

Financial Statement For the Quarter Ended 30 September 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	Third Quarter			Year-To-Date		
	Q3 2007	Q3 2006	Change	30/09/2007	30/09/2006	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	43,841	35,021	25.2	122,915	98,703	24.5
Other operating income	849	432	96.5	1,846	1,233	49.7
Inventories and consumables used	(4,782)	(4,575)	4.5	(14,357)	(13,014)	10.3
Staff costs	(21,473)	(17,321)	24.0	(61,481)	(50,785)	21.1
Depreciation of property, plant and equipment	(924)	(853)	8.3	(2,692)	(2,511)	7.2
Other operating expenses	(9,930)	(7,592)	30.8	(27,160)	(20,565)	32.1
Profit from operating activities	7,581	5,112	48.3	19,071	13,061	46.0
Finance expenses	(24)	(30)	(20.0)	(72)	(86)	(16.3)
Share of profits in a jointly-controlled entity	555	125	344.0	13,616	773	1,661.4
Profit before income tax	8,112	5,207	55.8	32,615	13,748	137.2
Income tax expense	(1,567)	(1,120)	39.9	(6,156)	(2,958)	108.1
Profit for the period	6,545	4,087	60.1	26,459	10,790	145.2
Attributable to :						
Equity holders of the parent	6,550	4,079	60.5	26,417	10,770	145.3
Minority interests	(5)	8	NM	42	20	110.0
Profit for the period	6,545	4,087	60.1	26,459	10,790	145.2

Note: NM denotes not meaningful

Profit from ordinary activities before taxation includes the following:

Group	Third Quarter		Year-To-Date	
	Q3 2007 S\$'000	Q3 2006 S\$'000	30/09/2007 S\$'000	30/09/2006 S\$'000
(a) Other operating income				
Exchange gain	-	-	44	-
Interest income from fixed deposits and commercial notes	746	432	1,699	1,233
Gain on disposal of equity securities – held for trading	103	-	103	-
(b) Other operating expenses				
Allowance for doubtful receivables	327	345	854	631
Amortisation of intangible assets	13	13	39	39
Exchange loss	2	41	2	313
Loss on disposal of property, plant and equipment	-	-	-	7
Property, plant and equipment written off	12	3	18	14
Write off for stock obsolescence	-	-	17	-
(c) Share of profits in a jointly-controlled entity				
Share of profits in a jointly-controlled entity includes a fair value gain of an investment property	-	-	12,500	-

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

Group	Third Quarter		Year-To-Date	
	Q3 2007 S\$'000	Q3 2006 S\$'000	30/09/2007 S\$'000	30/09/2006 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	-
Current taxation				
Overprovision in respect of prior years	-	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	
	30/09/2007 S\$'000	31/12/2006 S\$'000	30/09/2007 S\$'000	31/12/2006 S\$'000
Non-current assets				
Investment Properties	84,400	-	-	-
Property, plant and equipment	151,009	20,191	2,107	2,410
Intangible assets	167	206	-	-
Subsidiaries	-	-	191,733	74,873
Jointly-controlled entity	-	53,976	-	-
Membership rights, at cost	164	88	93	68
Deferred tax assets	1,498	994	-	-
	<u>237,238</u>	<u>75,455</u>	<u>193,933</u>	<u>77,351</u>
Current assets				
Investment in commercial notes	-	14,250	-	7,500
Inventories	3,757	3,424	1,113	1,149
Trade and other receivables	21,119	16,761	12,199	11,763
Cash and cash equivalents	23,150	41,946	5,219	35,747
	<u>48,026</u>	<u>76,381</u>	<u>18,531</u>	<u>56,159</u>
Total assets	<u>285,264</u>	<u>151,836</u>	<u>212,464</u>	<u>133,510</u>
Equity attributable to equity holders of the parent				
Share capital	169,971	101,050	169,971	101,050
Reserves	21,078	11,819	12,289	9,397
	<u>191,049</u>	<u>112,869</u>	<u>182,260</u>	<u>110,447</u>
Minority interests	305	273	-	-
Total equity	<u>191,354</u>	<u>113,142</u>	<u>182,260</u>	<u>110,447</u>
Non-current liabilities				
Deferred tax liabilities	2,921	746	121	135
Current liabilities				
Trade and other payables	49,067	30,013	25,992	18,207
Interest-bearing liabilities	35,656	1,994	1,775	1,822
Current tax payable	6,266	5,941	2,316	2,899
	<u>90,989</u>	<u>37,948</u>	<u>30,083</u>	<u>22,928</u>
Total liabilities	<u>93,910</u>	<u>38,694</u>	<u>30,204</u>	<u>23,063</u>
Total equity and liabilities	<u>285,264</u>	<u>151,836</u>	<u>212,464</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 30/09/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$33,881,108	S\$1,775,421	S\$0	S\$1,993,926

