

## Financial Statement And Dividend Announcement For the Quarter Ended 30 June 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

Group	Second Quarter			Year-To-Date		
	Q2 2007	Q2 2006	Change	30/06/2007	30/06/2006	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	41,393	32,770	26.3	79,074	63,682	24.2
Other operating income	488	415	17.6	997	801	24.5
Inventories and consumables used	(4,933)	(4,261)	15.8	(9,575)	(8,439)	13.5
Staff costs	(20,286)	(16,828)	20.5	(40,008)	(33,464)	19.6
Depreciation of property, plant and equipment	(883)	(840)	5.1	(1,768)	(1,658)	6.6
Other operating expenses	(9,271)	(6,753)	37.3	(17,230)	(12,973)	32.8
<b>Profit from operating activities</b>	6,508	4,503	44.5	11,490	7,949	44.5
Finance expenses	(24)	(28)	(14.3)	(48)	(56)	(14.3)
Share of profits in a jointly-controlled entity	12,871	318	3,947.5	13,061	648	1,915.6
<b>Profit before income tax</b>	19,355	4,793	303.8	24,503	8,541	186.9
Income tax expense	(3,575)	(991)	260.7	(4,589)	(1,838)	149.7
<b>Profit for the period</b>	15,780	3,802	315.0	19,914	6,703	197.1
<b>Attributable to :</b>						
Equity holders of the parent	15,754	3,799	314.7	19,867	6,691	196.9
Minority interests	26	3	766.7	47	12	291.7
<b>Profit for the period</b>	15,780	3,802	315.0	19,914	6,703	197.1

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

Group	Second Quarter		Year-To-Date	
	Q2 2007 S\$'000	Q2 2006 S\$'000	30/06/2007 S\$'000	30/06/2006 S\$'000
<b>(a) Other operating income</b>				
Exchange gain	18	-	44	-
Interest income from fixed deposits and commercial notes	470	415	953	801
<b>(b) Other operating expenses</b>				
Allowance for doubtful receivables	371	185	528	290
Amortisation of intangible assets	13	13	26	26
Exchange loss	-	93	-	272
Loss on disposal of property, plant and equipment	-	-	-	7
Property, plant and equipment written off	3	1	6	11
Write off for stock obsolescence	17	-	17	-
<b>(c) Share of profits in a jointly-controlled entity</b>				
Share of profits in a jointly-controlled entity includes a fair value gain of an investment property	12,500	-	12,500	-

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

Group	Second Quarter		Year-To-Date	
	Q2 2007 S\$'000	Q2 2006 S\$'000	30/06/2007 S\$'000	30/06/2006 S\$'000
<b>Deferred tax liabilities</b>				
Adjustment due to change in tax rates in respect of prior years	-	-	75	-
<b>Deferred tax assets</b>				
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	
	30/06/2007 S\$'000	31/12/2006 S\$'000	30/06/2007 S\$'000	31/12/2006 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	19,813	20,191	2,107	2,410
Intangible assets	180	206	-	-
Subsidiaries	-	-	74,873	74,873
Jointly-controlled entity	66,985	53,976	-	-
Membership rights, at cost	164	88	93	68
Deferred tax assets	817	994	-	-
	<u>87,959</u>	<u>75,455</u>	<u>77,073</u>	<u>77,351</u>
<b>Current assets</b>				
Investment in commercial notes	11,750	14,250	5,000	7,500
Inventories	3,663	3,424	1,105	1,149
Trade and other receivables	27,473	16,761	15,585	11,763
Cash and cash equivalents	113,724	41,946	107,170	35,747
	<u>156,610</u>	<u>76,381</u>	<u>128,860</u>	<u>56,159</u>
<b>Total assets</b>	<u>244,569</u>	<u>151,836</u>	<u>205,933</u>	<u>133,510</u>
<b>Equity attributable to equity holders of the parent</b>				
Share capital	169,381	101,050	169,381	101,050
Reserves	19,462	11,819	11,267	9,397
	<u>188,843</u>	<u>112,869</u>	<u>180,648</u>	<u>110,447</u>
<b>Minority interests</b>	310	273	-	-
<b>Total equity</b>	<u>189,153</u>	<u>113,142</u>	<u>180,648</u>	<u>110,447</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	2,921	746	121	135
<b>Current liabilities</b>				
Trade and other payables	44,679	30,013	20,950	18,207
Interest-bearing liabilities	1,775	1,994	1,775	1,822
Current tax payable	6,041	5,941	2,439	2,899
	<u>52,495</u>	<u>37,948</u>	<u>25,164</u>	<u>22,928</u>
<b>Total liabilities</b>	<u>55,416</u>	<u>38,694</u>	<u>25,285</u>	<u>23,063</u>
<b>Total equity and liabilities</b>	<u>244,569</u>	<u>151,836</u>	<u>205,933</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**

