

Financial Statement For the Quarter Ended 31 March 2007

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

	31/3/2007 S\$'000	31/3/2006 S\$'000	Change %
Group			
Revenue	37,681	30,912	21.9
Other operating income	509	386	31.9
Inventories and consumables used	(4,642)	(4,178)	11.1
Staff costs	(19,722)	(16,636)	18.6
Depreciation of property, plant and equipment	(885)	(818)	8.2
Other operating expenses	(7,959)	(6,220)	28.0
Profit from operating activities	4,982	3,446	44.6
Finance expenses	(24)	(28)	(14.3)
Share of profits in a jointly-controlled entity	190	330	(42.4)
Profit before income tax	5,148	3,748	37.4
Income tax expense	(1,014)	(847)	19.7
Profit for the period	4,134	2,901	42.5
Attributable to :			
Equity holders of the parent	4,113	2,892	42.2
Minority interests	21	9	133.3
Profit for the period	4,134	2,901	42.5

Profit from ordinary activities before taxation includes the following:

Group	31/3/2007	31/3/2006
	S\$'000	S\$'000
(a) Other operating income		
Exchange gain	26	-
Interest income from fixed deposits and commercial notes	483	386
(b) Other operating expenses		
Allowance for doubtful receivables	157	101
Amortisation of intangible assets	13	13
Exchange loss	-	179
Loss on disposal of property, plant and equipment	-	7
Property, plant and equipment written off	3	10

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

Group	First Quarter	
	Q1 2007	Q1 2006
	S\$'000	S\$'000
Deferred tax liabilities		
Adjustment due to change in tax rates in respect of prior years	75	-
Deferred tax assets		
Underprovision in respect of prior years	15	-
Adjustment due to change in tax rates in respect of prior years	105	-

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	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	19,903	20,191	2,246	2,410
Intangible assets	193	206	-	-
Subsidiaries	-	-	74,873	74,873
Jointly-controlled entity	54,106	53,976	-	-
Membership rights, at cost	113	88	93	68
Deferred tax assets	815	994	-	-
	<u>75,130</u>	<u>75,455</u>	<u>77,212</u>	<u>77,351</u>
Current assets				
Investment in commercial notes	14,250	14,250	7,500	7,500
Inventories	3,359	3,424	1,118	1,149
Trade and other receivables	20,476	16,761	11,698	11,763
Cash and cash equivalents	48,108	41,946	42,072	35,747
	<u>86,193</u>	<u>76,381</u>	<u>62,388</u>	<u>56,159</u>
Total assets	<u>161,323</u>	<u>151,836</u>	<u>139,600</u>	<u>133,510</u>
Equity attributable to equity holders of the parent				
Share capital	102,252	101,050	102,252	101,050
Reserves	16,050	11,819	10,281	9,397
	<u>118,302</u>	<u>112,869</u>	<u>112,533</u>	<u>110,447</u>
Minority interests	294	273	-	-
Total equity	<u>118,596</u>	<u>113,142</u>	<u>112,533</u>	<u>110,447</u>
Non-current liabilities				
Deferred tax liabilities	671	746	121	135
Current liabilities				
Trade and other payables	34,261	30,013	22,569	18,207
Interest-bearing liabilities	1,821	1,994	1,794	1,822
Current tax payable	5,974	5,941	2,583	2,899
	<u>42,056</u>	<u>37,948</u>	<u>26,946</u>	<u>22,928</u>
Total liabilities	<u>42,727</u>	<u>38,694</u>	<u>27,067</u>	<u>23,063</u>
Total equity and liabilities	<u>161,323</u>	<u>151,836</u>	<u>139,600</u>	<u>133,510</u>

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

Amount repayable in one year or less, or on demand

As at 31/03/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$1,821,465	S\$0	S\$1,993,926

Amount repayable after one year

As at 31/03/2007		As at 31/12/2006	
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.

	Q1 2007	Q1 2006
	S\$'000	S\$'000
Operating activities		
Profit before income tax	5,148	3,748
Adjustments for :-		
Amortisation of intangible assets	13	13
Depreciation of property, plant and equipment	885	818
Employee share option expense	153	108
Finance expenses	24	28
Exchange (gain)/loss	(26)	179
Interest income from fixed deposits and commercial notes	(483)	(386)
Loss on disposal of property, plant and equipment	-	7
Property, plant and equipment written off	3	10
Share of profits in a jointly-controlled entity	(190)	(330)
Operating profit before working capital changes	5,527	4,195
Changes in working capital :-		
Inventories	63	(75)
Trade and other receivables	(3,688)	(622)
Trade and other payables	4,255	2,540
Cash generated from operations	6,157	6,038
Income taxes paid	(832)	-
Interest paid	(24)	(28)
Cash flows from operating activities	5,301	6,010
Investing activities		
Investment in commercial notes	10,250	13,000
Proceeds from sale of commercial notes	(10,250)	(13,000)
Interest received	447	304
Purchase of property, plant and equipment	(606)	(313)
Proceeds from sale of property, plant and equipment	-	32
Purchase of club membership	(25)	-
Cash flows (used in)/from investing activities	(184)	23
Financing activity		
Proceeds from issue of shares under share option scheme	1,202	1,170
Cash flows from financing activity	1,202	1,170
Net increase in cash and cash equivalents	6,319	7,203
Cash and cash equivalents at beginning of the period	41,774	34,767
Effect of exchange rate changes on balances held in foreign currency	(13)	(40)
Cash and cash equivalents at end of the period	48,080	41,930
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	48,108	42,231
Bank overdrafts	(28)	(301)
	48,080	41,930

