

**Audited Full Year Financial Statement And Dividend Announcement For the Year Ended  
31 December 2006**

**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**

<b>Group</b>	<b>2006 S\$'000</b>	<b>2005 S\$'000</b>	<b>Change %</b>
<b>Revenue</b>	134,248	112,898	18.9
Other operating income	1,867	940	98.6
Inventories and consumables used	(16,579)	(13,710)	20.9
Staff costs	(69,284)	(61,523)	12.6
Depreciation of property, plant and equipment	(3,374)	(3,053)	10.5
Other operating expenses	(27,668)	(22,050)	25.5
<b>Profit from operating activities</b>	19,210	13,502	42.3
Finance expenses	(109)	(81)	34.6
Share of profits in a jointly-controlled entity	943	1,375	(31.4)
<b>Profit before income tax</b>	20,044	14,796	35.5
Income tax expense	(4,277)	(2,758)	55.1
<b>Profit for the year</b>	15,767	12,038	31.0
<b>Attributable to :</b>			
Equity holders of the parent	15,713	11,958	31.4
Minority interests	54	80	(32.5)
<b>Profit for the year</b>	15,767	12,038	31.0

**Profit from ordinary activities before taxation includes the following:**

<b>Group</b>	<b>2006</b>	<b>2005</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>(a) Other operating income</b>		
Exchange gain	162	134
Interest income from fixed deposits and commercial notes	1,705	806
<b>(b) Other operating expenses</b>		
Allowance/(Reversal) for doubtful receivables	623	(36)
Amortisation of intangible assets	51	52
Loss on disposal of property, plant and equipment	7	6
Property, plant and equipment written off	47	39

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

<b>Group</b>	<b>2006</b>	<b>2005</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Current tax expense</b>		
Overprovision in respect of prior years	13	46
<b>Deferred tax expense</b>		
Underprovision in respect of prior years	15	-
Reversal in respect of prior years	15	79

**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	
	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	20,191	21,412	2,410	2,855
Intangible assets	206	257	-	-
Subsidiaries	-	-	74,873	74,873
Jointly-controlled entity	53,976	53,000	-	-
Membership rights, at cost	88	88	68	68
Deferred tax assets	994	846	-	-
	<u>75,455</u>	<u>75,603</u>	<u>77,351</u>	<u>77,796</u>
<b>Current assets</b>				
Investment in commercial notes	14,250	13,000	7,500	5,000
Inventories	3,424	2,942	1,149	994
Trade and other receivables	16,761	12,271	11,763	10,524
Cash and cash equivalents	41,946	35,129	35,747	28,763
	<u>76,381</u>	<u>63,342</u>	<u>56,159</u>	<u>45,281</u>
<b>Total assets</b>	<u>151,836</u>	<u>138,945</u>	<u>133,510</u>	<u>123,077</u>
<b>Equity attributable to equity holders of the parent</b>				
Share capital	101,050	40,035	101,050	40,035
Reserves	11,819	67,455	9,397	61,079
	<u>112,869</u>	<u>107,490</u>	<u>110,447</u>	<u>101,114</u>
<b>Minority interests</b>	<u>273</u>	<u>231</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>113,142</u>	<u>107,721</u>	<u>110,447</u>	<u>101,114</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	746	714	135	175
<b>Current liabilities</b>				
Trade and other payables	30,013	24,392	18,207	17,667
Interest-bearing liabilities	1,994	2,345	1,822	1,983
Current tax payable	5,941	3,773	2,899	2,138
	<u>37,948</u>	<u>30,510</u>	<u>22,928</u>	<u>21,788</u>
<b>Total liabilities</b>	<u>38,694</u>	<u>31,224</u>	<u>23,063</u>	<u>21,963</u>
<b>Total equity and liabilities</b>	<u>151,836</u>	<u>138,945</u>	<u>133,510</u>	<u>123,077</u>

**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 31/12/2006</b>		<b>As at 31/12/2005</b>	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$1,993,926	S\$0	S\$2,345,042

**Amount repayable after one year**

<b>As at 31/12/2006</b>		<b>As at 31/12/2005</b>	
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.**