Amount repayable after one year

As at 30/09/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$0	S\$0	S\$0

Details of any collateral

The bank loan is secured on the Raffles Hospital building.

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

	Q3 2007	Q3 2006
	S\$'000	S\$'000
Operating activities		
Profit before income tax	8,112	5,207
Adjustments for :-		
Amortisation of intangible assets	13	13
Depreciation of property, plant and equipment	924	853
Employee share option expense	260	156
Exchange loss	2	41
Finance expenses	24	30
Gain on disposal of equity securities – held for trading	(103)	-
Interest income from fixed deposits and commercial notes	(746)	(432)
Property, plant and equipment written off	12	3
Share of profits in a jointly-controlled entity	(555)	(125)
Operating profit before working capital changes	<u>7,943</u>	<u>5,746</u>
Changes in working capital :-		
Inventories	(95)	(230)
Trade and other receivables	6,309	675
Trade and other payables	3,945	3,150
Cash generated from operations	18,102	9,341
Income tax paid	(1,265)	(923)
Interest paid	(24)	(30)
Cash flows from operating activities	<u>16,813</u>	<u>8,388</u>
Investing activities		
Investment in commercial notes	-	(2,500)
Proceeds from sale of commercial notes	11,750	-
Interest received	882	352
Purchase of property, plant and equipment	(1,539)	(342)
Proceeds from sale of property, plant and equipment	-	1
Investment in equity securities – held for trading	(960)	-
Proceeds from sale of equity securities – held for trading	1,063	-
Acquisition of subsidiaries, net of cash acquired	(64,001)	-
Cash flows from investing activities	<u>(52,805)</u>	<u>(2,489)</u>
Financing activities		
Dividends paid to equity holders of the parent	(5,144)	(4,107)
Proceeds from issue of shares under share option scheme	590	1,195
Proceeds from bank loan	1,775	-
Repayment of bank loan	(51,775)	-
Cash flows used in financing activities	<u>(54,554)</u>	<u>(2,912)</u>
Net (decrease) / increase in cash and cash equivalents	(90,546)	2,987
Cash and cash equivalents at beginning of the period	113,724	37,130
Effect of exchange rate changes on balances held in foreign currency	(28)	(10)
Cash and cash equivalents at end of the period	<u>23,150</u>	<u>40,107</u>
Cash and cash equivalents at end of the period include the following:		
Cash & fixed deposits	23,150	40,292
Bank overdrafts	-	(185)
	<u>23,150</u>	<u>40,107</u>

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	Accumul- -ated profits S\$'000	Total attributable to equity holders of the Company S\$'000	Minority interests S\$'000	Total equity S\$'000
At 1 July 2006	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
Total recognised income and expense for the period	-	55	-	4,079	4,134	8	4,142
Value of employee services received for issue of share options	-	-	156	-	156	-	156
Dividends distributed to equity holders of the Company	-	-	-	(4,107)	(4,107)	-	(4,107)
At 30 September 2006	100,700	279	1,561	5,436	107,976	239	108,215
At 1 July 2007	169,381	(286)	2,124	17,624	188,843	310	189,153
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	590	-	-	-	590	-	590
Translation differences relating to financial statements of foreign subsidiaries	-	(50)	-	-	(50)	-	(50)
Net profit for the period	-	-	-	6,550	6,550	(5)	6,545
Total recognised income and expense for the period	-	(50)	-	6,550	6,500	(5)	6,495
Value of employee services received for issue of share options	-	-	260	-	260	-	260
Dividends distributed to equity holders of the Company	-	-	-	(5,144)	(5,144)	-	(5,144)
At 30 September 2007	169,971	(336)	2,384	19,030	191,049	305	191,354

