

## Financial Statement For The Quarter Ended 30 September 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**

Group	Third Quarter			Year-To-Date		
	Q3 2006	Q3 2005	Change	30/09/2006	30/09/2005	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	35,021	29,580	18.4	98,703	82,478	19.7
Other operating income	432	262	64.9	1,233	752	64.0
Inventories and consumables used	(4,575)	(3,601)	27.0	(13,014)	(9,917)	31.2
Staff costs	(17,321)	(15,602)	11.0	(50,785)	(45,082)	12.7
Depreciation of property, plant and equipment	(853)	(823)	3.6	(2,511)	(2,221)	13.1
Other operating expenses	(7,592)	(6,071)	25.1	(20,565)	(16,652)	23.5
<b>Profit from operations</b>	5,112	3,745	36.5	13,061	9,358	39.6
Finance costs	(30)	(24)	25.0	(86)	(54)	59.3
Share of profits in a jointly controlled entity	125	329	(62.0)	773	1,038	(25.5)
<b>Profit from ordinary activities before taxation</b>	5,207	4,050	28.6	13,748	10,342	32.9
Income tax expense	(1,120)	(828)	35.3	(2,958)	(2,073)	42.7
<b>Profit from ordinary activities after taxation</b>	4,087	3,222	26.8	10,790	8,269	30.5
<b>Attributable to :</b>						
Equity holders of the parent	4,079	3,198	27.5	10,770	8,223	31.0
Minority interests	8	24	(66.7)	20	46	(56.5)
<b>Profit for the period</b>	4,087	3,222	26.8	10,790	8,269	30.5

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

<b>Group</b>	<b>Third Quarter</b>		<b>Year-To-Date</b>	
	Q3 2006 S\$'000	Q3 2005 S\$'000	30/09/2006 S\$'000	30/09/2005 S\$'000
<b>(a) Other operating income</b>				
Exchange gain	-	59	-	201
Interest income from fixed deposits and commercial notes	432	203	1,233	551
<b>(b) Other operating expenses</b>				
Allowance for doubtful receivables	345	124	631	97
Amortisation of intangible assets	13	13	39	39
Exchange loss	41	-	313	-
Loss on disposal of property, plant and equipment	-	-	7	-
Property, plant and equipment written off	3	24	14	33

**The adjustment for overprovision of tax in respect of prior years are as follows:**

<b>Group</b>	<b>Third Quarter</b>		<b>Year-To-Date</b>	
	Q3 2006 S\$'000	Q3 2005 S\$'000	30/09/2006 S\$'000	30/09/2005 S\$'000
Overprovision in respect of prior years :				
Current taxation	13	-	13	-

**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	
	30/09/2006 S\$'000	31/12/2005 S\$'000	30/09/2006 S\$'000	31/12/2005 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	20,358	21,412	2,458	2,855
Intangible assets	218	257	-	-
Subsidiaries	-	-	74,873	74,873
Jointly-controlled entity	53,770	53,000	-	-
Membership rights	88	88	68	68
Deferred tax assets	926	846	-	-
	<u>75,360</u>	<u>75,603</u>	<u>77,399</u>	<u>77,796</u>
<b>Current assets</b>				
Investment in commercial notes	14,250	13,000	7,500	5,000
Inventories	3,426	2,942	1,252	994
Trade and other receivables	14,096	12,271	11,700	10,524
Cash and cash equivalents	40,292	35,129	31,419	28,763
	<u>72,064</u>	<u>63,342</u>	<u>51,871</u>	<u>45,281</u>
<b>Total assets</b>	<u>147,424</u>	<u>138,945</u>	<u>129,270</u>	<u>123,077</u>
<b>Equity attributable to equity holders of the parent</b>				
Share capital	100,700	40,035	100,700	40,035
Reserves	7,276	67,455	7,543	61,079
	<u>107,976</u>	<u>107,490</u>	<u>108,243</u>	<u>101,114</u>
<b>Minority interests</b>	239	231	-	-
<b>Total equity</b>	<u>108,215</u>	<u>107,721</u>	<u>108,243</u>	<u>101,114</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	714	714	175	175
<b>Current liabilities</b>				
Trade and other payables	31,641	24,392	16,617	17,667
Interest-bearing liabilities	2,044	2,345	1,858	1,983
Current tax payable	4,810	3,773	2,377	2,138
	<u>38,495</u>	<u>30,510</u>	<u>20,852</u>	<u>21,788</u>
<b>Total liabilities</b>	<u>39,209</u>	<u>31,224</u>	<u>21,027</u>	<u>21,963</u>
<b>Total equity and liabilities</b>	<u>147,424</u>	<u>138,945</u>	<u>129,270</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 30/09/2006</b>		<b>As at 31/12/2005</b>	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$2,043,744	S\$0	S\$2,345,042