	<b>2006</b>	<b>2005</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit from ordinary activities before taxation	20,044	14,796
Adjustments for :-		
Amortisation of intangible assets	51	52
Depreciation of property, plant and equipment	3,374	3,053
Employee share option expense	584	487
Finance expenses	109	81
Exchange gain	(162)	(134)
Interest income from fixed deposits and commercial notes	(1,705)	(806)
Loss on disposal of property, plant and equipment	7	6
Property, plant and equipment written off	47	39
Share of profits in a jointly-controlled entity	(943)	(1,375)
<b>Operating profit before working capital changes</b>	<b>21,406</b>	<b>16,199</b>
Changes in working capital :-		
Inventories	(491)	(371)
Trade and other receivables	(4,491)	(1,161)
Trade and other payables	5,669	2,428
Cash generated from operations	22,093	17,095
Income taxes paid	(2,321)	(1,388)
Interest paid	(109)	(81)
<b>Cash flows from operating activities</b>	<b>19,663</b>	<b>15,626</b>
<b>Investing activities</b>		
Investment in commercial notes	(54,500)	(53,750)
Proceeds from sale of commercial notes	53,250	50,250
Interest received	1,636	715
Purchase of property, plant and equipment	(2,300)	(5,757)
Proceeds from sale of property, plant and equipment	39	610
<b>Cash flows used in investing activities</b>	<b>(1,875)</b>	<b>(7,932)</b>
<b>Financing activities</b>		
Dividends paid to equity holders of the parent	(15,502)	(7,975)
Dividends paid to minority shareholders of the subsidiary	(12)	-
Proceeds from issue of shares under share option scheme	4,843	2,957
Proceeds from bank loan	-	1,983
Repayment of bank loan	-	(1,957)
<b>Cash flows used in financing activities</b>	<b>(10,671)</b>	<b>(4,992)</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,117</b>	<b>2,702</b>
Cash and cash equivalents at beginning of the year	34,767	32,021
Effect of exchange rate changes on balances held in foreign currency	(110)	44
<b>Cash and cash equivalents at end of the year</b>	<b>41,774</b>	<b>34,767</b>
Cash and cash equivalents at end of the year include the following :		
Cash & fixed deposits	41,946	35,129
Bank overdrafts	(172)	(362)
	<b>41,774</b>	<b>34,767</b>

**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	Share premium S\$'000	Currency translation reserve S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the Company S\$'000	Minority interests S\$'000	Total equity S\$'000
<b>At 1 January 2005</b>	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
Total recognised income and expense for the year	-	-	(96)	-	11,958	11,862	80	11,942
Value of employee services received for issue of share options	-	-	-	487	-	487	-	487
Dividends paid of 2.5 cents per ordinary share	-	-	-	-	(7,975)	(7,975)	-	(7,975)
<b>At 31 December 2005</b>	40,035	56,172	(8)	1,123	10,168	107,490	231	107,721
<b>At 1 January 2006</b>	40,035	56,172	(8)	1,123	10,168	107,490	231	107,721
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	56,172	(56,172)	-	-	-	-	-	-
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	4,843	-	-	-	-	4,843	-	4,843
Translation differences relating to financial statements of foreign subsidiaries	-	-	(259)	-	-	(259)	-	(259)
Net profit for the year	-	-	-	-	15,713	15,713	54	15,767
Total recognised income and expense for the year	-	-	(259)	-	15,713	15,454	54	15,508
Value of employee services received for issue of share options	-	-	-	584	-	584	-	584
Interim Ordinary & Special dividend paid of 1.0 cents per ordinary share	-	-	-	-	(4,107)	(4,107)	-	(4,107)
Final & Special dividend paid of 3.0 cents per ordinary share	-	-	-	-	(11,395)	(11,395)	-	(11,395)
Dividends distributed to minority shareholders	-	-	-	-	-	-	(12)	(12)
<b>At 31 December 2006</b>	101,050	-	(267)	1,707	10,379	112,869	273	113,142

