

## Financial Statement Announcement For The Third Quarter Ended 30 September 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	Third Quarter			Year-To-Date		
	Q3 2010 S\$'000	Q3 2009 S\$'000	Change %	30/09/2010 S\$'000	30/09/2009 S\$'000	Change %
<b>Revenue</b>	60,862	55,411	9.8	175,634	160,337	9.5
Other operating income	95	101	(5.9)	421	176	139.2
Inventories and consumables used	(7,007)	(6,128)	14.3	(20,046)	(17,978)	11.5
Purchased and contracted services	(4,168)	(3,757)	10.9	(12,341)	(11,744)	5.1
Staff costs	(29,158)	(26,821)	8.7	(84,570)	(77,260)	9.5
Depreciation of property, plant and equipment	(1,684)	(1,737)	(3.1)	(5,070)	(5,183)	(2.2)
Operating lease expenses	(1,483)	(1,306)	13.6	(4,158)	(3,933)	5.7
Other operating expenses	(4,260)	(3,865)	10.2	(12,466)	(11,865)	5.1
<b>Profit from operating activities</b>	<b>13,197</b>	<b>11,898</b>	<b>10.9</b>	<b>37,404</b>	<b>32,550</b>	<b>14.9</b>
Finance expenses	(72)	(99)	(27.3)	(206)	(329)	(37.4)
<b>Profit before income tax</b>	<b>13,125</b>	<b>11,799</b>	<b>11.2</b>	<b>37,198</b>	<b>32,221</b>	<b>15.4</b>
Income tax expense	(2,394)	(2,301)	4.0	(6,743)	(6,085)	10.8
<b>Profit for the period</b>	<b>10,731</b>	<b>9,498</b>	<b>13.0</b>	<b>30,455</b>	<b>26,136</b>	<b>16.5</b>
<b>Attributable to :</b>						
Owners of the Company	10,676	9,453	12.9	30,308	26,027	16.4
Non-controlling interests	55	45	22.2	147	109	34.9
<b>Profit for the period</b>	<b>10,731</b>	<b>9,498</b>	<b>13.0</b>	<b>30,455</b>	<b>26,136</b>	<b>16.5</b>

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)

	Third Quarter			Year-To-Date		
	Q3 2010	Q3 2009	Change	30/09/2010	30/09/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Consolidated statement of comprehensive income</b>						
<b>Profit for the period</b>	10,731	9,498	13.0	30,455	26,136	16.5
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operations	156	136	14.7	155	81	91.4
<b>Total comprehensive income for the period</b>	<u>10,887</u>	<u>9,634</u>	13.0	<u>30,610</u>	<u>26,217</u>	16.8
<b>Attributable to: -</b>						
Owners of the Company	10,832	9,589	13.0	30,463	26,108	16.7
Non-controlling interests	55	45	22.2	147	109	34.9
<b>Total comprehensive income for the period</b>	<u>10,887</u>	<u>9,634</u>	13.0	<u>30,610</u>	<u>26,217</u>	16.8

**Explanatory notes to the income statement**

- Staff costs increased in tandem with higher volume of business in the Group. However, the Group has been able to achieve a lower rate of increase for staff costs in Q3 2010 as compared with the growth in revenue.
- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- Profit from ordinary activities before taxation includes the following:

Group	Third Quarter		Year-To-Date	
	Q3 2010	Q3 2009	30/09/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(a) Other operating income</b>				
Exchange gain	-	68	-	58
Interest income from fixed deposits	95	33	260	118
Gain on disposal of asset held for sale	-	-	161	-
<b>(b) Other operating expenses</b>				
Allowance for doubtful receivables	451	312	1,232	939
Amortisation of intangible assets	19	13	44	38
Exchange loss	-	-	7	-
Loss on disposal of property, plant and equipment	-	-	-	17
Property, plant and equipment written off	3	-	20	118

