RafflesMedicalGroup
ANNUAL REPORT 2013

Your Trusted Partner For Health

Vision

We aspire to be your lifetime healthcare partner.

Core Values

COMPASSION
We put you and your well being at the centre of all that we do, treating all with respect, compassion and dignity.

EXCELLENCE
We will continually seek advancement and innovation to achieve better healthcare.

TEAM-BASED CARE
We dedicate and combine our skills, knowledge and experience for your benefit.

COMMITMENT
We will uphold your trust by maintaining the highest professional integrity and standards.

VALUE
We seek always to create value for you.

Your Trusted Partner For Health

Our patients' health is at the core of what we do. Committed to delivering the most comprehensive care and service, our team of healthcare professionals come together as one to combine our skills, knowledge, and experience for you. At Raffles, you are in the good hands of our multi-disciplinary team of doctors, nurses, allied health workers, and healthcare managers.

Holding ourselves to the highest of standards, we aspire to be your trusted partner for health for generations to come.

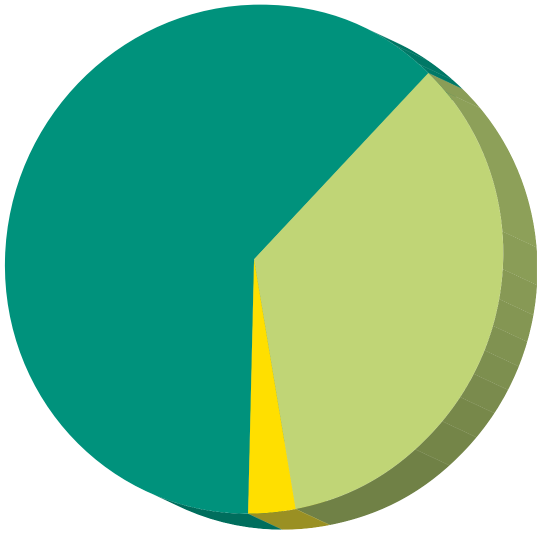
From left to right: Orthopaedic Surgeon Dr Lim Yeow Wai, Principal Radiographer Goh Eik Heau, Resident Physician Dr Shirley Kwee, Corporate Services Senior Executive Josh Lim and Staff Nurse Lai Siew Theng.

Contents

Financial Highlights

REVENUE CONTRIBUTION BY SEGMENT

63% HOSPITAL SERVICES



34% HEALTHCARE SERVICES

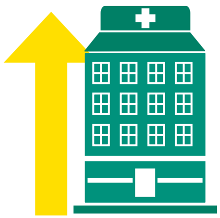
3% INVESTMENT

2013 PERFORMANCE AT A GLANCE

HEALTHCARE SERVICES DIVISION

6.2%

Revenue from Healthcare Services Division grew 6.2% to $124.5 million



HOSPITAL SERVICES DIVISION

12.4%

Revenue from Hospital Services Division grew 12.4% to $231.3 million

GROUP REVENUE

9.4%

Group achieved 9.4% growth in revenue to $341.0 million

PROFIT AFTER TAX

49.1%

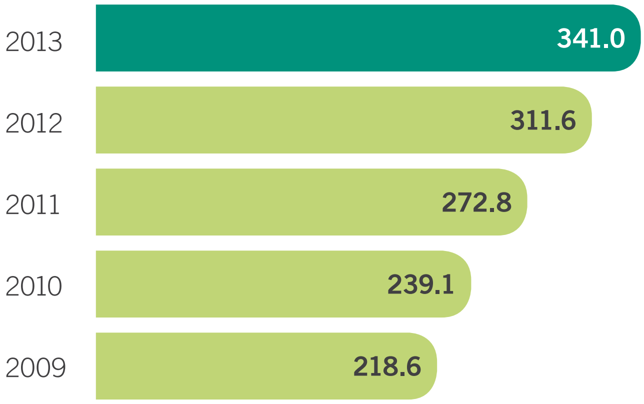
Profit after tax grew 49.1% to $85.3 million

OPERATING PROFIT

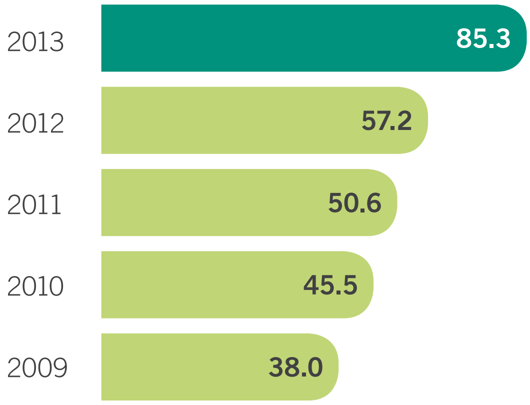
42.2%

Operating profit grew by 42.2% to $94.3 million

GROUP REVENUE ($'M)

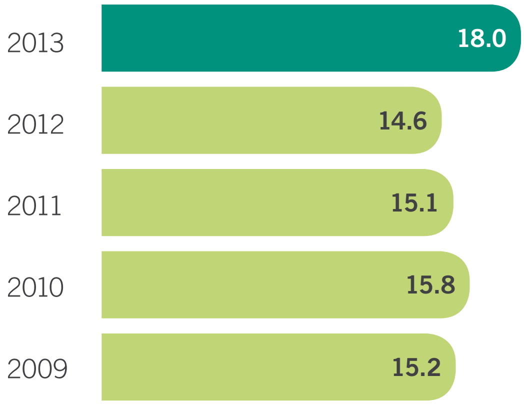


GROUP PROFIT AFTER TAX ($'M)



EARNINGS PER SHARE (CENTS)

RETURN ON EQUITY (%)



FINANCIAL SUMMARY

	2009 $'000	2010 $'000	2011 $'000	2012 $'000	2013 $'000
Revenue	218,610	239,123	272,783	311,633	340,989
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	52,220	59,955	66,750	74,258	102,595
Operating Profit	45,277	52,969	59,510	66,355	94,327
Profit Before Tax	45,047	53,096	59,440	66,585	95,238
Profit After Tax	38,033	45,482	50,621	57,209	85,295
Diluted Earnings per Share (cents)	7.22	8.51	9.36	10.42	15.24
Net Asset Value per Share (cents)	48.04	54.46	62.51	71.29	85.31
Return on Equity (%)	15.2	15.8	15.1	14.6	18.0

Your Health
Our Promise

For 37 years, caring for our patients has been our top priority. At Raffles, we channel our capabilities to ensure that our patients enjoy the best care. Seeing you healthy and happy is our greatest reward.

Dental Surgeon Dr Edgar Kieu encourages his young patient to take good care of his teeth.

Chairman's Message

"We strive to serve every one of the 4,470 patients that walk through our doors daily as well as we would serve our brothers and sisters – professionally, honestly, and with compassion."

DR LOO CHOON YONG
Executive Chairman
and Co-Founder

DEAR SHAREHOLDERS

2013 was another good year for the Group. We achieved another record revenue of $341.0 million and growth of 9.4% over the previous year. We also reported a record profit of $85.3 million, a 49.1% increase over 2012. All divisions of the Group contributed to this remarkable performance.

"YOUR TRUSTED PARTNER FOR HEALTH"

The year saw the Group adopt a newer and more encompassing tagline – "Your Trusted Partner for Health". We believe all our physicians, nurses, healthcare managers and other staff give of their best to all our patients whenever they serve. Our clinical quality management framework together with our service quality management programme have helped us to achieve high standards of quality care and service. Because of this, we are able to aspire to be the trusted partner of all our patients and corporate clients. All of us in Raffles Medical Group regard the trust of our patients and their family members as a sacred trust.

We strive to serve every one of the 4,470 patients that walk through our doors daily as well as we would serve our brothers and sisters – professionally, honestly, and with compassion. This is even more important when one third of our patients at Raffles Hospital are foreigners coming from 100 foreign countries to seek our care and cure.

More than 6,500 corporations have appointed us to provide quality healthcare to their staff and dependents and quite a few have been our corporate clients for the past 37 years.

I am confident we will continue to grow in Singapore and into the region because we take this trust very seriously.

RAFFLES HOSPITAL EXTENSION

The Group acquired the 1,978 square metres land adjacent to the Raffles Hospital from Singapore Land Authority on 21 January 2014. Together with the previously approved intensification of the existing hospital land, a new extension of approximately 210,000 square feet will be built on the adjacent land.

The project is estimated to cost $310 million and the additional space is expected to be ready in 2016. This will provide the hospital space for expanding its services over the next few years.

RAFFLES HOLLAND VILLAGE

The Group completed the acquisition of a site at Holland Village from DBS Bank on 14 January 2014. The site will be developed into a 5-storey commercial building comprising medical clinics, banking facilities, retail shops, restaurants, cafes and car parks. It will pave the way for the Group to expand medical, dental and specialist services in an attractive location for local and expatriate patients when the project is completed in 2016. The project is estimated to cost $120 million.

GROWTH IN THE REGION

Even as the Group continues to grow in Singapore, we have plans to grow into China and Hong Kong. The Group intends to invest, build and operate a tertiary hospital in Shenzhen and another in Shanghai.

In the meantime Raffles Medical Shanghai and Raffles Medical Hong Kong are growing their network of medical centres.

CORPORATE SOCIAL RESPONSIBILITY

As a corporate citizen, we are deeply conscious of our social responsibilities. As we grow and command more resources, we will remember to do more for the less fortunate ones in our society.

APPRECIATION

We are grateful for the 254 multi-specialty physicians, 615 nurses and allied health professionals, 62 healthcare managers and 751 ancillary and support staff serving all our patients professionally and compassionately, as a team. We proudly receive numerous compliments and accolades commending their good work.

In the year, Board Member Mr Olivier Lim left the Board to focus on his new and greater responsibilities at CapitaLand. We record our appreciation to him for his contributions, support and wise counsel and we wish him great success in his endeavours.

It is also my pleasure to welcome Mr Raymond Lim to our Board. We look forward to his guidance, support and contributions.

DR LOO CHOON YONG
Executive Chairman and Co-Founder

Board of Directors

Front row (from left to right): Dr Wee Beng Geok, Dr Loo Choon Yong and Mr Tan Soo Nan.
Back row (from left to right): Mr Kee Teck Koon, Mr Koh Poh Tiong, Mr Raymond Lim Siang Keat and Professor Lim Pin.

DR LOO CHOON YONG

Executive Chairman and Co-Founder
Raffles Medical Group

Dr Loo Choon Yong is the Executive Chairman of Raffles Medical Group Limited. He co-founded the Group in 1976 and was appointed to his current position in 1997 when the Group was listed in the Singapore Stock Exchange. Dr Loo is also an independent director of CapitaMalls Asia Limited. He is the Chairman of the Asian Medical Foundation Ltd.

In the area of public service, Dr Loo is appointed by the President of Singapore since 2006, as the Non-Resident Ambassador to the Italian Republic. He was also appointed by the Ministry of Trade and Industry as Chairman of Jurong Town Corporation, Singapore's leading industrial infrastructure specialist spearheading the planning, promotion and development of a dynamic industrial landscape from 2013. He was the immediate past Chairman of Sentosa Development Corporation Ltd and Sentosa Golf Club, a position he held from 2007 to 2012. He was also a member of the Board of Trustees of Singapore Management University (SMU) from 2000 to 2013.

Dr Loo was the Nominated Member of Parliament from 2005 to 2006 and again from 2007 to 2009. He was the former Deputy Chairman of the Action Committee for Entrepreneurship (ACE), a public-private collaboration to promote entrepreneurship in Singapore. He also served as a member of the Government Economic Review Committee (ERC) from 2001 to 2003 and Chairman of the ERC's Healthcare Services Working Group (HSWG).

In the area of social service, Dr Loo had been active in the fight against drug abuse for more than 20 years. He was the former Chairman of National Council Against Drug Abuse (NCADA) and President of Singapore Anti-Narcotic Association (SANA).

Besides his medical training, Dr Loo also read Law at the University of London and is a barrister of Middle Temple.

Dr Loo was awarded the Singapore National Day Awards Public Service Medal (2003) and Public Service Star (2009) and the Distinguished Service Award (2005) from the Ministry of Home Affairs for his contributions to Singapore's fight against drug abuse.

Dr Loo was awarded the Best Chief Executive Officer (mid-cap category) of the Singapore Corporate Awards 2010 organised by The Business Times and supported by the Singapore Stock Exchange. He was named Businessman of the Year at the Singapore Business Awards 2013 organised by The Business Times and DHL Express Singapore.

MR KOH POH TIONG

Lead Independent Director*

Mr Koh Poh Tiong is currently the Non-Executive Chairman and Senior Advisor of Ezra Holdings Limited. Mr Koh was appointed as Advisor, Non-Executive and Non-Independent Director to the Board of Fraser & Neave Limited in April 2013 after retiring as CEO of Fraser & Neave Limited (Food & Beverage Division) at the end of September 2011 having previously served as Chief Executive Officer of Asia Pacific Breweries Limited from 1993 to 2008.

He continues to serve as a Director at The Great Eastern Life Assurance Company Limited, PSA International Pte Ltd and PSA Corporation Limited, SATS Ltd, United Engineers Limited and Petra Foods Limited. Mr Koh is currently the Chairman of National Kidney Foundation and Council Chairman of the Singapore Kindness Movement. In addition, Mr Koh was also the Chairman of the Agri-Food & Veterinary Authority and Director at Wildlife Reserves Singapore Pte Ltd, Jurong Bird Park Pte Ltd and Media Corporation of Singapore Pte Ltd.

Mr Koh is noted for his strong civic involvement and his long-standing interest in sports and education. He has served on the Singapore Youth Olympic Games Organising Committee, the Singapore Sports Council and the Football Association of Singapore, as well as on the

MBA Advisory Board of the Nanyang Technological University. For his contributions to society and business, Mr Koh was conferred both the Public Service Medal and the Service to Education Medal in 2007. He was also named Outstanding Chief Executive of the Year at the Singapore Business Awards 1998 by DHL and The Business Times. Mr Koh was also recently conferred the Public Service Star Award in October 2013 for his contributions as Chairman of the Singapore Kindness Movement.

He joined the Board on 3 October 2011.

** Mr Koh Poh Tiong was appointed the Lead Independent Director on 2 January 2014.*

MR KEE TECK KOON

Chairman of Audit Committee / Independent Director

Mr Kee is currently the Non-Executive Chairman of CapitaCommercial Trust Management Limited (the Manager of SGX-ST listed CapitaCommercial Trust). He is also the Non-Executive Chairman of Changi Airports International Pte Ltd, NTUC First Campus Co-Operative Ltd, Alexandra Health Endowment Fund and Lien AID Limited. He also holds directorship positions in Ascendas Pte Ltd, NTUC Enterprise Co-operative Limited and NTUC LearningHub Pte Ltd.

Prior to Mr Kee's retirement as the Chief Investment Officer of CapitaLand Limited (CapitaLand) on 1 July 2009, Mr Kee held several senior appointments within the CapitaLand Group.

Between April 2003 and January 2007, he was responsible for overseeing the CapitaLand Group's Financial, Commercial and Retail businesses. Prior to that, he was the Managing Director and Chief Executive Officer of The Ascott Limited from November 2000 to April 2003.

Between 1996 and 2000, he was the Managing Director and Chief Executive Officer of Somerset Holdings Limited, and was also an Executive Vice President at Pidemco Land Limited. Prior to that, Mr Kee held senior management appointments with several other organisations. He started his career in 1979 with the Singapore Armed Forces and the Ministry of Defence where he remained until 1991.

Mr Kee holds a Master of Arts in Engineering Science from Oxford University, United Kingdom.

He joined the Board on 3 January 2012.

DR WEE BENG GEOK

Chairman of Nomination & Compensation Committee / Independent Director

Dr Wee Beng Geok is Director of the Asian Business Case Centre at the Nanyang Business School, Nanyang Technological University (NTU). She holds a PhD in Management Systems and Sciences from the University of Hull, a Master in Business Administration from Cranfield Institute of Technology, and a Bachelor of Business Administration from the University of Singapore.

She has worked both in the corporate sector and academia and held management positions in various companies.

She joined the Board on 27 November 2000.

MR TAN SOO NAN

Independent Director**

Mr Tan Soo Nan is the Chief Executive Officer of Singapore Pools (Private) Limited, a wholly owned subsidiary of Singapore Totalisator Board.

He is the Chairman of the Asia-Pacific Lottery Association (APLA) and a member of the Executive Committee of APLA and World Lottery Association. Mr Tan serves on the Board of private and public listed companies including Singapore Mercantile Exchange Pte Ltd and OSIM International Ltd. He also sits on several not for profit committees including holding the post of Vice-President of the Football Association of Singapore.

Mr Tan was formerly the Chief Executive of Singapore Totalisator Board, Chief Executive Officer of Temasek Capital (Private) Limited and Senior Managing Director of DBS Bank and had over 29 years of experience in the banking industry.

He joined the Board on 28 July 2000.

*** Mr Tan Soo Nan was re-designated as a Non-Executive and Non-Independent Director with effect from 24 February 2014.*

PROFESSOR LIM PIN

Independent Director

Professor Lim Pin is Professor of Medicine at National University of Singapore (NUS) and Senior Consultant Endocrinologist at the National University Hospital. He was the former Vice Chancellor of NUS from 1981 to 2000, and is accorded the highest academic title of 'NUS University Professor' in recognition of his work and achievements.

Professor Lim chairs the National Wages Council, Singapore Millennium Foundation, Special Needs Trust Company, Tropical Marine Science Institute Management Board and is Adviser to the Bioethics Advisory Committee. He co-chairs several joint committees with overseas institutes to establish research centres in the Campus for Research Excellence and Technological Enterprise (CREATE).

He joined the Board on 19 February 2001.

MR RAYMOND LIM SIANG KEAT

Independent Director

Mr Raymond Lim is Chairman of APS Asset Management and Senior Advisor to the Swire Group. He is also a Director of several companies including Government of Singapore Investment Corporation (GIC), Hong Leong Finance and Insurance Australia Group (IAG).

A Member of the Singapore Parliament since 2001, Mr Lim has held various ministerial appointments in the Singapore Government including Foreign Affairs, Trade & Industry, Entrepreneurship, Finance and Transport from December 2001 to May 2011.

Prior to entering politics in 2001, Mr Lim held various senior positions in the financial industry including as a Managing Director of Temasek Holdings, Chief Executive Officer of DBS Securities and Group Chief Economist of ABN AMRO Asia Securities.

A Rhodes and Colombo Plan scholar, Mr Lim has degrees in Economics and Law from the Universities of Adelaide, Oxford and Cambridge.

He joined the Board on 25 April 2013.

