

Financial Statement For The Quarter Ended 31 March 2008

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	First Quarter		Change %
	31/3/2008 S\$'000	31/3/2007 S\$'000	
Revenue	47,410	37,681	25.8
Other operating income	183	509	(64.0)
Inventories and consumables used	(5,684)	(4,642)	22.4
Staff costs	(23,939)	(19,722)	21.4
Depreciation of property, plant and equipment	(1,566)	(885)	76.9
Operating lease expenses	(1,081)	(2,859)	(62.2)
Other operating expenses	(7,323)	(5,100)	43.6
Profit from operating activities	8,000	4,982	60.6
Finance expenses	(151)	(24)	529.2
Share of profits in a jointly-controlled entity	-	190	(100.0)
Profit before income tax	7,849	5,148	52.5
Income tax expense	(1,734)	(1,014)	71.0
Profit for the period	6,115	4,134	47.9
Attributable to :			
Equity holders of the parent	6,103	4,113	48.4
Minority interests	12	21	(42.9)
Profit for the period	6,115	4,134	47.9

Profit from ordinary activities before taxation includes the following:

Group	31/3/2008	31/3/2007
	S\$'000	S\$'000
(a) Other operating income		
Exchange gain	76	26
Interest income from fixed deposits and commercial notes	72	483
Net change in fair value of equity securities – held for trading	35	-
(b) Other operating expenses		
Allowance for doubtful receivables	261	157
Amortisation of intangible assets	12	13
Property, plant and equipment written off	5	3

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

Group	First Quarter	
	Q1 2008	Q1 2007
	S\$'000	S\$'000
Deferred tax liabilities		
Adjustment due to change in tax rates in respect of prior periods	-	75
Deferred tax assets		
Underprovision in respect of prior periods	1	15
Adjustment due to change in tax rates in respect of prior periods	-	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	
	31/03/2008 S\$'000	31/12/2007 S\$'000	31/03/2008 S\$'000	31/12/2007 S\$'000
Non-current assets				
Property, plant and equipment	149,741	150,794	2,279	2,270
Intangible assets	295	307	152	152
Investment properties	84,400	84,400	-	-
Subsidiaries	-	-	201,215	202,650
Membership rights, at cost	164	164	93	93
Deferred tax assets	1,067	1,315	-	-
	<u>235,667</u>	<u>236,980</u>	<u>203,739</u>	<u>205,165</u>
Current assets				
Investment in equity securities, held for trading	1,990	704	-	-
Inventories	4,252	3,803	1,364	1,150
Trade and other receivables	26,109	20,231	12,115	9,887
Cash and cash equivalents	22,829	19,744	11,015	7,223
	<u>55,180</u>	<u>44,482</u>	<u>24,494</u>	<u>18,260</u>
Total assets	<u>290,847</u>	<u>281,462</u>	<u>228,233</u>	<u>223,425</u>
Equity attributable to equity holders of the parent				
Share capital	170,201	170,047	170,201	170,047
Reserves	37,359	30,763	16,150	14,912
	<u>207,560</u>	<u>200,810</u>	<u>186,351</u>	<u>184,959</u>
Minority interests	236	224	-	-
Total equity	<u>207,796</u>	<u>201,034</u>	<u>186,351</u>	<u>184,959</u>
Non-current liabilities				
Deferred tax liabilities	737	737	121	121
Interest-bearing liabilities	23,000	-	-	-
	<u>23,737</u>	<u>737</u>	<u>121</u>	<u>121</u>
Current liabilities				
Trade and other payables	48,231	47,716	37,475	33,997
Interest-bearing liabilities	3,744	25,260	1,632	1,711
Current tax payable	7,339	6,715	2,654	2,637
	<u>59,314</u>	<u>79,691</u>	<u>41,761</u>	<u>38,345</u>
Total liabilities	<u>83,051</u>	<u>80,428</u>	<u>41,882</u>	<u>38,466</u>
Total equity and liabilities	<u>290,847</u>	<u>281,462</u>	<u>228,233</u>	<u>223,425</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 31/03/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$3,744,385	S\$23,549,451	S\$1,710,860

Amount repayable after one year

As at 31/03/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$0	S\$23,000,000	S\$0	S\$0

Details of any collateral

As at 31 December 2007, the bank loan was secured on the Raffles Hospital building. During the quarter ended 31 March 2008, the Group refinanced the bank loan and is now unsecured.

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

	Q1 2008	Q1 2007
	S\$'000	S\$'000
Operating activities		
Profit before income tax	7,849	5,148
Adjustments for :-		
Amortisation of intangible assets	12	13
Depreciation of property, plant and equipment	1,566	885
Equity-settled share-based payment transactions	255	153
Exchange gain	(76)	(26)
Finance expenses	151	24
Interest income from fixed deposits and commercial notes	(72)	(483)
Net change in fair value of equities securities – held for trading	(35)	-
Property, plant and equipment written off	5	3
Share of profits in a jointly-controlled entity	-	(190)
Operating profit before working capital changes	9,655	5,527
Changes in working capital :-		
Inventories	(449)	63
Trade and other receivables	(5,541)	(3,688)
Trade and other payables	515	4,255
Cash generated from operations	4,180	6,157
Income taxes paid	(862)	(832)
Interest paid	(151)	(24)
Cash flows from operating activities	3,167	5,301
Investing activities		
Acquisition of equity securities, held for trading	(1,251)	-
Investment in commercial notes	-	10,250
Proceeds from sale of commercial notes	-	(10,250)
Interest received	83	447
Purchase of property, plant and equipment	(518)	(606)
Purchase of club membership	-	(25)
Cash flows used in investing activities	(1,686)	(184)
Financing activities		
Proceeds from issue of shares under share option scheme	154	1,202
Proceeds from bank loan	26,632	-
Repayment of bank loan	(25,260)	-
Cash flows from financing activities	1,526	1,202
Net increase in cash and cash equivalents	3,007	6,319
Cash and cash equivalents at beginning of the period	19,744	41,774
Effect of exchange rate changes on balances held in foreign currency	(34)	(13)
Cash and cash equivalents at end of the period	22,717	48,080
Cash and cash equivalents at end of the period include the following :		
Cash & fixed deposits	22,829	48,108
Bank overdrafts	(112)	(28)
	22,717	48,080

