



# Emerging **Stronger** Together

ANNUAL REPORT 2020





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the Singapore Exchange Securities  
Trading Limited (SGX-ST)



# Our Vision

Your **Trusted Partner**  
for Health

# 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.

## COMMITMENT

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

## 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.

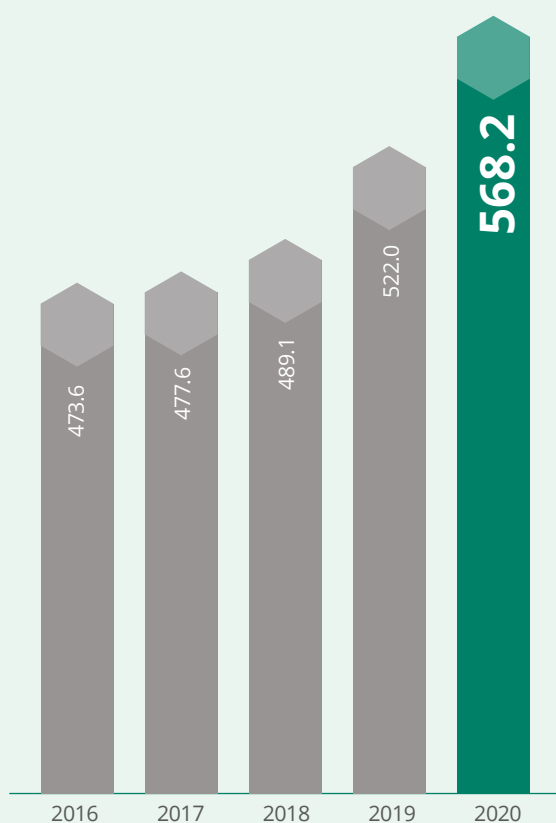
## VALUE

We seek always to create and deliver value for you.

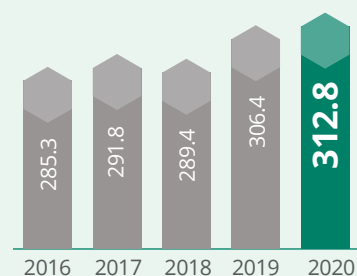
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**Group Revenue (\$ MILLION)****568.2m****↑ 8.8%**

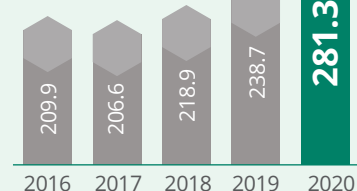
Group achieved 8.8% growth in revenue to \$568.2m

**HOSPITAL SERVICES DIVISION****312.8m****↑ 2.1%**

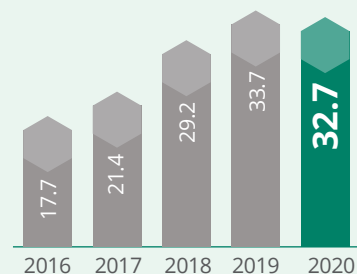
Revenue from Hospital Services Division increased by 2.1% to \$312.8m

**HEALTHCARE SERVICES DIVISION****281.3m****↑ 17.8%**

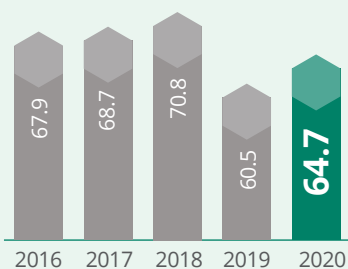
Revenue from Healthcare Services Division grew by 17.8% to \$281.3m

**INVESTMENT HOLDINGS DIVISION****32.7m****↓ 2.9%**

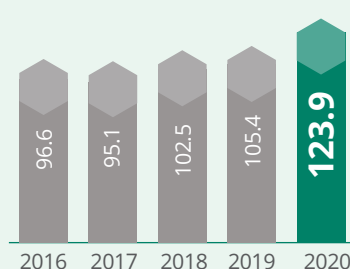
Revenue from Investment Holdings Division decreased by 2.9% to \$32.7m

**PAT (\$ MILLION)****64.7m****↑ 6.9%**

Profit after tax (PAT) increased by 6.9% to \$64.7m

**EBITDA (\$ MILLION)****123.9m****↑ 17.6%**

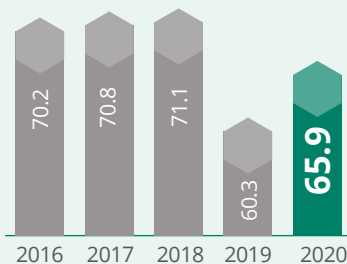
Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 17.6% to \$123.9m



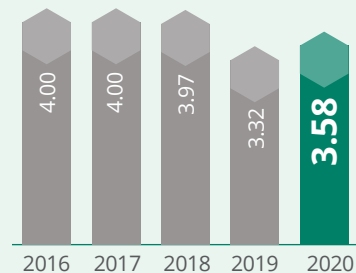
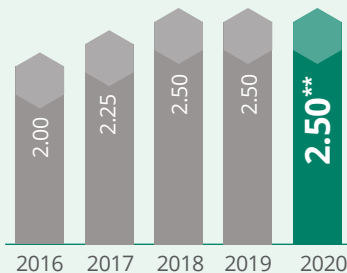


**PATMI (\$ MILLION)****65.9m****↑ 9.3%**

Profit after tax and minority interest (PATMI) increased by 9.3% to \$65.9m

**Earnings Per Share\* (Cents)****3.58****↑ 7.8%**

Earnings per share grew 7.8% to 3.58 cents

**Dividend Per Share (Cents)****2.50****Revenue Contributed by Segment****50%**

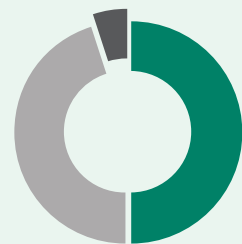
Hospital Services

**45%**

Healthcare Services

**5%**

Investment Holdings

**Financial Summary**

	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000
Revenue	473,608	477,583	489,135	522,038	<b>568,203</b>
EBITDA	96,611	95,078	102,508	105,428	<b>123,937</b>
Operating Profit	81,946	80,086	84,235	76,168	<b>88,442</b>
Profit Before Tax	82,930	80,818	84,134	75,924	<b>84,439</b>
PATMI	70,210	70,779	71,056	60,273	<b>65,891</b>
Profit After Tax	67,946	68,661	70,803	60,522	<b>64,670</b>
Diluted Earnings per Share* (cents)	4.00	4.00	3.97	3.32	<b>3.58</b>
Net Asset Value per Share* (cents)	38.12	41.45	44.54	46.00	<b>48.22</b>
Dividend per Share* (cents)	2.00	2.25	2.50	2.50	<b>2.50**</b>
Return on Equity (%)	10.5	9.6	8.9	7.2	<b>7.3</b>

\* Adjusted for share split in May 2016 (3 for 1)

\*\* Final dividend of 2.0 cents is subject to approval by shareholders at the Annual General Meeting in 2021.





## Up-close with COVID-19

Our frontline healthcare workers remain undaunted in their resolve to care for and serve those infected, whilst continuing to do their utmost to prevent the spread of infections, even at the peak of the pandemic.

From setting up and operating a comprehensive health surveillance system at our air borders, to caring for thousands of migrant workers and recovering patients at the community care and recovery facilities — our Raffles Spirit had proven to be resilient and indomitable, especially in times of crisis.

We continue to stand in solidarity with Singapore and the world against COVID-19 and believe that we will emerge stronger together.





Dear Shareholders

2020, the year of the COVID-19 pandemic will long be remembered for the affliction of more than 112 million persons globally with more than 2.49 million lives lost<sup>1</sup>. There continues to be widespread disruption to international travel and supply chain. Many businesses were destroyed within months. Mental health struggles, breakdown of relationships, divorces, domestic violence and suicides are all on the rise.

Fortunately in every dark cloud, we witness some silver linings. Healthcare frontline workers exposed themselves to the dangers of COVID-19 to care for and serve those infected and nurse them back to health. Other people extended their hands, helping the elderly, the underprivileged, and the weak and together, helped them pull through this global calamity.

Our government provided the leadership to galvanise our people to battle the pandemic together. Reserves were mobilised to keep people in jobs or reskill them for future jobs. As a society, we have gone through the worst days of COVID-19 and we will emerge stronger together.

#### THE RAFFLES SPIRIT

Through this crisis, our physicians, nurses, healthcare managers and supporting staff joined hands and rose to the occasion. They organised themselves to carry out air border temperature screening, swabbing foreign workers and visitors for COVID-19 and started conducting COVID-19 Polymerase Chain Reaction (PCR), antigen and serology tests. At the critical point of the pandemic when foreign workers were afflicted with COVID-19, our staff provided care for them at Community Care and Recovery Facilities. When our staff in Singapore were overworked to exhaustion, we activated the strength of our regional network, bringing back nurses from our hospitals and medical centres overseas, to help us contribute to the national effort to fight against COVID-19.

At Raffles Hospital, we expanded our Emergency Care Collaboration with the Ministry of Health and we were able to care for more acute patients who received good private hospital care, subsidised by the Ministry of Health. In this way, we were able to provide some relief to the government hospitals to concentrate on caring for and saving those with serious COVID-19 illnesses.

<sup>1</sup> Data as at 25 February 2021, source : WHO



As COVID-19 vaccines became available to priority groups in Singapore, we worked with the Ministry of Health to design and construct the first of many vaccination centres. In five days we set up the vaccination centre at Changi Terminal 4 for the prioritised vaccinations for workers in the aviation sector. We continue to build more vaccinations centres as mass vaccination got underway. Collectively across our centres we have a capacity to administer more than 10,000 vaccinations each day. Hopefully this rapid vaccination programme will serve to quickly protect our fellow citizens and residents and enable Singapore to open our doors to more visitors and grow our economy again.

Through this pandemic, valuable lessons were learnt by all our staff. We need to keep faith, retain our equilibrium, our unity, and then respond decisively as one unit with agility and innovation. In this way we have managed to survive the worst days of the COVID-19 pandemic.

We are honoured and privileged that we, as a private healthcare organisation, had a chance once again to step forward and serve, contributing towards the fight against COVID-19 here in Singapore and elsewhere in the region.

### CHINA HEALTHCARE

Our operations in China were also affected by the COVID-19 pandemic. But as China recovered, patients began to return to our Hospitals and Medical Centres.

Raffles Hospital Chongqing is now serving markedly more patients than before the COVID-19 pandemic, as it becomes better known and patients are in turn recommending their loved ones and friends to our hospital.

Raffles Hospital Beijing has begun offering 24 hours emergency and inpatient care together with upgraded diagnostic capabilities e.g. mammogram, CT Scan and MRI scan. We will be offering minimally invasive surgery (MIS) in the near future.

Raffles Hospital Shanghai is almost ready and should begin to serve patients sometime in 2021.

We have built up a network of international hospitals and medical centres under our Raffles Hospital brand. Our patients and corporate clients have expressed their appreciation of our presence to serve their needs, as they can rely

“I thank all our staff who have gone beyond the call of duty to serve every patient that comes to us.”

on Raffles Medical Group to look after all their healthcare needs.

### FY 2020 PERFORMANCE

Despite the poor results announced in the first half of 2020, the Group was able to respond swiftly and redeploy our staff. This enabled us to report a revenue growth of 8.8% to \$568.2 million and a PATMI growth of 9.3% to \$65.9 million.

### APPRECIATION

On behalf of the Board of Directors and shareholders, I thank all our staff who have gone beyond the call of duty to serve every patient that comes to us. They have fought relentlessly with a can-do spirit even when challenges appeared insurmountable. Their compassion to serve and determination to overcome have exemplified the spirit of Raffles.

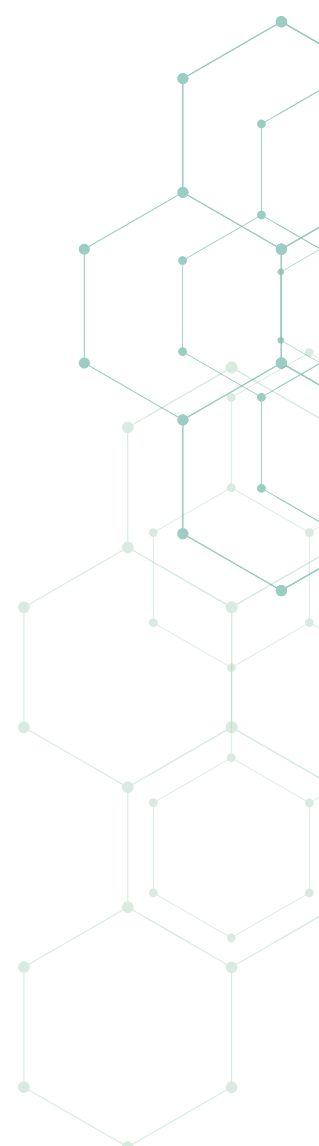
To all our patients and corporate clients, we thank you for trusting us to care for you, your employees and their loved ones. We commit to looking after our patients with compassion, commitment, excellence, team-based care and deliver value to them in accordance to our core values (CCETV).

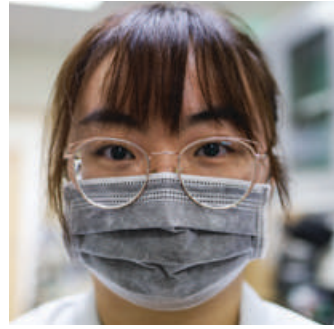
Finally, we would like to express our appreciation to the RMG Board for their guidance, wise counsel and support of our vision and work. In particular, I would like to record our deep appreciation to Prof Lim Pin who retired from the Board in June 2020, for his sterling service and contributions to the Group for the past 19 years. We wish him good health and great success in his endeavours.

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



**Dr Loo Choon Yong**  
Executive Chairman









## Our People Our Pride

Behind every mask, you will find stories of courage and perseverance. As the fight against COVID-19 remains unfinished and normalcy remains elusive, we at Raffles Medical Group continue to soldier on with a single-minded pursuit of victory.

Over the past year, our staff in every capacity continue to serve with dedication and selflessness to maintain the highest standards of care and service towards all our patients and our community.

We take the utmost pride in our people and continue to raise each other up as we get through this extraordinary period of our time.

Information as at 31 December 2020

**Dr Loo Choon Yong** age 71

Executive Chairman and Non-Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor of Medicine and Bachelor of Surgery, University of Singapore
- Diplomate Member, The College of General Practitioners, Singapore
- Diploma in Cardiac Medicine, University of London
- Bachelor of Law (Honours), University of London
- Barrister, Middle Temple

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

16 May 1989

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 June 2020

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

31 years 7 months

**BOARD COMMITTEE(S) SERVED ON**

Nil

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

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

**OTHER MAJOR APPOINTMENTS**

1. Ministry of Foreign Affairs (Non-Resident Ambassador to the Republic of Poland)
2. Asian Medical Foundation Ltd (Chairman)
3. Raffles Health Insurance Pte Ltd (Chairman)
4. International SOS (MC Holdings) Pte Ltd (Chairman)
5. The Free Zones Authority of the State of Qatar (Director)
6. Doctor World Pte Ltd (Director)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil

**Mr Koh Poh Tiong** age 74

Lead Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor of Science, University of Singapore

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

3 October 2011

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 June 2020

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

9 years 2 months

**BOARD COMMITTEE(S) SERVED ON**

- Audit & Risk Committee (Member)
- Nomination & Compensation Committee (Member)

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

1. Raffles Medical Group Ltd (Non-Executive and Lead Independent Director)
2. Fraser & Neave Limited (Non-Executive and Non-Independent Director and Adviser)
3. Delfi Limited (Non-Executive and Independent Director)
4. Bukit Sembawang Estates Limited (Chairman, Non-Executive and Independent Director)
5. Saigon Beer Alcohol Beverage Corporation (Chairman, Non-Executive and Non-Independent Director)

**OTHER MAJOR APPOINTMENTS**

1. Singapore Kindness Movement (Chairman)
2. Times Publishing Limited (Chairman)
3. Great Eastern Life Assurance (Malaysia) Berhad (Independent Director)
4. Great Eastern General Insurance (Malaysia) Berhad (Independent Director)
5. BeerCo Limited (Chairman)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

1. SATS Ltd (Non-Executive and Independent Director)





**Mr Kee Teck Koon** age 64

Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor of Arts, University of Oxford
- Master of Arts in Engineering Science, University of Oxford

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

3 January 2012

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 June 2020

**LENGTH OF SERVICE AS A DIRECTOR**

(AS AT 31 DECEMBER 2020)

8 years 11 months

**BOARD COMMITTEE(S) SERVED ON**

- Audit & Risk Committee (Chairman)

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

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

**OTHER MAJOR APPOINTMENTS**

1. NTUC Enterprise Co-operative Limited (Non-Executive Director and Board Adviser)
2. NTUC Income Insurance Co-operative Limited (Non-Executive Deputy Chairman)
3. Mandai Park Holdings Pte Ltd (Non-Executive Director)
4. NTUC Fairprice Co-operative Limited (Non-Executive Director)
5. Changi Airport Group (Singapore) Pte Ltd (Non-Executive Director)
6. Angsana Fund Investment Committee (AFIC), Singapore Labour Foundation (Member)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil



**Mr Eric Ang Teik Lim** age 67

Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor in Business Administration (Honours), University of Singapore

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

24 April 2015

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 April 2019

**LENGTH OF SERVICE AS A DIRECTOR**

(AS AT 31 DECEMBER 2020)

5 years 8 months

**BOARD COMMITTEE(S) SERVED ON**

- Nomination & Compensation Committee (Chairman)

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

1. Raffles Medical Group Ltd (Non-Executive and Independent Director)
2. Sembcorp Marine Ltd (Non-Executive and Independent Director)
3. Wing Tai Holdings Limited (Non-Executive and Independent Director)

**OTHER MAJOR APPOINTMENTS**

1. Surbana Jurong Private Limited (Director)
2. NetLink NBN Management Pte Ltd (Director)
3. SGX Disciplinary Committee (Co-Chairman)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil

**Dr Wee Beng Geok** age 72

Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

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

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

27 November 2000

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 April 2019

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

20 years 1 month

**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. The Theatre Practice Ltd (Non-Executive Director)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil

**Mr Raymond Lim Siang Keat** age 61

Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

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

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

25 April 2013

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 June 2020

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

7 years 8 months

**BOARD COMMITTEE(S) SERVED ON**

- Audit & Risk Committee (Member)

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

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

**OTHER MAJOR APPOINTMENTS**

1. APS Asset Management Pte Ltd (Executive Chairman)
2. John Swire & Sons (Hong Kong) Ltd (Senior Adviser)
3. Lee Kuan Yew School of Public Policy, National University of Singapore (Adjunct Professor)
4. Nanyang Centre for Public Administration, Nanyang Technological University, Singapore (Adjunct Professor)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil





**Mr Png Cheong Boon** age 51

Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor of Science degree in Electrical Engineering, Cornell University
- Master of Science in Management under the Sloan Fellows Programme, Stanford University

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

15 October 2018

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

26 April 2019

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

2 years 2 months

**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. Economic Development Board (Member)
2. Employment and Employability Institute Pte Ltd (Director)
3. Enterprise Singapore (Chief Executive Officer and Member)
4. Enterprise Singapore Holdings Pte Ltd (Chairman)
5. Singapore Cooperation Enterprise (Chairman)
6. Singapore Innovate Pte Ltd (Director)
7. Infrastructure Asia (Chairman)
8. EDBI Pte Ltd (Director)
9. Singapore Israel Industrial Research and Development Foundation (SIIRD) (Co-Chairman)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil



**Mr Allen Lew Yoong Keong** age 65

Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor of Electrical Engineering, University of Western Australia
- Master of Science (Management), Massachusetts Institute of Technology, USA

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

28 October 2020

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

Nil

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

0 year 2 months

**BOARD COMMITTEE(S) SERVED ON**

- Audit & Risk Committee (Member) – Appointed on 19 February 2021

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

1. Raffles Medical Group Ltd (Non-Executive and Independent Director)
2. Advanced Info Services Public Company Limited (Non-Executive and Non-Independent Director)

**OTHER MAJOR APPOINTMENTS**

1. Singapore Telecommunications Limited (Chief Executive Officer, Group Strategy and Business Development and Country Chief Officer Thailand)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil



**Mr Tan Soo Nan** age 72

Executive and Non-Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

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

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

28 July 2000

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

27 April 2018

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

20 years 5 months

**BOARD COMMITTEE(S) SERVED ON**

Nil

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

1. Raffles Medical Group Ltd (Executive and Non-Independent Director)
2. SATS Ltd (Non-Executive and Independent Director)
3. Engro Corporation Limited (Non-Executive and Independent Director)

**OTHER MAJOR APPOINTMENTS**

1. Raffles Health Insurance Pte Ltd (Executive Director)
2. ICE Futures Singapore Pte Ltd (Director)
3. ICE Clear Singapore Pte Ltd (Director)
4. ICE Singapore Holdings Pte Ltd (Director)
5. Temasek Foundation Limited (Director)
6. Woh Hup Trust (Director)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil



**Mr Olivier Lim Tse Ghow** age 56

Non-Executive and Non-Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- Bachelor of Engineering (Civil) (First Class Honours), Imperial College, London

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

Joined from 1 October 2009 to 28 June 2013  
Re-joined on 1 October 2014

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

27 April 2018

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

6 years 3 months (effective 1 October 2014)

**BOARD COMMITTEE(S) SERVED ON**

Nil

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

1. Raffles Medical Group Ltd (Non-Executive and Non-Independent Director)
2. DBS Group Holdings Ltd (Non-Executive and Lead Independent Director)

**OTHER MAJOR APPOINTMENTS**

1. DBS Bank Ltd (Non-Executive and Independent Director)
2. DBS Foundation Ltd (Non-Executive Director)
3. Certis CISCO Security Pte Ltd (Non-Executive and Independent Director / Chairman)
4. JTC Corporation (Member of Board)
5. Singapore Management University (Member of Board of Trustees)
6. NorthLight School (Member of Board of Governors / Director)
7. Securities Industry Council (Member)
8. PropertyGuru Pte Ltd (Non-Executive and Independent Director / Chairman)

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

1. Banyan Tree Holdings Limited (Non-Executive and Independent Director)



**Dr Sarah Lu Qinghui** age 39

Executive and Non-Independent Director

**ACADEMIC AND PROFESSIONAL QUALIFICATIONS**

- MBBS, University of London, 2005
- Master of Medicine (Surgery), National University of Singapore, 2010
- Fellow, Royal College of Surgeons (Edinburgh), 2013
- Master of Science in Health Professions Education, MGH Institute of Health Professions, 2019

**DATE OF FIRST APPOINTMENT AS A DIRECTOR**

20 February 2018

**DATE OF LAST RE-ELECTION AS A DIRECTOR**

27 April 2018

**LENGTH OF SERVICE AS A DIRECTOR  
(AS AT 31 DECEMBER 2020)**

2 years 10 months

**BOARD COMMITTEE(S) SERVED ON**

- Nomination & Compensation Committee (Member)

**CURRENT DIRECTORSHIPS IN LISTED COMPANIES**

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

**OTHER MAJOR APPOINTMENTS**

Nil

**PREVIOUS DIRECTORSHIPS IN OTHER LISTED  
COMPANIES HELD OVER THE PRECEDING THREE YEARS  
(1 JANUARY 2018 TO 31 DECEMBER 2020)**

Nil

**Dr Loo Choon Yong**Executive Chairman  
Raffles Medical Group

Dr Loo Choon Yong is the Executive Chairman of Raffles Medical Group. 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 the Chairman of the Asian Medical Foundation Ltd and Raffles Health Insurance Pte Ltd, as well as Director of International SOS (MC Holdings) Pte Ltd. Dr Loo is appointed as Director of the Qatar Free Zones Authority, an independent authority to oversee and regulate world-class free zones in Qatar.