Further Information on Board of Directors

INFORMATION AS AT 31 DECEMBER 2013

DR LOO CHOON YONG, 64

Non-Independent Executive Director

Academic and Professional Qualifications:

- Bachelor of Medicine and Bachelor of Surgery, University of Singapore
- Diplomate Member, The College of Family Physicians, Singapore
- Diploma in Cardiac Medicine, University of London
- Bachelor of Laws (Honours), University of London
- Barrister, Middle Temple

Board Committee(s) Served On:

- Nomination & Compensation Committee *(Member)*

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd *(Executive Chairman and Non-Independent Director)*
2. CapitaMalls Asia Limited *(Lead Independent Director)*

Other Major Appointments

1. Ministry of Foreign Affairs *(Non-Resident Ambassador to the Republic of Italy)*
2. JTC Corporation *(Chairman)*

Directorships in Other Listed Companies Held Over the Preceding Three Years

- Nil

MR KOH POH TIONG, 67

Independent Director*

Academic and Professional Qualifications:

- Bachelor of Science (Singapore)

Board Committee(s) Served On:

- Audit Committee *(Member)*

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd *(Non-Executive and Independent Director)*
2. Ezra Holdings Limited *(Non-Executive Chairman and Senior Advisor)*
3. Fraser & Neave Limited *(Non-Executive and Non-Independent Director and Advisor)*
4. SATS Limited *(Director)*
5. United Engineers Limited *(Director)*
6. Petra Foods Limited *(Director)*

Other Major Appointments

1. The Singapore Kindness Movement *(Chairman)*
2. National Kidney Foundation *(Chairman)*
3. PSA Corporation Limited *(Director)*
4. PSA International Pte Ltd *(Director)*
5. The Great Eastern Life Assurance Company Limited *(Director)*

Directorships in Other Listed Companies Held Over the Preceding Three Years

1. Asia Pacific Breweries Limited *(Director)*
2. Fraser & Neave Holdings Berhad *(Director)*
3. Kingway Brewery Holdings Limited *(Director)*
4. PT Multi Bintang Indonesia Tbk *(Director)*

* *Mr Koh Poh Tiong was appointed the Lead Independent Director and a Member of the Nomination & Compensation Committee on 2 January 2014.*

MR KEE TECK KOON, 57

Independent Director

Academic and Professional Qualifications:

- Bachelor of Arts
- Master of Arts in Engineering Science (University of Oxford, United Kingdom)

Board Committee(s) Served On:

- Audit Committee *(Chairman)*

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd *(Non-Executive and Independent Director)*
2. CapitaCommercial Trust Management Limited *(Non-Executive Chairman and Non-Executive Director)*

Other Major Appointments

1. Temasek International Advisors Pte Ltd *(Corporate Advisor)*
2. Changi Airports International Pte Ltd *(Non-Executive Chairman)*
3. NTUC First Campus Co-operative Ltd *(Non-Executive Chairman)*
4. Ascendas Pte Ltd *(Non-Executive Director)*

Directorships in Other Listed Companies Held Over the Preceding Three Years

1. CapitaMall Trust Management Limited *(Non-Executive Director)*
2. CapitaMalls Malaysia REIT Management Sdn Bhd *(Non-Executive Chairman and Non-Executive Director)*

DR WEE BENG GEOK, 65

Independent Director

Academic and Professional Qualifications:

- PhD in Management Systems & Sciences (Hull)
- MBA (Cranfield Institute of Technology)
- Bachelor of Business Administration (Singapore)

Board Committee(s) Served On:

- Nomination & Compensation Committee *(Chairman)*

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd *(Non-Executive and Independent Director)*

Other Major Appointments

1. Asian Business Case Centre at Nanyang Business School, Nanyang Technological University *(Director)*

Directorships in Other Listed Companies Held Over the Preceding Three Years

- Nil

MR TAN SOO NAN, 65

Independent Director**

Academic and Professional Qualifications:

- Bachelor of Business Administration (Honours) (Singapore)
- Associate of The Chartered Institute of Bankers
- Program for Management Development, Harvard Business School

Board Committee(s) Served On:

- Audit Committee *(Member)*

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd
   (Non-Executive and Independent Director) **
2. OSIM International Ltd *(Director)*

Other Major Appointments

1. Singapore Totalisator Board *(Chief Executive)*
2. Singapore Pools (Private) Limited
   (Chief Executive Officer and Board Member)
3. Selegie Management Pte Ltd *(Director)*
4. Raffles Health Insurance Pte Ltd *(Director)*
5. Singapore Mercantile Exchange Pte Ltd *(Director)*
6. Caring Fleet Services Limited *(Director)*
7. Woh Hup Trust *(Director)*
8. Temasek Education Foundation CLG Limited *(Director)*
9. Asia-Pacific Lottery Association
   (Chairman and Executive Committee Member)
10. World Lottery Association *(Executive Committee Member)*
11. Football Association of Singapore *(Vice President)*

Directorships in Other Listed Companies Held Over the Preceding Three Years

- Nil

** *Mr Tan Soo Nan was re-designated as a Non-Executive and Non-Independent Director with effect from 24 February 2014.*

PROFESSOR LIM PIN, 77

Independent Director

Academic and Professional Qualifications:

- MBBChir (Cambridge), MA (Cambridge),
- MD (Cambridge), FAM, FRCP (London), FRACP, FRCPE, FACP

Board Committee(s) Served On:

- Nomination & Compensation Committee *(Member)*

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd
   (Non-Executive and Independent Director)

Other Major Appointments

1. National University of Singapore *(Professor of Medicine)*
2. National University Hospital *(Senior Consultant Endocrinologist)*
3. Singapore Millennium Foundation Ltd *(Chairman)*
4. Special Needs Trust Company Limited *(Chairman)*
5. Singapore-MIT Alliance for Research and Technology (SMART)
   (Co-Chairman)
6. Ang Mo Kio Community Hospital Board of Trustees *(Chairman)*
7. ETH Singapore SEC Ltd *(Co-Chairman)*
8. TUM CREATE Ltd *(Co-Chairman)*
9. Berkeley Education Alliance for Research in Singapore (BEARS)
   (Co-Chairman)
10. Cambridge Centre for Advanced Research in Energy Efficiency in Singapore Ltd (CARES) *(Co-Chairman)*

Directorships in Other Listed Companies Held Over the Preceding Three Years

- *United Overseas Bank Limited*
  (Non-Executive and Independent Director)

MR RAYMOND LIM SIANG KEAT, 54

Independent Director

Academic and Professional Qualifications:

- Bachelor of Economics (First Class Honours), University of Adelaide
- Bachelor of Arts in Jurisprudence, Balliol College, Oxford
- Master of Law (First Class Honours), King's College, Cambridge

Board Committee(s) Served On:

***

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd
   (Non-Executive and Independent Director)
2. Insurance Australia Group Limited
   (Non-Executive and Independent Director)
3. Hong Leong Finance Ltd
   (Non-Executive and Independent Director)
4. Swire Properties Ltd
   (Non-Executive Director)

Other Major Appointments

1. Government of Singapore Investment Corporation Pte Ltd
   (Director)
2. APS Asset Management Pte Ltd *(Chairman)*
3. John Swire & Sons (S.E. Asia) Pte Limited *(Senior Advisor)*
4. IAG Re Australia Limited
   (Non-Executive and Independent Director)

Directorships in Other Listed Companies Held Over the Preceding Three Years

1. Dart Energy Limited *(Non-Executive and Independent Director)*
2. Dart Energy International Pte Ltd
   (Non-Executive and Independent Director)

*** *Mr Raymond Lim Siang Keat was appointed a Member of the Audit Committee on 2 January 2014.*

Senior Management

Front row (from left to right): Dr Prem Kumar Nair, Dr Loo Choon Yong and Mr Lui Chong Chee.
Back row (from left to right): Mr Lawrence Lim, Ms Doreen Tan, Dr Joseph Soon, Dr Kenneth Wu, Mr Danny Yap, Mrs Kimmy Goh and Mr Teo Kah Ling.

DR LOO CHOON YONG

Executive Chairman and Co-Founder

Dr Loo Choon Yong is the Executive Chairman of Raffles Medical Group Ltd. He co-founded the Group in 1976 and was appointed to his current position in 1997 when the Group was listed in the Singapore Stock Exchange. Under his leadership, the Group grew from a 2-clinic practice to a fully integrated healthcare organisation, with a network of family medicine clinics, a tertiary care private hospital, insurance services and a consumer healthcare division.

Dr Loo graduated with a MBBS (Bachelor of Medicine, Bachelor of Surgery) from the University of Singapore and holds a Diploma in Cardiac Medicine from the University of London. He is a Diplomate Member of the College of Family Physicians Singapore (MCFPS). He also read Law at the University of London and is a barrister of Middle Temple.

Dr Loo was awarded the Best Chief Executive Officer (mid-cap category) of the Singapore Corporate Awards 2010 organised by The Business Times and supported by the Singapore Stock Exchange. He was named Businessman of the Year at the Singapore Business Awards 2013 organised by The Business Times and DHL Express Singapore.

DR PREM KUMAR NAIR

Chief Corporate Officer, Raffles Medical Group
General Manager, Raffles Hospital

Dr Prem Kumar Nair is the Chief Corporate Officer of Raffles Medical Group, and the General Manager of Raffles Hospital.

Prior to this, he held various senior management positions in the Group in areas such as primary care operations, corporate marketing, business development and talent management. He was with the Ministry of Health before joining Raffles Medical Group in July 1991.

Dr Nair is a physician by training and he graduated with a Master in Business Administration from Manchester Business School.

MR LUI CHONG CHEE

Chief Financial Officer, Raffles Medical Group*

Mr Lui Chong Chee is the Chief Financial Officer of Raffles Medical Group. He previously held the position of CEO, CapitaLand Financial Limited up until his resignation on 31 May 2010. During his time with CapitaLand Limited, he held a succession of senior financial and operational management positions across the CapitaLand Group.

Prior to joining the CapitaLand Group, he was Managing Director of Citicorp Investment Bank (Singapore) Limited.

Mr Lui received a Bachelor of Science in 1985 in Business Administration (magna cum laude) from New York University, USA, as well as a Master of Business Administration in 1986 in Finance and International Economics. In 2005, he attended the Advanced Management Program at Harvard Business School.

** Mr Lui Chong Chee ceased to be Chief Financial Officer on 1 March 2014.*

MR LAWRENCE LIM

Director, Corporate Development, Raffles Medical Group

Mr Lawrence Lim is the Director of Corporate Development responsible for healthcare facility and institutional development projects. He was the General Manager of Raffles Hospital for a period of 10 years from its inception in 2000 to 2012. During this period, he held concurrent responsibilities for managing the network of GP and dental clinics and providing consultancy for overseas healthcare projects.

He has about 31 years' experience in the healthcare industry. He started in the Ministry of Health as the Director of Development responsible for policy developments for the Medisave Scheme and health facility development. Prior to joining Raffles Medical Group, Mr Lim was the Chief Executive Officer of the Singapore General Hospital from 1992 to 2000, and Chief Executive Officer responsible for restructuring the Toa Payoh Hospital from 1990 to 1992.

Mr Lim graduated from the University of Birmingham in 1977 with a BSoc Sc in Mathematical Economics (1st Class Honours). He obtained a Master of Science in Management in 1988 from Stanford University's Graduate School of Business, and attended the Advanced Management Program at the Harvard Business School in 1995.

MRS KIMMY GOH

Group Financial Controller / Company Secretary, Raffles Medical Group

Mrs Kimmy Goh joined Raffles Medical Group in 1992 and holds the responsibilities of Group Financial Controller since 2005 and was appointed Company Secretary in 2007.

She is responsible for the Group's financial strategy & management, taxation, treasury and corporate secretarial functions. She is also involved in corporate planning and investor relations of the Group. Prior to joining the Group, she had about eight years of audit experience with two international public accounting firms.

Mrs Goh is a non-practising Member of the Institute of Singapore Chartered Accountants and is a Fellow of the Association of Chartered Certified Accountants.

DR KENNETH WU

General Manager, Raffles Hospital

Dr Kenneth Wu is responsible for the ambulatory, inpatient and support operations at Raffles Hospital.

Since joining the Group in 1997, he has progressed through both clinical and operational management roles, and was the General Manager of Raffles Medical Clinics prior to his current position. He was with the Ministry of Health before joining the Group.

Dr Wu graduated with a MBBS (Bachelor of Medicine, Bachelor of Surgery) from the National University of Singapore in 1989. In 2007, he graduated with a GDFM (Graduate Diploma Family Medicine) from the National University of Singapore.

DR JOSEPH SOON

General Manager, Raffles Medical Clinics

Dr Joseph Soon is the General Manager for Raffles Medical & Raffles Dental.

He previously held the position of Director, Projects Office in the National Healthcare Group; Director, Corporate Development at the Institute of Mental Health and Director, Dental Division National Healthcare Group Polyclinics concurrently until he joined Raffles Medical Group in April 2011. Prior to those appointments, Dr Soon was the Head of the Strategic Planning Office in NHG Polyclinics as well as the General Manager for the Singapore Footcare Centre.

Dr Soon received his professional training as a Dental Surgeon at the National University of Singapore. He obtained a Graduate Diploma in Business Administration from the University of Leicester and was later awarded a scholarship from the National Healthcare Group Polyclinics to further his management training through the Executive Development Program at the Wharton School, University of Pennsylvania.

MR DANNY YAP

General Manager, Raffles Health Insurance

Mr Danny Yap is the Principal Officer & General Manager of Raffles Health Insurance. He has been with the company since March 2012. He is responsible for the day to day development and implementation of the health insurance business activities. He provides leadership to drive growth and profitability in the business and is responsible for the conduct of business and ensures compliance with the insurance laws and regulations for the Group.

He has more than 26 years' experience in the insurance industry, having held senior management positions with various organisations including the General Manager for HSBC Insurance (Singapore) Pte Ltd and the Chief Marketing Officer for AXA Life Singapore Pte Ltd.

Mr Yap has an economics degree from Macquarie University, Australia.

MS DOREEN TAN

Director, Human Resource, Raffles Medical Group

Ms Doreen Tan joined Raffles Medical Group as Director, Human Resource in March 2012. She guides and manages the overall provision of Human Resource services, policies and programs for the Group, covering areas such as recruitment and staffing, compensation and benefits, and employee development and training.

She was formerly from SilkAir (Singapore) Pte Ltd, a subsidiary of Singapore Airlines Ltd, where she held the position of Vice President Finance and Human Resource.

Ms Tan graduated from the National University of Singapore with a Bachelor of Accountancy and is a non-practising Member of the Institute of Singapore Chartered Accountants.

MR TEO KAH LING

Director, Information Technology, Raffles Medical Group

Mr Teo Kah Ling is the Head of Information Technology of Raffles Medical Group. He is a veteran with 11 years' experience in the healthcare industry.

He previously held the position of Head Systems Services and Principal Enterprise Architect of Integrated Health Information Systems. During his time with Integrated Health Information Systems; he was responsible for all IT Infrastructure related projects for the National Healthcare Group of Hospitals.

Mr Teo graduated from the National University of Singapore with a Bachelor of Science (Computer and Information Science) in 1991. He also has a Master of Business Administration from the University of Leicester and a Master of Science (Artificial Intelligence) from the University of Leeds.

Clinical Leaders

DR ALFRED LOH
Senior Clinical Director
Raffles Medical

PROF WALTER TAN
Medical Director
Raffles Hospital

DR YANG CHING YU
Medical Director
Raffles Hospital

DR WILSON WONG
Medical Director
Raffles Medical

DR YII HEE SENG
Medical Director,
Raffles Health Insurance

DR ONISHI YOICHI
Medical Director
Raffles Japanese Clinic

DR CHARLES POON
Medical Director
Raffles Medical Shanghai

DR CHNG SHIH KIAT
Medical Director
Raffles Medical

DR LEE JONG JIAN
Medical Director
Raffles Hospital

DR DONALD POON
Medical Director
Raffles Hospital

DR MOTODA LENA
Deputy Medical Director
Raffles Japanese Clinic

DR LEE I-WUEN
Deputy Medical Director
Raffles Hospital

DR STANLEY LIEW
Deputy Medical Director
Raffles Hospital

DR LEE KHAI WENG, MICHAEL
Deputy Medical Director
Raffles Medical

DR WONG WEI MON
Deputy Medical Director
Raffles Medical

DR WONG WEN YAO, MICHAEL
Deputy Medical Director
Raffles Medical

Your Needs
Our Expertise

Your healthcare needs evolve as you journey through life. To meet your changing needs, we continue to expand our suite of healthcare services and to strengthen our clinical expertise. Our ability to provide integrated multi-disciplinary care means we will always be there for you.

General Surgeon Dr Wong Kutt Sing and Senior Staff Nurse Chung Poh Yoke assure the patient that he will be well taken care of.

Operations Review

INTRODUCTION

Your Trusted Partner for Health - is Raffles Medical Group's vision and unwavering promise to its patients who have walked through its doors for the past 37 years. Excelling in all that it does, the Group serves the youngest to the oldest patient with compassion and integrity.

In 2013, the Group achieved record revenue of $341.0 million, an increase of 9.4% as compared to $311.6 million in 2012. Profit after tax for the Group grew by 49.1% attaining a record $85.3 million. The Hospital Services division increased its revenue by 12.4% and Healthcare Services division grew by 6.2%.

RAFFLES HOSPITAL

Growing One-Stop Centres

Raffles Hospital continued to grow as a premier private tertiary hospital with new specialists and centres catering to the diverse needs of local and international patients.

In 2013, new specialists from the fields of radiology, cardiology, endocrinology, neurology, dermatology and orthopaedics joined Raffles Hospital. With the introduction of more specialists, new medical centres – Raffles Diabetes & Endocrinology Centre, Raffles Neuroscience Centre, and the reorganised Raffles Skin & Aesthetics were started.

These new centres harness the strength of our group practice model, allowing specialists from different specialities to care for patients in one stop centres, such as plastic surgeons and dermatologists from Raffles Skin & Aesthetics Centre; neurologists, neurosurgeons and interventional neuro-radiologists working as a team in Raffles Neuroscience Centre.

2014 will see the introduction of Nuclear Medicine services, including a PET/CT scanner, sited within the hospital. This will enable a range of services and diagnostics in the area of nuclear and molecular medicine to be introduced in support of specialties in oncology, cardiology and neurology.

Three public health seminars were organised in partnership with Channel NewsAsia in 2013. Doctors from various specialties came together to give comprehensive talks on cardiology and neurology, allergy, and bone health.

Strong Growth in the Region

Strong foreign patient growth continued to be recorded from the hospital's traditional markets in Southeast Asia. Markets beyond Southeast Asia performed well with robust growth. A new Patient Liaison Office was set up in Surabaya to support the fast growing East Javanese market.

Overseas patients continued to be referred to Raffles Hospital through associate networks, international insurance companies, medical assistance organisations and other partners. Plans to set up representative and patient liaison offices at suitable locations are in the pipeline to deliver more timely assistance to these referring sources.

Paving the Way for a Research Based Organisation

To promote and co-ordinate the conduct of clinical trials within Raffles Hospital, the Clinical Trials Unit (CTU) was set up in 2012. Clinical trials now constitute an integral component of patient management especially in the fields of haematology and oncology. These trials allow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patients' access to cutting age drugs that have yet to be approved by regulatory authorities and help expand the hospital's armamentarium against certain challenging diseases, and form a critical basis for innovation in disease treatment. Since its setup, CTU has received an increased number of clinical trial proposals from pharmaceutical sponsors and Clinical Research Organisations.

At the same time, Raffles Hospital's Institutional Review Board (IRB) was established in 2012 to act on behalf of Raffles Hospital to ensure that all human biomedical research carried out is ethically acceptable. IRB reviews study application for new studies, assesses the risks and potential benefits to research subjects and monitors the study conducts and compliance with Good Clinical Practice.

In 2013, eight industry sponsored clinical studies were accepted and initiated, while two studies were completed and six studies are ongoing. CTU targets to support at least 10 new clinical trials per year from 1 January 2018.

RAFFLES MEDICAL

Expanding Continued Care

Raffles Medical set up more clinics in 2013. Clinics integrated with dental services were opened in new shopping malls and heartland malls, namely Bedok Mall, Whitesands and Jurong Point, bringing quality healthcare services closer to more people in Singapore.

Key human resource professionals from MNCs, SMEs and government agencies voted Raffles Medical as the Preferred Employee Healthcare Provider again in a survey conducted by the Human Resources magazine. This made it a record of seven consecutive years.

Believing strongly in the RafflesOne corporate healthcare solution concept, Raffles Medical continued to bring the Group Practice model directly to companies to offer direct and integrated care to their employees across all healthcare services. This saw an increase in companies and organisations that chose its corporate healthcare services while it continued to serve the growing needs of its existing clients.

New companies in the banking, hospitality, manufacturing, education, retail, logistics and even healthcare industries were added to its growing client portfolio in 2013.

RAFFLES DENTAL

Growing Smiles that Last

New clinics and successful implementation of marketing strategies resulted in improved revenue for Raffles Dental. In the last quarter of the year three new clinics were opened. The division also welcomed seven new dental surgeons to its team of professionals.

Raffles Dental aims to open another four clinics in the coming year.

1 *General Practitioner Dr Kwok Chun Lin suggesting suitable medical treatments to his patients.*

2 *Haematologist Dr Daryl Tan, Director of Clinical Trials Unit, studying a blood sample through a microscope.*

3 *Dental Surgeon Dr Lee Leing giving essential teeth cleaning tips to a patient.*

4 *Interventional Radiologist Dr Manish Taneja and Staff Nurse Vicky Lim conducting a cerebral angiogram procedure on a patient.*

Operations Review (Cont'd)

RAFFLES HEALTH

Your General Well Being is Our Priority

Raffles Health, the nutraceutical arm of the Group, continued to do well in 2013. Leveraging on the Group's medical expertise, it has expanded its range of products to include Chinese Proprietary Medicine like Cordyceps and Bai Feng Wan. In addition to product development, Raffles Health continued to work towards expanding its presence in Singapore.