<b>As at 30/06/2007</b>		<b>As at 31/12/2006</b>	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$1,775,421	S\$0	S\$1,993,926

**Amount repayable after one year**

<b>As at 30/06/2007</b>		<b>As at 31/12/2006</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>Q2 2007</b>	<b>Q2 2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before income tax	19,355	4,793
Adjustments for :-		
Amortisation of intangible assets	13	13
Depreciation of property, plant and equipment	883	840
Employee share option expense	264	174
Finance expenses	24	28
Exchange (gain) / loss	(18)	93
Interest income from fixed deposits and commercial notes	(470)	(415)
Property, plant and equipment written off	3	1
Share of profits in a jointly-controlled entity	(12,871)	(318)
<b>Operating profit before working capital changes</b>	<b>7,183</b>	<b>5,209</b>
Changes in working capital :-		
Inventories	(303)	(184)
Trade and other receivables	(7,047)	(1,802)
Trade and other payables	10,414	1,592
Cash generated from operations	10,247	4,815
Income tax paid	(1,265)	(1,119)
Interest paid	(24)	(28)
<b>Cash flows from operating activities</b>	<b>8,958</b>	<b>3,668</b>
<b>Investing activities</b>		
Investment in commercial notes	(11,750)	1,250
Proceeds from sale of commercial notes	14,250	-
Interest received	521	466
Purchase of property, plant and equipment	(793)	(889)
Purchase of club membership	(51)	-
<b>Cash flows from investing activities</b>	<b>2,177</b>	<b>827</b>
<b>Financing activities</b>		
Dividends paid to equity holders of the parent	(12,622)	(11,395)
Dividends paid to minority shareholders of subsidiary	(10)	(12)
Proceeds from issue of shares under share option scheme	3,192	2,128
Proceeds from issue of new shares	65,000	-
Payment of share issue expenses	(1,063)	-
Proceeds from bank loan	1,812	-
Repayment of bank loan	(1,812)	-
<b>Cash flows from / (used in) financing activities</b>	<b>54,497</b>	<b>(9,279)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>65,632</b>	<b>(4,784)</b>
Cash and cash equivalents at beginning of the period	48,080	41,930
Effect of exchange rate changes on balances held in foreign currency	12	(16)
<b>Cash and cash equivalents at end of the period</b>	<b>113,724</b>	<b>37,130</b>
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	113,724	37,372
Bank overdrafts	-	(242)
	<b>113,724</b>	<b>37,130</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	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 April 2006</b>	97,377	144	1,231	13,060	111,812	240	112,052
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	2,128	-	-	-	2,128	-	2,128
Translation differences relating to financial statements of foreign subsidiaries	-	80	-	-	80	-	80
Net profit for the period	-	-	-	3,799	3,799	3	3,802
Total recognised income and expense for the period	-	80	-	3,799	3,879	3	3,882
Value of employee services received for issue of share options	-	-	174	-	174	-	174
Dividends distributed to equity holders of the Company	-	-	-	(11,395)	(11,395)	-	(11,395)
Dividends distributed to minority shareholders	-	-	-	-	-	(12)	(12)
<b>At 30 June 2006</b>	<b>99,505</b>	<b>224</b>	<b>1,405</b>	<b>5,464</b>	<b>106,598</b>	<b>231</b>	<b>106,829</b>
<b>At 1 April 2007</b>	102,252	(302)	1,860	14,492	118,302	294	118,596
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	3,192	-	-	-	3,192	-	3,192
Issue of 50 million new ordinary shares	65,000	-	-	-	65,000	-	65,000
Share issue expenses	(1,063)	-	-	-	(1,063)	-	(1,063)
Translation differences relating to financial statements of foreign subsidiaries	-	16	-	-	16	-	16
Net profit for the period	-	-	-	15,754	15,754	26	15,780
Total recognised income and expense for the period	-	16	-	15,754	15,770	26	15,796
Value of employee services received for issue of share options	-	-	264	-	264	-	264
Dividends distributed to equity holders of the Company	-	-	-	(12,622)	(12,622)	-	(12,622)
Dividends distributed to minority shareholders	-	-	-	-	-	(10)	(10)
<b>At 30 June 2007</b>	<b>169,381</b>	<b>(286)</b>	<b>2,124</b>	<b>17,624</b>	<b>188,843</b>	<b>310</b>	<b>189,153</b>

