

## Financial Statement and Related Announcement For The First Quarter Ended 31 March 2012

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	First Quarter		
	Q1 2012 S\$'000	Q1 2011 S\$'000	Change %
<b>Revenue</b>	72,930	64,433	13.2
Other operating income	55	-	nm
Inventories and consumables used	(8,854)	(7,436)	19.1
Purchased and contracted services	(5,461)	(4,821)	13.3
Staff costs	(35,919)	(31,666)	13.4
Depreciation of property, plant and equipment	(1,880)	(1,878)	0.1
Operating lease expenses	(1,733)	(1,424)	21.7
Other operating expenses	(4,911)	(4,390)	11.9
<b>Profit from operating activities</b>	14,227	12,818	11.0
Finance income	65	136	(52.2)
Finance expenses	(63)	(42)	50.0
<b>Profit before tax</b>	14,229	12,912	10.2
Tax expense	(2,560)	(2,353)	8.8
<b>Profit for the period</b>	11,669	10,559	10.5
<b>Attributable to :</b>			
Owners of the Company	11,618	10,479	10.9
Non-controlling interests	51	80	(36.3)
<b>Profit for the period</b>	11,669	10,559	10.5

# RafflesMedicalGroup

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

	First Quarter		
	Q1 2012	Q1 2011	Change
	S\$'000	S\$'000	%
<b>Consolidated statement of comprehensive income</b>			
<b>Profit for the period</b>	11,669	10,559	10.5
<b>Other comprehensive income</b>			
Foreign currency translation differences for foreign operations	17	(257)	nm
<b>Total comprehensive income for the period</b>	<u>11,686</u>	<u>10,302</u>	13.1
<b>Attributable to:</b>			
Owners of the Company	11,635	10,222	13.8
Non-controlling interests	51	80	(36.3)
<b>Total comprehensive income for the period</b>	<u>11,686</u>	<u>10,302</u>	13.4

Note: nm denotes not meaningful

## Explanatory notes to the income statement

- Staff costs increased due substantially to more employees recruited by the Group in Q1 2012 to meet business expansion.
- Higher inventories and consumables used was due to increased sales of medical supplies and services.
- More purchased and contracted services were mainly attributed to higher insurance claims.
- Profit from operating activities before taxation includes the following:

Group	First Quarter	
	Q1 2012	Q1 2011
	S\$'000	S\$'000
<b>(a) Other operating income</b>		
Gain on disposal of property, plant and equipment	55	-
<b>(b) Other operating expenses</b>		
Allowance for doubtful receivables	462	356
Property, plant and equipment written off	12	6

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	151,930	141,896	3,792	3,242
Intangible assets	316	316	245	245
Investment properties	189,362	199,700	-	-
Subsidiaries	-	-	259,296	258,985
Deferred tax assets	34	-	-	-
	<u>341,642</u>	<u>341,912</u>	<u>263,333</u>	<u>262,472</u>
<b>Current assets</b>				
Inventories	5,494	5,136	1,483	1,356
Trade and other receivables	43,255	31,855	67,018	64,563
Cash and cash equivalents	61,058	49,691	40,768	28,860
	<u>109,807</u>	<u>86,682</u>	<u>109,269</u>	<u>94,779</u>
<b>Total assets</b>	<u>451,449</u>	<u>428,594</u>	<u>372,602</u>	<u>357,251</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	191,373	190,344	191,373	190,344
Reserves	155,909	143,663	81,077	78,885
	<u>347,282</u>	<u>334,007</u>	<u>272,450</u>	<u>269,229</u>
<b>Non-controlling interests</b>	753	702	-	-
<b>Total equity</b>	<u>348,035</u>	<u>334,709</u>	<u>272,450</u>	<u>269,229</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,572	1,579	359	359
Interest-bearing liabilities	-	16,000	-	-
	<u>1,572</u>	<u>17,579</u>	<u>359</u>	<u>359</u>
<b>Current liabilities</b>				
Trade and other payables	56,602	54,746	94,517	82,364
Insurance contract provisions	13,057	5,019	-	-
Interest-bearing liabilities	20,365	5,451	3,365	3,451
Current tax payable	11,818	11,090	1,911	1,848
	<u>101,842</u>	<u>76,306</u>	<u>99,793</u>	<u>87,663</u>
<b>Total liabilities</b>	<u>103,414</u>	<u>93,885</u>	<u>100,152</u>	<u>88,022</u>
<b>Total equity and liabilities</b>	<u>451,449</u>	<u>428,594</u>	<u>372,602</u>	<u>357,251</u>

## Explanatory notes to the Statement of Financial Position

1. Property, plant and equipment increased by S\$10.0 million to S\$151.9 million as at 31 March 2012. This is mainly due to the conversion of space, previously leased to third party, to owner-occupied in Q1 2012 to meet the increasing demand for more medical and dental services. Consequently, the Investment properties decreased by S\$10.3 million.
2. Trade and other receivables increased mainly due to higher billings from insurance business.
3. The Group's net cash position increased from S\$28.2 million as at 31 December 2011 to S\$40.7 million as at 31 March 2012. This was attributed mainly to strong operating cash flows generated by the Group in line with the higher volume of business.
4. Insurance contract provisions increased by S\$8.0 million mainly due to higher provision for unearned premiums resulting from more billings from insurance business.