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	Share premium	Currency translation reserve	Share option reserve	Accumulated profits	Total attributable to equity holders of the Company	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2006	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	1,170	-	-	-	-	1,170	-	1,170
Translation differences relating to financial statements of foreign subsidiaries	-	-	152	-	-	152	-	152
Net profit for the period	-	-	-	-	2,892	2,892	9	2,901
Total recognised income and expense for the period	-	-	152	-	2,892	3,044	9	3,053
Value of employee services received for issue of share options	-	-	-	108	-	108	-	108
At 31 March 2006	97,377	-	144	1,231	13,060	111,812	240	112,052
At 1 January 2007	101,050	-	(267)	1,707	10,379	112,869	273	113,142
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	1,202	-	-	-	-	1,202	-	1,202
Translation differences relating to financial statements of foreign subsidiaries	-	-	(35)	-	-	(35)	-	(35)
Net profit for the period	-	-	-	-	4,113	4,113	21	4,134
Total recognised income and expense for the period	-	-	(35)	-	4,113	4,078	21	4,099
Value of employee services received for issue of share options	-	-	-	153	-	153	-	153
At 31 March 2007	102,252	-	(302)	1,860	14,492	118,302	294	118,596

Company	Share capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2006	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	1,170	-	-	-	1,170
Net profit for the period	-	-	-	790	790
Total recognised income and expense for the period	-	-	-	790	790
Value of employee services received for issue of share options	-	-	60	-	60
At 31 March 2006	97,377	-	620	5,137	103,134
At 1 January 2007	101,050	-	899	8,498	110,447
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	1,202	-	-	-	1,202
Net profit for the period	-	-	-	800	800
Total recognised income and expense for the period	-	-	-	800	800
Value of employee services received for issue of share options	-	-	84	-	84
At 31 March 2007	102,252	-	983	9,298	112,533

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.

(a) Changes in share capital from exercise of share options

During the quarter ended 31 March 2007, the Company issued 3,042,000 new shares. 458,000, 850,000, 455,000, 633,000 and 646,000 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 March 2007, there were outstanding options for conversion into 20,148,000 (Q1 2006 : 25,562,000) ordinary shares.

(b) Bonus issue

On 9 February 2007, the directors of the Company proposed a bonus issue (the "Bonus Issue") in the capital of the Company. This will be on the basis of one (1) bonus share for every ten (10) existing ordinary shares held by the Shareholders of the Company at 5.00pm on 3 May 2007.

The Company received in-principle approval from the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of up to 43,387,300 new ordinary shares (the "Bonus Shares") on 11 April 2007, fractional entitlement to be disregarded.

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 quarter ended 31 March 2007 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 2007 are consistent with those applied in the financial statements for the year ended 31 December 2006.

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.**

		Q1 2007	Q1 2006
6.(a)	Earnings per ordinary share for the year based on 1(a) above :-		
	(i) Based on existing issued share capital [A]	0.99 cent	0.72 cent
	(ii) On a fully diluted basis [B]	0.97 cent	0.71 cent

[A] The calculation of earnings per ordinary share is based on weighted average shares of 414,195,810 (Q1 2006 : 401,080,666) 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 424,464,980 (Q1 2006 : 410,108,534) in issue during the period.

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	
		31/03/2007	31/12/2006	31/03/2007	31/12/2006
7.(a)	Net asset value per ordinary share [C]	28.47 cents	27.36 cents	27.08 cents	26.77 cents

[C] The calculation of net asset value per ordinary share is based on 415,586,999 (31 December 2006 : 412,544,999) shares as at 31 March 2007.

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 achieved a record quarterly revenue of **S\$37.7** million in Q1 2007 as compared to **S\$30.9** million in Q1 2006, an increase of **21.9%**. Revenue from Healthcare Services and Hospital divisions contributed to the Group's growth by increasing **27.6%** and **16.2%** respectively.

With improved operating efficiencies, increased patient load and wider range of medical specialties, the Group's profit after tax surged **42.5%** to **S\$4.1** million as compared to Q1 2006.

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 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 Singapore economy and the growth in the region have benefited the Group.

RafflesHospital continues to attract more patients, foreign as well as local, further enhancing its operating efficiencies and margins. It has also been successful in attracting eminent Consultant Specialists with various sub-specialty skills to the Raffles Group Practice. This has enabled the Hospital to expand its range and depth of services.

Healthcare services division continues to grow with improving margins. **International Medical Insurers**, with more corporate and personal clients, is expected to grow strongly this year.

The government's upward revision of limits for Medisave claims together with the extension of Medisave use for chronic diseases will enable more local patients to seek private care. The Group is expected to benefit from these policy changes.

The Directors expect the Group to continue to perform well for the rest of the year.

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 2007.

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 2007 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

Wee Jee Kin
Company Secretary
28/04/2007