	(30)	-
At 1 January 2004, restated	38,734	53,157	30	10,829	102,750
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	441	918	-	-	1,359
Net profit for the year	-	-	-	5,797	5,797
Value of employee services received for issue of share options	-	-	276	-	276
Dividend paid of 2.5 cents per share less tax at 20%	-	-	-	(7,804)	(7,804)
At 31 December 2004	39,175	54,075	306	8,822	102,378
At 31 December 2004, as previously reported	39,175	54,075	-	9,128	102,378
Effects of adopting FRS 102	-	-	306	(306)	-
At 31 December 2004, restated	39,175	54,075	306	8,822	102,378
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	860	2,097	-	-	2,957
Net profit for the year	-	-	-	3,500	3,500
Value of employee services received for issue of share options	-	-	254	-	254
Dividend paid of 2.5 cents per share less tax at 20%	-	-	-	(7,975)	(7,975)
At 31 December 2005	40,035	56,172	560	4,347	101,114

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 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 year ended 31 December 2005, the Company issued 8,600,000 new shares. 1,300,000, 2,945,000, 2,981,000 and 1,374,000 shares were issued at S\$0.43, S\$0.33, S\$0.285 and S\$0.42 each, respectively, upon the exercise of options under the Raffles Medical Group Employee's Share Option Scheme.

As at 31 December 2005, there were outstanding options for conversion into 28,693,000 (2004 : 36,031,900) ordinary shares of S\$0.10 each.

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

The full-year financial statement on consolidated results for the year ended 31 December 2005 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 year ended 31 December 2005 are consistent with those applied in the financial statements for the year ended 31 December 2004 except for the adoption of new/revised Financial Reporting Standards ("FRS") which came into effect on 1 January 2005 as highlighted in Note 5 below.

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.

Impact of new Financial Reporting Standards
FRS 102 Share-based payment

FRS 102 is effective for the financial year beginning on 1 January 2005. FRS 102 requires the Group and the Company to recognise an expense in the profit and loss account with a corresponding increase in equity for share options granted under Raffles Medical Group Employees' Share Option Scheme after 22 November 2002 and not vested by 1 January 2005. The total amount to be recognised as an expense in the profit and loss account is determined by reference to the fair value of the options at the date of the grant and the number of options to be vested by vesting date.

The impact of adopting FRS 102 retrospectively in respect of Raffles Medical Group Employees' Share Option Scheme are as follows:

- a. opening accumulated profits as at 1 January 2004 for the Group and the Company have decreased by S\$66,000 and S\$30,000 respectively, due to the accounting of share option expenses for FY 2003;
- b. the accumulated profits and accordingly, the reserves of the Group and the Company as at 31 December 2004 have decreased by S\$636,000 and S\$306,000 respectively, due to the cumulative adjustments for the share option expenses applied retrospectively; and
- c. the effect on full year 2005 and 2004 results are as follows:

Group	2005 S\$'000	2004 S\$'000
Net profit before changes in accounting policy	12,445	10,051
Effect of adopting FRS 102	(487)	(570)
Net profit for the year	11,958	9,481

Save for the effects of adopting FRS 102, the other new/revised FRS do not have any material impact on the Group's results.

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.

	2005	2004 Restated
6.(a) Earnings per ordinary share for the year based on 1(a) above :-		
(i) Based on existing issued share capital [A]	3.01 cents	2.43 cents
(ii) On a fully diluted basis [B]	2.96 cents	2.41 cents

[A] The calculation of earnings per ordinary share is based on weighted average shares of 397,437,530 (2004 : 390,040,185) in issue during the year.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) is based on weighted average shares of 403,357,983 (2004 : 393,934,379) in issue during the year.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
7. (a) Net asset value per ordinary share [C]	26.85 cents	25.57 cents	25.26 cents	26.13 cents

[C] The calculation of net asset value per ordinary share is based on 400,347,999 (2004 : 391,747,999) shares as at 31 December 2005.