In the area of public service, Dr Loo was appointed by the President of Singapore as the Non-Resident Ambassador to the Italian Republic from 2006 to May 2015. He is currently the Non-Resident Ambassador to Poland. Dr Loo was the immediate past Chairman of JTC Corporation, Singapore's leading industrial infrastructure developer from January 2013 to March 2019. He was previously the Chairman of Sentosa Development Corporation Ltd and Sentosa Golf Club.

Dr Loo is a member of the Emerging Stronger Taskforce (EST), a task force set up in April 2020 by the Singapore Government to guide the nation's economic recovery from the COVID-19 pandemic. Dr Loo was the Nominated Member of Parliament from 2005 to 2006 and again from 2007 to 2009. He was a member of the Board of Trustees of Singapore Management University (SMU) from 2000 to January 2014. 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 and President of Singapore Anti-Narcotic Association (1996 to 2005).

Dr Loo was awarded the Singapore National Day Awards Public Service Medal (2003), Public Service Star (2009) and Public Service Star (Bar) (2019) and the Distinguished Service Award (2005) from the Ministry of Home Affairs for his contributions to Singapore's fight against drug abuse.

**Dr Kenneth Wu**Deputy Managing Director,  
Singapore Healthcare  
Raffles Medical Group

Dr Kenneth Wu is the Deputy Managing Director of Singapore Healthcare and is responsible for the professional and operational management of Raffles Hospital and Raffles Medical clinics in Singapore and Indochina. He joined the Group in 1997 as a family physician and subsequently took on significant management roles.

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

**Ms Sheila Ng**Chief Financial Officer  
Raffles Medical Group

Ms Ng joined Raffles Medical Group in March 2020 as its Chief Financial Officer, with oversight on the financial reporting, treasury and Business Services functions of the Group.

Before this, Ms Ng was the Deputy Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO) of Interplex Holdings Ltd from 2007 to 2017. As CFO of Interplex, she oversaw the company's financial reporting and treasury functions, as well as its human resource, administration, supply chain and investor relations functions. Concurrently, as the Deputy CEO of Interplex, she directed its operations, and supported the Group CEO in executing the company's strategies.

Prior to this, Ms Ng, who started her career as an auditor with KPMG, served as the CFO of GES International Ltd and held head of finance roles in various companies.

Ms Ng graduated with a Bachelor of Arts (Honours) in Accounting from the University of Kent at Canterbury, United Kingdom, in 1987.

In addition, Ms Ng holds an active role as a member of the Finance Committee of the Asian Women's Welfare Association since 2017.

**Ms Chong Ee Rong**Deputy Managing Director, Commercial  
Raffles Medical Group

Ms Chong Ee Rong joined the organisation in October 2020 as Deputy Managing Director, Commercial, bringing with her over 25 years of experience in Marketing and Consulting.

She is responsible for spearheading the Group's Commercial operations, business transformation and growth agenda, with a focus on strengthening corporate services engagement, enhancing brand and marketing, as well as driving client partnerships.

Ms Chong currently sits on several boards including Certis Group, the National Volunteer and Philanthropy Centre, Singapore Business Federation, and Singapore Institute of International Affairs. She is also a member of the Singapore Institute of Directors and is an accredited member of the Institute of Public Relations Singapore.

Prior to joining Raffles Medical Group, Ms Chong spent 18 years with Ogilvy & Mather, in both regional and local roles, with her last position as Group Managing Director for the Singapore Agency.

Ms Chong holds a Bachelor of Economics from the University of Adelaide and Masters in Arts from the University of South Australia.



**Dr Vincent Chia**

Deputy Managing Director,  
Raffles China Healthcare  
Raffles Medical Group



Dr Vincent Chia joined Raffles Medical Group in February 2020 as Deputy Managing Director of Raffles China Healthcare. Dr Chia leads the business and operations for all Raffles China Healthcare hospitals and medical centres in cities across Greater China, including Beijing, Shanghai, Chongqing, Tianjin, Dalian, Nanjing, Shenzhen and Hong Kong.

Dr Chia was the founder and Managing Director of Asian Healthcare Solutions, having worked as an independent healthcare consultant from 2017 to 2019, covering strategy, quality and operational projects in China and South East Asia. Dr Chia was also previously CEO of Gleneagles Hospital Singapore and held other senior management positions in healthcare.

**Mrs Kimmy Goh**

Group Financial Controller and  
Company Secretary  
Raffles Medical Group



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

Mrs Goh is responsible for the Group's financial strategy & management, taxation, treasury and corporate secretarial functions. She is also involved in corporate planning activities of the Group. Prior to joining the Group, Mrs Goh had about eight years of audit experience with two international public accounting firms. Mrs Goh is a Chartered Accountant of the Institute of Singapore Chartered Accountants and is a Fellow Member of the Association of Chartered Certified Accountants.

**Ms Jessica Tan**

Director, Group Commercial  
Raffles Medical Group



Ms Jessica Tan joined the organisation in June 2017 as Director, Group Commercial. Her role includes leveraging Raffles Medical Group's integrated healthcare system to lead and support the growth strategies for Raffles Medical Group in Singapore and the region, providing quality healthcare to patients and building partnerships with corporate clients and industry partners.

Ms Tan has over 27 years in the IT industry, 13 years with Microsoft and 14 years with IBM. In her tenure with both organisations, she has held leadership roles across diverse areas of the business in the Asia Pacific region and Singapore. She developed and drove growth strategies and business results, deepened customer and partner relationships. Ms Tan also focused on the development and attraction of the best talent for the organisations and led Microsoft's ongoing corporate citizenship commitments to help advance social and economic progress.

In 2015, Ms Tan was re-elected Member of Parliament for the East Coast Group Representation Constituency in Singapore, having served for three terms since May 2006. She was appointed Deputy Speaker of Parliament in October 2020. Ms Tan is the Chairman of the East Coast Town Council. She is currently a member of the Finance, Trade and Industry as well as Communications and Information Government Parliamentary Committees. Ms Tan is active in various communities in Singapore and serves as board member in a number of Singapore communities, listed companies and educational institutions.

**Mr Yong Yih Ming**

General Manager  
Raffles Medical



As the General Manager of Raffles Medical, Mr Yong is responsible for developing and managing the Group's corporate businesses, the commercial performance and operational quality of the primary care network of medical centres / clinics and executive health screening centres, and government projects in Singapore. He joined the Group in 2007 and has served as Director, Operations and Director, Corporate Services. In 2010, he led a team to set up the Group's first medical centre in Shanghai, China. Between 2013 and 2015, his portfolio included Raffles Dental, Raffles Chinese Medicine and Raffles Health.

Mr Yong has 18 years of experience in the healthcare industry. He had hospital administration experiences at Alexandra Hospital where he held management positions in ambulatory operations, operational support services and business development. He was a member of the Khoo Teck Puat Hospital Planning Committee that designed and built the hospital and chaired the Operational Support Services Workgroup then.

He is serving on the Primary Care Network Council that aims to steer the strategic directions and initiatives of the Singapore primary care sector under the Ministry of Health.

Mr Yong obtained a Master of Business Administration in Healthcare Management from the National University of Singapore (NUS) in 2013. He guest lectures at the NUS Saw Swee Hock School of Public Health's Master of Public Health programme. He has been serving as a District Councillor with the South East Community Development Council since 2011.

**Ms Juliet Khew**

General Manager  
Raffles Health Insurance



Ms Khew is the General Manager of Raffles Health Insurance, the synergistic insurance arm and a wholly owned subsidiary of the Raffles Medical Group, covering managed care through its network of family clinics and tertiary care hospital.

In this capacity, Ms Khew is the key management and strategic development lead on health and employee benefits business, and oversees the planning and underwriting profits for Raffles Health Insurance. She also works closely with strategic business units on health propositions to deliver care solutions. In addition, Ms Khew is responsible for the management of product and pricing, group and personal business development, and drives both digital and transformation initiatives at Raffles Health Insurance.

As a veteran of the insurance industry with over 20 years of experience, Ms Khew was Managing Director of Health at AXA Insurance prior to joining Raffles Health Insurance. She was integral to the success of its health business. In AXA, Ms Khew had successfully assumed leadership roles of different distribution channels including, HSBC-AXA General Insurance integration, and Underwriting and Health Strategic business units.

Before joining AXA, Ms Khew accumulated substantial experience in accident and health insurance underwriting, as well as life insurance sales.

**Mr Teo Kah Ling**

Chief Information Officer  
Raffles Medical Group



Mr Teo Kah Ling is the Chief Information Officer of Raffles Medical Group, and has 18 years of experience in the healthcare industry.

Mr Teo 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.

**Ms Pauline Chua**

Director, Group Human Capital  
Raffles Medical Group



Ms Pauline Chua joined the organisation in March 2019 as Director, Group Human Capital. She is responsible for the Group's human resource and talent management function in Singapore and the region.

Ms Chua comes from a Human Resource Consulting and Executive Search background both in Singapore and New Zealand working with clients from a wide range of industries including Service & Hospitality, IT and Telecommunications, Banking & Finance and Fast Moving Consumer Goods in Singapore, Malaysia, Indonesia and Hong Kong. She moved into Corporate Human Resource 20 years ago and was the General Manager, Human Capital and Corporate Social Responsibility with Fuji Xerox Singapore prior to joining Raffles Medical Group. Previous positions include Director, Human Resource at Wildlife Reserves Singapore and Senior Manager, Recruitment & Organisation Development at Sentosa Leisure Group.

Ms Chua graduated from Victoria University of Wellington with a Bachelor of Arts (Honours) in Education and Psychology and a Bachelor of Arts from the University of Auckland, New Zealand. She has a post graduate Diploma in Human Resource Management and is a Senior Professional with the Institute for Human Resource Professionals.

**Dr Melvyn Wong**

Director, Raffles Physicians  
Raffles Medical Group



Dr Melvyn Wong joined Raffles Medical Group as a General Practitioner in 2006 and has been with the organisation for more than 20 years. Prior to becoming the Director of Raffles Physicians, Dr Wong was Deputy Medical Director of Medical Affairs at Raffles Medical Group.

Dr Wong is also the current Clinical Director and Management Committee member of the Asian Medical Foundation, the charitable arm of Raffles Medical Group, where he helps drive community projects aimed at providing healthcare services and education to help the underserved, the elderly and people with dementia. He has participated in numerous overseas mission trips providing primary care to underserved communities in Myanmar and Sumba Island in Indonesia.

Dr Wong graduated from Southampton Medical School in 1996. He attained his subspecialty degree in Occupational Medicine from the National University of Singapore in 2014.





**Dr Alfred Loh**  
Senior Clinical Director  
Raffles Medical



**Prof Walter Tan**  
Medical Director  
Raffles Hospital



**Dr Wilson Wong**  
Medical Director  
Raffles Medical



**Dr Yang Ching Yu**  
Medical Director  
Raffles Hospital  
Raffles Hospital, Chongqing



**Dr Onishi Yoichi**  
Medical Director  
Raffles Japanese Clinic



**Dr Charles Poon**  
Medical Director  
Raffles Hospital, Beijing



**Dr Lee Jong Jian**  
Medical Director  
Raffles Hospital



**Dr Chng Shih Kiat**  
Medical Director  
Raffles Medical



**Dr Motoda Lena**  
Medical Director  
Raffles Japanese Clinic



**Dr Stanley Liew**  
Medical Director  
Raffles Hospital



**A/Prof Abdul Razakjr Bin Omar**  
Deputy Medical Director  
Raffles Hospital



**Dr Lee I Wuen**  
Deputy Medical Director  
Raffles Hospital



**Dr Michael Lee**  
Deputy Medical Director  
Raffles Medical



**Prof Keith Lau**  
Medical Director  
Raffles Hospital Shanghai  
Raffles Medical Hong Kong



**Dr Michael Wong**  
Deputy Medical Director  
Raffles Medical



**Dr Wong Wei Mon**  
Deputy Medical Director  
Raffles Medical



**Dr Salleh Omar**  
Deputy Medical Director  
Raffles Medical



**Dr Hoo Kai Meng**  
Deputy Medical Director  
Raffles Medical



**Dr Nandha Kumar**  
Deputy Medical Director  
Raffles Medical



Raffles Medical



Raffles Hospital



Raffles Japanese Clinic



"I know what we do is important and every effort helps to keep Singapore and its citizens safe. My oath as a nurse to help people motivates me and keeps me strong."

**Mark Abarca**  
Nurse Executive Operation  
Community Care Facility  
– Cruise Ships

"At the peak of the pandemic, we saw the numbers of infected cases exceed a thousand daily. Yet, I worked with a team of doctors, nurses and healthcare assistants who were supportive and dependable. Their indomitable spirit to overcome challenges inspired me to press on each day."

**Dr Ho Woon Yang**  
Family Physician, CEC Medical Team  
Community Care and Recovery Facility  
– Changi Exhibition Centre



"Many of the workers we see at the dorm were worried and anxious about the disease. It was most rewarding to see these workers calm and relaxed, assured by our presence and care."

**Dr Norkhalim Dalil**  
Family Physician  
Foreign Workers'  
Dormitory Roving team

"We cannot fight a war alone. The unity and resilience displayed by everyone gave me the confidence to keep going. Together we can beat the COVID-19 pandemic!"

**Uy Margie Mag-Usara**  
Senior Staff Nurse  
24 Hour Emergency

"I do what I do daily because of my calling to be a nurse. I am grateful that I can serve on the frontlines."

**Catherine Chia**  
Senior Staff Nurse  
Pneumonia Ward

"We needed to safeguard our borders as it is the first line of defence. It is an important responsibility and we cannot fail."

**Jeffrey Teng**  
Associate Director  
Foreign Workers' Dormitory and  
Air Border Screening Team

"My family and friends are supportive and encouraging of my role serving on the frontline. They even look up to me as a healthcare hero!"

**Lim Choon Huat**  
Assistant Manager  
Raffles Neuroscience Centre  
Screening Station at Raffles Hospital

## Beyond the Call of Duty

We bring a deep sense of purpose and pride to our jobs that go beyond the call of duty.

Beyond the extended hours, exposure to risk of infections, separation from our families and loved ones, we continue to soldier on.

Despite these challenges and sacrifices, we are united in our fight against COVID-19 and commitment to our service for the greater good of our nation.

We salute our colleagues and friends for their tireless dedication, who stand alongside and give their best every single day.

In 2020, leisure travel came to a complete halt as the global COVID-19 pandemic unfolded. As restrictions on travel eased, in November 2020, Raffles Medical Group (RMG) launched the first app-based booking of COVID-19 Polymerase Chain Reaction (PCR) tests in Singapore. Initially targeting potential travellers for the air travel bubbles, this was expanded as Singapore allowed voluntary COVID-19 PCR testing. Today, individuals can book appointments for PCR tests at any of our 36 designated Raffles Medical clinics seamlessly via the app.



The Raffles Connect app allows for seamless pre-booking of COVID-19 PCR tests.

The Group's revenue was

**\$568.2**  
million

**8.8%**  
growth  
from 2019

The Group's EBITDA reflected

**\$123.9**  
million

**17.6%**  
year-on-year  
growth



Expanding our Emergency Care Collaboration meant greater support for public hospitals to lessen patient loads and cope with demand.

## Raffles Hospital

### SUPPORTING OUR NATION

Of all industries, the impact of COVID-19 to the healthcare industry is immense. The closure of borders and various restrictions disrupted traditional medical services, with weakened demand from foreign and local patients.

Raffles Hospital pivoted and channelled its resources to support the national efforts against COVID-19. We expanded our support for the Emergency Care Collaboration (ECC) scheme by availing more beds to take on more emergency patients from public hospitals, enabling these hospitals to focus on caring for COVID-19 patients, by alleviating their patient loads.

In anticipation of a demand for COVID-19 testing, our Molecular Laboratory was outfitted and prepared to support the increased need for testing over time.



## ENHANCING OUR OFFERINGS TO PATIENTS

Amidst the challenging climate, Raffles Hospital continued to build on its service offerings to meet the needs of our patients.

We acquired the latest da Vinci Robotic Assisted Surgical System that allows complex surgeries to be executed with greater precision, safely and with reduced downtime in recovery for patients.

In the same year we launched our Ambulatory Paediatric Service branded as Raffles Juniors. Located at Waterway Point in Punggol, this centre aims to bring specialist paediatric care into the heartlands.



*We expanded our paediatric offering with Raffles Juniors this year.*

## ANCC ACCREDITATION WITH DISTINCTION

Raffles Hospital was awarded the Accreditation with Distinction by the American Nurses Credentialing Centre (ANCC) in March 2020. This is the highest recognition an organisation can receive from ANCC. We are proud to be one of the first organisations to achieve this milestone based on ANCC's new criteria. We look forward to continue offering high quality Continuing Nursing Education (CNE) programmes for nurses.

The ANCC Accreditation has placed Raffles Hospital among a distinguished group of healthcare providers that demonstrate quality and excellence in the curriculum design and delivery of CNE.



*Raffles Hospital nurses discuss course materials for a CNE programme.*



RMG healthcare workers geared in full PPE at the CCF / CRF site of Changi Exhibition Centre.

## Raffles Medical

### FIGHTING COVID-19 ON THE FRONTLINES

Raffles Medical shifted from focusing on primary and wellness care in the community to public health at the national level during the COVID-19 pandemic in 2020. Our team of doctors, nurses, managers and support staff were deployed at various national project sites, while ensuring that our patients who visit us at our network of clinics were still well taken care of.

We have conducted over 600,000 COVID-19 tests, screened more than six million travellers and cared for over 70,000 migrant workers in 2020. We have participated in all aspects of the national COVID-19 battle from screening and testing, to caring for those who required healthcare attention at all fronts.