<b>Company</b>	Share capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<b>At 1 January 2005</b>	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
Total recognised income and expense for the year	-	-	-	3,500	3,500
Value of employee services received for issue of share options	-	-	254	-	254
Dividends paid of 2.5 cents per ordinary share	-	-	-	(7,975)	(7,975)
<b>At 31 December 2005</b>	<b>40,035</b>	<b>56,172</b>	<b>560</b>	<b>4,347</b>	<b>101,114</b>
<b>At 1 January 2006</b>	40,035	56,172	560	4,347	101,114
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	56,172	(56,172)	-	-	-
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	4,843	-	-	-	4,843
Net profit for the year	-	-	-	19,653	19,653
Total recognised income and expense for the year	-	-	-	19,653	19,653
Value of employee services received for issue of share options	-	-	339	-	339
Interim Ordinary & Special dividend paid of 1.0 cents per ordinary share	-	-	-	(4,107)	(4,107)
Final & Special dividend paid of 3.0 cents per ordinary share	-	-	-	(11,395)	(11,395)
<b>At 31 December 2006</b>	<b>101,050</b>	<b>-</b>	<b>899</b>	<b>8,498</b>	<b>110,447</b>

**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 2006, the Company issued 12,197,000 new shares. 3,747,000, 2,815,000, 1,663,000, 2,195,000 and 1,777,000 shares were issued at S\$0.43, S\$0.33, S\$0.285, S\$0.42 and S\$0.51 each, respectively, upon the exercise of options under the Raffles Medical Group Employee's Share Option Scheme.

As at 31 December 2006, there were outstanding options for conversion into 23,238,000 (2005 : 28,693,000) ordinary shares.

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

The full-year financial statements on consolidated results for the year ended 31 December 2006 have been audited in accordance with Singapore Standards on Auditing.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

As attached.

**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 2006 are consistent with those applied in the financial statements for the year ended 31 December 2005.

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.**

		<b>2006</b>	<b>2005</b>
6.(a)	Earnings per ordinary share for the year based on 1(a) above :-		
	(i) Based on existing issued share capital [A]	3.85 cents	3.01 cents
	(ii) On a fully diluted basis [B]	3.78 cents	2.96 cents

[A] The calculation of earnings per ordinary share is based on weighted average shares of 407,747,084 (2005 : 397,437,530) 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 415,597,207 (2005 : 403,357,983) 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
7. (a) Net asset value per ordinary share [C]	27.36 cents	26.85 cents	26.77 cents	25.26 cents

[C] The calculation of net asset value per ordinary share is based on 412,544,999 (2005 : 400,347,999) shares as at 31 December 2006.

**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 **18.9%** from **S\$112.9** million to **S\$134.2** million for the year ended 31 December 2006. All divisions contributed positively to the growth of the Group with revenue from Hospital Services division increasing by **22.4%** whilst Healthcare Services grew by **15.5%**.

In line with strong revenue growth from increasing patient load and improved operating efficiencies, profit after tax for the Group this year grew by **31.0%** to **S\$15.8** million compared to last year.

**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 Q3 2006 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 strong economic recovery in Singapore and the region together with strong economic growth in China and India augur well for the Group. **RafflesHospital** continues to attract an increasing number of foreign patients, further enhancing **RafflesHospital's** operating efficiencies. Healthcare services division will continue to grow with improved margins.

As the Group enters its 31<sup>st</sup> year of operations, and in view of the very positive results, the Directors are recommending a final ordinary dividend of 2.0 cents and a final special dividend of 1.0 cent as well as a bonus share issue of one share for every ten shares. Going forward, the Directors are confident that the Group will continue to do well.

## 11. Dividend

### (a) Current Financial Period Reported On

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

Name of Dividend	Interim	Interim
Dividend Type	Ordinary	Special
Dividend Amount per Share (in cents)	0.5 cent per ordinary share (one tier tax)	0.5 cent per ordinary share (one tier tax)
Tax Rate	Tax Exempt	Tax Exempt

Name of Dividend	Final	Final
Dividend Type	Ordinary	Special
Dividend Amount per Share (in cents)	2.0 cent per ordinary share (one tier tax)	1.0 cent per ordinary share (one tier tax)
Tax Rate	Tax Exempt	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	First & Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share (less tax)	0.5 cent per ordinary share (one tier tax)
Tax Rate	20%	Tax Exempt

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cent per ordinary share (one tier tax)
Tax Rate	Tax Exempt

### (c) Date payable

The Directors are pleased to recommend:

- (a) a final dividend of 2.0 cents per share amounting to S\$8,250,900; and
- (b) a special dividend of 1.0 cents per share amounting to S\$4,125,450

in respect of the financial year ended 31 December 2006 for approval by the shareholders at the next Annual General Meeting to be convened on 23 April 2007. The date of payment of the proposed dividends, if approved at the Annual General Meeting, will be paid on 16 May 2007.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 4 May 2007 on which day no share transfer will be effected.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Ltd, 138 Robinson Road #17-00, Singapore 068906, up to the close of business at 5.00 p.m. on 3 May 2007 will be registered to determine shareholders' entitlements to the Final & Special Dividend.