RAFFLES MEDICAL INTERNATIONAL

A Trusted Brand of Care in Asia

Raffles Medical Shanghai continued to grow steadily in its total revenue and patient load. Raffles Children's Centre was launched in October 2013 to provide specialised paediatric services while new dental surgeons were recruited to manage its growing demands. Raffles Japanese Clinic expanded and relocated to more spacious premises within the same building.

For the fourth successive time, Raffles Medical Hong Kong has successfully won the tender for the provision of medical services in Hong Kong International Airport for a period of five years, with an option to extend for another period of two years. Under the new contract, the services offered will be expanded to include traditional Chinese medicine, travel medicine and 24-hour medical concierge services in order to serve travellers, the airport working community and nearby residents better. The re-appointment would further consolidate its presence in Hong Kong as the leading medical service provider to the aviation industry.

Located in the heart of Central, the clinic in Li Dong building was relocated to a prime office tower in New World Tower 1. This will provide more accessibility and a more conducive environment to our corporate patients in the vicinity.

RAFFLES HEALTH INSURANCE

Financing Your Health

Raffles Health Insurance (RHI) adopted RafflesOne as a new marketing model, integrating healthcare services and healthcare financing seamlessly in its Employee Benefits Solution for corporate customers. This model has already yielded positive results in acquiring few major accounts since its launch in the second half of 2013.

RHI achieved strong revenue growth with the expansion of its group employee benefits business and RHI-Bupa regional and global health insurance business.

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RAFFLES HEALTHCARE INSTITUTE

Empowering Minds

Raffles Healthcare Institute was set up on 1 July 2013 to consolidate and expand the training of doctors, nurses, allied health personnel and healthcare managers. This initiative supports the Group's staff development needs and contributes to the training of local and foreign healthcare manpower.

As the training arm of the Group, Raffles Healthcare Institute draws on the expanding base of expertise and clinical resources available throughout the Group.

Going forward, Raffles Healthcare Institute plans to increase the range and depth of the training programmes, as well as develop its internal faculty and new learning technologies (including e-learning) to meet the growing and changing needs of its stakeholders.

CORPORATE DEVELOPMENT

Raffles Hospital Extension

A design competition was held for the Raffles Hospital Extension project in mid of 2013 involving well-known local and international design firms. The successful consultant was appointed in late 2013 to commence in earnest the design and planning of the hospital extension on the adjoining vacant land plot. Currently, discussions with the authorities and technical departments are underway and the relevant planning approval is expected to be obtained by mid 2014. When completed, an additional 210,000 square feet of floor area will be made available.

Raffles Holland Village

In July 2013, the Group obtained the Provisional Planning Permission from URA to redevelop the existing POSB building at 100 Taman Warna to a five-storey commercial building comprising medical clinics, shops, restaurants and car park. Demolition and construction works are expected to commence at the site following the announcement of the successful land transfer. Approximately 9,000 square feet of medical clinic space will be available by early 2016 when the project is completed.

Your Trusted Partner for Health

Through its integrated care model, Raffles provides comprehensive and coordinated care from delivery, infancy and childhood through adult life to the golden years of graceful ageing.

Raffles has been a trusted healthcare brand over the years and will remain so to our patients and their loved ones.

1 Raffles Health expanded its range of products to include Chinese Proprietary Medicine like Cordyceps and Bai Feng Wan.

2 With a new marketing model, corporate clients of Raffles Health Insurance are able to enjoy seamless healthcare financing solutions.

3 An expatriate patient is being consulted by Resident Physician Dr Sarah Jane Packer.

4 An artist's impression of Raffles Medical Group's five-storey building at Taman Warna comprising medical clinics, shops, restaurants and car park.

Corporate Social Responsibility

Raffles Medical Group (RMG) is committed to business policies and operations that reflect the interests of its stakeholders including investors, customers, employees, the community and the environment.

The Group is committed to continuous improvement in its Corporate Social Responsibility (CSR) strategy, encouraging its business partners to strive for matching performance, acting in a socially responsible way, continually improving its performance and meeting all relevant legislations, and encouraging staff to be mindful of the effect of their actions on any natural resource.

CORPORATE GOVERNANCE

The Group shares and declares information on personal and corporate conflicts of interest and seeks guidance, where necessary, from higher authority before acting. It is committed to ensuring that business is conducted in all respects according to rigorous ethical, professional and legal standards. All the laws that regulate and apply will be complied with.

All groups and individuals with whom it has a business relationship will be treated in a fair, open and respectful manner. Competition will be reasonable and based upon the quality, value and integrity of the products and services being supplied.

Feedback on performance will be actively sought, and the Group continually reviews all activities to ensure that best practice is observed at all times. It allows patients and vendors to give feedback on its performance and ensures that all comments are analysed, responded to and where appropriate, acted upon. In addition, action plans will be developed to ensure continuous improvement is achieved.

HEALTH & SAFETY

As a healthcare organisation, RMG aims to provide and maintain a safe and healthy work environment for its employees in compliance with legislative requirements. It is committed to:

- Comply with all statutory safety and health requirements, and other existing standards and guidelines
- Eliminate hazards or adopt reasonably practicable means to reduce the risk of injury to its employees to an acceptable level
- Seek involvement of various stakeholders to effectively implement Workplace Safety and Health Policy objectives
- Continual improvement through on-going review of Workplace Safety and Health mechanisms
- Provide adequate resources to ensure compliance to Workplace Safety and Health Regulations

ENVIRONMENT

RMG endeavours to reduce its impact on the environment by:

- Conducting audits and taking corrective actions to reduce adverse environmental impact
- Promoting the efficient use of resources and energy
- Providing environmental awareness training for its employees
- Continually improving the management of our surrounding environment

Nature and Conservation

As a responsible corporate citizen and in its bid to care for the environment it operates in, Raffles Hospital has adopted several green initiatives to reduce energy consumption in the building. All lightings in the hospital are being changed to energy saving bulbs and tubes progressively. These energy saving lights provide the same lux density and vision capability is not compromised. It is estimated that led to a reduction of 30,000 KW in energy consumption every month.

In addition, Raffles Hospital switches off unused air conditioning units for floors which are unoccupied during the night and on weekends.

The Group endeavours to ensure that business operations comply with all applicable environmental, legal, health and safety requirements. The Group works closely with the Workplace Safety and Health Council, Singapore Civil Defence Force, Public Utilities Board, National Environment Agency and other relevant authorities to adopt the best practices for environment sustainability.

HUMAN RIGHTS

As a group, RMG supports and respects the protection of internationally proclaimed human rights. In line with this, the Group prohibits the use of child labour and any forms of forced labour, and does not accept the use of child or forced labour by our suppliers or subcontractors.

FAIR EMPLOYMENT PRACTICES

The Group aims to eliminate discrimination on any grounds and promotes equal opportunities and a fair working environment.

The Group adopts a human resources policy that combines a role-based system that grades individual employees based on the extent of their roles, with a performance-based approach to evaluation and compensation based on outcomes of job performance within their roles.

The Group respects the right of employees to adhere to normal or agreed working hours in accordance with Company Policy established in compliance with the laws and regulations.

ETHICS AND ETHICAL TRADING

The Group will ensure that its employees uphold professional standards and workplace standards and behaviours consistent with the Company's requirements.

It is committed to working against corruption in all its forms, including extortion and bribery.

VENDORS (SUPPLIERS, SUBCONTRACTORS AND OTHER SERVICE PROVIDERS)

The Group works with vendors to help it achieve its policy aspirations in the delivery of products and services. To this end, it encourages vendors to adopt responsible business policies and practices for mutual benefit.

The Group is committed to ensuring that the welfare of workers and labour conditions within its supply chain meet or exceed recognised standards. Where necessary, it will exert procurement pressure to ensure that all its vendors behave in a socially responsible way. This includes environmentally-friendly products and making sure that workers are treated properly.

CHARITY

The Group strives to be a good corporate citizen. Over the years, RMG has developed various CSR programmes to make a difference in the lives of many.

Rochore Kongsi Home for the Aged

Doctors and dentists from RMG have been visiting the Rochore Kongsi Home for the Aged on a monthly basis since 2009 to provide medical advice and consultation to the residents. The doctors refer residents from the Home to Raffles Hospital for X-rays, laboratory tests, medication, and further consultation with specialist doctors when required.

To further equip the Management Committee and staff of Rochore Kongsi, a Psychiatrist from Raffles Counselling Centre conducted a 3-hour workshop on "How to engage those with dementia". This session held on 7 December 2013 provided the staff with useful tips to know how to better manage dementia residents in the Home.

Share-A-Gift

As an outreach to the less-privileged in the community, close to 50 staff from RMG came together on 7 December 2013 in support of the annual Share-A-Gift project by The Boys' Brigade. A total of 17 cars lined up at Kallang to deliver 170 bags of food supplies to 100 under-privileged families. The participants including children of the staff, spent several hours delivering the food supplies.

Christmas Charity

The Group organised its first group-wide charity event on 11 December 2013. Staff teamed up to sponsor items ranging from groceries to useful gifts for the beneficiaries of four adopted charities. The items collected reached a total of 252 elderly residents from Peacehaven and Rochore Kongsi, as well as 313 children and teens from Gracehaven and Prison Support Services. The response was overwhelming as many staff stepped forward to spread the Christmas cheer to the beneficiaries through their generous giving.

EDUCATION

Bursary Award

The RMG Bursary was introduced in 2011 to provide financial assistance to employees for their children's education as access to a good education allows their children a head start in life and career. Since then, a total of 13 bursaries had been awarded.

Scholarship

RMG grooms and nurtures dedicated individuals with the interest to pursue a career in healthcare. To this end, the Raffles Medical Group Scholarship aims to award 35 scholarships over 5 years to promising students who wish to pursue nursing, pharmacy, biomedical sciences, accountancy, and business management courses. $2.1 million was set aside for the scholarship programme that started in 2012. In the first year, five scholarships were awarded to the first batch of RMG scholars. An additional eight scholarships were awarded in 2013.

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1 RMG maintains a safe and healthy work environment for its employees.

2 Green initiatives are adopted to reduce energy consumption in the Raffles Hospital building.

3 Senior Physician Dr Melvyn Wong providing medical advice to a resident at Rochore Kongsi Home for the Aged.

4 Staff of RMG getting ready for the flag off in support of the annual Share-A-Gift project by The Boys' Brigade.

5 The first batch of students who were awarded with the Raffles Medical Group Scholarship.

Your Trust
Our Mission

The Raffles brand is synonymous with quality and excellence. We serve with compassion and professionalism. Through constant advancement and innovation, we realise our mission of enhancing health and providing the best in total healthcare.

Neurologist Dr N V Ramani is happy to see his patient recovering well and ready to be discharged.

Professional Governance

RafflesHospital

MEDICAL BOARD
Dr Loo Choon Yong *(Advisor)*
Professor Walter Tan *(Chairman)*
Dr Alfred Loh
Dr Yang Ching Yu
Dr Lee Jong Jian
Dr Donald Poon
Dr Lee I-Wuen
Dr Stanley Liew
Dr Prem Kumar Nair *(Secretary)*

CREDENTIALLING & PRIVILEGING COMMITTEE
Dr Yang Ching Yu *(Chairman)*
Dr Khoo Chong Yew
Dr Alfred Loh
Dr S Krishnamoorthy
Professor Walter Tan *(Ex-Officio)*

ETHICS COMMITTEE
Dr JJ Murugasu *(Chairman)*
Professor Walter Tan
Professor Nambiar Rajmohan
Professor Edward Tock
Associate Professor Chew Chin Hin
Dr Alfred Loh
Reverend Dr Isaac Lim
Mr Mike Barclay
Mr Victor Lye
Mr Moiz Tyebally

QUALITY COMMITTEE
Dr Alfred Loh *(Chairman)*
Dr Prem Kumar Nair *(Co-Chairman)*
Dr JJ Murugasu
Professor Walter Tan
Dr Yang Ching Yu
Dr Wilson Wong
Dr Tan Hsiang Lung
Ms Doreen Tan
Mdm Tan Lay Geok
Ms Yee Earn Hwa
Ms Kartini Sameejan
Ms Pang Yen Yin *(Secretary)*

MEDICAL AUDIT COMMITTEE
Dr Chan Choong Chee *(Chairman)*
Dr Teo Sek Khee
Dr Ng Wai Lin
Dr Veronica Toh
Dr Daryl Tan
Dr Chng Shih Kiat
Ms Lilian Yew
Dr Alfred Loh *(Ex-Officio)*
Ms Kartini Sameejan *(Secretary)*

SURGICAL AUDIT COMMITTEE
Dr JJ Murugasu *(Chairman)*
Professor Edward Tock *(Co-Chairman)*
Dr Yang Ching Yu
Dr Law Ngai Moh
Dr Lee I-Wuen
Dr Eric Teh
Dr Donald Poon
Dr Lim Yeow Wai
Dr Lim Kok Bin
Ms Teo Poh Lin
Dr Ho Kok Yuen
Dr Manish Taneja
Dr Alfred Loh *(Ex-Officio)*
Professor Walter Tan *(Ex-Officio)*
Ms Kartini Sameejan *(Secretary)*

PHARMACY & THERAPEUTICS COMMITTEE
Dr Yang Ching Yu *(Chairman)*
Dr Kelvin Thia
Dr Teo Sek Khee
Dr Yii Hee Seng
Dr Joshua Kua Hai Kiat
Dr Rupert See Hock Chuan
Dr Melvyn Wong Chung Pheng
Ms Koi Poh Leng
Ms Yee Earn Hwa *(Secretary)*

INFECTION CONTROL COMMITTEE
Dr Teo Sek Khee *(Chairman)*
Dr Leong Hoe Nam *(Advisor)*
Dr Wong Kutt Sing
Dr Lynette Ngo Su Mien
Dr Jeffrey Sng
Ms Ong Suat Kien
Ms Roselyn Wong Kim Tee
Ms Lee Lai Fun
Mr Heng Wee Khim
Ms Tee Yen Yen
Ms Cheng Lee Hong
Mr Lee Meng Tuck
Ms Ng Lee Min
Ms Kartini Sameejan
Ms Wang Yang *(Secretary)*

OPERATING THEATRE COMMITTEE
Dr Eric Teh *(Chairman)*
Dr Yang Ching Yu
Dr Lee Jong Jian
Dr Stephen Lee
Dr Lim Yeow Wai
Dr Wong Him Choon David
Dr Sheila Loh
Dr Lim Kok Bin
Mdm Tan Lay Geok
Ms Kartini Sameejan
Ms Teo Poh Lin
Ms Lee Lay Tin *(Secretary)*

BLOOD TRANSFUSION & TISSUE REVIEW COMMITTEE
Dr Ekachai Danpanich *(Chairman)*
Dr Daryl Tan
Dr Watt Wing Fong
Dr Jean Ho May Sian
Ms Sadiah Mohd Yusof
Ms Fa'eezah Bte Hamzah
Ms Pang Yen Yin
Ms Louisa Chew *(Secretary)*

PATIENT CASE REVIEW COMMITTEE
Dr Ng Chin *(Chairman)*
Dr Alvin Ng Chee Keong *(Co-Chairman)*
Dr Chong Yong Yeow
Dr Tan Hsiang Lung
Ms Liu Wei Wei
Ms Yee Earn Hwa
Ms Ong Suat Kien
Ms Fa'eezah Bte Hamzah *(Secretary)*

CRITICAL CARE COMMITTEE
Dr Chan Choong Chee *(Chairman)*
Dr Steve Yang
Dr Alvin Ng Chee Keong
Dr Wong Kutt Sing
Dr Veronica Toh
Dr Ho Kok Yuen
Ms Lilian Yew
Ms Ong Hui Chin
Ms Mary Jane Mendoza Sangalang
Ms Poh Lay Hiang Yasmine *(Secretary)*

MEDICAL BOARD
Dr Wilson Wong *(Chairman)*
Dr Chng Shih Kiat *(Co-Chairman)*
Dr Alfred Loh
Dr Yii Hee Seng
Dr Salleh Omar Alkhatia
Dr Hoo Kai Meng
Dr Chin Min Kwong
Dr Choo Shiao Hoe

Corporate Information

RafflesMedicalGroup

BOARD OF DIRECTORS
Dr Loo Choon Yong *(Executive Chairman)*
Mr Koh Poh Tiong *(Lead Independent Director)*
Mr Kee Teck Koon *(Independent Director)*
Dr Wee Beng Geok *(Independent Director)*
Mr Tan Soo Nan *(Non-Independent Director)*
Professor Lim Pin *(Independent Director)*
Mr Raymond Lim Siang Keat *(Independent Director)*

AUDIT COMMITTEE
Mr Kee Teck Koon *(Chairman)*
Mr Koh Poh Tiong
Mr Tan Soo Nan
Mr Raymond Lim Siang Keat

NOMINATION & COMPENSATION COMMITTEE
Dr Wee Beng Geok *(Chairman)*
Mr Koh Poh Tiong
Professor Lim Pin
Dr Loo Choon Yong
Dr Prem Kumar Nair *(Secretary)*

REGISTERED OFFICE
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COMPANY SECRETARY
Mrs Kimmy Goh

SHARE REGISTRAR
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

AUDITORS
KPMG LLP
Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-Charge: Ms Kum Chew Foong
Year of Appointment: 2009

PRINCIPAL BANKERS
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

RafflesHealthInsurance

BOARD OF DIRECTORS
Dr Loo Choon Yong *(Chairman)*
Mr Tan Soo Nan *(Non-Executive Director)*
Mr N Ganesan s/o N N Pillay *(Independent Director)*
Mr Ngiam Tong Dow *(Independent Director)*
Mr Edmund Koh Kian Chew *(Independent Director)*

COMPANY SECRETARY
Mrs Kimmy Goh

AUDITORS
KPMG LLP
Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-Charge: Mr Venkat Iyer
Year of Appointment: 2005

PRINCIPAL BANKERS
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

Corporate Governance

CORPORATE GOVERNANCE STATEMENT

The Directors and Management of Raffles Medical Group (RMG) are committed to comply with the Code of Corporate Governance (the Code) issued by the Corporate Governance Committee in 2012 to enhance the Group's existing governance regime.

To ensure greater transparency and protection of shareholders' interests and with the increasing emphasis on risk governance and heightened risks as well as greater complexity in the business and economic environment, the duties and responsibilities of the Audit Committee have been expanded to assist the Board in overseeing the governance of risk in the Group's business.

This statement outlines the main corporate governance practices that have been in place throughout the financial year.

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary role of the RMG Board of Directors (the Board) is to protect and enhance the long-term value of its shares for all the shareholders. To fulfil this role, the Board is responsible for the overall corporate governance of RMG and its subsidiaries (the Group) including setting its strategic and entrepreneurial direction, establishing goals for Management and monitoring the achievement of these goals. The Board currently holds four scheduled meetings each year. In addition, the Board also meets to discuss strategy and holds meetings at such other times as may be necessary to address any specific significant matters that may arise. The Articles of Association of the Company also provides for telephonic and video conference meetings to facilitate meetings among the Directors. We have disclosed the attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings in this Report.

The Board has decided that certain matters shall always be approved by the Board. These include:

(a) the approval of quarterly results announcements;
(b) the approval of the annual accounts;
(c) the declaration of interim dividends and proposal of final dividends;
(d) convening of Shareholders' Meetings;
(e) the approval of corporate strategy and direction of the Group;
(f) material acquisitions or disposals;
(g) the approval of transactions involving a conflict of interest for a substantial shareholder or a Director or interested person transactions; and
(h) the appointment of new Directors.

All other matters are delegated to Committees whose actions are reported to and monitored by the Board.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following Committees:

(a) Nomination & Compensation Committee (NCC); and
(b) Audit Committee (AC).

INDUCTION AND TRAINING OF DIRECTORS

There is an induction for incoming Directors joining the Board on the discharge of their duties and to introduce the Group's business and governance practice and arrangements, amongst others. Upon appointment, a new Director receives a brief on the Director's duties, responsibilities and disclosure obligations as a Director. He or she is also briefed on key disclosure duties and statutory obligations. As part of the induction programme, the new Director gains an understanding of the Group's management, business and governance practices through induction briefings by members of senior management on the Group's various businesses and support functions. Directors are also updated on a regular basis on accounting and regulatory changes. Directors may at any time request for further explanation, briefing or informal discussion on any aspects related to the Company's operations.