### PRIMARY CARE DURING THE PANDEMIC

Raffles Medical was one of the first in Singapore to be accredited as Public Health Preparedness Clinics (PHPC) and Swab and Send Home (SASH) clinics at the onset of the pandemic. In June 2020, five of our clinics were the first in Singapore to handle pre-departure testing

for business travellers. Leveraging technology, we tapped into our telemedicine capability by providing teleconsultation services to consult and care for migrant workers.

These accreditations enabled us to continue providing care to our existing patients in clinics while concurrently supporting national initiatives against COVID-19.



RMG nurse conducting a swab test for a patient.



### AIR BORDER SURVEILLANCE DURING THE PANDEMIC

As early as January 2020, our healthcare teams were mobilised to help secure our air borders, screening passengers from incoming flights from Wuhan, China and some cities in the

region. This marked the beginning of the fight against COVID-19 at our airports.

The screening operations were subsequently expanded to cover all arrival and departing passengers at all the terminals. As the situation with

COVID-19 progressed, we started administering Polymerase Chain Reaction (PCR) and Antigen Rapid Tests (ART) for business travellers and airline crews travelling on Singapore's Reciprocal Green Lanes. For the frontline workers in the aviation sector, this testing service was expanded to include Routine Rostered Testing (RRT).

At the peak of the COVID-19 outbreak in Wuhan, Raffles Medical deployed a team to help evacuate Singaporeans safely and bring them home.

The Raffles Medical team operated 24/7 throughout the year. At the peak of operations each day we deployed more than 1,000 healthcare workers to support efforts to screen travellers and keep Singapore safe.



*RMG staff at the Changi air border screening station for arrival flights and pre-departure passengers.*

### MEDICAL CARE AT COMMUNITY CARE AND RECOVERY FACILITIES

Raffles Medical is proud to be the designated healthcare provider at the Community Care Facilities (CCF) at Changi Exhibition Centre (CEC) and Singapore EXPO. These venues were converted to help support and house recovering COVID-positive migrant workers. We were also the healthcare provider at the Community Recovery Facility (CRF) at Marina Bay Cruise Centre (MBCC) for migrant workers who had recovered from April to December 2020.

We provided consultation services to the CCFs and CRF managing agents on infection control and operational flow management at the sites, and trained all stakeholders in personal protection equipment (PPE) competencies.

It was another round-the-clock operation over a period of nine months. We have deployed more than 200 doctors, nurses and healthcare managers to care for over 30,000 migrant workers at the CCFs and CRF.



*RMG staffs in full PPE, getting ready for their duties at the CEC CCF.*



### COVID TESTING AT THE DORMITORIES

Raffles Medical was one of the first to respond to the nation's call to help with the COVID-19 situation at the foreign worker dormitories.

At this critical point of the pandemic, we conducted PCR swabbing for

migrant workers at dormitories island-wide. The scale of these operations included mobile swabbing teams that visited three sites for swabbing daily as well as teams deployed at dormitories such as the Terminal 5 dormitory complex and Tuas Recreational Centre.

This was a sustained operation seven days a week and involved more than 50 doctors, nurses and health-care managers deployed to test more than 40,000 migrant workers at over 40 dormitories over five months.



*RMG staff involved in the PCR swabbing for migrant workers at foreign dormitories.*

### SUPPORTING THE RE-OPENING OF SINGAPORE'S ECONOMY

As the situation with COVID-19 stabilised and Singapore began to slowly reopen its economy in the second half of 2020, Raffles Medical continued to play an integral role.

We helped to set up a testing facility and conducted pre-departure and arrival testing at MBCC for Singapore's first cruise-to-nowhere, as well as conducted RRT for the cruise crew. We also supported the various pilot mass event projects by conducting onsite and in-clinic ART at events such as the One Championship.

We expect to continue these activities in 2021 as countries slowly reopen and resume activities post COVID-19.

### STANDING-BY OUR CORPORATE CLIENTS

In order to support over 7,000 of our esteemed corporate clients throughout the pandemic, Raffles Medical curated weekly advisories to help them stay informed and protected. We also conducted webinars, on-site consultancy, temperature screening, and RRT for some clients to help them mitigate occupational risks and get their employees back to work during the various phases of the pandemic. Educational sessions on mental wellness and consumer health were also offered to support our clients.

### EXPANDING THE CLINIC NETWORK

Despite the pandemic, Raffles Medical opened a new clinic at 471 Joo Chiat Road in August 2020. We believe in continuing to serve our patients staying in that area after i12 Katong was closed for asset enhancement.

## Raffles Dental

### STEPPING UP AND STAYING UNITED

Raffles Dental welcomed a new dental surgeon and a visiting dental specialist in Oral & Maxillofacial Surgery in 2020. This has increased our capacity to serve more patients in Raffles Hospital and further extend our dental specialist services to the network clinics.

During the Circuit Breaker Period, dental surgeons, specialists and assistants partnered the Health Promotion Board and were deployed to foreign worker dormitories and isolation facilities to assist with COVID-19 swabbing.

Following the gradual reopening post Circuit Breaker, we extended our operating hours across key clinics to cope with the pent-up demand.

## Raffles Health

### ON THE FRONTLINE IN THE COVID-19 FIGHT

Raffles Health was actively involved in the frontline fight against COVID-19. It produced a Virus Protect Kit that consisted of masks, hand sanitiser and vitamin C for retail in Raffles Hospital, NTUC Fairprice and on our e-store at RafflesHealth.com. We also obtained the SS:620 Good Distribution Practice for Medical Devices Certification and was instrumental in sourcing, warehousing and distributing COVID-19-related supplies such as masks, sanitisers and thermometers for the Group and corporate partners.

Our supplement range was further diversified with a focus on immunity boosting supplements including a new flavour of Effervescent C tablets and the addition of zinc, turmeric curcumin and garlic supplements. Improvements were also made to the popular Triple Joint formula for greater clinical efficacy.

E-commerce sales improved significantly in 2020 with greater adoption of online purchases amongst the general population. We listed a wider range of products and services to include a focus on specialty skincare products through deepened engagement with various brands and partners. Proudly, RafflesHealth.com won the silver award in the Marketing Interactive's Asia Ecommerce Awards 2020 under the category of "Best in Ecommerce (Brand) – Healthcare and Pharma".



*Virus Protection Kit available for purchase at Raffles Health.*

## Raffles Chinese Medicine

### CONSOLIDATING FOR BETTER MANAGEMENT AND GROWTH

The past year has been challenging for Raffles Chinese Medicine, however, to better manage the business, we consolidated the practice at Holland Village back to Raffles Hospital. Together with this move, a review of the operational and practising models, we were able to improve the patient experience and realign for growth.



*A Raffles Chinese Medicine physician consulting with a patient.*

## Raffles Healthcare Institute

### DIGITISING TRAINING OFFERING

To ensure continuity of training services during the pandemic, Raffles Healthcare Institute (RHCI) leveraged various online platforms such as Zoom and Microsoft Teams to conduct webinars, virtual conferences, and e-workshops for our employees. To supplement online training, RHCI partnered with Singapore Institute of Management and NTUC Learning Hub to offer a buffet of learning resources that our employees would benefit from. With more than 200 online courses packaged as bite-sized learning modules, employees could select from a wide array of topics in business management and personal development to engage in self-directed learning.

Apart from digital learning, the Nursing Education Division contributed to the accreditation (with distinction) of Raffles Hospital as a provider of Nursing Continuing Professional Development. This accreditation by ANCC served as a testament to our professionally trained nurses who have access to the highest calibre of nursing education, coupled with exposure to international best practices in nursing and clinical care.

To support national efforts in the fight against COVID-19, the Raffles Corporate Wellness Division facilitated "Train the Trainer" workshops to grow their pool of infection control trainers to conduct unit specific competency training for frontline staff and corporate clients. Healthcare professionals who were proficient in infection control protocols (eg. Nasopharyngeal (NP) and Oropharyngeal (OP) swabbing, PPE, mask fitting, and the management of infectious diseases) were deployed to support various national projects the Group participated in.

## Raffles Health Insurance

Raffles Health Insurance (RHI) has focused heavily in process re-engineering and automation during this pandemic year.

We are continuing to work closely with our technology partner and app developer to improve our front-end offering to customers and potential vendors in operational process and customer relationship management. We are pushing towards improving customer digital experience through online portal and applications. Our customers will be able to purchase a series of products and manage them digitally with our soon-to-be launched online platform. To improve our customer experience, RHI is also building a customer and intermediary portal.

## Raffles Medical International

While the COVID-19 situation had been generally under control within countries in the Indochina region, the closure of international borders led to a decrease in primary care patient volumes at our Raffles Medical clinics in Vietnam and Cambodia. Indochina patients also have had to delay their treatments in Raffles Hospital Singapore due to travel restrictions. However, we expect business to rebound when normalcy returns.



*A Raffles nurse checking in on a patient.*

## Raffles China Healthcare

The global COVID-19 pandemic brought our China operations to almost a standstill in the first few months of FY2020. However, we have seen a marked increase in patient numbers since the second half of 2020.

Our China Healthcare operations comprise of three hospitals, Raffles Hospital Chongqing (RHCQ), operational since 2019; Raffles Hospital Beijing (RHBJ), completed in late 2020; and Raffles Hospital Shanghai (RHSB), expected completion sometime in 2021; as well as various primary care clinics across China and Hongkong SAR.

We aim to offer our patients in China, the same level of care and experience as they would enjoy in Singapore, while maintaining aspects of local culture and practices.



### RAFFLES HOSPITAL CHONGQING

Despite COVID-19 affecting the first half of 2020, Raffles Hospital Chongqing managed to further expand our clinical services and achieve several milestones.

We were accepted as a designated hospital under Chongqing's social health insurance, Yibao, making us one of the few international hospitals admitted into this national programme. Yibao, which officially went live on 10 February 2020, allows local patients to be reimbursed for their medical expenditure or to co-pay their medical bills.

Notwithstanding a challenging start to the year, we continued to grow our obstetrics and gynaecology services, focusing on obstetrics, amongst others, and are proud to have delivered more than 40 babies to-date.

To complement our obstetrics and gynaecology services, we set up a Confinement Centre during the year. Well received, the centre spreads across two storeys with an additional floor for post-natal treatment rooms and recreational facilities.

We continue to expand our offerings across multiple specialist disciplines. During the year, our cardiology team successfully performed our inaugural digital subtraction angiography (DSA) cardiac intervention and the first peripheral angioplasty lower limbs.

Although hospital operations were severely curtailed during the first half of 2020, we have seen a marked increase in patient numbers as we get better known for our specialties and level of care.

### RAFFLES BEIJING INTERNATIONAL CLINIC

2020 has also been a milestone year for our Beijing International Clinic (BIC).

Despite the challenges posed by COVID-19, BIC completed its transformation into a Class 1 Hospital with 21 beds in late 2020. Raffles Hospital Beijing, when fully operational, will offer 24-hour emergency services, minimally invasive surgical procedures, inpatient observation, and advanced diagnostic radiology services such as CT scan, amongst others. We have also signed on many distinguished visiting consultants from various medical and surgical specialties to meet the growing needs of our patients.

### RAFFLES HOSPITAL SHANGHAI

In preparation for the opening of Raffles Hospital Shanghai in Pudong New Bund District, we have been expanding our team of specialists and clinical service lines.

Raffles Hospital Shanghai will focus on specialties in cardiology, women, children, orthopaedics and sports injury management, amongst others.

We are already into the final phase of the preparations to open sometime in 2021.



Raffles Hospital, Chongqing.

## Charity

### ASIAN MEDICAL FOUNDATION (AMF)

Established in 2003 by a group of doctors, nurses and staff from Raffles Medical Group, AMF aims to help the needy and underprivileged through financial assistance and community projects such as providing medical and healthcare-related programmes. AMF works with like-minded government agencies, charities, corporations, and several Non-Governmental Organisations.

**AMF Silver Care Fund** — In 2020, AMF established a \$5 million AMF Silver Care Fund to help needy and vulnerable Singaporean seniors whose lives and livelihoods have been affected by COVID-19. The fund received contributions from 11 prominent Singaporean businessmen. ESM Goh Chok Tong is the Fund's patron.

**AMF Elder Vouchers** — AMF distributed \$100 grocery vouchers to 30,000 needy and vulnerable elderly. AMF worked with the Agency for Integrated Care to identify these group of seniors who have little to no family support and living in one or two-room Housing Development Board flats. For two months, grass-roots leaders and volunteers from the People's Association actively engaged them through house visits, informing them to collect these vouchers at any of the 63 Sheng Siong supermarket outlets island wide.

**AMF Elder Health** — AMF sponsored SingHealth's telehealth pilot project to provide accessible, safe and better care for seniors staying in the East of Singapore, during the COVID-19 outbreak. Seniors with chronic medical conditions and require post-discharge care were trained to use digital platforms to manage their health conditions, such as monitoring their blood pressure, using devices and video consultations.

**Helping families living in rental flats** — AMF also donated \$105,000 worth of Sheng Siong Supermarket vouchers to help families under the care of Beyond Social Services (BeyondSS), over a period of three months. We managed to help 350 families living in rental flats across 14 clusters, who were financially impacted by the COVID-19 pandemic.

**Zion Home for the Aged** — AMF's adopted charity since 2015, Zion Home is a sheltered home for aged females. The Foundation provides medical consultations, acupuncture services, and other activities to care for residents' overall well-being.

### IFTAR MEAL DISTRIBUTION

On 24 May 2020, RMG sponsored 370 Iftar meals where our group of volunteers joined hands with the Kampong Glam Community Centre and delivered these meals to the Muslim residents staying at Crawford and Kampong Glam.



Iftar meal packs for Muslim residents at Crawford and Kampong Glam.

### METTA SCHOOL – SOCIAL COMPETENCE LEARNING PROGRAMME

Since 2018, the airport cluster team from Raffles Medical has been collaborating with Changi Airport Group (CAG) employee volunteers to run Corporate Social Responsibility (CSR) activities for Metta School. Metta School is a non-profit Social Service Agency that serves students with Mild Intellectual Disability and Autism Spectrum Disorders. As part of Metta School's Social Competence Learning Programme, students from Metta School visit the Raffles Medical clinics at Changi Airport to undergo a learning process of visiting a General Practitioner (GP) clinic to seek treatment. This CSR activity helps prepare the students for various aspects of independent living, from interacting with doctors and nurses, proper medication usage to handling monetary transaction.

In 2020, in view of the COVID-19 pandemic and the need for social distancing, this CSR activity has been expanded to include telemedicine. The telemedicine sessions were useful in helping the students improve their competence in managing technology and communication skills. The Group's involvement has been mentioned in Metta School's report to the Ministry of Education and National Council of Social Service, including a Lianhe Zaobao story on Metta School's students' positive learning experience at our clinics.



A Metta School student visiting Raffles Medical clinic at Changi Airport.

## Community

### ENHANCED SCREEN FOR LIFE (SFL)

Raffles Medical supports SFL, the national screening programme by the Health Promotion Board that offers Singaporeans and Permanent Residents health screening recommendations and the necessary follow-up based on age and gender. With effect from 1 September 2017, Pioneer Generation cardholders, Community Health Assist Scheme (CHAS), and all other eligible Singaporeans can access subsidised Chronic Disease blood test, Colorectal Cancer test and Cervical Cancer test with one post-screening consultation at a subsidised fee at Raffles Medical's CHAS clinics.

### PRIMARY CARE NETWORK (PCN)

Raffles Medical has been a participant of the PCN Scheme under MOH for five years. MOH will provide funding of operational and administrative support to Raffles Medical GPs for managing patients with chronic disease conditions. RMG's PCN has nurse counsellors, care coordinators, and chronic disease registries to help manage patients with more complex chronic conditions and care needs. New services offered are Diabetes Foot Screening, Diabetes Retinal Photography and Nurse Counselling.

### HEALTH SUPPLEMENTS

The Group provides complimentary supplements to members of the community through various events such as health talks and charity events.

## Education

In 2020, under the Raffles Medical Group Scholarship scheme, we supported 11 undergraduate students studying a variety of courses including Nursing, Occupational Therapy, Physiotherapy and Business Administration at the National University of Singapore and Singapore Institute of Technology.

In the same year, RMG disbursed 17 bursary awards to our employees' children in support of their education needs. The bursary award aims to provide financial assistance to these children and give them a head start.

## Clinical Training and Internships

RMG trains physicians, nurses, allied health and healthcare managers in collaboration with local medical schools, polytechnics and vocational institutions to provide clinical training for undergraduates and postgraduates. These include clinical attachment and supervision for residents enrolled under the NUHS Family Medicine Residency Programme, as well as Family Medicine training postings for medical students from the National University of Singapore's Yong Loo Lin School of Medicine and Duke-NUS Graduate Medical School, and the Nanyang Technological University's Lee Kong Chian School of Medicine.

In addition, we partner Nanyang Polytechnic, Ngee Ann Polytechnic, Singapore Polytechnic, Temasek Polytechnic, Republic Polytechnic, Singapore Institute of Technology and Institute of Technical Education to offer clinical placements in diverse areas including nursing, radiography, pharmacy, laboratory and physiotherapy. A total of 35

A-Level students from various Junior Colleges participated in our Frontline Service Experience Programme.

Despite the global pandemic in 2020, RMG trained 297 corporate clients as well as healthcare professionals in Life Support courses such as Basic Cardiac Life Support, Automated External Defibrillator, First Aid Awareness, and Standard First Aid.

RMG is committed to creating direct and indirect economic value for our stakeholders including patients, staff, investors, the community and the environment continuously. Through our business policies and operations, RMG:

- Delivers financial returns to the investors
- Supports infrastructure through taxes and other payments to government
- Contributes to the local economics and communities by creating jobs, generating income and transferring efficiency gains

## Sustainability Statement

The Board of RMG affirms that it provides strategic direction to the Group and specifically considers sustainability issues as part of its strategic formulation.

The Board also acknowledges its responsibility for the Group's sustainability reporting and believes that the following report provides a reasonable and transparent presentation of the Group's strategy as well as Environmental, Social and Governance (ESG) performance.

The Group's 2020 Sustainability Report will be available in May 2021.