<b>Company</b>	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<b>At 1 April 2006</b>	97,377	620	5,137	103,134
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	2,128	-	-	2,128
Net profit for the period	-	-	15,730	15,730
Total recognised income and expense for the period	-	-	15,730	15,730
Value of employee services received for issue of share options	-	106	-	106
Dividends			(11,395)	(11,395)
<b>At 30 June 2006</b>	99,505	726	9,472	109,703
<b>At 1 April 2007</b>	102,252	983	9,298	112,533
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	3,192	-	-	3,192
Issue of 50 million new ordinary shares	65,000	-	-	65,000
Share issue expenses	(1,063)	-	-	(1,063)
Net profit for the period	-	-	13,482	13,482
Total recognised income and expense for the period	-	-	13,482	13,482
Value of employee services received for issue of share options	-	126	-	126
Dividends	-	-	(12,622)	(12,622)
<b>At 30 June 2007</b>	169,381	1,109	10,158	180,648

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 arising from exercise of share options**

During the quarter ended 30 June 2007, the Company issued 6,015,000 new shares, upon the exercise of options under the Raffles Medical Group Employee's Share Option Scheme.

**Before One for Ten Bonus Issue – Employees & Non-Employees**

Exercise price per share	S\$0.43	S\$0.33	S\$0.285	S\$0.42	S\$0.51	S\$0.78
No. of new shares issued	600,000	947,000	91,000	681,000	1,149,000	1,679,000

**After adjustment for Bonus Issue - Employees**

New exercise price <sup>(1)</sup> per share	S\$0.32	S\$0.23	S\$0.185	S\$0.33	S\$0.42	S\$0.71
No. of new shares issued	16,000	39,000	12,000	87,000	225,000	259,000

**After adjustment for Bonus Issue – Non-Employees**

New exercise price <sup>(1)</sup> per share	S\$0.30	S\$0.40	S\$0.68
No. of new shares issued	100,000	100,000	30,000

<sup>(1)</sup> Adjustment to share option exercise prices arising from the issuance of one for ten bonus issue.

On 2 April 2007, 4,062,000 options were granted to 6 independent directors of the Company and subsidiaries and 323 full-time employees, pursuant to the Raffles Medical Group (2000) Share Option Scheme to subscribe for ordinary shares at an exercise price of S\$1.21, which is now revised to S\$1.15 and S\$1.14 for employees and non-employees respectively, due to the adjustment of one for ten bonus share issue.

As at 30 June 2007, there were outstanding options for conversion into 17,780,000 (Q2 2006 : 27,539,000) ordinary shares.

**(b) Bonus issue**

On 8 May 2007, the Company issued 42,073,394 new ordinary shares (the "Bonus Issue") in the capital of the Company. This was issued on the basis of one (1) bonus share for every ten (10) existing ordinary shares held by the Shareholders of the Company at 5.00 pm on 3 May 2007.

**(c) Issue of new share capital**

On 29 June 2007, the Company placed out 50,000,000 new shares at S\$1.30 per share in conjunction with the acquisition of the remaining 50% stake in CapitaLand-Raffles Properties Pte Ltd. These shares have been fully placed with V - Sciences Investments Pte Ltd, a wholly owned subsidiary of Temasek Holdings (Private) Limited (25,000,000 placement shares), and Qatar Investment Authority, the investment arm of the Government of Qatar (25,000,000 placement shares).