Corporate Governance (cont'd)

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS (CONT'D)

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

The table below sets out the attendance at meetings of the Board and Board Committees convened in the course of the year:

Name of Director	Board		Audit Committee		Nomination & Compensation Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Dr Loo Choon Yong (1)	4	4	4	1	1	1
Mr Koh Poh Tiong (2)	4	4	4	3	NA	NA
Mr Kee Teck Koon (3)	4	4	4	3	NA	NA
Dr Wee Beng Geok (1)	4	4	4	1	1	1
Mr Tan Soo Nan	4	4	4	4	NA	NA
Professor Lim Pin	4	4	NA	NA	1	1
Mr Lim Tse Ghow Olivier (4)	4	2	NA	NA	NA	NA
Mr Raymond Lim Siang Keat (5)	4	3	NA	NA	NA	NA

Notes:

(1) Both Dr Loo Choon Yong and Dr Wee Beng Geok retired from the AC on 24 April 2013.

(2) Mr Koh Poh Tiong was appointed as a Member of the AC on 24 April 2013. Mr Koh was also appointed the Lead Independent Director and a Member of the NCC on 2 January 2014.

(3) Mr Kee Teck Koon was appointed as Chairman of the AC on 24 April 2013.

(4) Mr Lim Tse Ghow Olivier ceased to be an Independent Director on 29 June 2013.

(5) Mr Raymond Lim Siang Keat was appointed to the Board on 25 April 2013 and a Member of the AC on 2 January 2014.

NA: Not applicable

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The names of the Directors of the Company in office at the date of this Report are set out below. The Board has objectively reviewed its composition and is satisfied that such composition is appropriate. In any event, the Board will constantly examine its size with a view to determine the impact upon its effectiveness.

As at the date of this Report, the Board comprises seven suitably qualified members:

Name of Director	Date of First Appointment	Nature of Appointment	Date of Last Re-election as Director	Position Held on the Board	Other Functions
Dr Loo Choon Yong	16/05/1989	Executive/ Non-Independent	29/04/2011	Chairman	Member of NCC
Mr Koh Poh Tiong (1)	03/10/2011	Non-Executive/ Independent	NA	Lead Independent Director	Member of AC and NCC
Mr Kee Teck Koon	03/01/2012	Non-Executive/ Independent	NA	Director	Chairman of AC
Dr Wee Beng Geok	27/11/2000	Non-Executive/ Independent	23/04/2013	Director	Chairman of NCC
Mr Tan Soo Nan (2)	28/07/2000	Non-Executive/ Non-Independent	23/04/2013	Director	Member of AC
Professor Lim Pin	19/02/2001	Non-Executive/ Independent	23/04/2013	Director	Member of NCC
Mr Raymond Lim Siang Keat (3)	25/04/2013	Non-Executive/ Independent	NA	Director	Member of AC

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE (CONT'D)

Notes:

(1) Mr Koh Poh Tiong was appointed the Lead Independent Director and a Member of the NCC on 2 January 2014.
(2) Mr Tan Soo Nan was re-designated as a Non-Executive and Non-Independent Director with effect from 24 February 2014.
(3) Mr Raymond Lim Siang Keat was appointed as a Member of the AC on 2 January 2014.
NA: Not applicable

Particulars of the interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report.

INDEPENDENT MEMBERS OF THE BOARD

There is a strong and independent element in the Board. Five of the seven members of the Board are Independent Directors namely Mr Koh Poh Tiong, Mr Kee Teck Koon, Dr Wee Beng Geok, Professor Lim Pin and Mr Raymond Lim Siang Keat. The criterion of independence is based on the definition given in the Code. The Board considers an "Independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the business judgement of the Directors independently for the best interests of the Group as a whole.

As Non-Executive members of the Board, the Independent Directors exercise no management functions in the Company or any of its subsidiaries. Although all the Directors are equally responsible for the performance of the Group, the role of the Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Executive Management are fully discussed and rigorously examined by taking into account the long-term interests, not only from the perspective of all shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts its business.

The Board considers its Non-Executive Directors to be of sufficient calibre and number. Their views are of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The Non-Executive Directors have no financial or contractual interests in the Group other than by way of their fees, shareholdings and participation in the Employees' Share Option Scheme of the Company as set out in the Directors' Report.

Dr Wee Beng Geok and Professor Lim Pin have served for a continuous period of more than 9 years. In compliance with the guidelines, the independence of the two Directors had been subjected to rigorous review by the Board. In spite of their length of service, these Directors are still considered independent. Their roles are of non-executive nature and they are also not involved in the day-to-day business and operations of the Group. Over time, they have also developed independent and invaluable insights into the Group's management. These Directors have also demonstrated objectivity in character and judgement in the discharge of their duties as Directors of the Company.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER (EXECUTIVE CHAIRMAN)

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

Notwithstanding the relevant provisions of the Code, the Board is of the view that it is in the best interests of the Group to adopt a single leadership structure i.e. where the Chief Executive Officer and the Chairman of the Board, is the same person. This is to ensure that the decision-making process of the Group would not be unnecessarily hindered.

The Executive Chairman is Dr Loo Choon Yong who is responsible for the oversight of the day-to-day operations of the Group and concurrently exercise control over the quality, quantity and timeliness of information flow between Management and the Board. He has played an instrumental role in developing the business of the Group and has also provided the Group with vision and strong leadership.

All major decisions made by the Executive Chairman are reviewed by the Board. His performance and remuneration are reviewed periodically by the NCC. As the Board and NCC both consist mainly of Independent Directors, the Board believes that there are adequate safeguards in place against having a centralisation of power and authority in a single individual.

Additionally, the General Managers of each business unit are also responsible for the execution of the Group's strategies and policies. They are also accountable to the Board for the conduct and performance of their respective business operations.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER (EXECUTIVE CHAIRMAN) (CONT'D)

LEAD INDEPENDENT DIRECTOR

With effect from 2 January 2014, the Board has appointed Mr Koh Poh Tiong as the Lead Independent Director. The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Executive Chairman to serve in such capacity, and to assist the Executive Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company. The role of the Lead Independent Director includes meeting with the Non-Executive Directors without the Executive Chairman present to appraise the Executive Chairman's performance and on such other occasions as are deemed appropriate. He would be available to shareholders where they have concerns relating to matters which contact through the normal channels of the Executive Chairman or Chief Financial Officer (CFO) has failed to resolve the issues or for which such contact is inappropriate.

PRINCIPLE 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Board members are selected on the basis of their character, business experience and acumen. Where a Director has multiple board representations, the NCC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director of the Company. As a guide, Directors should not be represented on more than six boards listed on any Exchange (excluding nominee directorship of listed companies for which the Director is an employee). The final approval of a candidate is determined by the Board. In appointing Directors, the Board considers the range of skills and experience required in the light of:

(a) the geographical spread and diversity of the Group's businesses;
(b) the strategic direction and progress of the Group;
(c) the current composition of the Board; and
(d) the need for independence.

Key information regarding the Directors is set out on pages 8 to 11 of the Annual Report.

The Company's Articles of Association provides that one-third of the Directors shall retire from office and subject themselves to re-election at the Annual General Meeting. All Directors are required to retire from office at least once in every three years.

PRINCIPLE 5: BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The NCC reviews the Board's performance on an annual basis, based on performance criteria as agreed by the Board, and decides how this may be evaluated. The Board has implemented a process for assessing the effectiveness of the Board as a whole, its Board Committees and for assessing the contribution by Directors to the effectiveness of the Board. This process includes having Directors complete a Questionnaire seeking their views on various aspects of Board performance, such as Board composition, information, process and accountability. The Company Secretary compiles the Directors' responses to the Questionnaire into a consolidated report. The report is discussed at the NCC meeting and also shared with the entire Board.

During the year 2013, the Questionnaire on the performance of the Board and Board Committees was reviewed based on best practices on board evaluation and revised to take into consideration key issues and areas the Board wanted to focus on. The Questionnaire was completed by Directors, and reviewed by the NCC and then the Board. The NCC assessed the performance of the Board as a whole, taking into account the Board's composition and size, the Board's access to information, Board processes, Board accountability, standard of conduct and performance of the Board's principal functions and fiduciary duties, and guidance to and communication with the Management.

The Chairman, together with the Chairman of the NCC, also assessed the performance of individual Directors based on factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings and industry and business knowledge.

Informal reviews of the Board's collective performance are conducted periodically and on a regular basis by the NCC with inputs from the other Directors and the Executive Chairman. At this stage, the Board considers it more appropriate to focus on the Board performance collectively in its appraisal process.

Corporate Governance (cont'd)

PRINCIPLE 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board Meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

All Directors receive information from Management about the Group on a regular basis so that they are equipped to play their roles during the Board Meetings. Board papers are prepared for each meeting of the Board. The Board papers include sufficient information from Management on financial, business and corporate issues. This is to enable the Directors to be properly briefed on issues to be considered at the Board Meetings.

All Directors have unrestricted access to the Company's records and information and receive financial and related reports from Management. Directors also liaise with Management as required and may consult with other employees in order to seek additional information when needed.

In addition, Directors have separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary is responsible to the Board for ensuring the established procedures and relevant statutes and regulations are complied with. The Company Secretary shall attend all the Board Meetings held.

Each and every Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the operations or undertakings of the Group in order to fulfil their duties and responsibilities as Directors.

PRINCIPLES 7 AND 8: REMUNERATION MATTERS

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages for individual Directors. No Director should be involved in deciding his own remuneration.

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

The Group's remuneration policy is to provide compensation packages at market rates to reward successful performance and attract, retain and motivate Managers and Directors.

The NCC seeks expert advice and views on remuneration and governance matters from both within and outside the Group as appropriate and determines the remuneration packages for the Executive Chairman and Senior Management based on the performance of the Group as well as the individual. By drawing on a pool of independent consultants for diversified views and specific expertise, the NCC ensures that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Executive Chairman does not participate in the discussion of his compensation package. Through the use of contractual provisions, the Group has the ability to reclaim incentive components of remuneration from the management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

For the financial year 2013, the Hay Group was engaged to advise the Group on remuneration matters. The NCC was satisfied that other services rendered to the Group by the said remuneration consultant has not prejudiced their independence and objectivity.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Every Company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Details of Directors' remuneration are set out below:

Remuneration Band	Number of Directors	
	2013 (1)	2012 (2)
$500,000 and above	1	1
$250,000 to below $500,000	-	-
Below $250,000	7	7
	8	8

Notes:
(1) Includes Director's remuneration payable to Mr Lim Tse Ghow Olivier who ceased to be an Independent Director on 29 June 2013.
(2) Includes Director's remuneration payable to Mr Tham Kui Seng who had retired on 27 April 2012.

Summary of the compensation table for the year ended 31 December 2013 (Group):

Name of Director	Salary (1) %	Bonus (2) %	Director's Fees %	Share Options Grants %	Total Compensation %
$500,000 and above					
Dr Loo Choon Yong *Executive Chairman*	6	94	-	-	100
Below $250,000					
Mr Koh Poh Tiong *Non-Executive*	-	-	64	36	100
Mr Kee Teck Koon *Non-Executive*	-	-	68	32	100
Dr Wee Beng Geok *Non-Executive*	-	-	59	41	100
Mr Tan Soo Nan *Non-Executive*	-	-	54	46	100
Professor Lim Pin *Non-Executive*	-	-	57	43	100
Mr Lim Tse Ghow Olivier (3) *Non-Executive*	-	-	97	3	100
Mr Raymond Lim Siang Keat (4) *Non-Executive*	-	-	100	0	100

Notes:
(1) The salary amount shown is inclusive of allowances and statutory contributions to the Central Provident Fund.
(2) The bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.
(3) Mr Lim Tse Ghow Olivier ceased to be an Independent Director on 29 June 2013.
(4) Mr Raymond Lim Siang Keat was appointed Independent Director on 25 April 2013.

KEY EXECUTIVES' REMUNERATION

The Code requires the remuneration of at least the top five key executives who are not in the capacity of a Director to be disclosed within bands of $250,000. However, due to commercial sensitivities, the Company believes that disclosure of the remuneration of individual executives is disadvantageous to the business interests and the long-term performance of the Group, especially in a highly competitive industry.

There are no employees in the Group who are the immediate family members of a Director or the Chief Executive Officer. Key information regarding the Employees' Share Option Scheme is set out on pages 43 to 47 of the Annual Report.

PRINCIPLE 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards.

In presenting its quarterly and full year financial results to shareholders, the Board aims to provide to the shareholders a balanced and comprehensive assessment of the Group's performance, position and prospects. Management provides the Board with appropriate details and management accounts of the Group's performance, position and prospects on a quarterly basis.

As has been introduced earlier, the NCC and the AC have been delegated specific functions to assist the Board in the execution of its duties.

NOMINATION & COMPENSATION COMMITTEE

The NCC is chaired by Dr Wee Beng Geok with the Executive Chairman, Dr Loo Choon Yong, Professor Lim Pin and Mr Koh Poh Tiong (appointed on 2 January 2014) as members. The majority of the NCC members are Independent Directors.

The responsibilities of the NCC include the following:

(a) Make recommendations to the Board for approval on matters relating to:
   (i) review the Board's succession plans for Directors, including the Chairman and the Chief Executive Officer;
   (ii) develop a process for evaluation of the performance of the Board, its Board committees and Directors;
   (iii) review of training and professional development programs for the Board;
   (iv) recommend the appointment and re-appointment of Board Members; and
   (v) determine the framework or broad policy for the remuneration of the Board Members;
(b) Determine the framework or broad policy for the remuneration of key executives as it is designated to consider. No Director or Manager shall be involved in any decisions as to their own remuneration;
(c) Review the design of all Employee Share Option Schemes approved by the Board and the shareholders. For any such schemes, it shall determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to eligible persons and the performance targets to be used;
(d) Empowered to delegate to Chairman or Company Secretary to approve and release such announcements in relation to the administration of the Employee Share Option Schemes that are required for the compliance with the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual;
(e) Sub-delegate, if required, any of its powers within its Terms of Reference, from time to time, as the Committee may deem fit; and
(f) Consider such other matters as may be requested by the Board.

It is the view of the Board that it is in the best interest of the Company to have the Executive Chairman, Dr Loo Choon Yong, sit on the NCC. The Board believes that Dr Loo Choon Yong's long experience in the healthcare industry and inputs are necessary to enable the Company to compensate satisfactorily the key executives and clinicians in the competitive healthcare industry. Furthermore, the Committee, comprising three other Independent Directors reviews the compensation of the Executive Chairman to ensure that he is appropriately rewarded, giving due regard to the financial and commercial health and business needs of the Group.

AUDIT COMMITTEE

The composition of the AC and its delegated duties are set out in the section under Principle 12 of this Statement.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Directors recognise that they have the overall responsibility to ensure accurate financial reporting and adequate system of internal controls for the Group, including financial, operational, compliance, information technology controls and risk management policies and systems.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)

The Group has adopted an entity-wide risk assessment framework to enhance its risk management capabilities. Key risks, control measures and management actions are identified by Management and reviewed annually by the AC. The Board through the AC and Management continues to improve and enhance the risk assessment framework. Based on the work performed by the internal auditors, the statutory audit by the external auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group has adequate and effective risk management systems and internal controls in place to mitigate critical and significant risks in the following areas: Financial, Operational, Compliance and Information Technology Risks.

While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In reviewing these controls, the Directors have had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The Directors have also received assurance from the Executive Chairman and the CFO regarding the Company's financial records and the effectiveness of the Company's risk management and internal controls.

PRINCIPLE 12: AUDIT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprising its Chairman, Mr Kee Teck Koon and other members, namely, Messrs Koh Poh Tiong and Raymond Lim Siang Keat, all Independent Directors and Mr Tan Soo Nan, meets periodically with the Group's internal and external auditors as well as Management to review accounting, auditing and financial reporting matters. This is to ensure that an effective control environment is maintained in the Group. The AC also monitors proposed changes in accounting policies and discusses the accounting implications of major transactions. In addition, the Committee also advises the Board regarding the adequacy of the Group's internal controls and the contents and presentation of its quarterly and annual financial statements.

Specifically, the AC:

(a) reviews the audit plans, functions and scope of audit examination of the external auditors and approves the audit plans of the internal auditors;
(b) recommends to the Board the appointment and re-appointment of external auditors;
(c) approves the remuneration of the external auditors, and reviews the scope and result of the audit and its cost effectiveness;
(d) evaluates the overall effectiveness of both the internal and the external audits through regular meetings with each group of auditors;
(e) reviews the adequacy and effectiveness of the internal audit function;
(f) determines that no restrictions are being placed by Management upon the work of the internal and external auditors;
(g) evaluates the adequacy of the internal control systems of the Group by reviewing written reports from the internal and external auditors, and Management's responses and actions to correct any deficiencies;
(h) evaluates adherence to the Group's administrative, operating and internal accounting controls;
(i) monitors proposed changes in accounting policies and discusses the accounting implications of major transactions;
(j) reviews the quarterly and annual financial statements before submission to the Board for adoption;
(k) reviews Interested Person Transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST) to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders;
(l) reviews non-audit services provided by the external auditors to establish their independence;
(m) discusses with the external auditors any suspected fraud or irregularity or failure of internal controls or suspected infringement of any Singapore or other applicable law, rule and regulation;
(n) is authorised to put in place measures to ensure that staff have the means to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is an independent investigation and appropriate follow-up action;
(o) reviews and approves the key risks, control measures and management actions identified by Management (i.e. Entity Risk Assessment) on an annual basis; and
(p) considers other matters as requested by the Board.

The AC is authorised to investigate any matter within its terms of reference, and has full access to Management and also full discretion to invite any Director or Executive to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly. The AC meets with the external auditors without the presence of Management, at least once a year.

Corporate Governance (cont'd)

PRINCIPLE 12: AUDIT COMMITTEE (CONT'D)

The fees paid to our external auditor, KMPG LLP, is set out on page 89 of the Annual Report.

The Group has put in place a whistle-blowing policy. This policy provides well-defined and accessible channels through which employees, in confidence and good faith, without fear of reprisal, may report concerns about possible improprieties in matters of financial reporting or other matters within the Group. Details of the policy are posted on the Group's intranet for employees' easy reference.

PRINCIPLE 13: INTERNAL AUDIT

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Group has an internal audit function that is independent of the activities it audits. The internal auditors report to the Chairman of the AC functionally and to the Executive Chairman administratively.

The department performing the internal audit function has adopted and complied with the Standards for the Professional Practice of Internal Auditing by The Institute of Internal Auditors. It operates within the framework stated in its Internal Audit Charter which is approved by the AC. It adopts a risk-based audit methodology to develop its audit plans which align its activities to key risks across the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities and material internal controls, including compliance with the Group's policies, procedures and regulatory responsibilities. The internal audit plans are reviewed and approved by the AC.

The AC will ensure that the department performing the internal audit function has adequate resources and appropriate standing within the Group to perform its function effectively. The Committee will assess the effectiveness of the internal audit function on an annual basis by examining:

(a) the scope of the internal auditors' work;
(b) the quality of the auditors' reports;
(c) the auditors' relationship with external auditors; and
(d) the auditors' independence of the areas reviewed.

PRINCIPLE 14: SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group's robust corporate governance culture and awareness promote fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore Companies Act and Articles of Association. All shareholders are treated fairly and equitably. These rights include, amongst others, pecuniary rights, for example, the right to participate in profit distributions and membership rights such as the right to participate in general meetings and the right to exercise their voting rights. Under the Articles of Association, ordinary shareholders are entitled to attend and vote at the Annual General Meeting by person or proxy.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure. All price-sensitive information is publicly released prior to any sessions with individual investors or analysts.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST Listing Rules and the Singapore Companies Act, the Board's policy is that the Company's shareholders are informed of all major developments that impact the Group.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS (CONT'D)

The Group's investor relations activities promote regular, effective and fair communication with investors. Briefing sessions for the media and analysts are conducted when quarterly results are released. All press statements and quarterly financial statements are published on the Group's and SGX websites. A dedicated investor relations team supports the Executive Chairman and the CFO in maintaining a close and active dialogue with institutional investors. The Group's website provides contact details for investors to submit their feedback and raise any questions.