# Raffles Hospital

## MEDICAL BOARD

Dr Loo Choon Yong (Adviser)  
Professor Walter Tan (Chairman)  
Dr Alfred Loh  
Dr Yang Ching Yu  
Dr Lee Jong Jian  
Dr Lee I Wuen  
Dr Stanley Liew  
A/Prof Abdul Razakjr Bin Omar  
Dr Kenneth Wu

## CREDENTIALLING & PRIVILEGING COMMITTEE

Dr Yang Ching Yu (Chairman)  
Dr Alfred Loh  
Dr Stanley Liew  
Professor Walter Tan (Ex-Officio)

## ETHICS COMMITTEE

Dr Lee Jong Jian (Chairman)  
Professor Walter Tan  
Professor Nambiar Rajmohan  
A/Prof Chew Chin Hin  
A/Prof Mary Rauff  
Dr Alfred Loh  
Dr Lee I Wuen  
Reverend Dr Isaac Lim  
Mr Mike Barclay  
Mr Moiz Tyebally

## QUALITY COMMITTEE

Dr Alfred Loh (Chairman)  
Dr Stanley Liew (Co-Chairman)  
Dr Kenneth Wu  
Professor Walter Tan  
Dr Yang Ching Yu  
Dr Edgar Kieu  
Ms Lilian Yew  
Mr Heng Wee Khim  
Ms Yee Earn Hwa  
Ms Kartini Sameejan  
Mr Jonathan Low  
Ms Jenny Oh  
Ms Sharon Wee  
Ms Vanitha d/o Sundarasoo  
(Secretary)

## MEDICAL AUDIT COMMITTEE

Dr Chan Choong Chee (Chairman)  
Dr Teo Sek Khee (Co-Chairman)  
Dr Ng Wai Lin  
Dr Tan Mein Chuen  
Dr Chng Shih Kiat  
Dr Chong Yong Yeow  
Dr Tan Hsiang Lung  
Dr Stanley Liew Choon Fong  
Dr Dawn Mya Hae Tha  
Dr Aswin Warier  
Ms Lilian Yew  
Ms Kartini Sameejan  
Mr Fadhillah Bin Abu Bakar (Secretary)

## SURGICAL AUDIT COMMITTEE

Professor Walter Tan (Chairman)  
Dr Yang Ching Yu (Co-Chairman)  
Professor Abu Rauff (External Advisor)  
Professor Tay Boon Keng  
(External Advisor)  
Dr Tay Eng Hseon (External Advisor)  
Associate Professor Mary Rauff  
(External Advisor)  
Dr Alfred Loh (Ex-Officio)  
Dr Eric Teh  
Dr Lee I Wuen  
Dr Sittampalam Krishnamoorthy  
Ms Teo Poh Lin  
Ms Kartini Sameejan  
Ms Gamboa Maika Cortez (Secretary)

## PHARMACY & THERAPEUTICS COMMITTEE

Dr Stanley Liew (Chairman)  
Dr Chng Shih Kiat (Co-Chairman)  
Dr Yang Ching Yu (Advisor)  
Dr Kenneth Wu  
Dr Lee Yian Ping  
Dr Teo Sek Khee  
Dr Joshua Kua  
Dr Sheila Loh  
Ms Ma Thein Yin  
Ms Yee Earn Hwa (Secretary)

## INFECTION CONTROL COMMITTEE

Dr Teo Sek Khee (Chairman)  
Dr Yvonne Loh Su Ming (Co-Chairman)  
Dr Leyland Chuang Lee Ren  
(Co-Chairman)  
Dr Fong Sau Shung  
Dr Lynette Ngo  
Dr Edgar Kieu  
Ms Ong Suat Kien  
Ms Lee Lai Fun  
Mr Heng Wee Khim  
Ms Jaslyn Yeo  
Ms Cheng Lee Hong  
Mr Zulkifli Bin Ismail  
Ms Loke Mei Choo  
Ms Than Sook Ling  
Mr Andrew Lum  
Ms Kartini Sameejan  
Ms Silverio Quennie Floranda  
Ms Cassandra Angelica R. Cuvin  
(Secretary)

## OPERATING THEATRE COMMITTEE

Dr Eric Teh (Chairman)  
Dr Lee I Wuen (Co-Chairman)  
Dr Yang Ching Yu  
Dr Lee Jong Jian  
Dr Stephen Lee  
Dr Lim Yeow Wai  
Dr David Wong  
Dr Sheila Loh  
Dr Lim Kok Bin  
Dr Ho Kok Yuen  
Ms Kartini Sameejan  
Ms Teo Poh Lin  
Ms Caroline Mary D Almeida  
(Secretary)

**BLOOD TRANSFUSION &  
TISSUE REVIEW COMMITTEE**

Dr Dawn Mya Hae Tha (Chairman)  
Dr Nicholas Goh (Co-Chairman)  
Dr Fong Sau Shung  
Dr Motoda Lena  
Ms Sadiah Mohd Yusof  
Ms Fa'eezah Bte Hamzah  
Ms Sarina Bte Saleh  
Ms Nurhayati Binte Mohd Dali  
Ms Louisa Chew (Secretary)

**PATIENT CASE REVIEW  
COMMITTEE**

Dr Ng Chin (Chairman)  
Dr Chong Yong Yeow (Co-Chairman)  
Dr Woo Shu Jeng, Aaron  
Mr Andrew Lum  
Ms Ong Suat Kien  
Mr Lim Hun Teck  
Ms Ang Sook Lin, Kryslyn  
Ms Chia Shu Rong, Catherine  
Mr Cruz Kevin Christopher Magtira  
Ms Fa'eezah Bte Hamzah (Secretary)

**TRANSPLANT COMMITTEE**

Dr Stanley Liew (Chairman)  
Dr Christopher Leo Cheang Han  
(Co-Chairman)  
Dr Lim Kok Bin  
Dr Lim Yun Chin  
Dr Yvonne Loh  
Dr Lim Lee Guan  
Ms Javier Zenia Pabualan  
Ms Cai Miao Zai Monica  
Mr Jonathan Low Khian Hsiung  
(Secretary)

**TRAUMA COMMITTEE**

Dr Ganesan Naidu (Chairman)  
Dr Fong Sau Shung (Co-Chairman)  
Dr Tan Hsiang Lung  
Dr David Choy  
Dr Ho Kok Yuen  
Dr Anthony Foo  
Dr Chee Shang Yao  
Dr Aswin Warier  
Ms Kartini Sameejan  
Ms Ong Suat Kien  
Ms Teo Poh Lin  
Ms Joanna Lee  
Ms Than Sook Ling  
Ms Fernie Gurtina Lim Gek Keim  
Mr Fadhilah Bin Abu Bakar  
Mr Eugene Lam (Secretary)

**CRITICAL CARE COMMITTEE**

Dr Chan Choong Chee (Chairman)  
Dr Teo Swee Guan  
Dr Tan Mein Chuen  
Dr Fong Sau Shung  
Dr Chee Shang Yao  
Ms Lilian Yew  
Ms Yasmine Poh  
Ms Mary Jane Mendoza Sangalang  
Mr Fadhilah Bin Abu Bakar  
Ms Than Sook Ling (Secretary)

## Raffles Medical

**MEDICAL BOARD**

Dr Alfred Loh (Adviser)  
Dr Wilson Wong (Chairman)  
Dr Chng Shih Kiat (Co-Chairman)  
Dr Michael Lee  
Dr Wong Wei Mon  
Dr Hoo Kai Meng  
Dr Salleh Omar  
Dr Nandha Kumar  
Dr Melvyn Wong

# Raffles Medical Group

## BOARD OF DIRECTORS

Dr Loo Choon Yong  
(Executive Chairman and  
Non-Independent Director)

Mr Koh Poh Tiong  
(Lead Independent Director)

Mr Kee Teck Koon  
(Independent Director)

Mr Eric Ang Teik Lim  
(Independent Director)

Dr Wee Beng Geok  
(Independent Director)

Mr Raymond Lim Siang Keat  
(Independent Director)

Mr Png Cheong Boon  
(Independent Director)

Mr Lew Yoong Keong Allen  
(Independent Director)

Mr Tan Soo Nan  
(Executive and  
Non-Independent Director)

Mr Olivier Lim Tse Ghow  
(Non-Executive and  
Non-Independent Director)

Dr Sarah Lu Qinghui  
(Executive and  
Non-Independent Director)

## AUDIT & RISK COMMITTEE

Mr Kee Teck Koon  
(Chairman)

Mr Koh Poh Tiong

Mr Raymond Lim Siang Keat

Mr Lew Yoong Keong Allen

## NOMINATION & COMPENSATION COMMITTEE

Mr Eric Ang Teik Lim  
(Chairman)

Mr Koh Poh Tiong

Dr Wee Beng Geok

Mr Png Cheong Boon

Dr Sarah Lu Qinghui

## REGISTERED OFFICE

585 North Bridge Road  
Raffles Hospital #11-00  
Singapore 188770  
Tel : 6311 1111  
Fax : 6338 1318  
Email: enquiries@raffleshospital.com

## 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 Karen Lee Shu Pei  
Year of Appointment: 2019

## PRINCIPAL BANKERS

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

# Raffles Health Insurance

## BOARD OF DIRECTORS

Dr Loo Choon Yong  
(Chairman)

Mr Charles Maurice Octave Pierron  
(Independent Director)

Mr Ng Chee Peng  
(Independent Director)

Mr Tham Khai Wor  
(Independent Director)

Mr Tan Soo Nan  
(Executive and Non-Independent Director)

Mr N Ganesan  
(Non-Executive and Non-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 Goh Kim Chuah  
Year of Appointment: 2019

## PRINCIPAL BANKERS

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



Raffles Medical Group (RMG or the Company, and together with its subsidiaries, the Group) is committed to achieving and maintaining high standards of corporate governance to ensure greater corporate transparency and protection of shareholders' interest.

This corporate governance report outlines the main corporate governance policies, processes and practices adopted by RMG during the financial year ended 31 December 2020 (FY2020) with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the Code or CCG 2018). To the extent where any provisions have not been fully complied with, appropriate explanations have been provided in the relevant sections.

## PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

***The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.***

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. 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 Company's Constitution also provides for Directors to participate by way of telephone conference, video conference, or any other forms of electronic communication facilities on occasions when they are not able to attend physical meetings. 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.

All directors exercise due diligence and independent judgement in dealing with the business affairs of the Company and are obliged to act in good faith and to take objective decisions in the interest of the Company. Directors act objectively in the best interests of the Group and will hold Management accountable for its performance. The Board is accountable to shareholders and responsible for the long-term success of RMG and its subsidiaries. The primary function of the Board is to:

- (a) provide entrepreneurial leadership, guide the formulation of the Group's overall long-term strategic objectives, with appropriate focus on value creation, innovation and sustainability;
- (b) ensure necessary resources are in place for the Group to meet its strategic objectives;
- (c) establish and maintain a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- (d) monitor and review the performance of the management;
- (e) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
- (f) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and duly met; and
- (g) also consider diversity, environmental and social issues, amongst others.

The Group has in place a Code of Conduct and Ethics (including Conflicts of Interest), which sets the appropriate tone-from-the-top, the desired organisational culture, and ensures proper accountability within the Company. Directors are expected to objectively discharge their fiduciary duties and responsibilities in the interest of the Company and avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of RMG. Where a Director has a conflict of interest, or it appears that he or she might have a conflict of interest, in relation to any matter, he or she should immediately declare his or her interest at a meeting of the Directors or send a notice to the Company containing details of his or her interest and the conflict, and recuse himself or herself from participating in any discussion and decision on the matter. Matters that require the Board's approval in line with guidelines set forth by the Board include, but are not limited to:

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

- (a) The approval of interim and full year results announcements;
- (b) The approval of the annual audited accounts;
- (c) The declaration of interim dividends and proposal of final dividends;
- (d) Convening of shareholders' meetings;
- (e) The approval of the overall corporate strategy and objectives of the Group;
- (f) Material acquisitions or disposals;
- (g) Major capital expenditures;
- (h) Succession plans, including appointment and compensation for Directors;
- (i) The approval of interested person transactions involving substantial shareholders and/or Directors; and
- (j) The appointment of new Directors.

Any other matters that may be delegated to Committees whose actions are also 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 & Risk Committee (ARC).

Each Board Committee reviews the matters that fall within the ambit of its own Terms of Reference and reports its decisions to the Board, which endorses and accepts ultimate responsibility on such matters.

**INDUCTION AND TRAINING OF DIRECTORS**

The Company provides a comprehensive induction and training programme for incoming Directors to familiarise them with the Group's operations, businesses and corporate governance practices, amongst others. Each newly appointed Director receives a formal letter on his/her duties, responsibilities, disclosure obligations and best practices in relation to dealing in securities under applicable laws and regulations. The Group will also arrange for new directors to attend training in areas such as accounting, legal, risk management, strategy and leadership, as appropriate.

The Company Secretary updates the Directors, on any regulatory changes which has a material impact on either the Group or its Directors, during Board meetings, while the Company's external auditors (the External Auditors), KPMG LLP (KPMG), updates and briefs the ARC on key amendments to the Singapore Financial Reporting Standards (International) (SFRS(I)).

The Directors are advised and encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors (SID) and those courses which SID offers in partnership with the Accounting and Corporate Regulatory Authority, Singapore Exchange Limited, the Institute of Singapore Chartered Accountants and Singapore Management University. Directors are also encouraged to attend relevant courses offered by other institutes. The Company is responsible for arranging and funding the training of directors. The directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate and risk governance, changes in SFRS(I), changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as board or board committee members. Directors may at any time request for further explanation, briefing or informal discussion on any aspects related to the Group's operations.

All agendas, papers and meeting materials are circulated to all members of the Board, ahead of each meeting. In the event, a director is unable to attend a board or board committee meeting, he or she would advise the Chairman or relevant board committee Chairman of his or her views and comments, if any, on the matters to be discussed, so that they may be conveyed to other members at the meeting.

**PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS (CONT'D)****ATTENDANCE AT MEETINGS**

The table below sets out the attendance at meetings convened during the course of the financial year:

**DIRECTORS' DETAILS**

NAME OF DIRECTOR	INDEPENDENT(I) / NON- INDEPENDENT (NI)	EXECUTIVE(E) / NON- EXECUTIVE (NE)	ASSESSMENT OF DIRECTORS' INDEPENDENCE STATUS	MEETING ATTENDANCE REPORT ✧ CHAIR OF THE COMMITTEE ● MEMBER OF THE COMMITTEE			
			INDEPENDENCE STATUS UNDER THE CODE <sup>(3)</sup>	AGM	BOARD	ARC	NCC
Dr Loo Choon Yong	NI	E	No	✧ 1/1	✧ 4/4	-	-
Mr Koh Poh Tiong	I	NE	Yes	● 1/1	● 4/4	● 3/3	● 2/2
Mr Kee Teck Koon	I	NE	Yes	● 1/1	● 4/4	✧ 3/3	-
Mr Eric Ang Teik Lim	I	NE	Yes	● 1/1	● 4/4	-	✧ 2/2
Dr Wee Beng Geok	I	NE	Yes	● 1/1	● 4/4	-	● 2/2
Mr Raymond Lim Siang Keat	I	NE	Yes	● 1/1	● 4/4	● 3/3	-
Mr Png Cheong Boon	I	NE	Yes	● 1/1	● 4/4	-	● 2/2
Mr Lew Yoong Keong Allen <sup>(1)</sup>	I	NE	Yes	-	● 1/1	-	-
Mr Tan Soo Nan	NI	E	No	● 1/1	● 4/4	-	-
Mr Olivier Lim Tse Ghow	NI	NE	No	● 1/1	● 4/4	-	-
Dr Sarah Lu Qinghui <sup>(2)</sup>	NI	E	No	● 1/1	● 4/4	-	● 2/2

**Notes:**

<sup>(1)</sup> Mr Lew Yoong Keong Allen was appointed to the Board as a Non-Executive and Independent Director on 28 October 2020.

<sup>(2)</sup> Dr Sarah Lu Qinghui was re-designated as an Executive and Non-Independent Director on 1 June 2020.

<sup>(3)</sup> Assessment of Directors' Independence status under the Code of Corporate Governance 2012.



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

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.

In its annual review of each Director's ability to commit time to the affairs of the Company, the NCC takes into account, amongst other things, the attendance records of the Directors at meetings of the Board and Board Committees, the competing time commitments faced by any such individual with multiple board memberships as well as their principal commitments.

The NCC is satisfied that each of the Directors is able to devote adequate time to carry out his or her duties as Director. The Board has considered, and, set as a guide that Directors should not be represented on more than six boards listed on any Exchange in the world (excluding nominee directorship of listed companies for which the Director is an employee). During FY2020, none of the Directors hold more than six directorships in public listed companies. The Company does not have any alternate directors on its Board.

**BOARD SUPPORT AND ACCESS TO INFORMATION**

The Company recognises the importance of providing the Board with relevant information on a timely basis prior to Board meetings and on an ongoing basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities.

The Board meets regularly at Board meetings. At each Board meeting, the Deputy Managing Directors and the General Managers of each division will provide updates on the Group's business and operations, and the Chief Financial Officer (CFO) or Group Financial Controller (GFC) will also present the financial performance of the Group. This allows the Board to develop a good understanding of the progress of the Group's business as well as the issues and challenges facing the Group and, at the same time, promotes active engagement with the key executives of the Group.

The Management provides the Board with quarterly financial and related reports as well as summary data comparing key financial metrics relative to the budgets and results from prior periods. In respect of budgets and financial results, any material variances between the projections and actual results are disclosed and explained.

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, the Directors have separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary is responsible for ensuring that the established procedures and relevant statutes and regulations have been complied with. She also facilitates good information flow to and within the Board and its committees, and between Management and Non-Executive Directors. The Company Secretary attends all the Board meetings held and her appointment and removal are subject to the Board's approval.

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.

**PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE**

*The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

The names of the Directors of the Company in office as at the date of this Report are set out below.

**Board Size and Composition**

As at the date of this Report, the Board comprises eleven members, of whom eight are Non-Executive and seven are deemed Independent:

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 and Non-Independent	26/06/2020	Chairman	Nil
Mr Koh Poh Tiong	03/10/2011	Non-Executive and Independent	26/06/2020	Lead Independent Director	Members of ARC and NCC
Mr Kee Teck Koon	03/01/2012	Non-Executive and Independent	26/06/2020	Director	Chairman of ARC
Mr Eric Ang Teik Lim	24/04/2015	Non-Executive and Independent	26/04/2019	Director	Chairman of NCC
Dr Wee Beng Geok	27/11/2000	Non-Executive and Independent	26/04/2019	Director	Member of NCC
Raymond Lim Siang Keat	25/04/2013	Non-Executive and Independent	26/06/2020	Director	Member of ARC
Mr Png Cheong Boon	15/10/2018	Non-Executive and Independent	26/04/2019	Director	Member of NCC
Mr Lew Yoong Keong Allen <sup>(1)</sup>	28/10/2020	Non-Executive and Independent	-	Director	Member of ARC
Mr Tan Soo Nan	28/07/2000	Executive and Non-Independent	27/04/2018	Director	Nil
Mr Olivier Lim Tse Ghow	01/10/2014	Non-Executive and Non-Independent	27/04/2018	Director	Nil
Dr Sarah Lu Qinghui <sup>(2)</sup>	20/02/2018	Executive and Non-Independent	27/04/2018	Director	Member of NCC

**Notes:**

(1) Mr Lew Yoong Keong Allen was appointed to the Board as a Non-Executive and Independent Director on 28 October 2020 and a member of ARC on 19 February 2021.

(2) Dr Sarah Lu Qinghui was re-designated as an Executive and Non-Independent Director on 1 June 2020. Dr Lu is the daughter of Dr Loo Choon Yong, Executive Chairman of the Company.

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' Statement.

As at 31 December 2020, there is a strong independence element in the Board, with the NCC considering seven out of the eleven Board members to be independent. As such, the Board composition has met the provisions of the Code which states that Independent Directors shall make up at least half of the Board where the Chairman of the Board is not an Independent Director.

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

The Board concurred with the views of the NCC that all the Independent Directors of the Company are considered “Independent” when they are independent in conduct, character and judgement, and they have no relationship with the Company, its related corporations, its substantial shareholders (defined as shareholders with interests of not less than 5%) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement in the best interests of the Group.

The Board and the NCC regularly examine the size of the Board and Board Committees, with a view to determine the impact of the number upon effectiveness, to decide on an appropriate size for the Board and its Board Committee, after taking into account the scope and nature of the Group’s operations. Each year, the Board and NCC, take into account, inter alia, the Directors’ contributions, areas of expertise and scope of work in the process of evaluating whether the Board’s composition is adequate.

The Company recognises the importance and benefits of having a diverse Board to enhance its performance. The Company believes that diversity, in all aspects, is an important attribute of a well-functioning and effective Board and is accordingly committed to promoting diversity on the Board.

**Board Diversity Policy**

In determining the composition of the Board, RMG shall consider candidates with varying skill sets, industry and business experiences, gender, age, ethnicity and cultural backgrounds. This will help to provide a diverse range of viewpoints in decision-making. The final appointment of directors shall be based on merit with a view to maintaining board diversity and effectiveness.

The NCC is responsible for reviewing and assessing the composition of the Board and making recommendations to the Board for appointment of new directors. The NCC shall review the structure, size, balance, and diversity of the Board annually and recommend any proposed changes to the Board to complement RMG’s objectives and strategies, including this Policy.

**Board Diversity Objectives**

The Company has additionally set a gender diversity objective to ensure that the proportion of women on the Board is equal to or higher than the average women’s representation on boards of large-cap companies listed on Singapore Exchange Securities Trading Limited (SGX-ST). As at 31 December 2020, female directors represented 18.2% of total Board membership, which compared favourably to the national average of 16.2% (Source: Council for Board Diversity). The Company will continuously set other measurable objectives to promote board diversity in other dimensions.

The Board currently comprises Directors from different industries and background, with a wide range of business and management experience, knowledge and expertise who, as a result of their different backgrounds, have diversity of thought that is beneficial for the Group. The Board, collectively, provides core competencies in healthcare, education, accounting, finance, strategic planning and risk management to meet the goals of the Company. Such diversity, including diversity of thought, will provide a wider range of perspectives, skills and experience, which will allow Board members to better identify possible risks, raise challenging questions and contribute to problem-solving. This will, in turn, enable the Board to better guide and advise Management from this broader perspective and contribute to more effective decision-making to assist the Group in achieving its strategic objectives. Each Director is appointed on the strength of his or her calibre and experience. The Company has no alternate Directors on its Board.

To achieve its diversity objectives, the Board and the NCC will, from time to time, invite new Directors with relevant experience to join the Board. The Board and NCC review its Board Diversity Objectives annually and are satisfied that the current Board’s size and composition is in alignment with the needs of the Group and to facilitate independent and effective decision-making.



**PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE (CONT'D)****Non-Executive Directors**

The Board considers its Non-Executive Directors to be of sufficient calibre and number. Their views are of sufficient weight such 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 Employee Share Option Schemes and the Performance Share Plan of the Company as set out in the Directors' Statement.

The Non-Executive Directors exercise no management functions in the Company or in 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 Management are fully discussed and rigorously examined by taking into account the long-term interests and perspective of all shareholders and stakeholders of the Group. In addition, the Non-Executive Directors also review and monitor the performance of Management in meeting the goals and objectives of the Group. The Non-Executive Directors and/or Independent Directors also meet without the presence of the Management, as and when the need arises. The Chairman of such meetings provides feedback to the Board and/or Chairman, as appropriate.

**PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

The Board is of the view that it is in the best interest of the Company to adopt a single leadership structure, whereby the Executive Chairman and the Chief Executive Officer (CEO) is the same person, so as to benefit from his knowledge and experience of the medical industry and to ensure a streamlined decision-making process.

Dr Loo Choon Yong, the founder and Executive Chairman of the Group, is responsible for charting the strategic direction and growth of the Group, as well as the day-to-day management of the Group. The Executive Chairman also ensures that the strategic plans set out by the Board are properly executed and that the Directors are kept updated and informed of the Group's business performance regularly.

The Executive Chairman sets the agenda for Board meetings and ensures that adequate time are available for discussion of all items, in particular, strategic issues and promotes a culture of openness and constructive relations within the Board and between the Board and Management to facilitate the effective contribution of Non-Executive and Independent Directors. He made sure that the Board receives complete, adequate and timely information, and ensures effective communication with shareholders. He also takes a lead role in promoting high standards of corporate governance.

The Executive Chairman ensures that the Board is properly briefed in a timely manner on pertinent issues and developments. The Board regularly obtains the independent views of each Independent Director. The Executive Chairman also leads the evaluation of the Senior Management's performance, and, works with the Senior Management in overseeing talent management to ensure that robust succession plans are in place for the senior leadership team. The Executive Chairman is responsible for establishing the risk boundaries of the Group and ensures that strong governance systems and processes are in place and regularly evaluated.

All major decisions made by the Executive Chairman are reviewed by the Board. His performance and remuneration are reviewed periodically by the NCC. The Board believes that there are adequate safeguards in place against having a centralisation of power and authority in a single individual. These safeguards include the appointment of a Lead Independent Director and having the majority of the Board and NCC comprise of Independent and Non-Executive Directors.

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

**PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONT'D)****LEAD INDEPENDENT DIRECTOR**

Mr Koh Poh Tiong was appointed by the Board as the Lead Independent Director since 2 January 2014. The Lead Independent Director leads Board discussions with the Independent and Non-Executive Directors in circumstances where it would be deemed inappropriate for the Executive Chairman to serve in such a capacity. He also assists the Executive Chairman and the Board to ensure that the affairs of the Board and of the Company are managed in accordance with good corporate governance practices and principles.

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 who have concerns when contact through the normal channels of communication with the Executive Chairman, the CFO or GFC have failed to resolve the issues or for which such contact is inappropriate. The Lead Independent Director would provide feedback to the Executive Chairman after such meetings.

**PRINCIPLE 4: BOARD MEMBERSHIP**

*The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

The Company has established a NCC to, amongst others, make recommendations to the Board on all Board appointments, re-appointments and oversee the Board, Executive Chairman, the CEO and key management personnel (KMP) succession plans as well as the review of training and professional development programmes.

The NCC has five members and is made up of one Executive and Non-Independent Director, and four Non-Executive Directors. All the Non-Executive Directors, including the NCC Chairman, are Independent Directors. The independence of the NCC is further enhanced by having the Lead Independent Director as one of its members.

The key memberships and responsibilities of the NCC are set out on pages 47 to 48.

**Process for selection and appointment of new directors**

The NCC is responsible for identifying candidates and reviewing all nominations for the appointments of new Directors. When the need for a new Director arises, the NCC, in consultation with the Board, evaluates and determines the selection criteria for the appointment of new Directors collectively, by taking into account, their skills, experience, contribution to Board diversity, as well as Company and industry knowledge. The NCC seeks potential candidates beyond the recommendation of Directors or Management and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary.

**Criteria for appointment of new directors**

All new appointments are subject to the recommendation of the NCC based on the following objective criteria:

- (a) Integrity;
- (b) Character, business experience and acumen;
- (c) Diversity - Possess core competencies that meet the needs of the Company and complement the skills and competencies of the existing Directors on the Board;
- (d) Ability to commit time and effort to carry out duties and responsibilities effectively;
- (e) Track record of making good decisions; and
- (f) Experience in high-performing organisations.

**PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)****Re-nomination and Re-appointment of Directors**

The NCC also oversees the process for Directors' re-appointment, after giving due regard to the Director's contributions and performance (such as attendance, preparedness, participation and candour).

All Directors, including the Executive Chairman and CEO submit themselves for re-appointment at regular intervals of at least once every three years. As prescribed by the Company's Constitution and recommended by the Code, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation at every annual general meeting of the Company. Any Director appointed by the Board during the financial year shall hold office only until the next annual general meeting. A retiring Director shall be eligible for re-election. In appointing and recommending the re-election of Directors, the Board considers the range of skills and experience required in 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.

The NCC had recommended to the Board that Directors who have served for more than nine years and wish to remain as Independent Directors, be subject to a two-tiered voting process when they seek re-election at the shareholders' general meeting immediately preceding 1 January 2022. The two-tiered voting will involve the approval by shareholders in two separate resolutions to be approved by (i) all shareholders; and (ii) all shareholders, excluding shareholders who also serve as the Directors or the CEO of the Company, and associates of such Directors and CEO.

**Review of Directors' Independence**

The NCC is responsible for reviewing the independence of each Director based on the provisions set out in the Code. The review is conducted annually and requires each Non-Executive Director to confirm that there are no material relationships which would render him or her non-independent. The confirmations are subsequently reviewed by the NCC whereby the NCC also considers each Independent Director's contributions at Board meetings. Thereafter, the matter is presented to the Board for it to make a determination on the Directors' independence, after taking into account the views of the NCC.

For transparency, the NCC has set out its determination of the independence of each of the seven Independent Directors, namely, Mr Koh Poh Tiong, Mr Kee Teck Koon, Mr Eric Ang Teik Lim, Dr Wee Beng Geok, Mr Raymond Lim Siang Keat, Mr Png Cheong Boon and Mr Lew Yoong Keong Allen in the paragraphs that follow.

Mr Koh Poh Tiong (Mr Koh) is a Non-Executive and Non-Independent Director and Adviser of Fraser & Neave Limited. Mr Koh is also the Non-Executive and Independent Director of Delfi Limited and the Chairman, Non-Executive and Non-Independent Director of Saigon Beer Alcohol Beverage Corporation. In addition, Mr Koh is the Chairman and Non-Executive and Independent Director of Bukit Sembawang Estates Limited and the Chairman of Times Publishing Limited. Mr Koh's roles in all the aforementioned appointments are non-executive in nature and he is not involved in the business operations of these companies. Mr Koh is also an Independent Director of Great Eastern Life Assurance (Malaysia) Berhad, and Great Eastern General Insurance (Malaysia) Berhad and the Chairman of BeerCo Limited. Mr Koh is considered to be independent of the management and of any business relationships with the Company.

Mr Kee Teck Koon (Mr Kee) is a Non-Executive Director of CapitalLand Limited, Mandai Park Holdings Pte Ltd, NTUC Fairprice Co-operative Limited, NTUC Enterprise Co-operative Limited and Changi Airport Group (Singapore) Pte Ltd. Mr Kee also holds the position of Non-Executive Director / Deputy Chairman of NTUC Income Insurance Co-operative Limited and is a Member of Angsana Fund Investment Committee (AFIC), Singapore Labour Foundation. Mr Kee's roles in all the aforementioned appointments are non-executive in nature and he is not involved in the day-to-day conduct of business of these companies. Mr Kee is considered to be independent of the management and of any business relationships with the Company.



**PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)****Review of Directors' Independence (Cont'd)**

Mr Eric Ang Teik Lim (Mr Ang) was appointed as a Senior Executive Adviser by DBS Bank Ltd (DBS) which provided banking services to the Group but he had since retired on 25 January 2020. The Board considers that the transactions with DBS were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the services were not material in the context of all the services that the Group received from its banks in FY2020 and the payments made to DBS were also not material relative to the revenue of DBS in FY2020.

Mr Ang is also appointed as a Non-Executive and Independent Director of Sembcorp Marine Ltd and Wing Tai Holdings Limited, a Director of Surbana Jurong Private Limited, NetLink NBN Management Pte Ltd, and a Co-Chairman of the SGX Disciplinary Committee. These roles are non-executive and advisory in nature, do not pose any conflict of interest for Mr Ang, and he is also not involved in the day-to-day conduct of the business of the aforementioned companies and organisations. Mr Ang is considered independent of management of and any business relationships with the Company.

Dr Wee Beng Geok (Dr Wee) is a Non-Executive Director of The Theatre Practice Ltd. Dr Wee's role in this appointment is non-executive in nature, and she is not involved in the business operations of this company. Dr Wee is considered independent of the management and of any business relationships with the Company.

Mr Raymond Lim Siang Keat (Mr Lim) is a Non-Executive and Independent Director of Hong Leong Finance Limited and Non-Executive Director of Swire Properties Limited. Mr Lim's role in these aforementioned appointments is non-executive in nature, and he is not involved in the business operations of these companies. Mr Lim is also appointed as the Executive Chairman of APS Asset Management Pte Ltd, Senior Adviser to John Swire & Sons (Hong Kong) Ltd and an Adjunct Professor at Lee Kuan Yew School of Public Policy, National University of Singapore as well as Nanyang Centre for Public Administration, Nanyang Technological University, Singapore.

Mr Lim had declared to the Nomination & Compensation Committee (NCC) that his son, Dr Lim Wei Han (Dr Lim), is employed as a Physician by the Group. However, Dr Lim's remuneration is not determined by the NCC. The remuneration of Dr Lim follows the same remuneration framework as that applicable to the Group's physicians. The Board has assessed and is satisfied that Mr Lim's independence will not be affected, notwithstanding Dr Lim's employment with the Company. Mr Lim is considered independent of management of the Company.

Mr Png Cheong Boon (Mr Png) is the Chief Executive Officer and a Member of Enterprise Singapore (ESG), a Member of Economic Development Board (EDB) and currently serves on the boards of Employment and Employability Institute Pte Ltd, Singapore Innovate Pte Ltd and EDBI Pte Ltd. Mr Png is the Chairman of Singapore Cooperation Enterprise, Enterprise Singapore Holdings Pte Ltd, and Infrastructure Asia, and is also the Co-Chairman of Singapore Israel Industrial Research and Development Foundation (SIIRD). Mr Png's roles in all the aforementioned appointments are non-executive in nature and he is not involved in the day-to-day conduct of business of the companies. Mr Png is considered independent of management of, and business relationships with, the Company.

The Group provides healthcare services to ESG and EDB and the Board considered that the transactions with ESG and EDB were carried out in the ordinary course of business, on normal commercial terms and at arm's length basis. In addition, the value of services was not material relative to the revenue of the Group in FY2020. Mr Png is considered independent of the management and of any business relationships with the Company.

Mr Lew Yoong Keong Allen (Mr Lew) is the Chief Executive Officer, Group Strategy and Business Development and Country Chief Officer Thailand for Singapore Telecommunications Limited (Singtel). Mr Lew also holds the position of a Non-Executive Director of Advanced Info Services Public Company Limited (AIS) and Singtel companies registered in Australia and various entities of Optus companies in Australia/New Zealand. Mr Lew is also the Chairman of the AIS Executive Committee.

The Board considers that the transactions with Singtel were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services were also not material relative to the revenue of the Group in FY2020. The Board had assessed and is satisfied that Mr Lew's independence will not be affected. Mr Lew is considered independent of management of, and business relationships with, the Company.

**PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)****Review of Directors' Independence (Cont'd)**

The Board recognises that Independent Directors will over time develop significant insight into the Group's business and operations, and can continue to provide valuable and objective contributions to the Board as a whole. The Board is of the view that the independence of a Director cannot be determined arbitrarily with sole reference to their tenure on the Board. Nevertheless, when there are Directors who have served beyond nine years, the Board will rigorously review their continuing contribution and independence in determining whether the continued appointment of such Directors is appropriate. During the financial year under review, the independence of Mr Koh Poh Tiong (Mr Koh) and Dr Wee Beng Geok (Dr Wee) was subject to such a review, which included a self-assessment by Mr Koh and Dr Wee, and a substantive assessment by the NCC. Amongst other things, the NCC takes into account whether a Director's long-term relationship with Management could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgement in the best interests of the Company. Having taken these considerations into account, the NCC considers both Mr Koh and Dr Wee to be independent of the management and of any business relationships with the Company.

The Board is of the firm view that Mr Koh and Dr Wee have contributed effectively by providing impartial and autonomous views, advice and judgement, in the course of discharging their responsibilities as Independent and Non-Executive Directors. These Directors have also demonstrated objectivity in character and judgement in the discharge of their duties as Directors of the Company. Their roles are non-executive in nature and they are also not involved in the day-to-day business and operations of the Group. Their leadership qualities as well as deep knowledge remain important to the Company and the Group as a whole. In addition, there is no association with Management that could compromise their independence. Accordingly, the Board took the view that Mr Koh and Dr Wee remain independent. After taking into account these factors, the NCC's views and having weighed the need for Board refreshment against tenure, the Board has determined that Mr Koh and Dr Wee should continue to be regarded as Independent Directors of the Company, notwithstanding the fact that they have served more than nine years. Additionally, and in mitigation, the NCC had recommended to the Board that going forward, Directors who have served for more than nine years and wish to remain as Independent Directors, be subjected to a two-tiered voting process when they seek re-election at the shareholders' general meeting immediately preceding 1 January 2022. The Board and NCC are committed to take affirmative actions, including the appointment of new Directors, to ensure that majority of the Board will remain independent. Accordingly, all Directors, who have served for more than nine years and are not subjected to two-tiered voting process by 1 January 2022, will be deemed Non-Independent Directors of the Company.

The Board also considered whether Mr Koh Poh Tiong, Mr Kee Teck Koon, Mr Eric Ang Teik Lim, Dr Wee Beng Geok, Mr Raymond Lim Siang Keat, Mr Png Cheong Boon and Mr Lew Yoong Keong Allen had demonstrated independence of character and judgement in the discharge of their respective responsibilities as Directors of the Company during FY2020, and is satisfied that each of them had acted with independent judgement. Each of them had also recused himself or herself from participating in any Board's deliberation on any transactions that could potentially have given rise to a conflict of interest. The Board therefore considers that the relationships and circumstances pertaining to each of these seven Independent Directors set out above did not impair their independence and objectivity.

Each Independent Director has duly abstained from the NCC's or Board's determination of his or her own independence.

On the basis of the provisions set out in the Code, the Board has determined that Dr Loo Choon Yong, Mr Tan Soo Nan, Mr Olivier Lim Tse Ghaw and Dr Sarah Lu Qinghui are Non-Independent Directors of the Company.

Key information on each Director including the date of first appointment as a Director, date of last re-appointment or re-election, academic and professional qualifications, background and experience, directorships or chairmanships in other listed companies and principal commitments over the past three years is set out on pages 10 to 15 and 39 of the Annual Report.

**PRINCIPLE 5: BOARD PERFORMANCE**

***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

On an annual basis, the NCC reviews the Board's performance based on objective 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 the 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 reviewed by the NCC and also shared with the entire Board.

During FY2020, the Questionnaires on the performance of the Board and Board Committees were reviewed based on best practices on board evaluation and revised, to take into consideration key issues and areas the Board wanted to focus on. All Directors participated in the assessment process. The results of the evaluation on a collective basis were collated by the Company Secretary and presented first to the NCC for review and then to the Board for further discussion. The NCC assessed the performance of the Board as a whole, taking into account the Board's composition and size, access to information, processes, accountability, standard of conduct and performance of the principal functions and fiduciary duties, and guidance to and communication with the Management.

Informal reviews of the Board's collective performance are conducted 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's performance, as a whole, than individual directors, collectively, in its appraisal process.

**PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

Matters concerning remuneration and compensation packages for Senior Management and the Executive Chairman are determined and reviewed by the NCC, after giving due regard to the financial and commercial health, and business needs of the Group. The NCC has five members and is made up of four Non-Executive Directors, all of whom are Independent Directors, and one Executive and Non-Independent Director. The independence of the NCC is further enhanced by having the Lead Independent Director as one of its members. No Director is involved in deciding his or her own remuneration.

Matters which are required to be disclosed in the annual remuneration report have been disclosed in this Report and in the notes to the financial statements of the Company and of the Group. Where there are deviations from the Code, explanations would be given.



**PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (CONT'D)****NOMINATION & COMPENSATION COMMITTEE**

The Company has consolidated the functions of both the nominating and remuneration committees under the umbrella of the NCC as a single Board Committee. The scope and responsibilities of the NCC are set out in the Terms of Reference approved by the Board, which, include the following:

- (a) Making recommendations to the Board for approval on relevant matters relating to the:
  - (i) Review of the Board's succession plans for Directors, including the Executive Chairman, the CEO and KMP;
  - (ii) Development of a process and criteria for evaluating the performance of the Board, its Board Committees and Directors;
  - (iii) Review of training and professional development programmes for the Directors;
  - (iv) Recommendation on the appointment and re-appointment of Directors;
  - (v) Determination of a framework or broad policy for the remuneration of the Directors;
  - (vi) Specific remuneration package for each Director as well as for the KMP to ensure that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the company for the long term.
- (b) Reviewing the structure, size and composition (including skills, qualification, experience and diversity) of the Board and Board Committees, and recommend changes, if any, to the Board.
- (c) Making recommendations of membership of Board Committees to the Board.
- (d) Reviewing the independent status of Non-Executive Directors and that of the Alternate Director, if applicable, annually, or when necessary, along with issues of conflict of interest.
- (e) Making recommendations to the Board for removal and re-appointment of Non-Executive Director at the end of his or her term, if the appointment is subject to tenure. It may also make recommendations on the re-election of Directors retiring by rotation under the provisions of the Company's Constitution. In making these recommendations, the NCC should consider the Director's performance, commitment and his or her ability to continue contributing to the Board.
- (f) Keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company, the industry in which it operates.
- (g) Assisting the Board with responsibilities on remuneration and talent management matters, to:
  - (i) Take into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;
  - (ii) Set the remuneration framework, including but not limited to, specific remuneration packages, for Directors (both Executive and Non-Executive Directors), CEO and KMP. No Director or manager shall be involved in any decisions as to their own remuneration. The Board should recommend and propose Non-Executive Directors' fees for shareholders' approval at a general meeting;
  - (iii) Review the ongoing appropriateness and relevance of the Company's remuneration policy;
  - (iv) Obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing relevant reports, surveys or information, at the expense of the Company, subject to any budgetary constraints imposed by the Board;
  - (v) Oversee any major changes in employee benefits or remuneration structures;
  - (vi) Review the design of all long-term and short-term incentive plans for approval by the Board and shareholders;
  - (vii) Ensure, as and when required, the contractual and termination terms of KMPs are fair to both the individual and the Company. Poor performance should not be rewarded;
  - (viii) Oversee and collaborate with Executive Directors on talent management and succession planning matters for KMP; and
  - (ix) Work and liaise, as necessary, with all other Board Committees on any other matter connected with remuneration.

**PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (CONT'D)****NOMINATION & COMPENSATION COMMITTEE (Cont'd)**

- (h) Review and oversee the implementation of the design of all Employee Share Option Schemes and such other incentive schemes as may be approved by the Board and the shareholders from time to time. 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, if applicable, the performance targets to be used.
- (i) Empowered by the Board to delegate to the Executive Chairman or Company Secretary to approve and release relevant announcements in relation to the administration of the Employee Share Option Schemes and such other incentive schemes as may be approved by the Board and the shareholders from time to time that are required for the compliance with the SGX-ST Listing Manual.

The Chairman of the NCC is Independent Director, Mr Eric Ang Teik Lim. The other members are Lead Independent Director, Mr Koh Poh Tiong, Independent Directors, Dr Wee Beng Geok, Mr Png Cheong Boon and Executive and Non-Independent Director, Dr Sarah Lu Qinghui. The majority of the NCC members, having managed large organisations, are knowledgeable and experienced in the field of executive compensation.

Dr Sarah Lu Qinghui is the only Executive and Non-Independent Director in the NCC. She was re-designated as an Executive and Non-Independent Director on 1 June 2020 when she joined Raffles Hospital as a Consultant Breast Surgeon. She is the daughter of Dr Loo Choon Yong, the Executive Chairman and Controlling Shareholder of the Company. Dr Sarah Lu has over 15 years of experience as a registered medical practitioner and more than 7 years of experience as a Specialist General Surgeon and Breast Surgeon. Prior to joining Raffles Hospital, she served as Consultant, General Surgery and Breast Surgery at Tan Tock Seng Hospital, one of the busiest hospitals in Singapore.

In that capacity, she concurrently participated in the training and education of surgical residents and medical students as the Programme Director of National Healthcare Group, General Surgery Residency Programme and served as an Adjunct Assistant Professor with Lee Kong Chian School of Medicine and a Clinical Lecturer at the Yong Loo Lin National University of Singapore School of Medicine. Her experience as a Consultant Surgeon and Programme Director enables her to contribute positively to the NCC.