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

Group	Third Quarter		Year-To-Date	
	Q3 2010	Q3 2009	30/09/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Deferred tax expense</b>				
(Over)/Under provision in respect of prior periods	-	-	(56)	88
<b>Current tax expense</b>				
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	
	30/09/2010 S\$'000	31/12/2009 S\$'000	30/09/2010 S\$'000	31/12/2009 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	142,411	146,435	3,141	3,527
Intangible assets	323	367	245	245
Investment properties	85,000	85,000	-	-
Subsidiaries	-	-	198,435	197,582
Deferred tax assets	708	528	-	-
	<u>228,442</u>	<u>232,330</u>	<u>201,821</u>	<u>201,354</u>
<b>Current assets</b>				
Inventories	5,151	5,273	1,304	1,711
Trade and other receivables	27,461	24,283	19,657	15,695
Cash and cash equivalents	93,384	74,372	76,221	59,087
Assets classified as held for sale	634	553	-	-
	<u>126,630</u>	<u>104,481</u>	<u>97,182</u>	<u>76,493</u>
<b>Total assets</b>	<u>355,072</u>	<u>336,811</u>	<u>299,003</u>	<u>277,847</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	176,370	172,659	176,370	172,659
Reserves	93,614	77,114	53,472	38,064
	<u>269,984</u>	<u>249,773</u>	<u>229,842</u>	<u>210,723</u>
<b>Minority interests</b>	472	377	-	-
<b>Total equity</b>	<u>270,456</u>	<u>250,150</u>	<u>229,842</u>	<u>210,723</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,439	1,439	209	209
Interest-bearing liabilities	18,000	20,000	-	-
	<u>19,439</u>	<u>21,439</u>	<u>209</u>	<u>209</u>
<b>Current liabilities</b>				
Trade and other payables	50,576	51,972	64,562	62,757
Interest-bearing liabilities	4,452	4,519	2,452	2,236
Current tax payable	10,149	8,731	1,938	1,922
	<u>65,177</u>	<u>65,222</u>	<u>68,952</u>	<u>66,915</u>
<b>Total liabilities</b>	<u>84,616</u>	<u>86,661</u>	<u>69,161</u>	<u>67,124</u>
<b>Total equity and liabilities</b>	<u>355,072</u>	<u>336,811</u>	<u>299,003</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\$70.9 million as at 30 September 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 30/09/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$4,452,461	S\$0	S\$4,518,758

#### Amount repayable after one year

As at 30/09/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$18,000,000	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.

	Q3 2010	Q3 2009
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	13,125	11,799
Adjustments for :-		
Amortisation of intangible assets	19	13
Depreciation of property, plant and equipment	1,684	1,737
Equity-settled share-based payment transactions	670	445
Exchange gain	-	(68)
Finance expenses	72	99
Interest income from fixed deposits	(95)	(33)
Property, plant and equipment written off	3	-
<b>Operating profit before working capital changes</b>	<u>15,478</u>	<u>13,992</u>
Changes in working capital :-		
Inventories	(187)	45
Trade and other receivables	(642)	(168)
Trade and other payables	1,819	1,444
Cash generated from operations	<u>16,468</u>	<u>15,313</u>
Income taxes paid	(2,127)	(2,086)
Interest paid	(72)	(99)
<b>Net cash generated from operating activities</b>	<u>14,269</u>	<u>13,128</u>
<b>Cashflows from investing activities</b>		
Interest received	95	33
Proceeds from disposal of property, plant and equipment	1	42
Purchase of property, plant and equipment	(756)	(1,085)
<b>Cash flows used in investing activities</b>	<u>(660)</u>	<u>(1,010)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to equity holders of the Company	(5,246)	(5,188)
Proceeds from issue of shares under share option scheme	963	365
Proceeds from bank loan	2,233	-
Repayment of bank loan	(3,380)	(1,000)
<b>Net cash used in financing activities</b>	<u>(5,430)</u>	<u>(5,823)</u>
<b>Net increase in cash and cash equivalents</b>	8,182	6,295
Cash and cash equivalents at 1 July	85,212	52,741
Effect of exchange rate changes on balances held in foreign currency	(10)	16
<b>Cash and cash equivalents at 30 September</b>	<u>93,384</u>	<u>59,052</u>
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	93,384	59,247
Bank overdrafts	-	(195)
	<u>93,384</u>	<u>59,052</u>

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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.

<b>Group</b>	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
<b>At 1 July 2009</b>	171,675	(411)	4,589	55,893	231,746	290	232,036
<b>Total comprehensive income for the period</b>	-	136	-	9,453	9,589	45	9,634
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	365	-	-	-	365	-	365
Value of employee services received for issue of share options	-	-	445	-	445	-	445
Interim dividend paid of 1.0 cent per ordinary share	-	-	-	(5,188)	(5,188)	-	(5,188)
<b>At 30 September 2009</b>	172,040	(275)	5,034	60,158	236,957	335	237,292
<b>At 1 July 2010</b>	175,407	(322)	6,487	81,193	262,765	417	263,182
<b>Total comprehensive income for the period</b>	-	156	-	10,676	10,832	55	10,887
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	963	-	-	-	963	-	963
Value of employee services received for issue of share options	-	-	670	-	670	-	670
Interim dividend paid of 1.0 cent per ordinary share	-	-	-	(5,246)	(5,246)	-	(5,246)
<b>At 30 September 2010</b>	176,370	(166)	7,157	86,623	269,984	472	270,456