**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**

	<b>Healthcare services S\$'000</b>	<b>Hospital services S\$'000</b>	<b>Investment holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total operations S\$'000</b>
<b>2006</b>					
<b>Revenue and expenses</b>					
Revenue from external customers	60,676	73,519	53	-	134,248
Inter-segment revenue	302	5,664	498	(6,464)	-
Total revenue	<u>60,978</u>	<u>79,183</u>	<u>551</u>	<u>(6,464)</u>	<u>134,248</u>
Segment results	<u>6,058</u>	<u>12,932</u>	<u>220</u>	<u>-</u>	<u>19,210</u>
Finance expenses					(109)
Share of profits in a jointly-controlled entity	-	-	943	-	943
Income tax expense					(4,277)
Profit for the year					<u>15,767</u>

	<b>Healthcare services S\$'000</b>	<b>Hospital services S\$'000</b>	<b>Investment holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total operations S\$'000</b>
<b>Other segment information</b>					
Capital expenditure	<u>839</u>	<u>1,461</u>	<u>-</u>	<u>-</u>	<u>2,300</u>
Depreciation of property, plant and equipment	<u>1,160</u>	<u>2,024</u>	<u>190</u>	<u>-</u>	<u>3,374</u>
Amortisation of intangible assets	<u>-</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>51</u>
Other non-cash expenses	<u>54</u>	<u>603</u>	<u>20</u>	<u>-</u>	<u>677</u>

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

	<b>Healthcare services Restated S\$'000</b>	<b>Hospital services Restated S\$'000</b>	<b>Investment holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total operations S\$'000</b>
<b>2005</b>					
<b>Revenue and expenses</b>					
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 expenses					(81)
Share of profits in a jointly-controlled entity	-	-	1,375	-	1,375
Income tax expense					(2,758)
Net profit for the year					<u>12,038</u>

	<b>Healthcare services S\$'000</b>	<b>Hospital services S\$'000</b>	<b>Investment holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total operations S\$'000</b>
<b>Other segment information</b>					
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)**

	<b>Healthcare services S\$'000</b>	<b>Hospital services S\$'000</b>	<b>Investment holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total operations S\$'000</b>
<b>2006</b>					
<b>Assets and Liabilities</b>					
Segment assets	146,982	37,053	8,003	(95,172)	96,866
Interest in jointly-controlled entity	-	-	53,976	-	53,976
Deferred tax assets					994
Total assets					<u>151,836</u>
Segment liabilities	33,441	15,891	62,791	(80,116)	32,007
Current and deferred tax liabilities					6,687
Total liabilities					<u>38,694</u>
<b>2005</b>					
<b>Assets and Liabilities</b>					
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>

**13.(b) Geographical Segments**

	<b>Singapore S\$'000</b>	<b>Hong Kong S\$'000</b>	<b>Total operations S\$'000</b>
<b>2006</b>			
Revenue from external customers	130,490	3,758	134,248
Segment assets	95,626	1,240	96,866
Capital expenditure	2,283	17	2,300
<b>2005</b>			
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

**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.**

		<b>Group</b>		
		<b>31/12/2006 S\$'000</b>	<b>31/12/2005 S\$'000</b>	<b>Change %</b>
15 (a)	Revenue reported for first half	63,682	52,898	20.4
15 (b)	Operating profit after tax before deducting minority interests reported for first half year	6,703	5,047	32.8
15 (c)	Revenue reported for second half	70,566	60,000	17.6
15 (d)	Operating profit after tax before deducting minority interests reported for second half year	9,064	6,991	29.7

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

	<b>Latest Full Year (S\$'000)</b>	<b>Previous Full Year (S\$'000)</b>
Ordinary	15,502	7,975
Preference	0	0
Total	15,502	7,975

**BY ORDER OF THE BOARD**

**Wee Jee Kin**  
**Company Secretary**  
**09/02/2007**