During the year, Management met more than 160 local and foreign investors at more than 100 meetings. It participated in 5 local and foreign investor conferences and non-deal road shows. These meetings provide a forum for Management to explain the Group's strategy and financial performance. Management also uses meetings with investors and analysts to solicit their perceptions of the Group.

Information is communicated to shareholders on a timely basis. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly as soon as practicable. Communication is made through:

(a) annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Singapore Companies Act, Singapore Financial Reporting Standards and the SGX-ST Listing Manual;
(b) financial statements containing a summary of the financial information and affairs of the Group for the period;
(c) notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings;
(d) press and analyst briefings for the Group's quarterly and annual results as well as other briefings, as appropriate;
(e) press releases on major developments of the Group;
(f) disclosures to the SGX-ST; and
(g) the Group's website at http://www.rafflesmedicalgroup.com at which shareholders can access information on the Group. The website provides inter alia, corporate announcements, press releases, annual reports and profile of the Group.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

Shareholders are encouraged to attend the Annual General Meeting to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The Annual General Meeting is the principal forum for dialogue with shareholders.

The notice of the Annual General Meeting is despatched to shareholders, together with explanatory notes or a circular on items of special business, at least 14 days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues at the Annual General Meeting. The Chairmen of the AC and the NCC are normally available at the meeting to answer those questions relating to the work of these Committees. The external auditors are normally available to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

Additional Information Required By The Singapore Exchange Securities Trading Limited

MATERIAL CONTRACTS

There are no material contracts entered into by the Company or any of its subsidiaries involving the interests of the Chief Executive Officer, any Director or controlling shareholder.

DEALINGS IN SECURITIES

In line with the best practices on dealing in securities set out in the SGX-ST Listing Manual, the Group requires all Directors and Management not to trade in the Company's securities during the period beginning two weeks and a month before the date of the announcement of the quarterly and full year results respectively and ending on the date of the announcement of the relevant results. The Directors and Management are not expected to deal in the Company's securities on considerations of a short term nature. They are required to observe insider trading provisions under the Securities and Futures Act at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

STATEMENT OF RISK MANAGEMENT

The Group has adopted an entity-wide risk assessment framework to identify, evaluate and control all key risks on a coordinated and integrated basis. Business Units are involved in identifying and evaluating risks from the bottom up and these risks are then reviewed by the Group level to provide a top down perspective as well. Key risks, control measures and management actions identified by Management are reviewed annually by the AC.

Under the framework, the risks are prioritised and Business Units use both preventive and mitigation controls to manage risk exposures within prescribed tolerance limits. These risk management activities are carried out periodically as embedded organisational processes within the Group.

Having reviewed the risk management practices and policies of the Group, the Board has not found anything to suggest that risks are not being satisfactorily managed.

INTERESTED PERSONS TRANSACTIONS

The Company has established procedures to ensure that all transactions with Interested Persons are reported to the AC on a quarterly basis. The AC has reviewed the Interested Persons Transactions (IPT) entered into during the financial year by the Company. The Company's disclosures, according to Rule 907 of the SGX-ST Listing Manual in respect of IPT for the aggregate value of the IPT entered for the financial year ended 31 December 2013, is set out below. As the Company does not have a shareholders' mandate under Rule 920, there is no IPT reporting associated therewith.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Loo & Partners, LLP – For the provision of legal advisory services to the Group	$106,000	Nil

The above IPT was conducted on normal commercial terms. The AC was also of the view that the IPT was not prejudicial to the interests of the Company and its minority shareholders.

Financial Report

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Directors' Report

Year ended 31 December 2013

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2013.

DIRECTORS

The directors in office at the date of this report are as follows:

Dr Loo Choon Yong
Mr Koh Poh Tiong
Mr Kee Teck Koon
Dr Wee Beng Geok
Mr Tan Soo Nan
Professor Lim Pin
Mr Raymond Lim Siang Keat (Appointed on 25 April 2013)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in a related corporation are as follows:

	Holdings in the name of the director, spouse or infant children		**Other holdings in which the director is deemed to have an interest**	
The Company	**At beginning of the year**	**At end of the year**	**At beginning of the year**	**At end of the year**
		Ordinary Shares		
Dr Loo Choon Yong	55,764,339	56,412,761	230,328,657	233,006,897
Mr Koh Poh Tiong	30,000	30,000	–	–
Dr Wee Beng Geok	903,000	951,000	–	–
Mr Tan Soo Nan	1,143,000	1,277,686	–	–
Professor Lim Pin	499,327	595,482	–	–

The Company	**At beginning of the year**	**At end of the year**	**Option price per share**	**Date of grant**
		Options to subscribe for ordinary shares		
Mr Koh Poh Tiong	20,000	20,000	$2.34	02/04/2012
	–	60,000	$3.28	01/04/2013
Mr Kee Teck Koon	20,000	20,000	$2.34	02/04/2012
	–	60,000	$3.28	01/04/2013
Dr Wee Beng Geok	48,000	–	$1.24	01/04/2008
	120,000	120,000	$0.78	01/04/2009
	70,000	70,000	$1.66	01/04/2010
	70,000	70,000	$2.20	01/04/2011
	80,000	80,000	$2.34	02/04/2012
	–	80,000	$3.28	01/04/2013

DIRECTORS' INTERESTS (CONT'D)

The Company	At beginning of the year	At end of the year	Option price per share	Date of grant
		Options to subscribe for ordinary shares		
Mr Tan Soo Nan	120,000	–	$0.78	01/04/2009
	70,000	70,000	$1.66	01/04/2010
	70,000	70,000	$2.20	01/04/2011
	80,000	80,000	$2.34	02/04/2012
	–	80,000	$3.28	01/04/2013
Professor Lim Pin	60,000	–	$2.20	01/04/2011
	70,000	40,000	$2.34	02/04/2012
	–	60,000	$3.28	01/04/2013

Immediate Holding Company	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
		Ordinary Shares		
Raffles Medical Holdings Pte Ltd				
Dr Loo Choon Yong	100,000	100,000	–	–

The options in the Company granted in 2009 to 2013 are exercisable during a period commencing 12 months from the Date of Grant for the first 30,000 shares, 24 months from the Date of Grant for the next 30,000 shares and the balance after 36 months and expires at the end of 60 months from the Date of Grant.

By virtue of Section 7 of the Act, Dr Loo Choon Yong is deemed to have an interest in all of the wholly-owned subsidiaries of Raffles Medical Group Ltd, at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2014.

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares, debentures, warrants or share options of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 24 and 25 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

Employees' Share Option Scheme

Raffles Medical Group (2000) Share Option Scheme

(1) On 31 October 2000, the shareholders of the Company approved the Raffles Medical Group (2000) Share Option Scheme (RMG 2000 Scheme) at the Extraordinary General Meeting. Details of the RMG 2000 Scheme were set out in the Directors' Report for the financial year ended 31 December 2000.

(2) The RMG 2000 Scheme is administered by the Nomination & Compensation Committee (Committee) comprising the following directors:

Dr Wee Beng Geok
Professor Lim Pin
Dr Loo Choon Yong

Dr Loo Choon Yong is not a participant in the scheme.

(3) No additional options were granted pursuant to the RMG 2000 Scheme for the financial year ended 31 December 2013.

(4) As at 31 December 2013, outstanding options to take up unissued ordinary shares in the Company under the RMG 2000 Scheme were as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2013	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2013	Number of option holders at 31 December 2013
31/03/2003	$0.185	139,000	139,000	–	–	–
01/04/2004	$0.330	226,000	84,000	–	142,000	3
01/04/2005	$0.420	375,000	168,000	–	207,000	9
03/04/2006	$0.710	1,067,000	475,000	6,000	586,000	22
02/04/2007	$1.150	1,217,000	131,000	74,000	1,012,000	54
01/04/2008	$1.240	1,221,000	269,000	49,000	903,000	76
01/04/2009	$0.780	2,608,000	501,000	188,000	1,919,000	66
01/04/2010	$1.660	3,448,000	802,000	18,000	2,628,000	136
		10,301,000	2,569,000	335,000	7,397,000	

(5) Since the commencement of the Scheme, no options have been granted to controlling shareholders of the Company and their associated companies and parent group employees. No participant has received 5% or more of the total number of options available under the Scheme. There is no discount granted to the subscription price of the option compared to the last dealt price for three consecutive market days preceding to the date of the option.

SHARE OPTIONS (CONT'D)

Employees' Share Option Scheme (cont'd)

Raffles Medical Group (2000) Share Option Scheme (cont'd)

(6) The following are details of options granted to Directors:

Name of participant	Aggregate options granted since commencement of Scheme to 31 December 2013	Aggregate options exercised since commencement of Scheme to 31 December 2013	Aggregate options outstanding as at 31 December 2013
Directors of the Company			
Dr Wee Beng Geok	1,138,000	948,000	190,000
Mr Tan Soo Nan	1,238,000	1,168,000	70,000
Professor Lim Pin	968,000	968,000	–
Total	3,344,000	3,084,000	260,000

(7) Statutory information regarding the above options is as follows:

(a) Options are exercisable in whole or in part:

(i) in relation to shares for which the subscription price is determined on market value, a period commencing on such date in respect of such proportion of the option amount as the Committee may prescribe (but which shall in any event be no earlier than the date immediately after the first anniversary of the Date of Grant) and ending on the date immediately before the tenth anniversary of such Date of Grant for an employee and ending on the date immediately before the fifth anniversary of such Date of Grant for a non-employee; and

(ii) in relation to shares for which the subscription price is determined at a discount to market value, a period commencing on such date in respect of such proportion of the option amount as the Committee may prescribe (but which shall in any event be no earlier than the date immediately after the second anniversary of the Date of Grant) and ending on the date immediately before the tenth anniversary of such Date of Grant for an employee and ending on the date immediately before the fifth anniversary of such Date of Grant for a non-employee.

(b) The number of shares which may be acquired by a participant and the exercise price are subject to adjustment, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves made which an option remains unexercised.

Raffles Medical Group (2010) Share Option Scheme

(1) At the Annual General Meeting held on 30 April 2010, the shareholders of the Company adopted the Raffles Medical Group (2010) Share Option Scheme (RMG 2010 Scheme) for the Company. The existing RMG 2000 Scheme was concurrently terminated. The termination of the RMG 2000 Scheme will, however, not affect the subscription rights comprised in options granted pursuant to the RMG 2000 Scheme prior to the termination. Such options will continue to be exercisable in accordance with the rules of the RMG 2000 Scheme. However, no further options will be granted under the RMG 2000 Scheme.

(2) Under the terms of the RMG 2010 Scheme, the committee (Committee) of directors administrating the Scheme may make offers of the grant of options to eligible persons to subscribe for shares at a subscription price set at the market price or at a discount of the market price on the capital of the Company, subject inter alia to the following:

(a) the aggregate number of shares over which options may be granted when added to the number of shares issued and issuable in respect of all options granted under the RMG 2010 Scheme and in respect of all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total issued shares (excluding treasury shares) of the Company on the date preceding the offer date of an option.

SHARE OPTIONS (CONT'D)

Employees' Share Option Scheme (cont'd)

Raffles Medical Group (2010) Share Option Scheme (cont'd)

(b) the number of shares to be offered to any Group employee in accordance with the RMG 2010 Scheme shall be determined at the absolute discretion of the Committee, who shall take into account (where applicable) criteria such as rank, responsibilities, past performance, length of service, contributions to the Group and potential for future development of that Group employee, provided that in relation to Controlling Shareholder(s) or their Associates:

(i) the aggregate number of shares which may be offered by way of grant of options to Group employees who are Controlling Shareholder(s) and/or their Associates shall not exceed 25% of the total number of shares available under the RMG 2010 Scheme; and

(ii) the aggregate number of shares which may be offered by way of grant of options to each Group employee who is a Controlling Shareholder or his Associate shall not exceed 10% of the total number of shares available under the RMG 2010 Scheme.

(3) Subject to any adjustment pursuant to any variation of the share capital of the Company, the subscription price for each share under the RMG 2010 Scheme shall be:

(a) a price equal to the average of the last dealt prices for a share, as determined by reference to the daily official list or other publication published by the Singapore Exchange Securities Trading Limited for the three consecutive market days immediately preceding the offer date of that option, rounded up to the nearest whole cent, provided that in the case of a Market Price Option that is proposed to be granted to a Controlling Shareholder or an Associate of a Controlling Shareholder, the Subscription Price for each share shall be equal to the average of the last dealt price(s) for a share, as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited, for the three consecutive market days immediately preceding the latest practicable date prior to the date of any circular, letter or notice to the Shareholders proposing to seek their approval of the grant of such options to such Controlling Shareholder and/or Associate of a Controlling Shareholder; or

(b) the discounted value of the share price determined under (a) above, provided that the maximum discount shall not exceed 20% of (a) above, and

(c) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the making of offers and grants of options at a discount not exceeding the maximum discount in a separate resolution (for the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall, unless revoked, authorise the making of offers and grants of options under the RMG 2010 Scheme at such discount for the duration of the RMG 2010 Scheme), or

(d) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the discount exceeding 20% of the market price if it is prescribed or permitted for the time being by the Singapore Exchange Securities Trading Limited.

(4) Under the RMG 2010 Scheme, an option may be exercised in whole or in part only in respect of 1,000 shares or any multiple thereof:

(a) in relation to shares for which the subscription price is determined on market value, during the period commencing after the first anniversary of the offer date and expiring on the tenth anniversary of such offer date; and

(b) in relation to shares for which the subscription price is determined at a discount to the market value, during the period commencing after the second anniversary of the offer date and expiring on the tenth anniversary of such offer date.

Save that the option period for an option granted to a participant, who is a non-executive director (including independent director) of any member of the Group or a permanent part-time visiting consultant specialist contracted or engaged for service on a regular basis by the Group but whose hours of work is not full-time, shall expire on the fifth anniversary of the Date of Grant.

SHARE OPTIONS (CONT'D)

Employees' Share Option Scheme (cont'd)

Raffles Medical Group (2010) Share Option Scheme (cont'd)

(5) The RMG 2010 Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten years from 30 April 2010 provided always that the RMG 2010 Scheme may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and any of the relevant authorities which may then be required.

(6) The RMG 2010 Scheme is administered by a committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2010 Scheme.

(7) The Committee, at the date of this report, administering the RMG 2010 Scheme comprises the following directors:

Dr Wee Beng Geok
Mr Koh Poh Tiong (Appointed on 2 January 2014)
Professor Lim Pin
Dr Loo Choon Yong

(8) On 1 April 2013, additional options were granted pursuant to the RMG 2010 Scheme to subscribe for ordinary shares at an exercise price of $3.28 as follows:

	Company
Directors of the Company and Executive Directors of the subsidiaries	970,000
Other participants	5,230,000
	6,200,000

(9) Since the commencement of the Scheme, no options have been granted to controlling shareholders of the Company and their associated companies and parent group employees. No participant has received 5% or more of the total number of options available under the Scheme. There is no discount granted to the subscription price of the option compared to the last dealt price for three consecutive market days preceding to the date of the option.

(10) As at 31 December 2013, outstanding options to take up unissued ordinary shares in the Company under the RMG 2010 Scheme were as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2013	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2013	Number of option holders at 31 December 2013
01/04/2011	$2.20	4,042,000	–	851,000	58,000	3,133,000	202
02/04/2012	$2.34	5,623,000	–	679,000	248,000	4,696,000	302
01/04/2013	$3.28	–	6,200,000	–	226,000	5,974,000	430
		9,665,000	6,200,000	1,530,000	532,000	13,803,000	

SHARE OPTIONS (CONT'D)

Employees' Share Option Scheme (cont'd)

Raffles Medical Group (2010) Share Option Scheme (cont'd)

(11) The following are details of options granted to Directors:

Name of participant	Options granted for financial year ended 31 December 2013	Aggregate options granted since commencement of Scheme to 31 December 2013	Aggregate options exercised since commencement of Scheme to 31 December 2013	Aggregate options outstanding as at 31 December 2013
Directors of the Company				
Mr Koh Poh Tiong	60,000	80,000	–	80,000
Mr Kee Teck Koon	60,000	80,000	–	80,000
Dr Wee Beng Geok	80,000	230,000	–	230,000
Mr Tan Soo Nan	80,000	230,000	–	230,000
Professor Lim Pin	60,000	190,000	90,000	100,000
Total	340,000	810,000	90,000	720,000

Save as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are as follows:

- Mr Kee Teck Koon (Chairman), Non-Executive Director (Appointed on 24 April 2013)
- Mr Koh Poh Tiong, Non-Executive Director (Appointed on 24 April 2013)
- Mr Tan Soo Nan, Non-Executive Director
- Mr Raymond Lim Siang Keat, Non-Executive Director (Appointed on 2 January 2014)

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work and the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the external and internal auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

AUDIT COMMITTEE (CONT'D)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has confirmed that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the Audit Committee's opinion, affect the independence of the auditors. It has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dr Loo Choon Yong
Chairman

Mr Kee Teck Koon
Director

22 February 2014

Statement By Directors

Year ended 31 December 2013

In our opinion:

(a) the financial statements set out on pages 51 to 99 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Dr Loo Choon Yong
Chairman

Mr Kee Teck Koon
Director

22 February 2014

Independent Auditors' Report

Members of the Company
Raffles Medical Group Ltd

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Raffles Medical Group Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2013, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 51 to 99.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 February 2014

Statements Of Financial Position

As at 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current assets					
Property, plant and equipment	4	153,656	153,888	4,422	4,155
Intangible assets	5	164	164	93	93
Investment properties	6	100,400	194,500	–	–
Subsidiaries	26	–	–	241,584	263,070
		254,220	348,552	246,099	267,318
Current assets					
Inventories		9,080	5,442	2,062	1,270
Trade and other receivables	7	44,228	38,169	16,660	66,236
Cash and cash equivalents	8	265,907	102,482	220,046	77,223
		319,215	146,093	238,768	144,729
Total assets		573,435	494,645	484,867	412,047
Equity attributable to owners of the Company					
Share capital	9	228,160	207,188	228,160	207,188
Reserves	9	244,344	181,234	152,217	105,395
		472,504	388,422	380,377	312,583
Non-controlling interests		1,289	994	–	–
Total equity		473,793	389,416	380,377	312,583
Non-current liabilities					
Deferred tax liabilities	11	2,127	1,670	435	302
		2,127	1,670	435	302
Current liabilities					
Trade and other payables	12	72,664	66,318	98,830	94,372
Insurance contract provisions	13	9,700	6,162	–	–
Interest-bearing liabilities	14	4,755	19,747	4,755	3,747
Current tax liabilities		10,396	11,332	470	1,043
		97,515	103,559	104,055	99,162
Total liabilities		99,642	105,229	104,490	99,464
Total equity and liabilities		573,435	494,645	484,867	412,047

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement

Year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Revenue		340,989	311,633
Other operating income		24,331	4,026
Inventories and consumables used		(38,237)	(38,736)
Purchased and contracted services		(24,625)	(22,386)
Staff costs		(170,091)	(152,275)
Depreciation of property, plant and equipment		(8,268)	(7,903)
Operating lease expenses		(7,271)	(7,165)
Other operating expenses		(22,501)	(20,839)
Profit from operating activities		94,327	66,355
Finance income		960	465
Finance expenses		(49)	(235)
Profit before tax		95,238	66,585
Tax expense	17	(9,943)	(9,376)
Profit for the year	16	85,295	57,209
Attributable to:			
Owners of the Company		84,892	56,849
Non-controlling interests		403	360
Profit for the year		85,295	57,209
Earnings per share (cents)			
Basic	19	15.43	10.53
Diluted	19	15.24	10.42

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Comprehensive Income

Year ended 31 December 2013

	2013 $'000	2012 $'000
Profit for the year	85,295	57,209
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	(30)	32
Total comprehensive income for the year	85,265	57,241
Total comprehensive income attributable to:		
Owners of the Company	84,862	56,881
Non-controlling interests	403	360
Total comprehensive income for the year	85,265	57,241