Company	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 July 2006	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
Total recognised income and expense for the period	-	-	1,365	1,365
Value of employee services received for issue of share options	-	87	-	87
Dividends	-	-	(4,107)	(4,107)
At 30 September 2006	100,700	813	6,730	108,243
At 1 July 2007	169,381	1,109	10,158	180,648
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	590	-	-	590
Net profit for the period	-	-	6,040	6,040
Total recognised income and expense for the period	-	-	6,040	6,040
Value of employee services received for issue of share options	-	126	-	126
Dividends	-	-	(5,144)	(5,144)
At 30 September 2007	169,971	1,235	11,054	182,260

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 September 2007, the Company issued 1,241,000 new shares, upon the exercise of options under the Raffles Medical Group Employee's Share Option Scheme.

Employees

Exercise price 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	324,000	156,000	14,000	115,000	134,000	498,000

As at 30 September 2007, there were outstanding options for conversion into 16,362,000 (Q3 2006 : 24,069,000) 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 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 September 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.

		Third Quarter		Year-To-Date	
		Q3 2007	Q3 2006 Restated	30/09/2007	30/09/2006 Restated
6.(a)	Earnings per ordinary share for the period based on 1(a) above :-				
	(i) Based on existing issued share capital [A]	1.27 cents	0.90 cents	5.53 cents	2.41 cents
	(ii) On a fully diluted basis [B]	1.25 cents	0.89 cents	5.44 cents	2.36 cents

[A] The calculation of earnings per ordinary share for the quarter and 9-month ended 30 September 2007 is based on weighted average shares of 514,273,132 (Q3 2006 : 451,412,415) and 477,884,137 (30 September 2006 : 446,835,685), 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 2007 is based on weighted average shares of 523,434,292 (Q3 2006 : 461,517,087) and 485,946,092 (30 September 2006 : 455,276,312), respectively in issue during the period.

[C] The comparative figures for Q3 2006 and 9-month ended 30 September 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	
		30/09/2007	31/12/2006 Restated	30/09/2007	31/12/2006 Restated
7.(a)	Net asset value per ordinary share [D]	37.10 cents	24.87 cents	35.40 cents	24.34 cents

[D] The calculation of net asset value per ordinary share is based on 514,916,393 (31 December 2006 : 453,799,499) shares as at 30 September 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\$43.8** million in Q3 2007 as compared to **S\$35.0** million in Q3 2006, an increase of **25.2%**. Revenue from Healthcare and Hospital Services divisions contributed to the Group's growth by increasing **12.1%** and **35.7%** respectively.

The Group's profit after tax increased by **60.1%** from **S\$4.1** million in Q3 2006 to **S\$6.5** million in this quarter. This outstanding performance was the result of increased patient load, a wider range of medical specialties and improved operating efficiencies.

On 28th September 2007, the Group completed the acquisition of the remaining 50% stake in CapitaLand-Raffles Properties Pte Ltd ("CRPPL") which owns the Raffles Hospital building located at 585 North Bridge Road, Singapore 188770.

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 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 has benefited the Group.

RafflesHospital continues to attract more patients, foreign as well as local. Increased patient load further enhances its operating efficiencies and margins. With the recent acquisition and resultant full ownership of the Hospital building, Raffles Hospital will be able to benefit from the greater flexibility to optimize the use of Hospital and clinic space. The Group's cash has also been used to reduce the loan at CRPPL.

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

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.

Not applicable.

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

We, Dr Loo Choon Yong and Assoc Prof 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 their 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 2007 to be false or misleading.

On behalf of the board of directors

Dr Loo Choon Yong
Chairman

Assoc Prof Wee Beng Geok
Director

BY ORDER OF THE BOARD

Tay Kim Choon Kimmy
Company Secretary
29 October 2007