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 January 2007	101,050	(267)	1,707	10,379	112,869	273	113,142
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	1,202	-	-	-	1,202	-	1,202
Translation differences relating to financial statements of foreign subsidiaries	-	(35)	-	-	(35)	-	(35)
Net profit for the period	-	-	-	4,113	4,113	21	4,134
Total recognised income and expense for the period	-	(35)	-	4,113	4,078	21	4,099
Value of employee services received for issue of share options	-	-	153	-	153	-	153
At 31 March 2007	102,252	(302)	1,860	14,492	118,302	294	118,596
At 1 January 2008	170,047	(334)	2,621	28,476	200,810	224	201,034
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	154	-	-	-	154	-	154
Translation differences relating to financial statements of foreign subsidiaries	-	238	-	-	238	-	238
Net profit for the period	-	-	-	6,103	6,103	12	6,115
Total recognised income and expense for the period	-	238	-	6,103	6,341	12	6,353
Value of employee services received for issue of share options	-	-	255	-	255	-	255
At 31 March 2008	170,201	(96)	2,876	34,579	207,560	236	207,796

Company	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
At 1 January 2007	101,050	899	8,498	110,447
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	1,202	-	-	1,202
Net profit for the period	-	-	800	800
Total recognised income and expense for the period	-	-	800	800
Value of employee services received for issue of share options	-	84	-	84
At 31 March 2007	102,252	983	9,298	112,533
At 1 January 2008	170,047	1,361	13,551	184,959
Issue of shares under Raffles Medical Group Employees' Share Option Scheme	154	-	-	154
Net profit for the period	-	-	1,112	1,112
Total recognised income and expense for the period	-	-	1,112	1,112
Value of employee services received for issue of share options	-	126	-	126
At 31 March 2008	170,201	1,487	14,663	186,351

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 quarter ended 31 March 2008, the Company issued 667,000 new shares, upon the exercise of options under the Raffles Medical Group Employee's Share Option Scheme.

Exercise price per share	S\$0.16	\$0.185	S\$0.23	S\$0.32	S\$0.33	S\$0.42	S\$0.71
Number of new shares issued	400,000	13,000	129,000	30,000	19,000	42,000	34,000

As at 31 March 2008, there were outstanding options for conversion into 15,185,000 (Q1 2007 : 20,148,000) 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.

	31/03/2008	31/12/2007
Number of issued shares excluding treasury shares	515,778,393	515,111,393

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 31 March 2008 (31 December 2007 : 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 quarter ended 31 March 2008 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 31 March 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007.

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.**

	Q1 2008	Q1 2007 Restated
Earnings per ordinary share for the year based on 1(a) above :-		
(i) Based on existing issued share capital [A]	1.18 cents	0.90 cent
(ii) On a fully diluted basis [B]	1.17 cents	0.88 cent

[A] The calculation of earnings per ordinary share is based on weighted average number of shares of 515,507,514 (Q1 2007 : 455,615,391) in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) is based on weighted average number of shares of 523,130,475 (Q1 2007 : 466,911,478) in issue during the period.

[C] The comparative figures for Q1 2007 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 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	
	31/03/2008	31/12/2007	31/03/2008	31/12/2007
Net asset value per ordinary share [D]	40.24 cents	38.98 cents	36.13 cents	35.91 cents

[D] The calculation of net asset value per ordinary share is based on 515,778,393 (31 December 2007 : 515,111,393) shares as at 31 March 2008.

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 the Q1 2008 reached a record high of **S\$47.4** million. This is an increase of **25.8%** as compared to Q1 2007 of **S\$37.7** million. Revenue from Healthcare and Hospital Services divisions increased **16.9%** and **30.5%** respectively as all divisions continued to contribute positively to the growth of the Group.

The increasing patient load, a wider range of medical specialties and improved operating efficiencies all contributed to a **60.6%** increase of profit from operating activities from **\$5.0** million in Q1 2007 to **\$8.0** million this quarter.

The Group's profit after tax grew from **S\$4.1** million in Q1 2007 to **S\$6.1** million this quarter an increase of **47.9%**.

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 full year 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 Group continues to benefit from the unexpectedly strong Singapore economy and also the economic growth in the region this quarter.

RafflesHospital continues to attract more foreign and local patients. Increased patient load continues to enhance its operating efficiencies and margins.

Healthcare Services division continues to grow with more services rendered to both corporate and private patients. International Medical Insurers is also growing with new corporate and personal clients.

Notwithstanding the expected slower growth in the United States, based on the current economic outlook for Singapore, 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.

No dividend has been declared or recommended for the quarter ended 31 March 2008.

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

We, Dr Loo Choon Yong and Professor Lim Pin, 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 first quarter 31 March 2008 to be false or misleading.

On behalf of the board of directors

Dr Loo Choon Yong
Chairman

Professor Lim Pin
Director

BY ORDER OF THE BOARD

Tay Kim Choon Kimmy
Company Secretary
29 April 2008