With her medical background, and dual role as a Consultant Breast Surgeon and Executive Director, Dr Sarah Lu adds value to the NCC through her perspectives and insights on matters relating to remuneration, talent management and retention, in particular, in relation to the Group's medical practitioners. Dr Sarah Lu's background in the training and education of surgical residents and medical students also helps the Group in the recruitment and retention of medical talents, which are crucial to the Group's mission to be the best total healthcare provider.

In FY2020, the NCC considered and reviewed, amongst others, remuneration matters and recommended to the Board the new incentive plans, namely RMG (2020) Performance Share Plan and RMG (2020) Share Option Scheme, which were approved by shareholders at the General Meeting.

The NCC seeks expert advice and views on remuneration and governance matters from both within and outside the Group as appropriate. By drawing on a pool of independent consultants for diversified views and specific expertise, when necessary, 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. In FY2020, the Company did not engage any remuneration consultants.

**PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION**

***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

The Group adopts a remuneration framework that is responsive to market elements and the performance of the Group and business divisions respectively. It is structured to link a significant and appropriate proportion of rewards to the Group's and each individual's performance. The NCC establishes the appropriate remuneration frameworks by determining the level and structure of remuneration for the Directors and KMP of the Company. The resulting remuneration packages aim to attract, retain and motivate the Directors to provide good stewardship of the Group and KMP to successfully manage the Group in the long term. The frameworks are reviewed periodically to ensure that they remain relevant, competitive and fair. The NCC takes into consideration the long-term interest and risk policies of the Company and structures the remuneration packages on certain measured performance indicators (which include both financial and non-financial factors) and are linked to the performance of the Group as well as the individual. To align with shareholders' interests, the Directors and KMP received share options under the RMG (2010) Share Option Scheme, the RMG (2020) Share Option Scheme, as well as the RMG (2020) Performance Share Plan, with a minimum vesting period of one to three years.

The NCC determines and reviews the remuneration packages for the Executive Chairman and KMP based on the Group's remuneration policy.

The NCC consists of four Non-Executive Directors, all of whom are Independent Directors, and one Executive and Non-Independent Director. The objectivity of the NCC is further enhanced by the inclusion of the Lead Independent Director as a key member of the committee. The Group has the discretion to revoke any component of the relevant KMP's remuneration in the event of a breach of the terms of their employment, misstatement of financial results, or any misconduct which results in financial loss to the Company.

The NCC reviews Directors' fees annually and makes recommendations to the Board and shareholders for endorsement and approval, respectively. Under the current remuneration framework, the fees are structured on the basis that Directors with additional duties as members or Chairpersons of Board Committees would receive a higher portion of the total fees. The framework also ensures that Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. As an Executive Director, the Executive Chairman does not receive any Directors' fees.

In FY2020, the Directors receive directors' fees, commensurate with their contributions, after taking into account factors such as effort, time spent and the individual responsibilities of each respective Directors. These Directors' fees have been reviewed by the NCC and are benchmarked against fees paid by comparable companies in Singapore. Each member of the NCC abstains from making a recommendation on his or her remuneration.

**PRINCIPLE 8: DISCLOSURE ON REMUNERATION**

***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

The Group adopts a performance-based remuneration framework that is linked to its growth and profitability. The level and mix of remuneration awarded to the Directors and KMP are flexible and responsive to existing market conditions. It also takes into account the performance of the individual as well as the performance of the business units within the Group.

The Group's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and KMP to achieve the Company's business vision and create sustainable value for its stakeholders. The Company takes into account its long-term interest and risk policies and has structured remuneration packages on measured performance indicators, taking into account financial and non-financial factors. Accordingly, to align Executive Directors, KMP and all employees' interest with that of the Group and its shareholders, remuneration packages are structured to comprise of fixed, variable and share-based pay components.



**PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)**

The fixed component is in the form of a base salary, allowances and benefits-in-kind. The variable component is in the form of variable bonuses which is linked to the Company's and individual performance. Share-based components are awards under the RMG (2010) Share Option Scheme, the RMG (2020) Share Option Scheme and RMG (2020) Performance Share Plan, and are linked to the relative performance of the Group and respective key performance indicators allocated to each individual Executive Director and KMP. This is to ensure that Directors' and KMP's interests are aligned with that of shareholders. Key information on the RMG (2010) Share Option Scheme, RMG (2020) Share Option Scheme and RMG (2020) Performance Share Plan are set out on pages 70 to 75 of the Annual Report.

The summary of Directors' remuneration for FY2020 are set out below:

REMUNERATION BAND	NUMBER OF DIRECTORS	
	2020 <sup>(1)</sup>	2019 <sup>(1)</sup>
\$500,000 and above	1	1
\$250,000 and below \$500,000	2	1
Below \$250,000	9	10
	12	12

**Note:**

(1) Includes pro-rated Director's remuneration payable/paid to Professor Lim Pin and Mr Lim Beng Chee who had retired from the Board on 26 June 2020 and 26 April 2019 respectively.

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations, the Company has disclosed the remuneration of each individual Director and the CEO on a named basis with breakdown in percentages. The Company has also, given the sensitivity of remuneration matters, opted not to disclose the total remuneration of each individual Director in dollar terms to maintain confidentiality of the remuneration packages of these Directors. For the same reasons, the Company also does not provide an upper limit to the remuneration band of "\$500,000 and above".

The remuneration of the Executive Chairman is included under the table for Directors' compensation.

**PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)****Directors' Compensation**

Details of the compensation for each individual Director for FY2020 are as follows:

NAME OF DIRECTOR	BASE OR FIXED SALARY <sup>(1)</sup> %	VARIABLE OR BONUS <sup>(2)</sup> %	DIRECTORS' FEES %	SHARE BASED <sup>(3)</sup> %	TOTAL COMPENSATION %
<b>\$500,000 and above</b>					
Dr Loo Choon Yong Executive Chairman and Non-Independent	7	93	–	–	100
<b>\$250,000 and below \$500,000</b>					
Mr Tan Soo Nan Executive and Non-Independent	73	20	–	7	100
Dr Sarah Lu Qinghui Executive and Non-Independent	–	81	16	3	100
<b>Below \$250,000</b>					
Mr Koh Poh Tiong Non-Executive and Independent	–	–	59	41	100
Mr Kee Teck Koon Non-Executive and Independent	–	–	66	34	100
Mr Eric Ang Teik Lim Non-Executive and Independent	–	–	85	15	100
Dr Wee Beng Geok Non-Executive and Independent	–	–	64	36	100
Professor Lim Pin <sup>(4)</sup> Non-Executive and Independent	–	–	100	–	100
Mr Raymond Lim Siang Keat Non-Executive and Independent	–	–	67	33	100
Mr Png Cheong Boon Non-Executive and Independent	–	–	100	–	100
Mr Lew Yoong Keong Allen Non-Executive and Independent	–	–	100	–	100
Mr Olivier Lim Tse Ghow Non-Executive and Non-Independent	–	–	63	37	100

**Notes:**

- (1) The base or fixed salary amount shown is inclusive of fees, allowances and statutory contributions to the Central Provident Fund.
- (2) The variable or bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.
- (3) Based on the fair values of share options and performance shares granted to Directors.
- (4) Professor Lim Pin retired from the Board on 26 June 2020.
- (5) Details of the Executive Directors' remuneration in aggregate are included in the Notes to Financial Statements - Transactions with KMP.

**PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)****KEY MANAGEMENT PERSONNEL'S REMUNERATION**

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, it would be disadvantageous for the Company to disclose the total remuneration paid to the Company's top five KMP (who are not Directors or CEO) on a named basis or in aggregate. For the foregoing reasons, the Company believes that it would also be disadvantageous to provide an upper limit to the remuneration band of "\$500,000 and above".

The remuneration of the Executive Chairman and Executive Director has been disclosed under the table for Directors' compensation and is accordingly not included in the table for KMP's remuneration.

REMUNERATION BAND	NO OF EXECUTIVES	BASE OR FIXED SALARY <sup>(1)</sup> %	VARIABLE OR BONUS <sup>(2)</sup> %	SHARE BASED <sup>(3)</sup> %	TOTAL COMPENSATION <sup>(4)</sup> %
\$500,000 and above	1	65	28	7	100
\$250,000 and below \$500,000	1	91	8	1	100
\$250,000 and below \$500,000	1	94	—	6	100
\$250,000 and below \$500,000	1	72	23	5	100
\$250,000 and below \$500,000	1	73	27	—	100

**Notes:**

- (1) The base or fixed salary amount shown is inclusive of fees, allowances and statutory contributions to the Central Provident Fund.  
 (2) The variable or bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.  
 (3) Based on the fair values of share options and performance share awards granted to KMP.  
 (4) Details of the KMP's remuneration in aggregate are included in the Notes to Financial Statements - Transactions with KMP.

**EMPLOYEES WHO ARE RELATIVES OF CEO OR DIRECTORS**

During the financial year under review, employees whose remuneration exceeded \$100,000, and, are the immediate family members of a Director or the CEO of the Company are as follows:

NAME OF DIRECTOR	NAME OF EMPLOYEE	RELATIONSHIP WITH DIRECTOR	POSITION EMPLOYED
Dr Loo Choon Yong	Dr Sarah Lu Qinghui (Dr Lu)	Daughter	Consultant, Raffles Surgery Centre <sup>(b)</sup>
Dr Sarah Lu Qinghui	Dr Loo Choon Yong (Dr Loo)	Father	Executive Chairman <sup>(a)</sup>
	Dr Foo Tun Lin (Dr Foo)	Spouse	Consultant, Raffles Orthopaedic Centre <sup>(b)</sup>
Mr Raymond Lim Siang Keat	Dr Lim Wei Han (Dr Lim)	Son	Physician, Raffles Medical Clinic <sup>(b)</sup>

**Notes:**

- (a) The remuneration of Dr Loo is reviewed by NCC and disclosed in the Director's compensation table on page 51.  
 (b) The remuneration of Dr Lu, Dr Foo and Dr Lim follow the same remuneration framework as that applicable to the Group's physicians and, as such, are not determined by the NCC.

Save as otherwise disclosed herein, there are no other employees in the Group who are the immediate family members of a Director or the CEO, whose remuneration exceeded \$100,000 during the year. Given the commercial sensitivities associated with remuneration matters in the highly competitive healthcare industry, the Company has not disclosed the remuneration of Dr Loo, Dr Lu, Dr Foo and Dr Lim in incremental bands of \$100,000.



**PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS**

***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

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. This responsibility has been delegated to the ARC whose Terms of Reference also include the following functions:

Overseeing and Reviewing the Risk Management and Internal Controls (inclusive of Financial, Operational, Compliance and Information Technology Controls) of the Group, including:

- (i) The Group's levels of risk tolerance and risk policies, and overseeing Management in the design, implementation and monitoring of the risk management and internal control systems;
- (ii) The Group's risk profile or risk dashboard on a regular basis to understand the significant risks facing the Group and how they are being mitigated;
- (iii) The adequacy and effectiveness of the risk management and internal control systems with respect to financial, operational, compliance and information technology controls, annually. This may include reviewing Management and / or assurance provider reports to highlight significant findings and recommendations, inclusive of Management's responses;
- (iv) The assurance provided by the CEO, CFO or GFC and other KMP regarding the adequacy and effectiveness of the Group's risk management and internal control systems;
- (v) Reports regarding the adequacy and effectiveness of risk management and internal control systems to the Board;
- (vi) Disclosures in the Annual Report relating to the adequacy and effectiveness of the risk management and internal control systems; and
- (vii) The Group's procedures for detecting fraud and whistle-blowing, and ensure that arrangements are in place, by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

The Group has adopted an entity-wide risk assessment framework (the Framework) to enhance its risk management capabilities. The Framework provides a holistic overview of the Group's risk profile by identifying key risks, control measures, risk tolerance, risk ownership and assurance on residual risk and, is reviewed by the ARC and approved by the Board annually. This allows the Group to address and capitalise on changes and challenges in the business environment to reduce risk arising from uncertainties and to add value to Management's decision-making, business planning, resource allocation and operational management. Key risks, control measures and management actions are identified by Management and reviewed annually by the ARC. The Board, through the ARC and Management continues to improve and enhance the risk assessment framework.

The Board also reviews the Group's business and operational activities to identify areas of significant business risks as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas of the Group such as financial, operational, compliance and information technology risks based on the feedback of the internal auditors and external auditors.

The Board, together with the ARC, oversees the Management's implementation of the risk management framework and internal control systems and are responsible for determining the Group's risk tolerance and profile in relation to the Group's enterprise risks exposure. They also consult with the external and internal auditors to determine that each risk tolerance level and its corresponding risk management policies are calibrated so that balanced control processes are matched against the strategic business objectives of the respective business units.

**PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)**

The Group compiles a report on its risk profile which summarises the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the ARC and the Board annually. The report provides an overview of the Group's key risks, the appropriate risk tolerance limits set for the respective risks, the key personnel responsible for each key risk identified, and the corresponding mitigating measures in place. On an annual basis, the internal audit function (IA) takes into consideration the respective risk profiles of each business unit when preparing the IA plan for the approval of the ARC.

During the financial year under review, the ARC had reviewed the reports submitted by the internal auditors relating to the internal audits conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology control systems. Any material, non-compliance or lapses in internal controls, together with recommendation for improvement were presented to the ARC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, major control weaknesses in financial reporting identified in the course of the statutory audit, if any, are highlighted by the external auditors to the ARC.

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 ARC, 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 the 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 received assurance from the Executive Chairman, CFO and the GFC that the Group's financial records have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances. The Directors also received assurance from the Executive Chairman, CFO, GFC and other KMP on the adequacy and effectiveness of the Group's risk management and internal control systems.

Further details on the Group's internal control and risk management systems, philosophy and approach can be found in the "Risk Management" section on pages 63 to 64.

**Accountability**

The Group prepares its financial statements in accordance with the SFRS(I). In presenting its interim 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.

In line with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its interim financial statements announcements, confirming, to the best of its knowledge and belief, that nothing had come to the attention of the Board which might render the financial statements false, or misleading in any material aspect. The Company also keeps its shareholders, stakeholders and analysts informed of the performance and changes in the Group or its business, which would likely to materially affect the price or value of the Company's securities, on a timely and consistent basis so as to assist shareholders and investors in their investment decision.

The Group, where appropriate, has taken adequate steps to ensure that the Company complies with its disclosure obligations under the listing manual. By fulfilling the statutory reporting requirements, the Group hopes to maintain shareholders' confidence and trust the capability and integrity of the Company.

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

**PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)****NOMINATION & COMPENSATION COMMITTEE**

The composition of the NCC and its delegated duties are set out in the sections under Principle 6 of this Report.

**AUDIT & RISK COMMITTEE**

The composition of the ARC and its delegated duties are set out in the sections under Principle 10 of this Report.

**PRINCIPLE 10: AUDIT COMMITTEE*****The Board has an Audit Committee which discharges its duties objectively.***

The ARC is chaired by Mr Kee Teck Koon and comprises Mr Koh Poh Tiong, the Lead Independent Director, Mr Raymond Lim Siang Keat and Mr Lew Yoong Keong Allen. All members of the ARC are Non-Executive and Independent Directors. All the ARC members are actively involved in various other commercial organisations, and have invaluable and adequate financial management experience, collectively, to discharge the ARC's functions. None of the ARC members were previously partners or Directors of the external auditors, KPMG, within the previous two years nor do any of the ARC members hold any financial interest in KPMG.

During FY2020, as in the previous financial years, the ARC members met the Group's internal and external auditors separately, without the presence of Management, at least once a year, to review accounting, auditing and financial reporting matters. This is to ensure that an effective control environment is maintained in the Group. The ARC also monitors proposed changes in accounting policies and discusses the accounting implications of major transactions. In addition, the ARC also advises the Board regarding the adequacy and effectiveness of the Group's internal controls and the contents and presentation of its quarterly and annual financial statements.

Specifically, the responsibilities of the ARC includes overseeing matters relating to:

**(a) Financial Reporting**

- (i) Monitor the integrity of the financial information provided by the Group, in particular, by reviewing the relevance and consistency of the accounting standards used by the subsidiaries and the Group;
- (ii) Assess, and challenge, where necessary, the accuracy, completeness, and consistency of financial information before submission to the Board for approval or made public; and
- (iii) Review the assurance provided by the CEO, CFO and GFC regarding the financial records being properly maintained and the financial statements giving a true and fair view of the Group's operations and finances, including assurance from CEO and other KMP who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

**(b) External Audit**

- (i) Oversee the Group's relations with the external auditors;
- (i) Review the performance of the external auditor(s), to facilitate the selection, appointment, re-appointment, and resignation;
- (ii) Monitor and assess, annually, that the external auditors' independence or objectivity is not impaired;
- (iii) Review the audit representation letter and the external auditor(s)' Management letter to assess whether it is based on a good understanding of the Group's business, and monitor the responsiveness of Management to the recommendations made;
- (v) Establish meetings, whenever deemed necessary, with the external auditor(s) to discuss matters that the ARC or auditors believe should be discussed privately; and
- (vi) Ensure that the external auditor(s) have direct and unrestricted access to the Chairman of the ARC and the Chairman of the Board.

**PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)****(c) Compliance Matters**

- (i) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow up on any instances of non-compliance;
- (ii) Monitor the processes for addressing complaints made regarding accounting, internal controls and / or auditing matters;
- (iii) Clarify the Group's code of conduct and processes for dissemination across all Group personnel and monitoring levels of compliance; and
- (iv) Maintain open communication with and receive periodic reports from Management and Group legal counsel regarding compliance matters.

**(d) Interested Person Transactions (IPTs)**

- (i) Review IPTs to consider whether they are on normal commercial terms and are not prejudicial to the interests of the Group or its minority shareholders;
- (ii) Review methods or procedures used for determining that such transactions are or will be carried out on normal commercial terms and not prejudicial to the issuer or its minority shareholders; and
- (iii) Receive reports from Management and IA regarding IPTs. Report to shareholders on IPTs as required by the Listing Manual.

The other delegated duties of the ARC can be found under Principle 9 of this Report.

The ARC had reviewed the external auditor's audit plan for FY2020 and had agreed with the auditor's proposed significant areas of focus and assumptions that impact the financial statements. In the ARC's review of the financial statements of the Group for FY2020, it had discussed with Management the accounting principles that were applied and their judgement on items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the external auditors for FY2020:

SIGNIFICANT MATTERS	HOW THE ARC REVIEWED THESE MATTERS
Valuation of Investment Properties	The ARC considered the valuation methodologies adopted by the external valuer. It reviewed the key assumptions used in the valuations against available industry data, taking into consideration comparability and market factors.
Valuation of Goodwill	The ARC considered the approach and methodology that were applied in the valuation of goodwill. It reviewed the reasonableness of the assumptions used in the cashflow forecasts including the terminal growth rates and discount rates, taking into consideration macroeconomic and sector trends and conditions.

The ARC concluded that the Group's accounting treatment and estimates in each of the significant matters were appropriate. All the key audit matters that were raised by the external auditors for FY2020 have been addressed by the ARC and covered in the above commentary.



**PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)**

The ARC is authorised to investigate any matter within its Terms of Reference as approved by the Board, and has full access to Management and also full discretion, to invite any Director or Executive Officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly.

In exercise of its responsibilities, the ARC undertook a review of the independence of our external auditors, KPMG, to assess that the objectivity of the auditors is not impaired. In its assessment, the ARC deliberated on the Group's relationship with KPMG and the processes, policies and safeguards adopted by KPMG relating to audit independence. The ARC also took into consideration, the nature and volume of non-audit services rendered by KPMG in FY2020 as well as the corresponding fees for prior years. Details of the fees paid or payable to KPMG in respect of audit and non-audit services are set out in Note 20 of the Notes to the Financial Statements on page 150. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit. The ARC is also satisfied with the aggregate amount of audit fees paid to KPMG and the adequacy, effectiveness, independence, scope and results of the external audit. Accordingly, the ARC has recommended the Board to propose the re-appointment of KPMG, as the independent auditors of the Group, for shareholders' approval at the forthcoming AGM. The ARC also made recommendations to the Board, on the terms of engagement and remuneration of KPMG.

During FY2020 and as in past years, the Group has complied with Rule 712 of the Listing Rules which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company has also complied with Rule 715 of the Listing Rules which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

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.

The ARC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants.

**Internal Audit (IA)**

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

The department performing the IA 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 IA Charter, which is approved by the ARC. It adopts a risk-based audit methodology to develop its audit plans which aligns 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 IA plans are reviewed and approved by the ARC.

The ARC will ensure that the department performing the IA function has adequate resources and appropriate standing within the Group to perform its function effectively, including the assessment of the auditors' relationship with external auditors and the auditors' independence of the areas reviewed. Additionally, the ARC also oversees the following functions of the IA:

- (a) Monitor and assess the role and effectiveness of the IA function (including the IA Charter, plans, activities, staffing, budget, resources, and organisational structure of the IA function);
- (b) Review the IA programme and reports on a periodic basis and monitor Management's responsiveness to the findings and recommendations;
- (c) Ensure that the Head of IA has direct and unrestricted access to the Chairman of the Board and ARC, and is able to meet separately and privately to discuss matters or concerns; and
- (d) Participate in the appointment, replacement or dismissal of the Head of IA.

**PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)**

To ensure that internal audits are performed by competent professionals, the Group recruits and employs suitably qualified professional staff with the requisite skill sets and experience. The Group further invests in the training and development of internal auditors to ensure that their professional competence is maintained. The ARC approves the appointment, termination and remuneration of the Head of the IA function. The IA function has unfettered access to all of the Group's documents, records, properties, personnel and the ARC.

The ARC reviews, annually, the adequacy of the IA function to ensure that internal audits are conducted effectively and that the Management had provided the necessary co-operation to enable the internal auditors to perform its function. Based on the review conducted for FY2020, the ARC is of the opinion that the IA function is effective, adequately resourced and independent. Having reviewed the IA reports and remedial actions implemented by the Management in FY2020, the ARC is satisfied that the Group's internal control and risk management systems are adequate and effective.

**PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Group's robust corporate governance culture and awareness promote fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Companies Act, Cap. 50 and the Company's Constitution. 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 Company's Constitution, ordinary shareholders are entitled to attend general meetings in person or by proxy and are given adequate opportunity to participate effectively in and to vote at the general meetings of the Company.

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.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the newspapers and posted on the SGXNet. General meetings are usually held at venues which are easily accessible by the shareholders via public transport. In compliance with the safe distancing measures imposed by the Singapore Government due to COVID-19, the Company may also conduct its General meetings wholly, or partially, via electronic means.

Pursuant to the provisions in the Company's Constitution, at General meetings held physically, shareholders who are not "relevant intermediaries" may appoint up to two proxies during his or her absence, to attend, speak, and vote on his or her behalf at such general meetings. Shareholders who are "Relevant Intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board (CPF), are allowed to appoint more than two proxies. This will enable indirect shareholders including CPF investors, to participate in general meetings. Such indirect shareholders, where so appointed as proxy, will have the same rights as direct shareholders to attend, speak and vote at general meetings.

Shareholders are encouraged to attend the Company's AGM to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The AGM is the principal forum for dialogue with shareholders. The Board welcomes questions from shareholders who will, have an opportunity to raise issues at the AGM.

On 29 September 2020, amendments to the Orders issued under the Covid-19 (Temporary Measures) Act 2020 (COVID-19 ACT) extended an earlier provision to enable entities to continue holding meetings via electronic means (Virtual Meetings or Virtual AGM) to 30 June 2021. As with its 31<sup>st</sup> AGM, the Company will again, in observance of safe-distancing measures, be conducting its 32<sup>nd</sup> AGM, scheduled to be held on 26 April 2021, via Virtual Meeting.

**PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONT'D)**

To adapt to the practical constraints of holding Virtual Meetings, shareholders will only be able to vote by appointing the Chairman of the Virtual General Meeting as a proxy to vote on their behalf. As such, to ensure that voting instructions reaches the Company before the relevant cut-off time, Investors, holding shares through Relevant Intermediaries, and who wish to vote, may want to submit their voting instruction to their respective Relevant Intermediary as soon as possible.

When the Company had to conduct its 31<sup>st</sup> AGM on 26 June 2020, entirely via Virtual Meeting, shareholders and investors were informed that they will not be able to ask questions “live” during the Virtual Meeting. Instead, questions should be submitted via a pre-registration website, or by email to a specified email address. The Company consolidated its response to shareholders’ questions via a release on SGXNet ahead of the Virtual AGM. Going forward, the Company will continue to adopt this format to facilitate shareholders questions at all Virtual Meetings.

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least fourteen days before the meeting. Details on attendance registration, questions and answers procedures as well as the voting process for Virtual Meetings will, if applicable, be also set out in the notice of AGM.

Each item of special business included in the notice of the AGM is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the AGM. All resolutions at general meetings are voted by poll so as to better reflect the shareholders’ interests and ensure greater transparency. The Company uses electronic poll voting devices to register the votes of shareholders who attend the general meetings.

Provision has been made under Regulation 77A of the Constitution, allowing for shareholders to vote in absentia. Examples of absentia voting are voting via proxy, mail, electronic mail or facsimile at the general meetings. However, such methods may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web is not compromised. Presently, the Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead.

The Company appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the general meeting, the scrutineer will review the proxies and the electronic poll voting system, and attends at the proxy verification process, to ensure that the proxy and poll voting information is compiled correctly. During the general meeting, the scrutineer attends to ensure that the polling process is properly carried out. The rules, including the voting process, are explained by the scrutineers at such general meetings. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed ‘live’ on-screen to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings.

The Company prepares minutes of general meetings which record the substantial and relevant comments made and questions raised. Minutes of general meetings are released on SGXNet and on the Group’s corporate website as soon as practicable after each general meeting.

The Company targets to provide a sustainable dividend payout. With effect from FY2021, the Board proposes to consolidate its interim and final dividends into an annual core dividend of up to half its average sustainable profit after tax and minority interest (PATMI). Where appropriate, after considering the payment of core dividend, share buybacks, the financial resources needed for continued growth and the gearing level of the Group, the Board may consider paying a special dividend. This is part of a holistic capital management framework that recognises that the Group is in a growth phase, its gearing is low, and there is an intention to grow earnings on a per share basis. This overall framework was also used in the decision not to offer a scrip dividend option this year.

For FY2020, the Board of Directors has proposed a final dividend of 2.0 Singapore cents per ordinary share, which is subject to the approval by the shareholders at the forthcoming AGM of the Company.

**PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS**

*The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

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.

The Company has in place an investor relations policy which provides for an ongoing exchange of views so as to actively engage and promote effective and fair communication with shareholders on a regular basis, when required. A dedicated Investor Relations (IR) team supports the Executive Chairman in maintaining a close and active dialogue with the investment community throughout the year, responding diligently and promptly to all enquiries, analysts and other interested parties. In addition, the Group's IR website at <https://www.rafflesmedicalgroup.com/investor-relations> acts as another avenue for the investment community to submit their feedback and questions.

In the unlikely event an inadvertent disclosure has been made to a select group, the Company will make the same disclosure publicly as soon as practicable. Communication is made through:

- (a) Annual reports are released on the SGX-ST, and issued to all shareholders, upon request. 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, SFRS(I) 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 (AGM) and Extraordinary General Meetings;
- (d) Media and analyst briefings for the Group's interim and annual results as well as other briefings, as appropriate;
- (e) Media releases on the major developments of the Group;
- (f) Disclosures to the SGX-ST; and
- (g) The Group's IR website is where shareholders can access information on the Group. The website provides, inter alia, corporate announcements, media releases, annual reports, analysts' coverage and a profile of the Group.

The Group's IR activities promote regular, effective and fair communication with shareholders and the investment community. Briefing sessions for the media and analysts are regularly conducted, when the financial results are released. All media statements and financial statements are published on SGXNet and subsequently on the Group's website.

For FY2020, the IR team along with Senior Management engaged more than 96 local and foreign institutional entities. Despite safe-distancing measures and travel restrictions due to COVID-19, virtual meetings enabled the IR team to continue engaging with the investment community during FY2020. Investor relations activities undertaken in FY2020 included:

**Calendar of events**

MONTH	EVENT	ORGANISER
January 2020	Pulse of Asia Conference	DBS Bank Ltd
	11 <sup>th</sup> ASEAN Annual Conference	Credit Suisse (Singapore) Ltd
July 2020	Non-deal roadshow	DBS Bank Ltd



**PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS**

***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Company engages its stakeholders through various channels to ensure that the business interests of the Group and its stakeholders are balanced. Stakeholders of the Company include but are not limited to patients, employees, suppliers, government, regulators, community, shareholders and investors.

The Company's Sustainability Report will be released in May 2021. Details where stakeholders can engage with the Company are set out in the report. The Company also maintains a corporate website at <https://www.rafflesmedicalgroup.com> to communicate and engage with stakeholders.

**MATERIAL CONTRACTS**

During FY2020, saved as disclosed, there was no material contract exceeding \$100,000, entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or controlling shareholder.

**DEALINGS IN SECURITIES**

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Group has in place a policy which prohibits dealings in the Company's securities by the Company and all officers of the Company and its subsidiaries, during the periods commencing two weeks prior to the announcement of the Group's first, second and third quarters financial statements (as applicable), and one month prior to the announcement of the Group's half-year (as applicable) and full year financial statements and ending on the date of the announcement of such financial statements (hereinafter referred to as the Closed Period). Directors, executive officers and any other persons, as determined by Management, who may possess unpublished material price-sensitive information of the Group (relevant persons), are also reminded to observe insider trading laws at all times, and not to deal in the Company's securities when in possession of any price-sensitive and confidential information regarding the Group, or on short-term considerations. A reminder will be circulated to Directors, executive officers and relevant personnel of the Company and its subsidiaries before the commencement of each Closed Period, during which, dealings in the Company's securities are prohibited and to those with access to price-sensitive and confidential information. All Directors of the Company and its subsidiaries are required to report all dealings to the Company Secretary.

**INTERESTED PERSONS TRANSACTIONS**

The Company has established procedures to ensure that all transactions with Interested Persons are reported to the ARC on a regular basis. The AC has reviewed the Interested Persons Transactions (IPTs) 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 IPTs for the aggregate value of IPTs entered for FY2020, are 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)
<i>DoctorWorld Pte Ltd</i> – For the provision of IT services to the Group and administrative fees for the usage of <i>RafflesConnect</i> App	\$509,344	-

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

## ENTERPRISE RISK MANAGEMENT

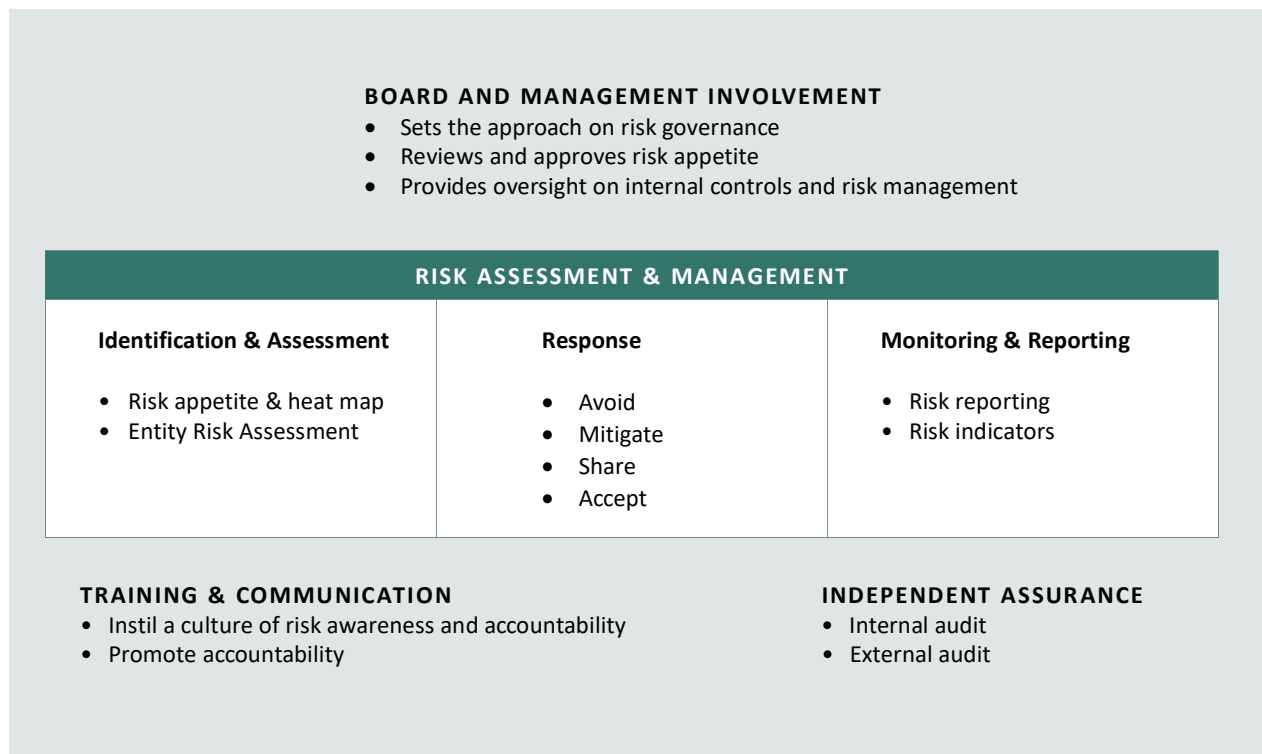
The Board of Directors is responsible for the governance of risks within the Group. Annually, the Board reviews and approves the risk appetite of the Group, which sets to outline the nature and extent of material risks that the Group is willing to accept to achieve its strategic and business objectives.

With guidance from the ARC, the Board oversees Management on maintaining a sound system of internal controls and risk management, thereby improving decision-making at both the operational and strategic levels for the Group. The Group's Clinical Leaders and the ARC govern clinical and corporate risks respectively.

The Group adopts the Enterprise Risk Management (ERM) Framework to coordinate different elements in an enterprise to manage risks effectively, and to protect stakeholders' interest. The framework had been adapted to meet the Group's evolving needs, providing a comprehensive and systematic approach to identify significant risks, evaluate risk tolerance, and to facilitate and develop risk policies across the Group.

### Enterprise Risk Management Framework

The 4 pillars of our ERM framework are: Board and Management Involvement, Risk Assessment and Management, Training and Communication, and Independent Assurance.



### Strategic Risk

#### Market and Competition

Although the Group has an established history in the healthcare industry, competition remains keen from both key players and new entrants in the healthcare industry. The Group recognises that it needs to continue to strengthen its competitiveness to retain or grow its market share.

The Company has expanded its regional presence. The Group recognises the need to continue to develop its organisational capabilities to address the opportunities and threats in the diverse markets in which we operate.

**Operational Risk***Environment, Health & Safety (EHS)*

The Group continuously strives to maintain high levels of environment, health, and safety standards in our day-to-day operations, for the interests of our various stakeholders. We seek to mitigate our EHS risks with accreditations by locally and internationally recognised standards. Our workplace safety and health policies have been certified by the Workplace Safety and Health Council to have attained BizSAFE Level 3 standards. Our hospital has also received international accreditation according to Joint Commission International (JCI) Hospital Standards.

**Compliance Risk***Laws, Regulations & Compliance*

Most of the Group's businesses and projects require licences and government approvals, which could be subject to changing requirements and regulations. Furthermore, upholding ethical standards is a cornerstone of our medical practice. To minimise the risk of non-compliance, the Group closely monitors developments in standards and regulations locally, regionally, and globally. Where necessary, the Group will engage with the relevant authorities and subject matter experts to remain abreast of such changes.

*Fraud & Corruption*

The Group recognises the need to manage its exposure to corruption risk through good corporate governance, business ethics and strong internal controls in our business processes. While control measures can provide reasonable assurance and safeguards, some risk of fraud will always remain. As such, the Group is committed to proceed with the necessary investigations and disciplinary actions on acts relating to fraud and corruption.

**Information Technology Risk***Data Security*

Data management and protection is paramount, given the nature of the information that the Group handles, and the Personal Data Protection Act (PDPA) requirements. The Group must protect restricted, confidential or sensitive data from loss and misuse to avoid reputation damage and to avoid adverse impact to our customers. To mitigate the risk of data breaches, the Group has established policies and control measures, including reinforcements to IT infrastructure and staff education. Even with policies and control measures, the Group acknowledges that our controls may be unable to exhaustively handle all forms of malicious attacks.

*Information Technology Systems*

Flexible, nimble and reliable IT systems are essential in order to fulfil the Group's overall business strategies. We rely extensively on IT systems for our day-to-day operations across our various business functions. In ensuring the reliability of our IT systems, we also strive to improve our business continuity, communication, and recovery processes. On top of the security measures already put in place, the Group has engaged external IT Security Specialist to provide additional Security Operations Centre services in areas of IT security monitoring and cyber security advisory. To adapt to technology advances, the Group seeks to continue to invest in upgrading our systems, which may consequently incur significant capital expenditures.

**Financial Risk**

Given the Group's regional expansion, the Group is exposed to financial risks including credit, liquidity, foreign currency and interest rate risks. The Group continues to place focus on identifying and monitoring financial risks proactively to ensure that risks are being well-managed and mitigated throughout the Group's local and overseas operations.

For more information on the Group's Financial Risk Management, please refer to the Note 17: Financial Instruments to the Financial Statements.

Further details on the Group's risk governance framework and risk management policies are set out in Principle 9 : Risk Management and Internal Controls on pages 53 to 55.



# Financial Report Contents

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## Directors' Statement

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 2020.

In our opinion:

- (a) the financial statements set out on pages 83 to 164 are drawn up so as to give a true and fair view of the financial position of the Group and financial position of the Company as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated 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 (International); 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.

### Directors

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

Dr Loo Choon Yong  
 Mr Koh Poh Tiong  
 Mr Kee Teck Koon  
 Mr Eric Ang Teik Lim  
 Dr Wee Beng Geok  
 Mr Raymond Lim Siang Keat  
 Mr Png Cheong Boon  
 Mr Lew Yoong Keong Allen (appointed on 28 October 2020)  
 Mr Tan Soo Nan  
 Mr Olivier Lim Tse Ghow  
 Dr Sarah Lu Qinghui

### Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the 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	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
<b>The Company</b>				
	<b>Ordinary Shares</b>			
Dr Loo Choon Yong	184,419,861	194,745,434	760,633,207	780,649,870
Mr Koh Poh Tiong	516,071	632,283	—	—
Mr Kee Teck Koon	306,522	314,588	—	—
Dr Wee Beng Geok	3,459,000	3,459,000	—	—
Mr Raymond Lim Siang Keat	150,000	150,000	—	—
Mr Tan Soo Nan	4,536,000	4,536,000	—	—
Mr Olivier Lim Tse Ghow	120,000	246,316	—	—
Dr Sarah Lu Qinghui	—	51,316	59,684,716	61,255,366

## Directors' Statement

### 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 Koh Poh Tiong	210,000	—	\$1.31	01/04/2015
	150,000	150,000	\$1.50	01/04/2016
	100,000	100,000	\$1.42	03/04/2017
	150,000	150,000	\$1.09	03/09/2018
	225,000	225,000	\$1.04	01/07/2019
	—	400,000	\$0.81	05/10/2020
Mr Kee Teck Koon	210,000	—	\$1.31	01/04/2015
	120,000	120,000	\$1.50	01/04/2016
	75,000	75,000	\$1.42	03/04/2017
	100,000	100,000	\$1.09	03/09/2018
	150,000	150,000	\$1.04	01/07/2019
	—	250,000	\$0.81	05/10/2020
Mr Eric Ang Teik Lim	—	250,000	\$0.81	05/10/2020
Dr Wee Beng Geok	210,000	—	\$1.31	01/04/2015
	120,000	120,000	\$1.50	01/04/2016
	75,000	75,000	\$1.42	03/04/2017
	100,000	100,000	\$1.09	03/09/2018
	125,000	125,000	\$1.04	01/07/2019
	—	250,000	\$0.81	05/10/2020
Mr Raymond Lim Siang Keat	180,000	—	\$1.31	01/04/2015
	90,000	90,000	\$1.50	01/04/2016
	50,000	50,000	\$1.42	03/04/2017
	75,000	75,000	\$1.09	03/09/2018
	125,000	125,000	\$1.04	01/07/2019
	—	250,000	\$0.81	05/10/2020
Mr Tan Soo Nan	210,000	—	\$1.31	01/04/2015
	150,000	150,000	\$1.50	01/04/2016
	100,000	100,000	\$1.42	03/04/2017
	125,000	125,000	\$1.09	03/09/2018
	200,000	200,000	\$1.04	01/07/2019
	—	350,000	\$0.81	05/10/2020
Mr Olivier Lim Tse Ghow	60,000	—	\$1.31	01/04/2015
	90,000	90,000	\$1.50	01/04/2016
	50,000	50,000	\$1.42	03/04/2017
	75,000	75,000	\$1.09	03/09/2018
	100,000	100,000	\$1.04	01/07/2019
	—	250,000	\$0.81	05/10/2020
Dr Sarah Lu Qinghui	100,000	100,000	\$1.08	01/07/2019

## Directors' Statement

### Directors' interests (cont'd)

On 11 May 2016, the Company completed a proposed share split of every one (1) existing share held by Shareholders into three (3) shares in the capital of the Company (Share Split). The options in the Company granted in 2015 and 2016 are exercisable during a period commencing 24 months from the Date of Grant for the first 60,000 shares (post Share Split), 36 months from the Date of Grant for the next 60,000 shares (post Share Split) and the balance after 48 months and expires at the end of 60 months from the Date of Grant. The options in the Company granted in 2017 are exercisable during a period commencing 24 months from the Date of Grant for the first 20,000 shares, 36 months from the Date of Grant for the next 20,000 shares and the balance after 48 months and expires at the end of 60 months from the Date of Grant. The options in the Company granted in 2018 are exercisable during a period commencing 24 months from the Date of Grant for the first 30% of options (rounded up to the nearest thousand), 36 months from the Date of Grant for the next 30% of options (rounded up to the nearest thousand) and the balance after 48 months and will expire at the end of 5 years for non-employees from the Date of Grant. The options in the Company granted in 2019 and 2020 are exercisable during a period commencing 12 months from the Date of Grant for all the options and will expire at the end of 5 years for non-employees from the Date of Grant.