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

#### Amount repayable in one year or less, or on demand

As at 31/03/2012		As at 31/12/2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	20,365	-	5,451

#### Amount repayable after one year

As at 31/03/2012		As at 31/12/2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	16,000

#### Details of any collateral

Nil.

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

	Q1 2012	Q1 2011
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	14,229	12,912
Adjustments for :-		
Depreciation of property, plant and equipment	1,880	1,878
Equity-settled share-based payment transactions	611	812
Finance expenses	63	42
Finance income	(65)	(136)
Gain on disposal of property, plant and equipment	(55)	-
Property, plant and equipment written off	12	6
<b>Operating profit before working capital changes</b>	<u>16,675</u>	<u>15,514</u>
Changes in working capital :-		
Inventories	(358)	(88)
Trade and other receivables	(11,380)	(6,467)
Trade and other payables	1,803	228
Insurance contract provisions	8,038	3,996
Cash generated from operations	14,778	13,183
Taxes paid	(1,873)	(810)
Interest paid	(34)	(42)
<b>Net cash from operating activities</b>	<u>12,871</u>	<u>12,331</u>
<b>Cash flows from investing activities</b>		
Interest received	44	39
Proceeds from sale of property, plant and equipment	55	-
Purchase of property, plant and equipment	(1,627)	(234)
Purchase of investment property	-	(14,529)
Deposit for purchase of property	-	(11,965)
<b>Net cash used in investing activities</b>	<u>(1,528)</u>	<u>(26,689)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under share option scheme	1,029	707
Proceeds from bank loan	4,945	2,846
Repayment of bank loan	(5,927)	(3,515)
<b>Net cash from financing activities</b>	<u>47</u>	<u>38</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	11,390	(14,320)
Cash and cash equivalents at 1 January	49,691	107,137
Effect of exchange rate changes on balances held in foreign currency	(23)	(17)
<b>Cash and cash equivalents at 31 March</b>	<u>61,058</u>	<u>92,800</u>
Cash and cash equivalents at end of the period comprise:		
Cash & fixed deposits	<u>61,058</u>	<u>92,800</u>

## Explanatory note to the Statement of Cash Flows

The Group's cash and cash equivalents increased from S\$49.7 million as at 31 December 2011 to S\$ 61.1 million as at 31 March 2012. This was attributed mainly to strong operating cash flows generated by the Group in line with the higher volume of business.

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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
<b>At 1 January 2011</b>	177,006	53	7,781	101,580	286,420	542	286,962
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	10,479	10,479	80	12,559
<b>Other comprehensive income</b>							
Foreign currency translation differences for foreign operations	-	(257)	-	-	(257)	-	(257)
<b>Total comprehensive income for the period</b>	-	(257)	-	10,479	10,222	80	10,302
<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	707	-	-	-	707	-	707
Value of employee services received for issue of share options	-	-	812	-	812	-	812
<b>Total contributions by and distributions to owners</b>	707	-	812	-	1,519	-	1,519
<b>At 31 March 2011</b>	177,713	(204)	8,593	112,059	298,161	622	298,783
<b>At 1 January 2012</b>	190,344	(117)	10,339	133,441	334,007	702	334,709
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	11,618	11,618	51	11,669
<b>Other comprehensive income</b>							
Foreign currency translation differences for foreign operations	-	17	-	-	17	-	17
<b>Total comprehensive income for the period</b>	-	17	-	11,618	11,635	51	11,686
<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	1,029	-	-	-	1,029	-	1,029
Value of employee services received for issue of share options	-	-	611	-	611	-	611
<b>Total contributions by and distributions to owners</b>	1,029	-	611	-	1,640	-	1,640
<b>At 31 March 2012</b>	191,373	(100)	10,950	145,059	347,282	753	348,035

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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 January 2011</b>	177,006	7,781	48,174	232,961
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,764	1,764
<b>Total comprehensive income for the period</b>	-	-	1,764	1,764
<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	707	-	-	707
Value of employee services received for issue of share options	-	812	-	812
<b>Total contributions by and distributions to owners</b>	707	812	-	1,519
<b>At 31 March 2011</b>	177,713	8,593	49,938	236,244
<b>At 1 January 2012</b>	190,344	10,339	68,546	269,229
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,581	1,581
<b>Total comprehensive income for the period</b>	-	-	1,581	1,581
<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	1,029	-	-	1,029
Value of employee services received for issue of share options	-	611	-	611
<b>Total contributions by and distributions to owners</b>	1,029	611	-	1,640
<b>At 31 March 2012</b>	191,373	10,950	70,127	272,450

