

Financial Statement and Dividend Announcement For The Second Quarter Ended 30 June 2010

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 2010	Q2 2009	Change	30/06/2010	30/06/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	58,576	53,910	8.7	114,772	104,926	9.4
Other operating income	260	33	nm	326	85	nm
Inventories and consumables used	(6,653)	(6,424)	3.6	(13,039)	(11,850)	10.0
Purchased and contracted services	(4,338)	(4,183)	3.7	(8,173)	(7,987)	2.3
Staff costs	(27,790)	(25,509)	8.9	(55,412)	(50,439)	9.9
Depreciation of property, plant and equipment	(1,691)	(1,707)	(0.9)	(3,386)	(3,446)	(1.7)
Operating lease expenses	(1,343)	(1,380)	(2.7)	(2,675)	(2,627)	1.8
Other operating expenses	(4,010)	(3,758)	6.7	(8,206)	(8,010)	2.4
Profit from operating activities	13,011	10,982	18.5	24,207	20,652	17.2
Finance expenses	(63)	(101)	(37.6)	(134)	(230)	(41.7)
Profit before income tax	12,948	10,881	19.0	24,073	20,422	17.9
Income tax expense	(2,347)	(2,077)	13.0	(4,349)	(3,784)	14.9
Profit for the period	10,601	8,804	20.4	19,724	16,638	18.5
Attributable to :						
Owners of the Company	10,564	8,782	20.3	19,632	16,574	18.5
Non-controlling interests	37	22	68.2	92	64	43.8
Profit for the period	10,601	8,804	20.4	19,724	16,638	18.5

Note: nm denotes not meaningful

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).

	Second Quarter			Year-To-Date		
	Q2 2010	Q2 2009	Change	30/6/2010	30/6/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Consolidated statement of comprehensive income						
Profit for the period	10,601	8,804	20.4	19,724	16,638	18.5
Other comprehensive income						
Foreign currency translation differences for foreign operations	(34)	448	nm	(1)	(56)	(98.2)
Total comprehensive income for the period	<u>10,567</u>	<u>9,252</u>	14.2	<u>19,723</u>	<u>16,582</u>	18.9
Attributable to: -						
Owners of the Company	10,530	9,230	14.1	19,631	16,518	18.8
Non-controlling interests	37	22	68.2	92	64	43.8
Total comprehensive income for the period	<u>10,567</u>	<u>9,252</u>	14.2	<u>19,723</u>	<u>16,582</u>	18.9

Note: nm denotes not meaningful.

Explanatory notes to the income statement

- Staff costs increased in tandem with higher volume of business in the Group. The rate of increase for staff costs in Q2 2010 is slightly higher than the growth in revenue due to a reduction in jobs credit grant received in Q2 2010 when compared with jobs credit grant received in Q2 2009.
- Profit from ordinary activities before taxation includes the following:

Group	Second Quarter		Year-To-Date	
	Q2 2010	Q2 2009	30/6/2010	30/6/2009
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Other operating income				
Interest income from fixed deposits	99	33	165	85
Gain on disposal of asset held for sale	161	-	161	-
(b) Other operating expenses				
Allowance for doubtful receivables	442	315	781	627
Amortisation of intangible assets	13	13	25	25
Exchange loss/(gain)	7	(113)	7	10
Loss on disposal of property, plant and equipment	-	8	-	17
Property, plant and equipment written off	5	113	17	118

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

Group	Second Quarter		Year-To-Date	
	Q2 2010	Q2 2009	30/6/2010	30/6/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax expense				
(Over)/Under provision in respect of prior periods	-	-	(56)	88
Current tax expense				
Under/(Over) provision in respect of prior periods	-	-	8	(217)

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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	
	30/06/2010 S\$'000	31/12/2009 S\$'000	30/06/2010 S\$'000	31/12/2009 S\$'000
Non-current assets				
Property, plant and equipment	143,368	146,435	3,261	3,527
Intangible assets	342	367	245	245
Investment properties	85,000	85,000	-	-
Subsidiaries	-	-	198,096	197,582
Deferred tax assets	667	528	-	-
	<u>229,377</u>	<u>232,330</u>	<u>201,602</u>	<u>201,354</u>
Current assets				
Inventories	4,965	5,273	1,415	1,711
Trade and other receivables	26,819	24,283	19,198	15,695
Cash and cash equivalents	85,212	74,372	70,173	59,087
Assets classified as held for sale	634	553	-	-
	<u>117,630</u>	<u>104,481</u>	<u>90,786</u>	<u>76,493</u>
Total assets	<u>347,007</u>	<u>336,811</u>	<u>292,388</u>	<u>277,847</u>
Equity attributable to owners of the Company				
Share capital	175,407	172,659	175,407	172,659
Reserves	87,358	77,114	56,457	38,064
	<u>262,765</u>	<u>249,773</u>	<u>231,864</u>	<u>210,723</u>
Minority interests	417	377	-	-
Total equity	<u>263,182</u>	<u>250,150</u>	<u>231,864</u>	<u>210,723</u>
Non-current liabilities				
Deferred tax liabilities	1,439	1,439	209	209
Interest-bearing liabilities	19,000	20,000	-	-
	<u>20,439</u>	<u>21,439</u>	<u>209</u>	<u>209</u>
Current liabilities				
Trade and other payables	48,947	51,972	55,756	62,757
Interest-bearing liabilities	4,598	4,519	2,598	2,236
Current tax payable	9,841	8,731	1,961	1,922
	<u>63,386</u>	<u>65,222</u>	<u>60,315</u>	<u>66,915</u>
Total liabilities	<u>83,825</u>	<u>86,661</u>	<u>60,524</u>	<u>67,124</u>
Total equity and liabilities	<u>347,007</u>	<u>336,811</u>	<u>292,388</u>	<u>277,847</u>