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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
<b>At 1 July 2009</b>	171,675	4,589	34,412	210,676
<b>Total comprehensive income for the period</b>	-	-	1,834	1,834
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	365	-	-	365
Value of employee services received for issue of share options	-	445	-	445
Interim dividend paid of 1.0 cent per ordinary share	-	-	(5,188)	(5,188)
<b>At 30 September 2009</b>	172,040	5,034	31,058	208,132
<b>At 1 July 2010</b>	175,407	6,487	49,970	231,864
<b>Total comprehensive income for the period</b>	-	-	1,591	1,591
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	963	-	-	963
Value of employee services received for issue of share options	-	670	-	670
Interim dividend paid of 1.0 cent per ordinary share	-	-	(5,246)	(5,246)
<b>At 30 September 2010</b>	176,370	7,157	46,315	229,842

**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 third quarter ended 30 September 2010, the Company issued 1,332,000 new shares, upon the exercise of options under the Raffles Medical Group (2000) Share Option Scheme.

Exercise price per share	S\$0.32	S\$0.33	S\$0.42	S\$0.71	S\$1.14	S\$1.15	S\$1.24	S\$0.78
Number of new shares issued	72,000	160,000	216,000	276,000	20,000	156,000	132,000	300,000

As at 30 September 2010, there were outstanding options for conversion into 20,900,000 (30 September 2009 : 22,056,000) 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.**

	<b>30/09/2010</b>	<b>31/12/2009</b>
Number of issued shares excluding treasury shares	525,133,393	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 September 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 third quarter ended 30 September 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 third quarter ended 30 September 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.**

	Third Quarter		Year-To-Date	
	Q3 2010	Q3 2009	30/09/2010	30/09/2009
Earnings per ordinary share for the period based on 1(a) above :-				
(i) Basic earnings per share [A]	2.04 cents	1.82 cents	5.80 cents	5.02 cents
(ii) Diluted earnings per share [B]	2.00 cents	1.80 cents	5.71 cents	4.98 cents

[A] The calculations of earnings per ordinary share for the quarter and 9 months ended 30 September 2010 were based on weighted average number of shares of 524,452,219 (Q3 2009 : 518,795,371) and 522,472,807 (9 months ended 30 September 2009 : 518,383,268), respectively in issue during the period.

[B] The calculations of earnings per ordinary share (on a fully diluted basis) for the quarter and 9 months ended 30 September 2010 were based on weighted average number of shares of 533,760,969 (Q3 2009 : 525,498,165) and 530,601,974 (9 months ended 30 September 2009 : 522,791,730) 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	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Net asset value per ordinary share [C]	51.41 cents	48.04 cents	43.77 cents	40.53 cents

[C] The calculation of net asset value per ordinary share is based on 525,133,393 shares as at 30 September 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's revenue for Q3 2010 reached a record quarterly revenue of **S\$60.9** million, an increase of **9.8%** from **S\$55.4** million in Q3 2009. All divisions of the Group continued to contribute positively to the growth in revenue. Revenue of Hospital Services and Healthcare Services divisions increased **15.0%** and **4.0%** respectively.

A wider range of medical specialties, continued improved operating efficiencies, higher patient load and the recruitment of more specialist consultants contributed to the improved profit from operating activities which increased by **10.9%** from **S\$11.9** million in Q3 2009 to **S\$13.2** million.

With improved operating leverage and performance, the Group's profit after tax grew **13.0%** to **S\$10.7** million from **S\$9.5** million in Q3 2009. Excluding the impact of jobs credit grant received by the Group in Q3 2009, profit after tax for Q3 2010 would have grown by **22.3%**.

The Group had a healthy net cash position of **S\$70.9** million as at 30 September 2010, from the continued strong operating cashflows generated by the Group after distributing interim dividends of **S\$5.2** million. The strong 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 Q2 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 regional economies continue to perform well, although the outlook for the global economic and financial environment remains uncertain. Singapore is on track to achieve 13% to 15% GDP growth for 2010. The Group expects to continue to benefit from the sustained demand for high quality healthcare services locally and from the Asian economies, on the back of rising affluence and the aging population.

**RafflesHospital** will continue its focus on quality and value-driven curative healthcare services. Foreign patient load continues to increase. 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.

The architectural consultants are finalizing the design scheme for the expansion of **RafflesHospital** for submission to the authorities. Outline permission had been granted by 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.

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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).**

*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.

The healthcare landscape continues to evolve. Additional beds will be added through new public and private hospitals in the coming years. Whilst we are adding more space to *RafflesHospital*, the Group needs to be vigilant and responsive to new opportunities that may appear on the horizon.

Barring unforeseen shocks to 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? 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 (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 third quarter ended 30 September 2010 to be false or misleading in any material aspect.

## BY ORDER OF THE BOARD

Tay Kim Choon Kimmy  
Company Secretary  
25 October 2010