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's revenue increased **11.3%** from S\$101.5 million to S\$112.9 million. The increase was attributable to higher patient load in the Hospital services division which more than made up for loss of contributions from SARS related projects in the preceding year.

Profit after tax for the Group increased by **26.9%**, from S\$9.5 million to S\$12 million. Profit after tax for Hospital services division grew by **134.4%** as the number of local and regional patients continued to grow. This growth has led to progressively more efficient utilization of the facilities resulting in greater cost efficiency.

In line with the profit growth, the Group's EBITDA grew by **13.0%** from S\$15.2 million to S\$17.2 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 year's results are in line with the Directors' expectations as disclosed in the Group's Q3 2005 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 Group will continue to grow its network of medical clinics. It will expand some of these clinics into integrated medical centers, offering in addition to family medicine services, specialist care, health screening, laboratory, X-ray and other diagnostic tests.

Currently more than one third of Raffles *Hospital's* patients come from 100 foreign countries. Raffles *Hospital* expects to attract more patients from these countries. Offering world-class medical care at competitive and assured prices, Raffles *Hospital* aims to continue contributing to Singapore's aspiration to maintain its leadership position as the regional healthcare hub. It will strengthen its competencies through the recruitment of more Consultant Specialists as well as investment in advanced medical technologies.

Going forward, the Group will continue to actively explore healthcare opportunities to grow its businesses in Singapore and the region.

With improved economic environment in Singapore and the region, the Directors are confident that the Group will continue to do well in the coming year.

As the Group enters its 30th anniversary year and in view of the encouraging results, the Directors are recommending a first and final dividend of 15% and a special dividend of 15%, amounting to S\$11.2 million approximately.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First & Final	First & Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.0 cents per ordinary share (less tax)	0.5 cent per ordinary share (one tier tax)
Dividend Rate (in %)	10% per ordinary share (less tax)	5% per ordinary share (one tier tax)
Par value of shares	S\$0.10	S\$0.10
Tax Rate	20%	Tax Exempt

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cents per ordinary share (one tier tax)
Dividend Rate (in %)	15% per ordinary share (one tier tax)
Par value of shares	S\$0.10
Tax Rate	Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.5 cents per ordinary share (less tax)	1.0 cent per ordinary share (less tax)
Dividend Rate (in %)	15% per ordinary share (less tax)	10% per ordinary share (less tax)
Par value of shares	S\$0.10	S\$0.10
Tax Rate	20%	20%

(c) Date payable

The Directors are pleased to recommend:

- (a) a first and final dividend of 10% less tax at 20% amounting to S\$3,202,784;
- (b) a first and final dividend of 5% amounting to \$2,001,740; and
- (c) a special dividend of 15% amounting to S\$6,005,220

in respect of the financial year ended 31 December 2005 for approval by the shareholders at the next Annual General Meeting to be convened on 21 April 2006. The date of payment of the proposed dividends will be announced at a later date.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 29 April 2006 for the preparation of Dividend Vouchers. Registrable transfers received by the Company's Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 28 April 2006 will be registered before entitlements to the dividends are determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

13.(a) Business Segments

	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Eliminations S\$'000	Total operations S\$'000
2005					
Revenue and expenses					
Revenue from external customers	52,606	60,214	78	-	112,898
Inter-segment revenue	219	4,457	469	(5,145)	-
Total revenue	<u>52,825</u>	<u>64,671</u>	<u>547</u>	<u>(5,145)</u>	<u>112,898</u>
Segment results	<u>3,340</u>	<u>9,913</u>	<u>249</u>	<u>-</u>	<u>13,502</u>
Finance costs					(81)
Share of profits in a jointly-controlled entity	-	-	1,375	-	1,375
Income tax expense					(2,758)
Profit for the year					<u><u>12,038</u></u>
	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Eliminations S\$'000	Total operations S\$'000
Other segment information					
Capital expenditure	<u>1,956</u>	<u>3,801</u>	<u>-</u>	<u>-</u>	<u>5,757</u>
Depreciation of property, plant and equipment	<u>1,114</u>	<u>1,749</u>	<u>190</u>	<u>-</u>	<u>3,053</u>
Amortisation of intangible assets	<u>-</u>	<u>-</u>	<u>52</u>	<u>-</u>	<u>52</u>
Other non-cash expenses / (income)	<u>(70)</u>	<u>79</u>	<u>-</u>	<u>-</u>	<u>9</u>