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- 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 first quarter ended 31 March 2012, the Company issued 1,237,000 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\$0.33	S\$0.42	S\$0.71	S\$0.78	S\$1.14	S\$1.15	S\$1.24	S\$1.66
Number of new shares issued	40,000	216,000	101,000	99,000	9,000	254,000	120,000	61,000	176,000	161,000

On 2 April 2012, options to subscribe for 6,000,000 ordinary shares at an exercise price of S\$2.34 were granted to 453 eligible participants pursuant to the Raffles Medical Group (2010) Share Option Scheme.

As at 31 March 2012, there were outstanding options for conversion into 18,806,000 (31 March 2011 : 18,464,000) 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.**

	31/03/2012	31/12/2011
Number of issued shares excluding treasury shares	535,570,651	534,333,651

- 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 2012 (31 December 2011 : Nil).

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements on consolidated results for the first quarter ended 31 March 2012 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 first quarter ended 31 March 2012 are consistent with those applied in the financial statements for the year ended 31 December 2011, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2012. The adoption of the new/revised accounting standards and interpretations does not have any material effect 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.**

	First Quarter	
	Q1 2012	Q1 2011
Earnings per ordinary share for the period based on 1(a) above :-		
(i) Basic earnings per share [A]	2.17 cents	1.99 cents
(ii) Diluted earnings per share [B]	2.14 cents	1.96 cents

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 534,787,530 (Q1 2011 : 526,418,893) in issue during the period.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares of 542,139,850 (Q1 2011 : 535,986,642) 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	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
Net asset value per ordinary share [C]	64.84 cents	62.51 cents	50.87 cents	50.39 cents

[C] The calculation of net asset value per ordinary share was based on 535,570,651 shares as at 31 March 2012 (31 December 2011 : 534,333,651).

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 showed a healthy growth of **13.2%** from **S\$64.4** million in Q1 2011 to **S\$72.9** million in Q1 2012. All divisions of the Group continued to contribute positively to the growth in revenue. Revenue from Hospital Services and Healthcare Services divisions increased by **15.3%** and **7.4%** respectively.

Profit from operating activities increased by **11.0%** from **S\$12.8** million in Q1 2011 to **S\$14.2** million in Q1 2012. The Group's net profit after tax grew **10.5%** to **S\$11.7** million in Q1 2012 from **S\$10.6** million in Q1 2011 in line with better operating performance, driven by higher patient load and patient acuity.

The Group had a healthy cash position of **S\$61.1** million as at 31 March 2012, from the continued strong operating cashflow of the Group.

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 2011 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.**

With the weak recovery of the US economy, coupled with renewed concerns in the Eurozone, the macroeconomic environment remains fluid and uncertain. Notwithstanding these uncertainties, the Group expects to benefit from the strong demand for high quality healthcare services locally and from the region.

**RafflesHospital** continues to demonstrate good growth in its operations as it focuses on high quality curative healthcare services. **RafflesHospital** is expected to perform well and contribute positively to the Group's performance as it continues to deepen its foreign patient base, as well as expanding its breadth and depth of specialist staff.

In line with this, **RafflesHospital** is focused on expanding its premises at the North Bridge Road hospital. Whilst the Raffles Hospital had received its grant of provisional permission from the Urban Redevelopment Authority for the additional 102,408 square feet expansion, it is working with the team of consultants to finalise plans and to ensure minimum disruptions to existing facilities and patient services during the construction of the Hospital extension. When completed, the additional area will enable the Group to increase its clinical services and specialist offerings.

The Group has also appointed consultants to work on the 42,668 square feet property at 30 Bideford Road to retrofit it to expand the Group's specialist centre operations. The Group expects to commence clinical operations in the Orchard Road shopping precinct in the first half of 2013.

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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* Clinics saw continued growth with improved patient attendances and revenue from new branches opened in 2011 as well as existing branches. *RafflesMedical* was conferred the "Preferred Employee Healthcare Consultants Award 2011" by the Human Resources' Magazine in its HR Vendor of the Year survey.

With additional beds of new public and private hospitals coming onstream over the next few years, the healthcare landscape will continue to remain competitive. Whilst adding the Specialist Medical Centre in Orchard Road and expanding *RafflesHospital*, the Group continues to be vigilant and responsive to new opportunities that may appear on the horizon.

Barring unforeseen circumstances, the Directors are optimistic that the Group will continue to grow in 2012.

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 first quarter ended 31 March 2012.

13. **If the group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company did not obtain a general mandate from shareholders for IPTs.

**14. 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 first quarter ended 31 March 2012 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Tay Kim Choon Kimmy**  
**Company Secretary**  
**30 April 2012**