Explanatory notes to the Balance Sheet

1. Strong operating cashflows generated by the Group in line with higher volume of business in the Group have resulted in improvements in net cash position of S\$61.6 million as at 30 June 2010 as compared to that of S\$49.9 million as at 31 December 2009.
2. Trade and other receivables increased in tandem with higher volume of business 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 30/06/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$4,597,749	S\$0	S\$4,518,758

Amount repayable after one year

As at 30/06/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$19,000,000	S\$0	S\$20,000,000

Details of any collateral

Nil.

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q2 2010	Q2 2009
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	12,948	10,881
Adjustments for :-		
Amortisation of intangible assets	13	13
Depreciation of property, plant and equipment	1,691	1,707
Equity-settled share-based payment transactions	724	431
Exchange loss/(gain)	7	(113)
Finance expenses	63	101
Gain on disposal of asset held for sale	(161)	-
Interest income from fixed deposits	(99)	(33)
Property, plant and equipment written off	5	113
Loss on disposal of property, plant and equipment	-	8
Operating profit before working capital changes	15,191	13,108
Changes in working capital :-		
Inventories	(47)	(417)
Trade and other receivables	526	111
Trade and other payables	(2,694)	3,101
Cash generated from operations	12,976	15,903
Income taxes paid	(2,131)	(1,895)
Interest paid	(63)	(100)
Net cash generated from operating activities	10,782	13,908
Cashflows from investing activities		
Interest received	99	33
Proceeds from disposal of property, plant and equipment	714	-
Purchase of property, plant and equipment	(567)	(747)
Cash flows from/(used in) investing activities	246	(714)
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(10,452)	(7,777)
Dividends paid to minority shareholders of subsidiary	(52)	(35)
Proceeds from issue of shares under share option scheme	2,104	165
Proceeds from bank loan	1,144	-
Repayment of bank loan	(783)	-
Net cash used in financing activities	(8,039)	(7,647)
Net increase in cash and cash equivalents	2,989	5,547
Cash and cash equivalents at 1 April	82,226	47,176
Effect of exchange rate changes on balances held in foreign currency	(3)	18
Cash and cash equivalents at 30 June	85,212	52,741
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	85,212	52,880
Bank overdrafts	-	(139)
	85,212	52,741

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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
At 1 April 2009	171,510	(859)	4,158	54,888	229,697	303	230,000
Total comprehensive income for the period	-	448	-	8,782	9,230	22	9,252
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	165	-	-	-	165	-	165
Value of employee services received for issue of share options	-	-	431	-	431	-	431
Final dividend paid of 1.5 cents per ordinary share	-	-	-	(7,777)	(7,777)	-	(7,777)
Dividends distributed to non-controlling interests	-	-	-	-	-	(35)	(35)
At 30 June 2009	171,675	(411)	4,589	55,893	231,746	290	232,036
At 1 April 2010	173,303	(288)	5,763	81,081	259,859	432	260,291
Total comprehensive income for the period	-	(34)	-	10,564	10,530	37	10,567
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	2,104	-	-	-	2,104	-	2,104
Value of employee services received for issue of share options	-	-	724	-	724	-	724
Final dividend paid of 2.0 cents per ordinary share	-	-	-	(10,452)	(10,452)	-	(10,452)
Dividends distributed to non-controlling interests	-	-	-	-	-	(52)	(52)
At 30 June 2010	175,407	(322)	6,487	81,193	262,765	417	263,182

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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
At 1 April 2009	171,510	4,158	22,382	198,050
Total comprehensive income for the period	-	-	19,807	19,807
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	165	-	-	165
Value of employee services received for issue of share options	-	431	-	431
Final dividend paid of 1.5 cents per ordinary share	-	-	(7,777)	(7,777)
At 30 June 2009	171,675	4,589	34,412	210,676
At 1 April 2010	173,303	5,763	33,888	212,954
Total comprehensive income for the period	-	-	26,534	26,534
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	2,104	-	-	2,104
Value of employee services received for issue of share options	-	724	-	724
Final dividend paid of 2.0 cents per ordinary share	-	-	(10,452)	(10,452)
At 30 June 2010	175,407	6,487	49,970	231,864

- 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 second quarter ended 30 June 2010, the Company issued 3,030,000 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\$0.42	S\$0.71	S\$0.78	S\$1.15	S\$1.24
Number of new shares issued	210,000	95,000	305,000	177,000	279,000	122,000	1,267,000	203,000	372,000

On 1 April 2010, options to subscribe for 6,000,000 ordinary shares at an exercise price of S\$1.66 were granted to 399 eligible participants pursuant to the Raffles Medical Group (2000) Share Option Scheme.