13.(a) Business Segments (cont'd)

	Healthcare services Restated S\$'000	Hospital services Restated S\$'000	Investment holdings S\$'000	Eliminations S\$'000	Total operations S\$'000
2004					
Revenue and expenses					
Revenue from external customers	54,888	46,491	77	-	101,456
Inter-segment revenue	38	3,579	506	(4,123)	-
Total revenue	<u>54,926</u>	<u>50,070</u>	<u>583</u>	<u>(4,123)</u>	<u>101,456</u>
Segment results	<u>6,606</u>	<u>4,441</u>	<u>276</u>	<u>-</u>	<u>11,323</u>
Finance costs					(70)
Share of profits in a jointly-controlled entity	-	-	1,188	-	1,188
Income tax expense					(2,957)
Net profit for the year					<u><u>9,484</u></u>

	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Eliminations S\$'000	Total operations S\$'000
Other segment information					
Capital expenditure	<u>926</u>	<u>634</u>	<u>-</u>	<u>(4)</u>	<u>1,556</u>
Depreciation of property, plant and equipment	<u>1,080</u>	<u>1,724</u>	<u>190</u>	<u>-</u>	<u>2,994</u>
Amortisation of intangible assets	<u>-</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>51</u>
Other non-cash expenses/income	<u>(441)</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>(314)</u>

13.(a) Business Segments (cont'd)

	Healthcare services S\$'000	Hospital services S\$'000	Investment holdings S\$'000	Eliminations S\$'000	Total operations S\$'000
2005					
Assets and Liabilities					
Segment assets	135,444	35,999	8,240	(94,584)	85,099
Interest in jointly controlled entity	-	-	53,000	-	53,000
Deferred tax assets					846
Total assets					<u>138,945</u>
Segment liabilities	30,959	12,123	63,160	(79,505)	26,737
Current and deferred tax liabilities					4,487
Total liabilities					<u>31,224</u>
2004					
Assets and Liabilities					
Segment assets	129,906	22,981	8,571	(86,453)	75,005
Interest in jointly controlled entity	-	-	51,680	-	51,680
Deferred tax assets					1,004
Total assets					<u>127,689</u>
Segment liabilities	22,564	10,465	63,647	(72,644)	24,032
Current and deferred tax liabilities					3,347
Total liabilities					<u>27,379</u>

13.(b) Geographical Segments

	Singapore S\$'000	Hong Kong S\$'000	Total operations S\$'000
2005			
Revenue from external customers	108,850	4,048	112,898
Segment assets	83,503	1,596	85,099
Capital expenditure	5,250	507	5,757
2004			
Revenue from external customers	97,597	3,859	101,456
Segment assets	73,808	1,197	75,005
Capital expenditure	1,547	9	1,556

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

		Group		
		31/12/2005 S\$'000	31/12/2004 S\$'000 Restated	Change %
15 (a)	Revenue reported for first half	52,898	50,185	5.4
15 (b)	Operating profit after tax before deducting minority interests reported for first half year	5,047	4,426	14.0
15 (c)	Revenue reported for second half	60,000	51,271	17.0
15 (d)	Operating profit after tax before deducting minority interests reported for second half year	6,991	5,058	38.2

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	7,975	7,804
Preference	0	0
Total	7,975	7,804

BY ORDER OF THE BOARD

Pay Cher Wee
Company Secretary
10/02/2006