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

Year ended 31 December 2013

Group	Share capital $'000	Currency translation reserve $'000	Share option reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2012	190,344	(117)	10,339	133,441	334,007	702	334,709
Comprehensive income for the year							
Profit for the year	–	–	–	56,849	56,849	360	57,209
Other comprehensive income							
Foreign currency translation differences - foreign operations	–	32	–	–	32	–	32
Total comprehensive income for the year	–	32	–	56,849	56,881	360	57,241
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	4,409	–	–	–	4,409	–	4,409
Issue of shares in lieu of cash dividends of 3.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	12,435	–	–	–	12,435	–	12,435
Value of employee services received for issue of share options	–	–	2,236	–	2,236	–	2,236
Final dividend paid of 3.0 cents per ordinary share - Cash	–	–	–	(3,673)	(3,673)	–	(3,673)
Final dividend paid of 3.0 cents per ordinary share - Scrip	–	–	–	(12,435)	(12,435)	–	(12,435)
Interim dividend paid of 1.0 cent per ordinary share - Cash	–	–	–	(5,438)	(5,438)	–	(5,438)
Dividends distributed to non-controlling shareholder of a subsidiary	–	–	–	–	–	(68)	(68)
Total contributions by and distributions to owners	16,844	–	2,236	(21,546)	(2,466)	(68)	(2,534)
At 31 December 2012	207,188	(85)	12,575	168,744	388,422	994	389,416

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity (cont'd)

Year ended 31 December 2013

Group	Share capital $'000	Currency translation reserve $'000	Share option reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2013	207,188	(85)	12,575	168,744	388,422	994	389,416
Comprehensive income for the year							
Profit for the year	–	–	–	84,892	84,892	403	85,295
Other comprehensive income							
Foreign currency translation differences - foreign operations	–	(30)	–	–	(30)	–	(30)
Total comprehensive income for the year	–	(30)	–	84,892	84,862	403	85,265
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Scheme	6,128	–	–	–	6,128	–	6,128
Issue of shares in lieu of cash dividends of 3.5 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	14,844	–	–	–	14,844	–	14,844
Value of employee services received for issue of share options	–	–	2,946	–	2,946	–	2,946
Final dividend paid of 3.5 cents per ordinary share - Cash	–	–	–	(4,319)	(4,319)	–	(4,319)
Final dividend paid of 3.5 cents per ordinary share - Scrip	–	–	–	(14,844)	(14,844)	–	(14,844)
Interim dividend paid of 1.0 cent per ordinary share - Cash	–	–	–	(5,535)	(5,535)	–	(5,535)
Dividends distributed to non-controlling shareholder of a subsidiary	–	–	–	–	–	(108)	(108)
Total contributions by and distributions to owners	20,972	–	2,946	(24,698)	(780)	(108)	(888)
At 31 December 2013	228,160	(115)	15,521	228,938	472,504	1,289	473,793

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Cash Flows

Year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Profit before tax		95,238	66,585
Adjustments for:			
Change in fair value of investment properties		(3,900)	(3,938)
Depreciation of property, plant and equipment		8,268	7,903
Equity-settled share-based payment transactions		2,946	2,236
Finance expenses		49	235
Finance income		(960)	(465)
Gain on disposal of a subsidiary		(20,388)	–
Gain on disposal of property, plant and equipment		(43)	(88)
Loss on disposal of property, plant and equipment		2	–
Impairment of intangible assets		–	152
Property, plant and equipment written off		102	102
		81,314	72,722
Changes in working capital:			
Inventories		(3,638)	(306)
Trade and other receivables		(6,093)	(6,228)
Trade and other payables		6,512	11,434
Insurance contract provisions		3,538	1,143
Cash generated from operations		81,633	78,765
Taxes paid		(10,422)	(9,043)
Interest paid		(20)	(177)
Net cash from operating activities		71,191	69,545
Cash flows from investing activities			
Interest received		892	379
Proceeds from sale of property, plant and equipment		138	97
Proceeds from sale of a subsidiary	18	119,232	–
Purchase of property, plant and equipment		(8,186)	(9,737)
Payment for development related cost of investment property		(922)	(1,200)
Net cash from/(used in) investing activities		111,154	(10,461)
Cash flows from financing activities			
Dividends paid to owners of the Company		(9,854)	(9,111)
Dividends paid to non-controlling shareholder of the subsidiary		(108)	(68)
Proceeds from issue of shares under share option scheme		6,128	4,409
Proceeds from bank loan		49,873	19,188
Repayment of bank loans		(65,024)	(20,668)
Net cash used in financing activities		(18,985)	(6,250)
Net increase in cash and cash equivalents		163,360	52,834
Cash and cash equivalents at 1 January		102,482	49,691
Effect of exchange rate changes on balances held in foreign currency		65	(43)
Cash and cash equivalents at 31 December	8	265,907	102,482

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements

Year ended 31 December 2013

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 February 2014.

1 DOMICILE AND ACTIVITIES

Raffles Medical Group Ltd (the Company) is incorporated in the Republic of Singapore and has its registered office at 585 North Bridge Road, Raffles Hospital #11-00, Singapore 188770.

The principal activities of the Company are those relating to the operation of medical clinics and other general medical services. The Group and the Company are the sole proprietor of the following:

Family Doctors
RafflesCare
Raffles Airport Medical Centre
Raffles Corporate Wellness
Raffles Dental Surgery
Raffles Healthcare Consultancy
Raffles Health Screeners
Raffles Medical Management
Raffles Medihelp
Raffles Optica
Raffles Pharmacare
Raffles Pharmacy
Raffles Specialist Centre

The Group and the Company are the partner of the following:

Changi Medical Services LLP
Raffles Research Labs LLP

All transactions of these sole proprietorships and partnerships are reflected in the financial statements of the Company. The principal activities of the subsidiaries are set out in note 26 to the financial statements.

The immediate and ultimate holding company during the financial year is Raffles Medical Holdings Pte Ltd, which is incorporated in Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group).

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – estimation of useful lives and recoverable amounts of property, plant and equipment
- Note 6 – fair value determination of investment properties
- Note 11 – utilisation of tax losses
- Note 13 – estimation of policy liabilities

2.5 Changes in accounting policies

(i) Fair value measurement

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard has been included in notes 15 and 21.

(ii) Presentation of items of other comprehensive income

From 1 January 2013, as a result of the amendments to FRS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to FRS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Business of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Business of consolidation (cont'd)

Business combinations (cont'd)

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Business of consolidation (cont'd)

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (currency translation reserve) in equity. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, and trade and other payables.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

• Leasehold land	99 years
• Leasehold properties	50 years
• Medical equipment	8 to 10 years
• Furniture and fittings	10 years
• Office equipment	5 to 10 years
• Motor vehicles	10 years
• Computers	3 to 6 years
• Renovations	Shorter of 6 years and term of lease
• Facilities equipment	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets and goodwill

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1.

Other intangible assets

Other intangible assets, consist of (a) assignment fees that relate to amounts paid to secure the tenancy of certain clinic premises and (b) membership rights.

Assignment fees that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Membership rights that are acquired by the Group and have infinite useful lives are measured at cost less accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

• Assignment fees	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each financial year-end and adjusted if appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Inventories

Inventories, comprising mainly pharmaceutical and medical supplies, are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.9 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, and indications that a debtor or issuer will enter bankruptcy.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.12 Revenue

Rendering of services

Revenue from rendering of services is recognised in profit or loss upon provision of healthcare, hospital and insurance services.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.14 Finance income and expenses

Finance income comprises interest income from bank deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprises interest expense on borrowings that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance expenses depending on whether foreign currency movements are in a net gain or net loss position.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax (cont'd)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

Notes To The Financial Statements (cont'd)

Year ended 31 December 2013

4 Property, plant and equipment

Group	Leasehold land $'000	Leasehold properties $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Renovations $'000	Facilities equipment $'000	Fixed asset work in progress $'000	Total $'000
Cost											
At 1 January 2012	83,012	55,144	26,713	3,925	814	507	6,007	8,182	2,020	–	186,324
Reclassification from investment properties	6,571	3,767	–	–	–	–	–	–	–	–	10,338
Additions	–	245	3,287	1,005	122	121	3,180	1,545	232	–	9,737
Disposals	–	–	(61)	–	–	(100)	(220)	–	(2)	–	(383)
Write-off	–	–	(308)	(203)	(78)	–	(312)	(262)	(15)	–	(1,178)
Effect of movements in exchange rates	–	–	(62)	(9)	(2)	–	(3)	(68)	–	–	(144)
At 31 December 2012	89,583	59,156	29,569	4,718	856	528	8,652	9,397	2,235	–	204,694
Additions	–	–	2,503	619	107	–	2,664	1,015	142	1,136	8,186
Disposals	–	–	(356)	–	–	–	(58)	–	(25)	–	(439)
Write-off	–	–	(550)	(698)	(223)	(5)	(775)	(1,608)	(36)	–	(3,895)
Effect of movements in exchange rates	–	–	20	11	–	–	1	65	–	–	97
At 31 December 2013	89,583	59,156	31,186	4,650	740	523	10,484	8,869	2,316	1,136	208,643

Notes To The Financial Statements (cont'd)

Year ended 31 December 2013

4 Property, plant and equipment (cont'd)

Group	Leasehold land $'000	Leasehold properties $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Renovations $'000	Facilities equipment $'000	Fixed asset work in progress $'000	Total $'000
Accumulated depreciation											
At 1 January 2012	5,015	6,486	17,460	2,133	593	250	4,849	6,201	1,441	–	44,428
Depreciation charge for the year	1,279	1,350	2,273	347	99	52	1,059	1,337	107	–	7,903
Disposals	–	–	(52)	–	–	(100)	(220)	–	(2)	–	(374)
Write-off	–	–	(280)	(168)	(65)	–	(301)	(249)	(13)	–	(1,076)
Effect of movements in exchange rates	–	–	(20)	(3)	(1)	–	(2)	(49)	–	–	(75)
At 31 December 2012	6,294	7,836	19,381	2,309	626	202	5,385	7,240	1,533	–	50,806
Depreciation charge for the year	1,279	1,353	2,414	380	103	53	1,443	1,121	122	–	8,268
Disposals	–	–	(315)	–	–	–	(2)	–	(25)	–	(342)
Write-off	–	–	(542)	(620)	(220)	(5)	(774)	(1,605)	(27)	–	(3,793)
Effect of movements in exchange rates	–	–	(14)	3	–	–	2	57	–	–	48
At 31 December 2013	7,573	9,189	20,924	2,072	509	250	6,054	6,813	1,603	–	54,987
Carrying amounts											
At 1 January 2012	77,997	48,658	9,253	1,792	221	257	1,158	1,981	579	–	141,896
At 31 December 2012	83,289	51,320	10,188	2,409	230	326	3,267	2,157	702	–	153,888
At 31 December 2013	82,010	49,967	10,262	2,578	231	273	4,430	2,056	713	1,136	153,656

Notes To The Financial Statements (cont'd)

Year ended 31 December 2013

4 Property, plant and equipment (cont'd)

Company	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Renovations $'000	Total $'000
Cost							
At 1 January 2012	1,432	2,084	545	408	2,934	4,481	11,884
Additions	532	319	81	–	927	635	2,494
Disposals	(12)	–	–	–	(152)	–	(164)
Write-off	(102)	(213)	(54)	–	(175)	(143)	(687)
At 31 December 2012	1,850	2,190	572	408	3,534	4,973	13,527
Additions	252	183	36	–	859	511	1,841
Write-off	(334)	(587)	(212)	(5)	(494)	(1,497)	(3,129)
At 31 December 2013	1,768	1,786	396	403	3,899	3,987	12,239
Accumulated depreciation							
At 1 January 2012	988	1,065	399	155	2,352	3,683	8,642
Depreciation charge for the year	137	173	66	40	500	576	1,492
Disposals	(5)	–	–	–	(152)	–	(157)
Write-off	(86)	(158)	(50)	–	(174)	(137)	(605)
At 31 December 2012	1,034	1,080	415	195	2,526	4,122	9,372
Depreciation charge for the year	176	174	63	41	551	514	1,519
Write-off	(332)	(541)	(209)	(5)	(491)	(1,496)	(3,074)
At 31 December 2013	878	713	269	231	2,586	3,140	7,817
Carrying amounts							
At 1 January 2012	444	1,019	146	253	582	798	3,242
At 31 December 2012	816	1,110	157	213	1,008	851	4,155
At 31 December 2013	890	1,073	127	172	1,313	847	4,422

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of major leasehold land and properties of the Group are set out below:

Description/Location	Gross Floor Area (sq m)	Tenure	Group Carrying Amount 2013 $'000	Group Carrying Amount 2012 $'000
HDB shop with living quarters located at Blk 283, Bishan St 22, #01-177, Singapore 570283, held for use as a primary healthcare clinic	135.0	99 years commencing from 01/02/1991	840	866
A factory unit, located at 196 Pandan Loop, #06-05 Pantech Industrial Complex, Singapore 128384, held for use as a store	112.0	99 years commencing from 27/1/1984	241	248
HDB shop with living quarters located at Blk 722 Ang Mo Kio Ave 8, #01-2825, Singapore 560722, held for use as a primary healthcare clinic	152.0	86 years commencing from 01/10/1993	1,168	1,204
HDB shop with living quarters located at Blk 131 Jurong East St 13, #01-267, Singapore 600131, held for use as a primary healthcare clinic	250.0	91 years commencing from 01/04/1993	1,480	1,522
HDB shop with living quarters located at Blk 177 Toa Payoh Central, #01-170, Singapore 310177, held for use as a primary healthcare clinic	115.0	78 years commencing from 01/10/1992	927	953
HDB shop with living quarters located at Blk 203 Bedok North St 1, #01-467, Singapore 460203, held for use as a primary healthcare clinic	153.0	84 years commencing from 01/07/1992	739	759
A hospital building, located at 585 North Bridge Road, Singapore 188770, held for use as a hospital and medical centre	28,604.9*	99 years commencing from 01/03/1979	126,582	129,057
			131,977	134,609

* Includes commercial space of 3,674.6 sq m (2012: 3,661.0 sq m) classified as investment property.

Source of estimation uncertainty

The cost of property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 99 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilisation, internal technical evaluation and technological changes. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in these factors. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets.

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Source of estimation uncertainty (cont'd)

The estimates of recoverable amounts were based on either the fair value of the property, plant and equipment determined by a firm of independent professional valuers or the value in use of the property, plant and equipment determined by management. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the value in use.

5 INTANGIBLE ASSETS

Group	Membership rights $'000	Assignment fees $'000	Goodwill $'000	Total $'000
Cost				
At 1 January 2012, 31 December 2012 and 31 December 2013	164	612	152	928
Accumulated amortisation and impairment losses				
At 1 January 2012	–	612	–	612
Impairment loss	–	–	152	152
At 31 December 2012 and 31 December 2013	–	612	152	764
Carrying amounts				
At 1 January 2012	164	–	152	316
At 31 December 2012 and 31 December 2013	164	–	–	164

Company	Membership rights $'000	Goodwill $'000	Total $'000
Cost			
At 1 January 2012, 31 December 2012 and 31 December 2013	93	152	245
Accumulated amortisation and impairment losses			
At 1 January 2012	–	–	–
Impairment loss	–	152	152
At 31 December 2012 and 31 December 2013	–	152	152
Carrying amounts			
At 1 January 2012	93	152	245
At 31 December 2012 and 31 December 2013	93	–	93

Goodwill represents the excess of the purchase consideration over the fair value of the net identifiable assets acquired from the purchase of a clinic business. In 2012, the amount was fully impaired as the Group estimates that the carrying amount is not recoverable.

6 INVESTMENT PROPERTIES

Group	Note	2013 $'000	2012 $'000
At 1 January		194,500	199,700
Reclassification to property, plant and equipment		–	(10,338)
Disposal	18	(98,922)	–
Development related costs		922	1,200
Change in fair value		3,900	3,938
At 31 December		100,400	194,500

In 2012, premises previously leased to a third party became owner-occupied. Accordingly, a portion of the leasehold land and building previously classified under investment properties were transferred and categorised as property, plant and equipment.

Description/Location	Gross Floor Area (sq m)	Tenure	Group Fair Value 2013 $'000	Group Fair Value 2012 $'000
Units within Raffles Hospital, located at 585 North Bridge Road, Singapore 188770	3,674.6 (2012: 3,661.0)	99 years commencing from 01/03/1979	84,000*	81,000*
Units within Thong Sia building, located at 30 Bideford Road, Singapore 229922	3,964.0	Freehold	–	98,000
Units within Samsung Hub, located at 3 Church Street, Singapore 049483	491.0	999 years commencing from 25/01/1827	16,400	15,500
			100,400	194,500

* Includes fair value of carpark areas of about 17,628.3 sq m.

Investment properties relate to the shop units within the commercial property, Raffles Hospital building, units of commercial space within Samsung Hub and Thong Sia building, that are leased to external customers. Each of the leases contains an initial non-cancellable period of 1 to 10 years. This is subject to the terms and conditions of the lease agreements entered into and subsequent renewals are negotiated with the respective lessee. On 31 October 2013, the Group disposed off its wholly-owned subsidiary, Raffles Medical Management Pte Ltd (now known as Orchard Investment Holdings Pte Ltd), that owned Thong Sia building (note 18).

As at 31 December 2013, investment properties are stated at fair value based on independent desktop valuation on units within Raffles Hospital building and Samsung Hub by Jones Lang LaSalle Property Consultants Pte Ltd on the basis of open market valuation.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Trade receivables	34,713	31,686	11,012	12,790
Allowance for doubtful receivables	(2,892)	(2,678)	(397)	(400)
Net receivables	31,821	29,008	10,615	12,390
Deposits	8,007	2,310	1,909	1,607
Loans to directors				
- Directors of subsidiaries	87	137	87	137
Staff loans	1,321	1,513	1,042	1,077
Other receivables	1,329	3,414	176	109
Amounts due from subsidiaries:				
- trade	–	–	1,462	84
- non-trade (see note below)	–	–	799	50,213
	42,565	36,382	16,090	65,617
Prepayments	1,663	1,787	570	619
	44,228	38,169	16,660	66,236

	Company	
	2013 $'000	2012 $'000
Amounts due from subsidiaries (non-trade)	2,899	52,313
Allowance for doubtful receivables	(2,100)	(2,100)
Net receivables	799	50,213

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The loans to directors were granted in accordance with the Group's Loan Scheme for Executive Directors, approved by the shareholders at an Extraordinary General Meeting held on 29 October 1997.

The Group and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in note 15.

8 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Fixed deposits	151,710	93,948	115,000	76,455
Cash at bank and in hand *	114,197	8,534	105,046	768
	265,907	102,482	220,046	77,223

* Includes interest-bearing cash deposit

The weighted average effective interest rates per annum relating to cash and cash equivalents, at the reporting date for the Group and Company are 0.90% (2012: 0.71%) and 1.03% (2012: 0.79%) respectively.

Interest rates reprice at intervals of one week to three months.

9 SHARE CAPITAL AND RESERVES

Share capital

Group and Company	Note	2013 No. of shares ('000)	2013 $'000	2012 No. of shares ('000)	2012 $'000
Fully paid ordinary shares, with no par value:					
At 1 January		544,817	207,188	534,333	190,344
Issue of shares under scrip dividend		4,932	14,844	6,066	12,435
Issue of shares under share option scheme	10	4,099	6,128	4,418	4,409
		553,848	228,160	544,817	207,188

Ordinary shares

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

During the financial year, the Company issued 4,931,545 (2012: 6,065,666) shares at $3.01 (2012: $2.05) per share to shareholders in lieu of cash dividends of 3.5 cents (2012: 3.0 cents) per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme.

9 SHARE CAPITAL AND RESERVES (CONT'D)

Ordinary shares (cont'd)

Pursuant to the option plans i.e. RMG 2000 Scheme and RMG 2010 Scheme, a total of 4,099,000 (2012: 4,418,000) new fully-paid ordinary shares were also issued during the year for cash by the Company as follows:

Date of Grant	Exercise price $	No. of Shares 2013	2012
08/04/2002	0.230	–	216,000
31/03/2003	0.185	139,000	158,000
01/04/2004	0.330	84,000	242,000
01/04/2005	0.420	168,000	309,000
03/04/2006	0.710	475,000	280,000
02/04/2007	1.140	–	120,000
02/04/2007	1.150	131,000	337,000
01/04/2008	1.240	269,000	420,000
01/04/2009	0.780	501,000	1,276,000
01/04/2010	1.660	802,000	836,000
01/04/2011	2.200	851,000	224,000
02/04/2012	2.340	679,000	–
		4,099,000	4,418,000

Unissued ordinary shares of the Company under options granted to eligible directors and employees under the Company's Employee Share Option Scheme are disclosed in note 10.

Currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company, and exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

10 EMPLOYEE SHARE OPTIONS

RMG 2000 Scheme

On 31 October 2000, the shareholders of the Company approved the Raffles Medical Group (2000) Share Option Scheme (RMG 2000 Scheme) at the Extraordinary General Meeting. The Scheme is administered by the Committee comprising three directors, Dr Wee Beng Geok, Professor Lim Pin and Dr Loo Choon Yong.

Information regarding the scheme is as follows:

(i) Subscription price:

(a) The exercise price of the options is determined at the average closing price of the Company's shares on the Singapore Exchange Securities Trading Limited on the three business days immediately preceding the date of grant of such options; or

(b) The discounted value of the share price determined under (a) above, provided that the maximum discount shall not exceed 20% of (a) above.

10 EMPLOYEE SHARE OPTIONS (CONT'D)

RMG 2000 Scheme (cont'd)

(ii) The options vest on such date in respect of such proportion of the option amount as the Committee may prescribe but shall be no earlier than 1 year after the grant date for (i)(a) and 2 years after the grant date for (i)(b).

(iii) The options granted expire after 10 years for employees and 5 years for non-employees from the grant date unless they are cancelled or have lapsed.

RMG 2010 Scheme

At the Annual General Meeting held on 30 April 2010, the shareholders of the Company adopted the Raffles Medical Group (2010) Share Option Scheme (RMG 2010 Scheme) for the Company. The existing RMG 2000 Scheme was concurrently terminated. The termination of the RMG 2000 Scheme will, however, not affect the subscription rights comprised in options granted pursuant to the RMG 2000 Scheme prior to the termination. Such options will continue to be exercisable in accordance with the rules of the RMG 2000 Scheme. However, no further options will be granted under the RMG 2000 Scheme.

Information regarding the scheme is as follows:

(i) Subject to any adjustment pursuant to any variation of the share capital of the Company, the subscription price for each share under the RMG 2010 Scheme shall be:

(a) a price equal to the average of the last dealt prices for a share, as determined by reference to the daily official list or other publication published by the Singapore Exchange Securities Trading Limited for the three consecutive market days immediately preceding the offer date of that option, rounded up to the nearest whole cent, provided that in the case of a Market Price Option that is proposed to be granted to a Controlling Shareholder or an Associate of a Controlling Shareholder, the Subscription Price for each share shall be equal to the average of the last dealt price(s) for a share, as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited, for the three consecutive market days immediately preceding the latest practicable date prior to the date of any circular, letter or notice to the Shareholders proposing to seek their approval of the grant of such options to such Controlling Shareholder and/or Associate of a Controlling Shareholder; or

(b) the discounted value of the share price determined under (a) above, provided that the maximum discount shall not exceed 20% of (a) above, and

(c) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the making of offers and grants of options at a discount not exceeding the maximum discount in a separate resolution (for the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall, unless revoked, authorise the making of offers and grants of options under the RMG 2010 Scheme at such discount for the duration of the RMG 2010 Scheme), or

(d) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the discount exceeding 20% of the market price if it is prescribed or permitted for the time being by the Singapore Exchange Securities Trading Limited.

(ii) The options vest on such date in respect of such proportion of the option amount as the Committee may prescribe but shall be no earlier than 1 year after the grant date for (i)(a) and 2 years after the grant date for (i)(b).

(iii) The options granted expire after 10 years for employees and 5 years for non-employees from the grant date unless they are cancelled or have lapsed.

The RMG 2010 Scheme is administered by a committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2010 Scheme. The Scheme is administered by the Committee comprising four directors, Dr Wee Beng Geok, Mr Koh Poh Tiong (appointed on 2 January 2014), Professor Lim Pin and Dr Loo Choon Yong.

10 EMPLOYEE SHARE OPTIONS (CONT'D)

RMG 2000 Scheme and RMG 2010 Scheme

Movements in the number of share options and their related weighted average exercise prices are as follows:

	Weighted average exercise price 2013 $	No. of options 2013 ('000)	Weighted average exercise price 2012 $	No. of options 2012 ('000)
Outstanding at 1 January	1.690	19,966	1.339	20,111
Granted during the year	3.280	6,200	2.340	6,000
Cancelled/Lapsed during the year	2.048	(867)	1.637	(1,727)
Exercised during the year	1.495	(4,099)	0.998	(4,418)
Outstanding at 31 December	2.178	21,200	1.690	19,966
Exercisable at 31 December	1.667	13,365	1.368	13,011

Options under RMG 2000 Scheme and RMG 2010 Scheme exercised in 2013 resulted in 4,099,000 ordinary shares being issued at weighted average exercise price of $1.495 each.

In 2013, 867,000 options under RMG 2000 Scheme and RMG 2010 Scheme were forfeited at weighted average exercise price of $2.048 each.

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $3.17 (2012: $2.35) per share.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Date of grant of options	Expiry date	Exercise price $	Options outstanding 2013 ('000)	Options outstanding 2012 ('000)
31/03/2003	30/03/2013	0.185	–	139
01/04/2004	31/03/2014	0.330	142	226
01/04/2005	31/03/2015	0.420	207	375
03/04/2006	02/04/2016	0.710	586	1,067
02/04/2007	01/04/2017	1.150	1,012	1,217
01/04/2008	31/03/2013	1.240	–	122
01/04/2008	31/03/2018	1.240	903	1,099
01/04/2009	31/03/2014	0.780	150	350
01/04/2009	31/03/2019	0.780	1,769	2,258
01/04/2010	31/03/2015	1.660	160	235
01/04/2010	31/03/2020	1.660	2,468	3,213
01/04/2011	31/03/2016	2.200	180	380
01/04/2011	31/03/2021	2.200	2,953	3,662
02/04/2012	01/04/2017	2.340	350	510
02/04/2012	01/04/2022	2.340	4,346	5,113
01/04/2013	31/03/2018	3.280	430	–
01/04/2013	31/03/2023	3.280	5,544	–
			21,200	19,966

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes Option Pricing model.

10 EMPLOYEE SHARE OPTIONS (CONT'D)

RMG 2000 Scheme and RMG 2010 Scheme (cont'd)

Date of grant of options	Group 01/04/2013	Group 02/04/2012
Fair value of share options and assumptions		
Fair value at measurement date	\$0.548 - \$0.593	\$0.383 - \$0.416
Share price	\$3.29	\$2.32
Exercise price	\$3.28	\$2.34
Expected volatility	22.11%	21.61%
Expected option life	4.2 - 5.1 years	4.2 - 5.0 years
Expected dividend yield	1.57%	1.55%
Risk-free interest rate	1.44%	1.84%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

11 DEFERRED TAX LIABILITIES

Movements in deferred tax assets and liabilities of the Group during the year are as follows:

	At 1 January 2012 \$'000	Recognised in profit or loss (note 17) \$'000	At 31 December 2012 \$'000	Recognised in profit or loss (note 17) \$'000	At 31 December 2013 \$'000
Group					
Property, plant and equipment	1,748	152	1,900	447	2,347
Tax value of unabsorbed wear and tear allowances	(1)	1	–	–	–
Other items	(168)	(62)	(230)	10	(220)
	1,579	91	1,670	457	2,127
Company					
Property, plant and equipment	471	(72)	399	101	500
Other items	(112)	15	(97)	32	(65)
	359	(57)	302	133	435

11 DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Deferred tax liabilities	2,127	1,670	435	302

The following temporary differences have not been recognised:

	Group	
	2013 $'000	2012 $'000
Tax losses	1,643	1,536

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

12 TRADE AND OTHER PAYABLES

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Trade payables	20,780	24,775	3,053	4,343
Accrued operating expenses	37,566	30,355	10,610	8,494
Amounts due to subsidiaries:				
- trade	–	–	76,591	72,553
- non-trade	–	–	6,234	7,821
Deferred income	681	77	–	–
Deposits received	4,182	3,571	–	–
Other payables	9,455	7,540	2,342	1,161
	72,664	66,318	98,830	94,372

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 15.

13 INSURANCE CONTRACT PROVISIONS

Analysis of movements in insurance contract provisions

	Group					
	<------------- 2013 ------------->			<------------- 2012 ------------->		
	Gross $'000	Reinsurers' share $'000	Net $'000	Gross $'000	Reinsurers' share $'000	Net $'000
At 1 January	11,279	(5,117)	6,162	9,400	(4,381)	5,019
Provision made	42,572	(21,425)	21,147	23,475	(7,693)	15,782
Provision used	(27,343)	9,734	(17,609)	(21,596)	6,957	(14,639)
At 31 December	26,508	(16,808)	9,700	11,279	(5,117)	6,162

The Group commenced its underwriting activities from 1 January 2005. Accordingly, the Group's policy liabilities related to those risks written from 1 January 2005 and the Group is not liable for risks prior to this date. Historical data collated by management were used for determining the expected ultimate claims liability. This data was also supplemented by externally available information on industry statistics and trend.

The monitoring and evaluation of claim is actively pursued with processes. This is to ensure the adequacy of the provisions required to meet the obligations of the Group's future liabilities. An external actuary performs regularly a valuation of the policy liabilities in accordance with the Monetary Authority of Singapore's regulations. The adequacy of the estimated policy liabilities are verified by the actuary.

Source of estimation uncertainty

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, future claims experience might deviate, possibly materially from the projections. Among other reasons, this is because the ultimate claim amount will be affected by future external events, for example, changes in the interpretation of policy conditions and the attitudes of claimants towards settlement of their claims.

14 INTEREST-BEARING LIABILITIES

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 15.

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Current liabilities				
Unsecured bank loans	4,755	19,747	4,755	3,747

14 INTEREST-BEARING LIABILITIES (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Effective interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
2013					
Fixed rate loan	HK$	1.04	2014	4,755	4,755
2012					
Floating rate loan	S$	0.92	2013	16,000	16,000
Fixed rate loan	HK$	0.83	2013	3,747	3,747
				19,747	19,747
Company					
2013					
Fixed rate loan	HK$	1.04	2014	4,755	4,755
2012					
Fixed rate loan	HK$	0.83	2013	3,747	3,747

15 FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board through the Audit Committee is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group. Management together with Audit Committee set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

15 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk

The Group has a credit policy in place which establishes credit limit for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on customers requiring credit over certain amount. The credit quality of customers is assessed after taking into account its financial position and past experience with the customers.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held.

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Trade and other receivables (excluding prepayments)	42,565	36,382	16,090	65,617
Cash and cash equivalents	265,907	102,482	220,046	77,223
Recognised financial assets	308,472	138,864	236,136	142,840

15 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses

The ageing of trade and other receivables (excluding prepayments) at the reporting date is:

	Gross 2013 $'000	Impairment losses 2013 $'000	Gross 2012 $'000	Impairment losses 2012 $'000
Group				
No credit terms	9,336	–	5,724	–
Not past due	10,131	–	8,821	37
Past due 0 – 30 days	9,280	–	9,282	57
Past due 31 – 365 days	16,410	2,596	14,214	2,457
More than one year	300	296	1,019	127
	45,457	2,892	39,060	2,678
Company				
No credit terms	4,984	2,100	54,029	2,100
Not past due	4,276	–	4,016	–
Past due 0 – 30 days	3,672	–	3,366	–
Past due 31 – 365 days	5,655	397	5,839	400
More than one year	–	–	867	–
	18,587	2,497	68,117	2,500

The change in impairment loss in respect of trade and other receivables during the year is as follows:

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At 1 January	2,678	2,850	2,500	2,505
Impairment loss recognised	707	649	463	546
Impairment loss utilised	(493)	(821)	(466)	(551)
At 31 December	2,892	2,678	2,497	2,500

The Group and the Company believes that the unimpaired amounts that are past due are still collectible in full, based on historic payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

Based on the Group's monitoring of customer credit risk, the Group believes that apart from the above, no impairment allowance is necessary in respect of trade receivables.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

15 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000
Group			
31 December 2013			
Non-derivative financial liabilities			
HK$ fixed rate loan	4,755	(4,759)	(4,759)
Trade and other payables*	71,983	(71,983)	(71,983)
	76,738	(76,742)	(76,742)
31 December 2012			
Non-derivative financial liabilities			
S$ floating rate loan	16,000	(16,016)	(16,016)
HK$ fixed rate loan	3,747	(3,750)	(3,750)
Trade and other payables*	66,241	(66,241)	(66,241)
	85,988	(86,007)	(86,007)
Company			
31 December 2013			
Non-derivative financial liabilities			
HK$ fixed rate loan	4,755	(4,759)	(4,759)
Trade and other payables	98,830	(98,830)	(98,830)
	103,585	(103,589)	(103,589)
31 December 2012			
Non-derivative financial liabilities			
HK$ fixed rate loan	3,747	(3,750)	(3,750)
Trade and other payables	94,372	(94,372)	(94,372)
	98,119	(98,122)	(98,122)

* Excludes deferred income

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

In respect of other monetary assets and liabilities held in currencies other than the Singapore dollars, the Group ensures that the net exposure to currency fluctuation is kept to an acceptable level. The Group does not have significant currency risks.

15 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates at the reporting date would have (decreased)/increased profit before tax by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

Group	Profit before tax 50 bp increase $'000	 50 bp decrease $'000
31 December 2013		
Variable rate instruments	–	–
31 December 2012		
Variable rate instruments	(80)	80

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on equity, which the Group defines as net income divided by total shareholders' equity excluding non-controlling interest. The Board also monitors the levels of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group has a scrip dividend scheme to provide an opportunity for ordinary shareholders to make an election to receive dividends in the form of shares, credited as fully paid up instead of cash. It will enable ordinary shareholders to participate in the equity capital of the Group without incurring brokerage fees, stamp duty and other related costs. The Group will also benefit from the participation by ordinary shareholders in the scheme as, to the extent that ordinary shareholders elect to receive dividend in the form of shares, the cash which would otherwise be payable by way of cash dividends may be retained to fund the growth and expansion of the Group. The issue of shares in lieu of cash dividends under the scheme will also enlarge the Group's share capital base and the retention of cash will strengthen its working capital position.

The Group has a defined share buy-back plan to purchase its own shares on the market; the timing of these purchases depends on market prices.

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for Raffles Health Insurance Pte Ltd which is required to comply with applicable insurance regulations.

15 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Loans and receivables $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
Group				
31 December 2013				
Trade and other receivables #	42,565	–	42,565	42,565
Cash and cash equivalents	265,907	–	265,907	265,907
	308,472	–	308,472	308,472
Trade and other payables*	–	71,983	71,983	71,983
Interest-bearing liabilities	–	4,755	4,755	4,755
	–	76,738	76,738	76,738
31 December 2012				
Trade and other receivables #	36,382	–	36,382	36,382
Cash and cash equivalents	102,482	–	102,482	102,482
	138,864	–	138,864	138,864
Trade and other payables*	–	66,241	66,241	66,241
Interest-bearing liabilities	–	19,747	19,747	19,747
	–	85,988	85,988	85,988
Company				
31 December 2013				
Trade and other receivables #	16,090	–	16,090	16,090
Cash and cash equivalents	220,046	–	220,046	220,046
	236,136	–	236,136	236,136
Trade and other payables	–	98,830	98,830	98,830
Interest-bearing liabilities	–	4,755	4,755	4,755
	–	103,585	103,585	103,585
31 December 2012				
Trade and other receivables #	65,617	–	65,617	65,617
Cash and cash equivalents	77,223	–	77,223	77,223
	142,840	–	142,840	142,840
Trade and other payables	–	94,372	94,372	94,372
Interest-bearing liabilities	–	3,747	3,747	3,747
	–	98,119	98,119	98,119

\# Excludes prepayments
* Excludes deferred income

16 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

Group	2013 $'000	2012 $'000
Allowance for doubtful receivables	707	649
Change in fair value in investment properties	(3,900)	(3,938)
Contributions to defined contribution plans, included in staff costs	7,583	8,507
Gain on disposal of a subsidiary	(20,388)	–
Gain on disposal of property, plant and equipment	(43)	(88)
Loss on disposal of property, plant and equipment	2	–
Interest expense		
- bank loans	49	235
Interest income	(960)	(465)
Audit fees paid to:		
- auditors of the Company	123	113
- other auditors	11	11
Non-audit fees paid:		
- auditors of the Company	124	10
- other auditors	10	10
Property, plant and equipment written-off	102	102
Value of employee services received for issue of share options, included in staff costs	2,946	2,236
Impairment of intangible assets	–	152

17 TAX EXPENSE

Group	2013 $'000	2012 $'000
Tax recognised in profit or loss		
Current tax expense		
Current year	10,469	9,536
Overprovided in prior years	(983)	(251)
	9,486	9,285
Deferred tax expense		
Movements in temporary differences	457	35
Underprovided in prior years	–	56
	457	91
Tax expense	9,943	9,376

17 TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

Group	2013 $'000	2012 $'000
Profit before tax	95,238	66,585
Tax using the Singapore tax rate of 17% (2012: 17%)	16,190	11,319
Non-deductible expenses	1,217	953
Tax exempt income	(4,363)	(938)
Tax incentives	(2,225)	(1,914)
Tax effect of unrecognised tax losses	54	151
Overprovided in prior years	(983)	(195)
Others	53	–
	9,943	9,376

18 DISPOSAL OF A SUBSIDIARY

On 31 October 2013, the Group disposed a wholly owned subsidiary, Raffles Medical Management Pte Ltd (now known as Orchard Investment Holdings Pte Ltd) for net proceeds of $119,232,000 after deducting costs incurred upon disposal. As a result, the Group recognised a gain on disposal of $20,388,000.

Identifiable assets and liabilities disposed:

	Note	$'000
Freehold investment property	6	98,922
Trade and other receivables		102
Trade and other payables		(180)
Net identifiable assets disposed		98,844
Gain on disposal		20,388
Cash inflow from disposal		119,232

19 EARNINGS PER SHARE

Group	2013 $'000	2012 $'000
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	84,892	56,849

Group	No. of shares ('000)	No. of shares ('000)
Issued ordinary shares at beginning of the year	544,817	534,333
Effect of scrip dividend shares issued	2,540	3,000
Effect of share options exercised	2,771	2,540
Weighted average number of ordinary shares	550,128	539,873

19 EARNINGS PER SHARE (CONT'D)

Group	2013 $'000	2012 $'000
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	84,892	56,849

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options, with the potential ordinary shares weighted for the period outstanding.

The effect of the exercise of share options on the weighted average number of ordinary shares in issue is as follows:

Group	2013 No. of shares ('000)	2012 No. of shares ('000)
Weighted average number of ordinary share (basic)	550,128	539,873
Potential ordinary shares issuable under share options	6,778	5,533
Weighted average number of ordinary shares (diluted) during the year	556,906	545,406

20 OPERATING SEGMENTS

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chairman reviews internal management reports regularly. The following summary describes the operations in each of the Group's reportable segments:

Healthcare services	:	The operations of medical clinics and other general medical services; provision of health insurance, trading in pharmaceutical and nutraceutical products and diagnostic equipment, and provision of management and consultancy services.
Hospital services	:	The provision of specialised medical services and operation of hospital and business of medical laboratory and imaging centre.
Investment holdings	:	Investment holding.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chairman. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities operating within these businesses.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise deferred and current tax liabilities and assets.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Notes To The Financial Statements (cont'd)

Year ended 31 December 2013

20 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Healthcare services		Hospital services		Investment holdings		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Revenue and expenses								
External revenue	124,481	117,186	231,302	205,753	10,285	11,045	366,068	333,984
Inter-segment revenue	1,657	2,542	14,758	11,411	8,664	8,398	25,079	22,351
Finance expenses	(34)	(37)	–	–	(15)	(198)	(49)	(235)
Depreciation of property, plant and equipment	(2,286)	(2,026)	(3,332)	(3,249)	(177)	(158)	(5,795)	(5,433)
Impairment of intangible assets	–	(152)	–	–	–	–	–	(152)
Reportable segment profit before tax	10,603	10,240	56,829	47,720	9,891	11,095	77,323	69,055
Reportable segment assets	511,212	426,775	120,329	103,829	245,831	339,521	877,372	870,125
Capital expenditure	3,141	3,972	4,245	5,465	1,722	1,500	9,108	10,937
Reportable segment liabilities	132,593	120,658	54,086	49,679	203,383	299,924	390,062	470,261

20 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2013 $'000	2012 $'000
Revenues		
Total revenue for reportable segments	366,068	333,984
Elimination of inter-segment revenue	(25,079)	(22,351)
Consolidated revenue	340,989	311,633
Profit or loss		
Total profit for reportable segments	77,323	69,055
Adjustment for depreciation of property, plant and equipment	(2,473)	(2,470)
Gain on disposal of a subsidiary	20,388	–
Consolidated profit before tax	95,238	66,585
Assets		
Total assets for reportable segments	877,372	870,125
Elimination of inter-segment assets	(303,937)	(375,480)
Consolidated total assets	573,435	494,645
Liabilities		
Total liabilities for reportable segments	390,062	470,261
Elimination of inter-segment liabilities	(302,943)	(378,034)
Unallocated amounts-current tax and deferred tax liabilities	12,523	13,002
Consolidated total liabilities	99,642	105,229

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2013			
Depreciation of property, plant and equipment	5,795	2,473	8,268
2012			
Depreciation of property, plant and equipment	5,433	2,470	7,903

The hospital building at North Bridge Road is owned by a subsidiary and classified as Investment Property in the subsidiary's standalone financial statements. In accordance with the Group's accounting policies, investment property is measured at fair value and not depreciated.