As at 30 June 2010, there were outstanding options for conversion into 22,432,000 (30 June 2009 : 22,969,000) 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.**

	30/06/2010	31/12/2009
Number of issued shares excluding treasury shares	523,801,393	519,960,393

- 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 30 June 2010 (31 December 2009 : 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 second quarter ended 30 June 2010 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 second quarter ended 30 June 2010 are consistent with those applied in the financial statements for the year ended 31 December 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2010. The adoption of the new/revised accounting standards and interpretations does not have any material impact 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.

	Second Quarter		Year-To-Date	
	Q2 2010	Q2 2009	30/06/2010	30/06/2009
Earnings per ordinary share for the period based on 1(a) above :-				
(i) Basic earnings per share [A]	2.02 cents	1.69 cents	3.76 cents	3.20 cents
(ii) Diluted earnings per share [B]	1.99 cents	1.68 cents	3.71 cents	3.17 cents

[A] The calculation of earnings per ordinary share for the quarter and half year ended 30 June 2010 were based on weighted average number of shares of 522,564,415 (Q2 2009 : 518,443,217) and 521,466,697 (First Half 2009 : 518,173,802) 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 2010 were based on weighted average number of shares of 531,427,989 (Q2 2009 : 524,043,420) and 529,671,990 (First Half 2009 : 522,990,342) respectively 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	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Net asset value per ordinary share [C]	50.17 cents	48.04 cents	44.27 cents	40.53 cents

[C] The calculation of net asset value per ordinary share is based on 523,801,393 shares as at 30 June 2010 (31 December 2009 : 519,960,393).

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 achieved a record revenue of **S\$58.6** million in Q2 2010, an increase of **8.7%** from **S\$53.9** million in Q2 2009. Revenue of Hospital Services grew by **11.2%** and Healthcare Services increased by **3.7%**. All divisions of the Group continued to contribute positively to the growth in revenue.

Improved operating efficiencies, the recruitment of more specialist consultants, higher patient load and a wider range of medical specialties contributed to the improved profit from operating activities which grew from **S\$11.0 million** in Q2 2009 to **S\$13.0 million**, an increase of **18.5%**.

With improved operating leverage and performance, the Group's profit after tax grew **20.4%** to **S\$10.6** million from **S\$8.8** million in Q2 2009.

As at 30 June 2010, the Group had a healthy net cash position of **S\$61.6** million from the continued strong operating cashflows generated by the Group after distributing final dividend for the financial year ended 31 December 2009 of **S\$10.5** million. This cash position will enable the Group to fund its growth.

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 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 Singapore economy has recovered strongly and the regional economy is recovering as well. However, there are still concerns over the Eurozone debt crisis, and the slow job creation in USA. However, with the Asian economies performing well, market sentiments and operating environment have improved in the region, the Group expects to be a beneficiary of the continuing demand for high quality healthcare services locally and regionally.

RafflesHospital will continue its focus on quality and value-driven curative healthcare services. 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.

RafflesHospital has received the grant of outline permission from the Urban Redevelopment Authority to build an additional 102,408 square feet of space on its site. This additional area will enable the Group to expand existing services as well as to develop new facilities and services at the hospital. Details of design are being finalised for further submission.

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

In June 2010, the Group started managing a medical centre in China – **RafflesMedical Shanghai**. It will provide professional medical and dental care to expatriates and the local population. The initial reception since opening has been encouraging.

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).**

Barring unforeseen deterioration in the external environment, the Directors are optimistic that the Group will continue to perform well in 2010.

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
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	1.0 cent per ordinary share (one tier tax)
Tax Rate	Tax Exempt

(c) **Date payable**

The dividend will be paid on 3 September 2010.

(d) **Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 19 August 2010 on which day no share transfer will be effected.

Duly completed 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 18 August 2010 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 (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 second quarter ended 30 June 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tay Kim Choon Kimmy
Company Secretary
26 July 2010



RAFFLES MEDICAL GROUP LTD

(Co Reg No: 198901967K)

Interim Dividend For The Financial Year 2010 And Notice Of Books Closure Date

INTERIM DIVIDEND

The Board of Directors of Raffles Medical Group Ltd wishes to announce that for the financial year ending 31 December 2010, an interim ordinary dividend (one-tier tax exempt) of 1.0 cent per share has been declared, payable on 3 September 2010 to shareholders registered in the Share Transfer Books and Register of Members of the Company as at 5.00 p.m. on 18 August 2010.

NOTICE OF BOOK CLOSURE DATE

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 19 August 2010 on which day no share transfer will be effected.

Duly completed 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 18 August 2010 will be registered before entitlements to the dividend are determined.

BY ORDER OF THE BOARD

Tay Kim Choon Kimmy
Company Secretary
26 July 2010