**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 30 June 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 30 June 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.**

		Second Quarter		Year-To-Date	
		Q2 2007	Q2 2006 Restated	30/06/2007	30/06/2006 Restated
6.(a)	Earnings per ordinary share for the period based on 1(a) above :-				
	(i) Based on existing issued share capital [A]	3.40 cents	0.85 cents	4.33 cents	1.51 cents
	(ii) On a fully diluted basis [B]	3.34 cents	0.83 cents	4.25 cents	1.47 cents

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2007 are based on weighted average shares of 463,119,303 (Q2 2006 : 447,866,087) and 459,388,073 (30 June 2006 : 444,509,392), respectively in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and half year ended 30 June 2007 are based on weighted average shares of 472,197,273 (Q2 2006 : 458,115,054) and 467,914,523 (30 June 2006 : 453,638,392), respectively in issue during the period.

[C] The comparative figures for Q2 2006 and 30 June 2006 have been restated to take into account the one for ten bonus shares issued.

**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	
	30/06/2007	31/12/2006 Restated	30/06/2007	31/12/2006 Restated
7.(a) Net asset value per ordinary share [D]	36.76 cents	24.87 cents	35.17 cents	24.34 cents

[D] The calculation of net asset value per ordinary share is based on 513,675,393 (31 December 2006 : 453,799,499) shares as at 30 June 2007. The comparative figures for 31 December 2006 have been restated to take into account the one for ten bonus shares issued.

**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\$41.4** million in Q2 2007 as compared to **S\$32.8** million in Q2 2006, an increase of **26.3%**. Revenue from Healthcare and Hospital Services divisions contributed to the Group's growth by increasing **17.6%** and **33.2%** respectively.

The Group's profit after tax increased by a spectacular **315.0%** from **S\$3.8** million in Q2 2006 to **S\$15.8** million in this quarter. This outstanding performance is the result of a **44.5%** increase in profit from operating activities and increased share of profits from CapitaLand-Raffles Properties Pte Ltd ("CRPPL").

The **44.5%** increased profit from operating activities is the result of increased patient load, a wider range of medical specialties and improved operating efficiencies at the Hospital and Healthcare services divisions.

The Group has also entered into a conditional agreement on 16 June 2007 to acquire the remaining 50% stake in CRPPL for a total consideration of S\$66.86 million. CRPPL owns the **RafflesHospital** building located at 585 North Bridge Road, Singapore 188770. The acquisition is expected to be completed around 30 September 2007.

In conjunction with the above acquisition, the Group placed out 50 million new shares at S\$1.30 per share to V-Sciences Investments Pte Ltd, a wholly owned subsidiary of Temasek Holdings (Private) Limited (25 million placement shares) and Qatar Investment Authority, the investment arm of the Government of Qatar (25 million placement shares). Each new investor will own approximately 4.87% of the Group. The net proceeds from this placement is approximately S\$63.9 million and it will be used to fund the acquisition mentioned above.

Earlier in this quarter, the Group also completed a one for ten bonus issue on 8 May 2007.

**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 Q1 2007 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. With the recent acquisition and resultant full ownership of the Hospital building, **RafflesHospital** will be able to benefit from the greater flexibility to optimize the use of hospital and clinic space as well as financing of the property.

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

The placement of new shares to strong strategic shareholders augurs well for the Group as it ventures into the region.

The Directors expect the Group to continue to perform well for the rest of the year and the Directors are pleased to announce an interim ordinary dividend of 1.0 cent per share amounting to S\$5.1 million approximately.

**11. Dividend**

**(a) Current Financial Period Reported On**

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

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	1.0 cent per ordinary share (one tier tax)
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	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

**(c) Date payable**

The dividend will be paid on 7 September 2007.

**(d) Books closure date**

Notice is hereby given that that Share Transfer Books and Register of Members of the Company will be closed on 23 August 2007 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 pm on 22 August 2007 will be registered before entitlements to the dividend are determined.

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

Not applicable.

**13. Confirmation pursuant to Rule 705(4) of the Listing Manual**

We, Dr Loo Choon Yong and Dr David McKinnon Lawrence, 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 second quarter 30 June 2007 to be false or misleading.

On behalf of the board of directors

Dr Loo Choon Yong  
Chairman

Dr David McKinnon Lawrence  
Director

**BY ORDER OF THE BOARD**

**Tay Kim Choon Kimmy**  
**Company Secretary**  
**30 July 2007**