For the preparation of the consolidated financial statements, the hospital building is reclassified from Investment Property to Property, Plant and Equipment as the building is used in the supply of hospital services by the Group. Accordingly, the carrying value of the hospital building is depreciated over its useful life in the consolidated financial statements of the Group.

The amount of $2,473,000 (2012: $2,470,000) relates to the depreciation of the hospital building for the year ended 31 December 2013.

20 OPERATING SEGMENTS (CONT'D)

Geographical segments

With respect to the presentation of geographical segment information, the Group's segments are mainly managed and operating in Singapore. Accordingly, the Group does not consider it meaningful to allocate revenues, assets and capital expenditure to specific geographical segments.

Major customer

There is no customer within the segments that represents more than 10% of the Group's revenue.

21 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

22 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2013 **$'000**	**2012** **$'000**	**2013** **$'000**	**2012** **$'000**
Within 1 year	6,896	6,284	5,378	5,442
Between 1 and 5 years	8,480	9,387	5,762	8,106
	15,376	15,671	11,140	13,548

The leases typically run for an initial period of 3-6 years, with an option to renew the lease after that date. For renewed leases, the lease payments are determined based on the prevailing market rent at the point of renewal.

Leases as lessor

The Group leases and sub-leases out its investment properties. The future minimum lease and sub-lease income receivables under non-cancellable leases are as follows:

Group	**2013** **$'000**	**2012** **$'000**
Within 1 year	2,718	3,592
Between 1 and 5 years	3,498	4,436
	6,216	8,028

During the year, $3,314,000 was recognised as rental income pertaining to investment properties held by the Group (2012: $4,927,000). Direct expenses in relation to this rental income were as follows:

Group	**2013** **$'000**	**2012** **$'000**
Income-generating property	153	787
Vacant property	–	239

23 CAPITAL COMMITMENTS

At 31 December 2013, capital commitments contracted but not provided for by the Group in the financial statements amounted to $50,543,000 (2012: $2,304,000). This relates to property development expenditure on Taman Warna and Raffles Hospital extension.

24 RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Transactions with key management personnel

Key management personnel participate in the Employee Share Option Scheme. 1,050,000 (2012: 970,000) share options were granted to the key management personnel of the Company during the year. The share options that were granted during the year were on the same terms and conditions as those offered to other employees of the Company as described in note 10. At the reporting date, 2,678,000 (2012: 2,587,000) of the share options granted to the directors of the Company were outstanding.

25 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation comprised:

Group	2013 $'000	2012 $'000
Directors' remuneration included in staff costs	13,544	9,333
Directors' fees	306	235
Share-based benefits	492	392
	14,342	9,960

26 SUBSIDIARIES

Company	2013 $'000	2012 $'000
Investments in subsidiaries	38,555	31,997
Amounts due from subsidiaries (mainly non-trade)	203,029	231,073
	241,584	263,070

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The management of the Company does not intend for the amounts to be repaid within the next twelve months.

26 SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2013 %	Effective equity interest held by the Group 2012 %
[1]Raffles Hospital Pte Ltd	Provision of general and specialised medical services and operation of a hospital	Singapore	100	100
[1]Raffles Diagnostica Pte Ltd	Operation of medical laboratory and imaging centre	Singapore	100	100
[1]Raffles Medical Properties Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
[1]Raffles Hospital Properties Pte Ltd	Property owner	Singapore	100	100
[2]Raffles International Medical Assistance Pte Ltd	Provision of medical evacuation and repatriation and provision of medical advisory services (currently inactive)	Singapore	100	100
[6]Raffles Medical Management Pte Ltd (now known as Orchard Investment Holdings Pte Ltd)	Property owner	Singapore	–	100[1]
[2]Raffles SurgiCentre Pte Ltd	Provision of general and specialised medical services and operation of a hospital (dormant)	Singapore	100	100
[1]Raffles Japanese Clinic Pte Ltd	Operation of medical clinics and provision of medical services	Singapore	80	80
[1]Raffles Health Pte Ltd	Trading in pharmaceutical and nutraceutical products and diagnostic equipment	Singapore	100	100
[1]Aptitude (2003) Pte Ltd	Provision of advisory and consultancy services and developing IT solutions	Singapore	100	100

26 SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows: (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2013 %	2012 %
[1]Raffles Medical International Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100
[4]Raffles Medical Group (Hong Kong) Limited and its subsidiaries:	Investment holding and provision of medical and dental services	Hong Kong	100	100
[4]Coors Consultants Limited	Provision of consultancy services	Hong Kong	100	100
[4]Medical Properties Co. Limited	Investment holding, provision of medical services and hospital operation	Hong Kong	100	100
[5]Renguang Management Consultancy (Shanghai) Co. Ltd	Management consultancy	China	100	100
[1]Raffles Health Insurance Pte Ltd (formerly known as International Medical Insurers Pte Ltd)	Provision of health and related insurance	Singapore	100	100
[2]PT Raffles Medika Indonesia	Provision of hospital and healthcare management and consultancy services	Indonesia	100[3]	100[3]
[1]Raffles Chinese Medicine Pte Ltd	Provision of general medical services, acupuncture and acupressure	Singapore	100	100
[1]Raffles Medical China Pte Ltd (formerly known as Raffles Korean Clinic Pte Ltd) and its subsidiaries	Investment holding and provision of medical services and hospital operation	Singapore	100	100
[2]Shenzhen Investments Pte Ltd	Investment holding (dormant)	Singapore	100	–
[2]Shanghai Capital Pte Ltd	Investment holding (dormant)	Singapore	100	–
[1]RMG Capital Pte Ltd and its subsidiary:	Investment holding (dormant)	Singapore	100	100
[1]Asian Healthcare Capital Management Pte Ltd	Property owner	Singapore	100	100
[2]International Medical Investment Co., Ltd	Investment holding (dormant)	British Virgin Islands	100	100

26 SUBSIDIARIES (CONT'D)

[1] Audited by KPMG LLP, Singapore
[2] Not required to be audited
[3] Shares of this subsidiary are partially held in trust by a director and an employee of the subsidiary
[4] Audited by Lawrence Cheung C.P.A. Company Limited., Hong Kong
[5] Audited by Shanghai Deking Certified Public Accountants Co., Ltd
[6] Wholly owned subsidiary, which has been disposed to a third party (see note 18)

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

27 DIVIDENDS

After the respective reporting dates, the directors proposed a one-tier tax exempt final dividend of 4.0 cents (2012: 3.5 cents) per share amounting approximately to $22,154,000 (2012: $19,069,000), which is based on the number of shares outstanding as at the end of the financial year. The dividends have not been provided for and there is no income tax consequences.

28 SUBSEQUENT EVENTS

On 14 January 2014, the Group completed the acquisition of the property at 100 Taman Warna for a total purchase consideration of $54.8 million upon fulfilment and satisfaction of all the terms of the sale and purchase agreement entered into with DBS Bank Ltd on 13 December 2013.

On 21 January 2014, the Group had agreed to acquire from the Singapore Land Authority a land site adjacent to Raffles Hospital for a purchase consideration of $105.2 million.

Shareholdings Statistics

As at 11 March 2014

Class of shares - Ordinary shares
Voting rights - 1 vote per ordinary share

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 11 March 2014, approximately 39.9% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	648	10.02	170,947	0.03
1,000 - 10,000	4,642	71.76	15,877,935	2.86
10,001 - 1,000,000	1,159	17.91	45,754,807	8.25
1,000,001 and above	20	0.31	492,759,173	88.86
	6,469	100.00	554,562,862	100.00

TWENTY LARGEST SHAREHOLDERS
As shown in the Register of Members and Depository Register

No.	Name of Shareholder	No. of Shares	%
1	Raffles Medical Holdings Pte Ltd	189,489,815	34.17
2	Loo Choon Yong	55,790,298	10.06
3	DBS Nominees Pte Ltd	45,363,978	8.18
4	BNP Paribas Securities Services	33,093,437	5.97
5	Citibank Nominees Singapore Pte Ltd	32,525,805	5.87
6	DBSN Services Pte Ltd	30,115,187	5.43
7	Raffles Nominees (Pte) Ltd	23,166,423	4.18
8	HSBC (Singapore) Nominees Pte Ltd	22,852,966	4.12
9	S & D Holdings Pte Ltd	18,283,386	3.30
10	United Overseas Bank Nominees Pte Ltd	13,617,486	2.46
11	UOB Nominees (2006) Pte Ltd	8,093,023	1.46
12	Asian Medical Foundation Ltd	4,311,015	0.78
13	Tan Tiang Lee	4,222,685	0.76
14	Yang Ching Yu	2,967,712	0.54
15	Yii Hee Seng	2,592,598	0.47
16	Morgan Stanley Asia (S) Securities Pte Ltd	1,671,981	0.30
17	OCBC Nominees Singapore Pte Ltd	1,301,190	0.23
18	Tan Soo Nan	1,277,686	0.23
19	Wee Beng Geok	1,021,000	0.18
20	Low Keok Giap	1,001,502	0.18
		492,759,173	88.86

The Company does not have any treasury shares.

Shareholdings Statistics (cont'd)

As at 11 March 2014

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%	Total Interest	%
Dr Loo Choon Yong[1]	55,909,762	10.08	233,509,896	42.11	289,419,658	52.19
Raffles Medical Holdings Pte Ltd	214,723,511	38.72	–	–	214,723,511	38.72
Aberdeen Asset Management PLC[2]	–	–	41,214,356	7.43	41,214,356	7.43
Aberdeen Asset Management Asia Limited[3]	–	–	38,002,356	6.85	38,002,356	6.85

Note:

1 *Dr Loo Choon Yong is deemed to be interested in an aggregate of 233,509,896 shares held through Raffles Medical Holdings Pte Ltd in which he is a director and shareholder of, S & D Holdings Pte Ltd in which he is a director and shareholder of, and his spouse, Mdm Leong Lai Chee.*

2 *Aberdeen Asset Management PLC is deemed to be interested in an aggregate of 41,214,356 shares held by various accounts managed or advised by its subsidiaries over which its subsidiaries have disposal and voting rights.*

3 *Aberdeen Asset Management Asia Limited (AAMAL) is deemed to be interested in an aggregate of 38,002,356 shares held by various accounts managed or advised by AAMAL over which AAMAL has disposal and voting rights.*

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting (AGM) of Raffles Medical Group Ltd (the Company) will be held at 100 Victoria Street, #05-01, Possibility Room, National Library Building, Singapore 188064, on Wednesday, 23 April 2014 at 11.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as Ordinary Resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, Audited Financial Statements for the year ended 31 December 2013 and the Auditors' Report thereon. **[Resolution 1]**

2. To declare a one-tier tax exempt final dividend of 4.0 Singapore cents per share for the year ended 31 December 2013 in accordance with the Scrip Dividend Scheme (2012: 3.5 Singapore cents per share). **[Resolution 2]**

3. To approve Directors' Fees ($253,000) for the year ended 31 December 2013 (2012: $180,000). **[Resolution 3]**

4. To re-elect Professor Lim Pin, a Director retiring in accordance with Section 153(6) of the Singapore Companies Act, to hold office from the date of this AGM until the next AGM. **[Resolution 4]**

5. To re-elect Mr Raymond Lim Siang Keat, who is retiring in accordance with Article 92 of the Articles of Association of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 5]**

6. To re-elect Mr Koh Poh Tiong, who is retiring by rotation in accordance with Article 93 of the Articles of Association of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 6]**

7. To re-elect Mr Kee Teck Koon, who is retiring by rotation in accordance with Article 93 of the Articles of Association of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 7]**

8. To re-elect Dr Loo Choon Yong, who is retiring by rotation in accordance with Article 93 of the Articles of Association of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 8]**

9. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 9]**

10. To transact any other business which may be properly transacted at an AGM. **[Resolution 10]**

AS SPECIAL BUSINESS

11. Authority to Allot and Issue Shares

That pursuant to Section 161 of the Singapore Companies Act, Chapter 50, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST), authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares and convertible securities in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, Instruments) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares and convertible securities in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

AS SPECIAL BUSINESS (CONT'D)

11. Authority to Allot and Issue Shares (cont'd)

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which are outstanding or subsisting at the time this Resolution is passed; and

(iii) any subsequent bonus issue or consolidation or sub-division of shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. **[Resolution 11]**

12. Authority to Allot and Issue Shares Under the Raffles Medical Group Share Option Scheme

That pursuant to Section 161 of the Singapore Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Raffles Medical Group Share Option Scheme (the Scheme) and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of such options under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time. **[Resolution 12]**

13. The Proposed Renewal of Share Buy Back Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Singapore Companies Act, Chapter 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (Shares) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) an on-market Share Buy Back (On-Market Share Buy Back), transacted on the SGX-ST through the ready market or the special trading counter on SGX-ST trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

Notice Of Annual General Meeting (cont'd)

AS SPECIAL BUSINESS (CONT'D)

13. The Proposed Renewal of Share Buy Back Mandate (cont'd)

(ii) off-market purchase(s) (Off-Market Equal Access Share Buy Back) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchanges as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the Share Buy Back Mandate);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held; or

(ii) the date by which the next AGM of the Company is required by law to be held;

(c) in this Resolution:

"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the On-Market Share Buy Back by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Equal Access Share Buy Back, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"Date of the Making of the Offer" means the date on which the Company announces its intention to make an offer for an Off-Market Equal Access Share Buy Back, stating the purchase price (which shall not be more than 5% above the Average Closing Price of the Shares, excluding related expenses of the purchase or acquisition) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Equal Access Share Buy Back;

"Maximum Percentage" means that the number of issued Shares representing 10% of the issued Shares of the Company as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, more than 5% of the Average Closing Price (as defined above) of the Shares;

(ii) and in the case of an off-market purchase of a Share, more than 5% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. **[Resolution 13]**

14. Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme

That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares as may be required to be allotted and issued pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme. **[Resolution 14]**

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary

Singapore, 8 April 2014

Notice Of Annual General Meeting (cont'd)

Explanatory Notes:

Ordinary Resolution 2 above, if passed, will give the members the option to participate in a Scrip Dividend Scheme to receive New Shares in lieu of part or all of the cash amount of the said dividend pursuant to the terms and conditions as set out in the Scrip Dividend Scheme Statement duly approved by Shareholders at the Extraordinary General Meeting of the Company held on 30 April 2010.

Ordinary Resolution 3 above, if passed, is to seek approval for the payment of $253,000 to all Directors as Directors' Fees for the financial year ended 31 December 2013.

In relation to Ordinary Resolution 4 above, Professor Lim Pin(1) is considered an Independent Director and will, upon re-election, continue to serve as a member of the Nomination & Compensation Committee.

In relation to Ordinary Resolution 5 above, Mr Raymond Lim Siang Keat(1) is considered an Independent Director and will, upon re-election, continue to serve as a member of the Audit Committee.

In relation to Ordinary Resolution 6 above, Mr Koh Poh Tiong(1) is considered an Independent Director and will, upon re-election, continue to serve as the Lead Independent Director and a member of the Audit Committee and the Nomination & Compensation Committee.

In relation to Ordinary Resolution 7 above, Mr Kee Teck Koon(1) will, upon re-election, remain the Chairman of the Audit Committee. He is considered an Independent Director.

In relation to Ordinary Resolution 8 above, Dr Loo Choon Yong will, upon re-election, continue to serve as a member of the Nomination & Compensation Committee. He is the Executive Chairman of the Company and is considered a Non-Independent Director.

Ordinary Resolution 11 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting to allot and issue shares and convertible securities in the Company up to an amount not exceeding in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, for the time being for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders pursuant to this Resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company, for the time being.

Ordinary Resolution 12 above, if passed, will empower the Directors to issue shares in the capital of the Company pursuant to the exercise of the options under the Raffles Medical Group Share Option Scheme provided that the aggregate number of shares to be issued does not exceed 15% of the total number of shares issued by Company at any time.

Ordinary Resolution 13 above, if passed, will renew the Share Buy Back Mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution. Further details are set out in the letter to shareholders which is enclosed with the Company's Annual Report.

Ordinary Resolution 14 above, if passed, will empower the Directors of the Company to issue ordinary shares pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme (Scheme) to members who have elected to receive scrip in lieu of cash in respect of any dividend to which the Scheme is applied.

Notes:

(1) The Directors, Professor Lim Pin, Mr Raymond Lim Siang Keat, Mr Koh Poh Tiong and Mr Kee Teck Koon are considered by the Board, taking into account the views of the Nomination & Compensation Committee, to be Independent Directors.

(2) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

(3) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 585, North Bridge Road, Raffles Hospital, #11-00, Singapore 188770, not less than 48 hours before the time fixed for holding the Meeting.

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Raffles Medical Group

(Incorporated in the Republic of Singapore)
(Company Registration No. 198901967K)

Proxy Form

IMPORTANT
1. For investors who have used their CPF monies to buy Raffles Medical Group Ltd shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominee and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ____

of ____

being a member/members of Raffles Medical Group Ltd (the Company) hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

And/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, and if necessary, to demand a poll at the Annual General Meeting of the Company to be held on Wednesday, 23 April 2014 at 11.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	RESOLUTIONS	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
ORDINARY BUSINESS					
1.	Adoption of Directors' Report, Audited Financial Statements and Auditors' Report				
2.	Declaration of Final Dividends				
3.	Approval of Directors' Fees				
4.	Re-election of Professor Lim Pin retiring under Section 153 (6) of the Companies Act				
5.	Re-election of Mr Raymond Lim Siang Keat, who is retiring in accordance with Article 92 of the Articles of Association of the Company				
6.	Re-election of Mr Koh Poh Tiong, who is retiring by rotation in accordance with Article 93 of the Articles of Association of the Company				
7.	Re-election of Mr Kee Teck Koon, who is retiring by rotation in accordance with Article 93 of the Articles of Association of the Company				
8.	Re-election of Dr Loo Choon Yong, who is retiring by rotation in accordance with Article 93 of the Articles of Association of the Company				
9.	Re-appointment of KPMG LLP as Auditors				
10.	Transact Any Other Business				
SPECIAL BUSINESS					
11.	Authority to Allot and Issue Shares				
12.	Authority to Allot and Issue Shares Under the Raffles Medical Group Share Option Scheme				
13.	The Proposed Renewal of Share Buy Back Mandate				
14.	Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme				

* Please indicate how you wish to vote "For" or "Against" with an "X" within the box provided.
** If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes placed accordingly.

Dated this ____________ day of ______________________ 2014

Total Number of Shares Held	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold this Flap For Sealing

Affix
Stamp
Here
Please

The Company Secretary
Raffles Medical Group Ltd
585 North Bridge Road
#11-00 Raffles Hospital
Singapore 188770

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Notes:

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. Such proxy need not be a member of the Company. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the registered office of the Company at 585 North Bridge Road, Raffles Hospital, #11-00, Singapore 188770, not less than 48 hours before the time fixed for the Annual General Meeting.

A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the 25th Annual General Meeting, in accordance with Section 161 of the Companies Act, Chapter 50 of Singapore.

Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members.

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited (CDP) to the Company.

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RafflesMedicalGroup

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