**Amount repayable after one year**

<b>As at 30/09/2006</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>Q3 2006</b>	<b>Q3 2005</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit from ordinary activities before taxation	5,207	4,050
Adjustments for :-		
Amortisation of intangible assets	13	13
Depreciation of property, plant and equipment	853	823
Employee share option expense	156	106
Finance costs	30	24
Exchange loss/(gain)	41	(59)
Interest income from fixed deposits and commercial notes	(432)	(203)
Property, plant and equipment written off	3	24
Share of profits in a jointly controlled entity	<u>(125)</u>	<u>(329)</u>
<b>Operating profit before working capital changes</b>	<b>5,746</b>	<b>4,449</b>
Changes in working capital :-		
Inventories	(230)	3
Trade and other receivables	675	(37)
Trade and other payables	<u>3,150</u>	<u>(415)</u>
Cash generated from operations	9,341	4,000
Income tax paid	(923)	(412)
Interest paid	<u>(30)</u>	<u>(24)</u>
<b>Cash flows from operating activities</b>	<b><u>8,388</u></b>	<b><u>3,564</u></b>
<b>Investing activities</b>		
Investment in commercial notes	(2,500)	-
Interest received	352	52
Purchase of property, plant and equipment	(342)	(3,062)
Proceeds from sale of property, plant and equipment	<u>1</u>	<u>567</u>
<b>Cash flows used in investing activities</b>	<b><u>(2,489)</u></b>	<b><u>(2,443)</u></b>
<b>Financing activities</b>		
Dividend paid to equity holders of the parent	(4,107)	-
Proceeds from issue of shares under share option scheme	<u>1,195</u>	<u>155</u>
<b>Cash flows from financing activities</b>	<b><u>(2,912)</u></b>	<b><u>155</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>2,987</b>	<b>1,276</b>
Cash and cash equivalents at beginning of the period	37,130	28,546
Effect of exchange rate changes on balances held in foreign currency	<u>(10)</u>	<u>72</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u><u>40,107</u></u></b>	<b><u><u>29,894</u></u></b>
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	40,292	30,189
Bank overdrafts	<u>(185)</u>	<u>(295)</u>
	<b><u><u>40,107</u></u></b>	<b><u><u>29,894</u></u></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	Accumul-ated profits S\$'000	Total attributable to equity holders of the parent S\$'000	Minority interests S\$'000	Total equity S\$'000
<b>At 1 July 2005</b>	39,885	55,790	(69)	924	3,235	99,765	173	99,938
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	45	110	-	-	-	155	-	155
Translation differences relating to financial statements of foreign subsidiaries	-	-	12	-	-	12	-	12
Net profit for the period	-	-	-	-	3,198	3,198	24	3,222
Value of employee services received for issue of share options	-	-	-	106	-	106	-	106
<b>At 30 September 2005</b>	<b>39,930</b>	<b>55,900</b>	<b>(57)</b>	<b>1,030</b>	<b>6,433</b>	<b>103,236</b>	<b>197</b>	<b>103,433</b>
<b>At 1 July 2006</b>	99,505	-	224	1,405	5,464	106,598	231	106,829
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	1,195	-	-	-	-	1,195	-	1,195
Translation differences relating to financial statements of foreign subsidiaries	-	-	55	-	-	55	-	55
Net profit for the period	-	-	-	-	4,079	4,079	8	4,087
Value of employee services received for issue of share options	-	-	-	156	-	156	-	156
Dividends distributed to equity holders of the parent	-	-	-	-	(4,107)	(4,107)	-	(4,107)
<b>At 30 September 2006</b>	<b>100,700</b>	<b>-</b>	<b>279</b>	<b>1,561</b>	<b>5,436</b>	<b>107,976</b>	<b>239</b>	<b>108,215</b>

<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 July 2005</b>	39,885	55,790	448	2,155	98,278
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	45	110	-	-	155
Net profit for the period	-	-	-	931	931
Value of employee services received for issue of share options	-	-	60	-	60
<b>At 30 September 2005</b>	<b>39,930</b>	<b>55,900</b>	<b>508</b>	<b>3,086</b>	<b>99,424</b>
<b>At 1 July 2006</b>	99,505	-	726	9,472	109,703
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	1,195	-	-	-	1,195
Net profit for the period	-	-	-	1,365	1,365
Value of employee services received for issue of share options	-	-	87	-	87
Dividends	-	-	-	(4,107)	(4,107)
<b>At 30 September 2006</b>	<b>100,700</b>	<b>-</b>	<b>813</b>	<b>6,730</b>	<b>108,243</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 quarter ended 30 September 2006, the Company issued 3,001,000 new shares. 669,000, 663,000, 590,000, 544,000 and 535,000 shares were issued at S\$0.51, S\$0.33, S\$0.43, S\$0.42 and S\$0.285 each, respectively, upon the exercise of options under the Raffles Medical Group Employee's Share Option Scheme.

As at 30 September 2006, there were outstanding options for conversion into 24,069,000 (Q3 2005 : 30,700,000) ordinary 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 September 2006 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 September 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.**

		Third Quarter		Year-To-Date	
		Q3 2006	Q3 2005	30/09/2006	30/09/2005
6.(a)	Earnings per ordinary share for the period based on 1(a) above :-				
	(i) Based on existing issued share capital [A]	0.99 cents	0.80 cents	2.65 cents	2.07 cents
	(ii) On a fully diluted basis [B]	0.97 cents	0.79 cents	2.60 cents	2.04 cents

[A] The calculation of earnings per ordinary share for the quarter and 9-month ended 30 September 2006 are based on weighted average shares of 410,374,923 (Q3 2005 : 398,992,064) and 406,214,259 (30 September 2005 :396,655,603), respectively in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) for the quarter and 9-month ended 30 September 2006 are based on weighted average shares of 419,560,988 (Q3 2005 : 404,992,667) and 413,887,556 (30 September 2005 :402,377,863), respectively 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	
		30/09/2006	31/12/2005	30/09/2006	31/12/2005
7.(a)	Net asset value per ordinary share [C]	26.23 cents	26.85 cents	26.29 cents	25.26 cents

[C] The calculation of net asset value per ordinary share is based on 411,652,999 (31 December 2005 : 400,347,999) shares as at 30 September 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 show a healthy growth of **18.4%** from **S\$29.6** million to **S\$35.0** million for the quarter ended 30 September 2006. All divisions contributed positively to the growth of the Group with revenue from Hospital Services division increasing by **22.0%** whilst Healthcare Services division grew by **16.3%**.

In line with strong revenue growth from increasing patient load and improved operating efficiencies, profit after tax for the Group grew by **26.8%** to **S\$4.1** million in Q3 2006 compared to the same period last year. **RafflesHospital's** profit after tax grew by **64.8%** compared to the same period 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 Q2 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.

The Directors are confident that the Group will continue to do 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/recommended, a statement to that effect.**

No dividend has been declared or recommended for the quarter ended 30 September 2006.

**13. Confirmation by the Board Pursuant to Rule 705(4) of the Listing Manual**

We, Dr Loo Choon Yong and Associate Professor Wee Beng Geok, 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 our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the third quarter 30 September 2006 to be false or misleading.

On behalf of the board of directors

Dr Loo Choon Yong  
Chairman

Associate Professor Wee Beng Geok  
Director

**BY ORDER OF THE BOARD**

**Wee Jee Kin**  
**Company Secretary**  
**30 October 2006**