The Company	At beginning of the year	At end of the year	Date of grant
<b>Share Awards</b>			
Mr Koh Poh Tiong	—	25,000	05/10/2020
Mr Kee Teck Koon	—	15,000	05/10/2020
Mr Eric Ang Teik Lim	—	15,000	05/10/2020
Dr Wee Beng Geok	—	10,000	05/10/2020
Mr Raymond Lim Siang Keat	—	10,000	05/10/2020
Mr Tan Soo Nan	—	10,000	05/10/2020
Mr Olivier Lim Tse Ghow	—	10,000	05/10/2020
Dr Sarah Lu Qinghui	—	5,000	05/10/2020

Dr Sarah Lu is deemed to have an interest in the share awards of her spouse, Dr Foo Tun Lin, a Consultant at the Raffles Hospital, a wholly-owned subsidiary of RMG.

By virtue of Section 7 of the Act, Dr Loo Choon Yong is deemed to have interests in the other subsidiaries of Raffles Medical Holdings Pte Ltd, at the beginning and at the end of the financial year.

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
<b>Ordinary Shares</b>				
<b>Raffles Medical Holdings Pte Ltd</b>				
Dr Loo Choon Yong	112,500	112,500	—	—

Except as disclosed in this statement, 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 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 2021.



# Directors' Statement

## Directors' interests (cont'd)

Except as disclosed in this statement, 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 in or debentures of the Company or any other body corporate.

## Share Based Compensation Plans

### 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 was administered by the Nomination & Compensation Committee (NCC), which at the date of this statement, comprises the following directors:

Mr Eric Ang Teik Lim (Chairman), Non-Executive Director  
 Mr Koh Poh Tiong, Non-Executive Director  
 Dr Wee Beng Geok, Non-Executive Director  
 Mr Png Cheong Boon, Non-Executive Director  
 Dr Sarah Lu Qinghui, Executive Director

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 2020.
- (4) As at 31 December 2020, 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 2020*	Options exercised*	Options forfeited/expired*	Options outstanding at 31 December 2020*	Number of option holders at 31 December 2020
01/04/2010	\$0.55	1,084,000	1,014,000	70,000	—	—

\* After adjustment for Share Split.

- (5) Since the commencement of the RMG 2000 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 RMG 2000 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.

## Directors' Statement

### Share Based Compensation Plans (cont'd)

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

Name of directors	Options granted during the financial year ended 31 December 2020	Aggregate options granted since commencement of RMG 2000 Scheme to 31 December 2020*	Aggregate options exercised since commencement of RMG 2000 Scheme to 31 December 2020*	Aggregate options outstanding as at 31 December 2020*
Dr Wee Beng Geok	–	3,414,000	3,414,000	–
Mr Tan Soo Nan	–	3,714,000	3,714,000	–
	–	7,128,000	7,128,000	–

\* After adjustment for Share Split.

(7) 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 NCC 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 NCC 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) On 30 April 2010, the Shareholders of the Company approved the Raffles Medical Group (2010) Share Option Scheme (RMG 2010 Scheme) at the Annual General Meeting. Details of the RMG 2010 Scheme were set out in the Circular to Shareholders dated 8 April 2010.
- (2) 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 RMG 2000 Scheme. However, no further options will be granted under the RMG 2000 Scheme.
- (3) The RMG 2010 Scheme was administered by the NCC, which at the date of this statement, comprises the following directors:

Mr Eric Ang Teik Lim (Chairman), Non-Executive Director  
 Mr Koh Poh Tiong, Non-Executive Director  
 Dr Wee Beng Geok, Non-Executive Director  
 Mr Png Cheong Boon, Non-Executive Director  
 Dr Sarah Lu Qinghui, Executive Director

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

## Directors' Statement

### Share Based Compensation Plans (cont'd)

- (4) No additional options were granted pursuant to the RMG 2010 Scheme for the financial year ended 31 December 2020.
- (5) Since the commencement of the RMG 2010 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 RMG 2010 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.
- (6) As at 31 December 2020, 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 2020*	Options granted*	Options exercised*	Options forfeited/expired*	Options outstanding at 31 December 2020*	Number of option holders at 31 December 2020
01/04/2011	\$0.73	2,466,000	—	252,000	3,000	2,211,000	63
02/04/2012	\$0.78	5,019,000	—	47,000	24,000	4,948,000	114
01/04/2013	\$1.09	7,436,000	—	—	495,000	6,941,000	175
01/04/2014	\$1.07	8,718,000	—	—	612,000	8,106,000	217
01/04/2015	\$1.31	13,946,000	—	—	1,335,000	12,611,000	289
01/04/2016	\$1.50	10,347,000	—	—	—	10,347,000	252
03/04/2017	\$1.42	4,938,000	—	—	40,000	4,898,000	292
03/09/2018	\$1.09	7,913,000	—	—	175,000	7,738,000	334
01/07/2019	\$1.04	9,698,000	—	—	175,000	9,523,000	380
01/07/2019	\$1.08	100,000	—	—	—	100,000	1
		70,581,000	—	299,000	2,859,000	67,423,000	

\* After adjustment for Share Split.

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

Name of director	Number of Shares comprised in Options granted during the financial year ended 31 December 2020	Aggregate number of Shares comprised in Options granted since commencement of RMG 2010 Scheme to 31 December 2020	Aggregate number of Shares comprised in Options exercised since commencement of RMG 2010 Scheme to 31 December 2020	Aggregate number of Shares comprised in Options lapsed since commencement of RMG 2010 Scheme to 31 December 2020	Aggregate number of Shares comprised in Options outstanding as at 31 December 2020
Mr Koh Poh Tiong	—	1,255,000	420,000	210,000	625,000
Mr Kee Teck Koon	—	1,135,000	300,000	390,000	445,000
Dr Wee Beng Geok	—	1,560,000	450,000	690,000	420,000
Mr Raymond Lim Siang Keat	—	670,000	150,000	180,000	340,000
Mr Tan Soo Nan	—	1,715,000	450,000	690,000	575,000
Mr Olivier Lim Tse Ghow	—	375,000	—	60,000	315,000
Dr Sarah Lu Qinghui	—	100,000	—	—	100,000
	—	6,810,000	1,770,000	2,220,000	2,820,000

## Directors' Statement

### Share Based Compensation Plans (cont'd)

(8) 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 NCC 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 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 NCC 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 tenth anniversary of such Date of Grant for an employee and ending on 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 (2020) Share Option Scheme*

- (1) On 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Share Option Scheme (RMG 2020 Scheme) at the Annual General Meeting. Details of the RMG 2020 Scheme were set out in the Circular dated 4 June 2020.
- (2) The existing RMG 2010 Scheme was concurrently terminated. The termination of the RMG 2010 Scheme will, however, not affect the subscription rights comprised in options granted pursuant to the RMG 2010 Scheme prior to the termination. Such options will continue to be exercisable in accordance with the RMG 2010 Scheme. However, no further options will be granted under the RMG 2010 Scheme.
- (3) The RMG 2020 Scheme was administered by the NCC, which at the date of this statement, comprises the following directors:

Mr Eric Ang Teik Lim (Chairman), Non-Executive Director  
 Mr Koh Poh Tiong, Non-Executive Director  
 Dr Wee Beng Geok, Non-Executive Director  
 Mr Png Cheong Boon, Non-Executive Director  
 Dr Sarah Lu Qinghui, Executive Director

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

- (4) Since the commencement of the RMG 2020 Scheme, no participant has received 5% or more of the total number of options available under the RMG 2020 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.
- (5) On 5 October 2020, additional options were granted pursuant to the RMG 2020 Scheme to subscribe for ordinary shares at the following exercise prices:

	Exercise price	Company Number of shares
Directors of the Company	\$0.81	2,000,000
Executive Directors of the subsidiaries and other participants	\$0.81	7,100,000
		<u>9,100,000</u>



## Directors' Statement

### Share Based Compensation Plans (cont'd)

- (6) As at 31 December 2020, outstanding options to take up unissued ordinary shares in the Company under the RMG 2020 Scheme were as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2020	Options granted	Options exercised	Options forfeited/expired	Options outstanding at 31 December 2020	Number of option holders at 31 December 2020
05/10/2020	\$0.81	–	9,100,000	–	118,000	8,982,000	142

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

Name of director	Number of Shares comprised in Options granted during the financial year ended 31 December 2020	Aggregate number of Shares comprised in Options granted since commencement of the RMG 2020 Scheme to 31 December 2020	Aggregate number of Shares comprised in Options exercised since commencement of the RMG 2020 Scheme to 31 December 2020	Aggregate number of Shares comprised in Options lapsed since commencement of the RMG 2020 Scheme to 31 December 2020	Aggregate number of Shares comprised in Options outstanding as at 31 December 2020
Mr Koh Poh Tiong	400,000	400,000	–	–	400,000
Mr Kee Teck Koon	250,000	250,000	–	–	250,000
Mr Eric Ang Teik Lim	250,000	250,000	–	–	250,000
Dr Wee Beng Geok	250,000	250,000	–	–	250,000
Mr Raymond Lim Siang Keat	250,000	250,000	–	–	250,000
Mr Tan Soo Nan	350,000	350,000	–	–	350,000
Mr Olivier Lim Tse Ghow	250,000	250,000	–	–	250,000
	2,000,000	2,000,000	–	–	2,000,000

- (8) Information regarding the above options is as follows:

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

- 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 NCC 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 tenth anniversary of such Date of Grant for an employee and ending on the fifth anniversary of such Date of Grant for a non-employee; and
- 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 NCC 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 tenth anniversary of such Date of Grant for an employee and ending on 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.

## Directors' Statement

### Share Based Compensation Plans (cont'd)

#### *Raffles Medical Group (2020) Performance Share Plan*

- (1) On 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Performance Share Plan (RMG 2020 PSP) at the Annual General Meeting. Details of the RMG 2020 PSP were set out in the Circular dated 4 June 2020.
- (2) The RMG 2020 PSP was administered by the NCC, which at the date of this statement, comprises the following directors:

Mr Eric Ang Teik Lim (Chairman), Non-Executive Director  
 Mr Koh Poh Tiong, Non-Executive Director  
 Dr Wee Beng Geok, Non-Executive Director  
 Mr Png Cheong Boon, Non-Executive Director  
 Dr Sarah Lu Qinghui, Executive Director

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

- (3) On 5 October 2020, share awards were granted pursuant to the RMG 2020 PSP as follows:

	<b>Company Number of share awards</b>
Directors of the Company	95,000
Executive Directors of the subsidiaries and other participants	1,605,000
	<u>1,700,000</u>

- (4) As at 31 December 2020, outstanding share awards to take up unissued ordinary shares in the Company under the RMG 2020 PSP were as follows:

Date of grant of awards	Share Awards outstanding at 1 January 2020	Share Awards granted	Share Awards exercised	Share Awards forfeited/ expired	Share Awards outstanding at 31 December 2020	Number of Share Awards holders at 31 December 2020
05/10/2020	—	1,700,000	—	11,000	1,689,000	442

## Directors' Statement

### Share Based Compensation Plans (cont'd)

(5) The following are details of share awards granted to Directors:

Name of director	Number of Shares delivered pursuant to Awards Released during the financial year ended 31 December 2020	Aggregate number of Shares comprised in Awards granted since commencement of the RMG 2020 PSP to 31 December 2020	Aggregate number of Shares comprised in Awards which have vested since commencement of the RMG 2020 PSP to 31 December 2020	Aggregate number of shares comprised in Awards which have not been released as at 31 December 2020
Mr Koh Poh Tiong	—	25,000	—	25,000
Mr Kee Teck Koon	—	15,000	—	15,000
Dr Wee Beng Geok	—	10,000	—	10,000
Mr Raymond Lim Siang Keat	—	10,000	—	10,000
Mr Tan Soo Nan	—	10,000	—	10,000
Mr Olivier Lim Tse Ghow	—	10,000	—	10,000
Mr Eric Ang Teik Lim	—	15,000	—	15,000
	—	95,000	—	95,000

(6) Since the commencement of the RMG 2020 PSP, no participant has received 5% or more of the total number of awards available under the RMG 2020 PSP.

(7) Information regarding the above awards is as follows:

(a) There are two (2) categories of awards:

- (i) in relation to performance related awards, shares which are subject to that award shall only be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the NCC having determined that the performance conditions have been satisfied at the end of the relevant performance period;
- (ii) in relation to time-related awards, shares which are subject to that award shall be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the NCC having determined that the conditions (which may include the participant's individual performance as an employee, his/her service criteria and contribution) applicable to the award have been satisfied.

(b) Awards represent the right of the participants to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that the conditions are met and upon the expiry of any vesting periods, which will be determined by the NCC on the award date.

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.

## Directors' Statement

### Audit & Risk Committee

The members of the Audit & Risk Committee (ARC) during the year and at the date of this statement are as follows:

- Mr Kee Teck Koon (Chairman), Non-Executive Director
- Mr Koh Poh Tiong, Non-Executive Director
- Mr Raymond Lim Siang Keat, Non-Executive Director
- Mr Lew Yoong Keong Allen, Non-Executive Director (Appointed on 19 February 2021)

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

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

The ARC also reviewed the following:

- assistance provided by the Company's officers to the external and internal auditors;
- half-yearly 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).

The ARC 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 ARC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The ARC is satisfied with the independence and objectivity of the external auditors and 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.



## Directors' Statement

### 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*

20 February 2021

# Independent Auditors' Report

Members of the Company  
Raffles Medical Group Ltd

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of Raffles Medical Group Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 83 to 164.

In our opinion, the accompanying 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 Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditors' Report

## Report on the audit of the financial statements (cont'd)

### Valuation of goodwill

(Refer to note 5 to the financial statements)

#### *Risk*

The Group has goodwill with a carrying value of \$21,233,000 (2019: \$23,835,000) as at 31 December 2020. The goodwill is impaired when the carrying value of the cash generating unit (CGU) of which the goodwill is allocated to, exceeds their recoverable amount. The recoverable amount is the higher of their fair value less cost of disposal and its value in use. Estimating the recoverable amount involves significant judgement in determining an appropriate model and the underlying assumptions to be applied; coupled with the inherent estimation uncertainties that arise when estimating and discounting future cash flows. The recoverable amount is sensitive to inputs and assumptions underlying the model used. Some of the key inputs and assumptions relate to expectations of future cash flows, growth rates and discount rate.

#### *Our response*

For goodwill, we evaluated the cash flows used in the model against the understanding we obtained about the business through our audit and assess if the cash flows were reasonable. We challenged the appropriateness of key assumptions used by the Group in its impairment testing comprising the discount rate and growth rate by comparing these to externally available market data and recent historical operating statistics for reasonableness. We also assessed whether or not the assumptions showed any evidence of management bias with a particular focus on the risk that the forecast cash flows may not support the carrying amount of goodwill.

### Valuation of investment properties

(Refer to note 6 to the financial statements)

The Group owns investment properties in Singapore, which comprise primarily shop units and commercial space with a carrying value of \$294,600,000 (2019: \$311,160,000) as at 31 December 2020.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the assumptions will have an impact on the valuation.

All valuation reports obtained from the external valuer also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the external valuer has also recommended to keep the valuation of these properties under frequent review.

# Independent Auditors' Report

## Report on the audit of the financial statements (cont'd)

### *Our response*

We evaluated the qualifications and competence of the external valuer and held discussions with the valuer to understand their valuation methods and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the capitalisation, discount and terminal capitalisation rates used in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuer. We also discussed with management and the external valuer to understand how they have considered the implication of COVID-19 and market uncertainty in the valuation.

### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholdings Statistics. The Shareholdings Statistics is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of management and directors 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 Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.



# Independent Auditors' Report

## Report on the audit of the financial statements (cont'd)

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

# Independent Auditors' Report

## Report on the audit of the financial statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ms Karen Lee Shu Pei.

## KPMG LLP

*Public Accountants and  
Chartered Accountants*

## Singapore

20 February 2021

# Statements of Financial Position

As at 31 December 2020

		Group		Company	
	Note	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	4	739,905	685,585	4,807	7,893
Intangible assets and goodwill	5	34,144	37,454	1,003	1,007
Investment properties	6	294,600	311,160	–	–
Subsidiaries	26	–	–	610,755	601,775
Deferred tax assets	7	1,070	1,165	–	–
Trade and other receivables	8	3,285	3,452	5,250	5,843
		1,073,004	1,038,816	621,815	616,518
<b>Current assets</b>					
Inventories		14,587	10,245	2,748	2,354
Trade and other receivables	8	113,429	83,935	178,595	136,910
Cash and cash equivalents	9	203,114	151,826	99,915	47,621
		331,130	246,006	281,258	186,885
<b>Total assets</b>		1,404,134	1,284,822	903,073	803,403
<b>Equity attributable to owners of the Company</b>					
Share capital	10	420,966	393,470	420,966	393,470
Reserves	10	478,030	447,423	327,145	299,442
		898,996	840,893	748,111	692,912
<b>Non-controlling interests</b>	26	15,401	15,961	–	–
<b>Total equity</b>		914,397	856,854	748,111	692,912
<b>Non-current liabilities</b>					
Loans and borrowings	12	143,859	156,559	47,849	47,771
Trade and other payables	13	35,910	20,926	2,983	1,157
Lease liabilities	14	22,298	24,516	599	2,025
Deferred tax liabilities	7	7,746	7,014	259	393
		209,813	209,015	51,690	51,346
<b>Current liabilities</b>					
Loans and borrowings	12	27,201	8,542	8,584	8,484
Current tax liabilities		22,623	14,395	3,230	1,791
Trade and other payables	13	191,382	162,530	90,829	47,678
Lease liabilities	14	11,535	10,759	629	1,192
Other financial liabilities	15	2,705	2,754	–	–
Insurance contract provisions	16	24,478	19,973	–	–
		279,924	218,953	103,272	59,145
<b>Total liabilities</b>		489,737	427,968	154,962	110,491
<b>Total equity and liabilities</b>		1,404,134	1,284,822	903,073	803,403

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

# Consolidated Statement of Profit or Loss

Year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Revenue	18	568,203	522,038
Other operating income	19	31,585	3,086
Inventories and consumables used		(72,289)	(57,603)
Purchased and contracted services		(63,486)	(53,366)
Staff costs		(291,698)	(266,883)
Depreciation of property, plant and equipment	4	(33,487)	(27,650)
Amortisation of intangible assets	5	(2,008)	(1,610)
Operating lease expenses		(2,023)	(5,091)
Impairment loss on trade receivables		(1,916)	(2,085)
Other operating expenses		(44,439)	(34,668)
<b>Profit from operating activities</b>		<b>88,442</b>	<b>76,168</b>
Finance income		1,150	1,697
Finance costs		(5,153)	(1,941)
<b>Profit before tax</b>		<b>84,439</b>	<b>75,924</b>
Tax expense	21	(19,769)	(15,402)
<b>Profit for the year</b>	20	<b>64,670</b>	<b>60,522</b>
<b>Profit attributable to:</b>			
Owners of the Company		65,891	60,273
Non-controlling interests		(1,221)	249
<b>Profit for the year</b>		<b>64,670</b>	<b>60,522</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	22	3.58	3.32
Diluted earnings per share (cents)	22	3.58	3.32

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



# Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

	2020 \$'000	2019 \$'000
<b>Profit for the year</b>	64,670	60,522
<b>Other comprehensive income</b>		
<b>Item that is or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences - foreign operations	9,615	(4,357)
<b>Total comprehensive income for the year</b>	74,285	56,165
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	74,845	56,341
Non-controlling interests	(560)	(176)
<b>Total comprehensive income for the year</b>	74,285	56,165

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

# Consolidated Statement of Changes in Equity

Year ended 31 December 2020

	Share capital \$'000	Translation reserve \$'000	Equity compensation reserve \$'000	Revaluation reserve \$'000	Other reserve \$'000	Reserve for own shares \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1 January 2019</b>	365,332	(6,131)	27,655	16,367	(4,741)	—	402,007	800,489	16,137	816,626
<b>Total comprehensive income for the year</b>	—	—	—	—	—	—	60,273	60,273	249	60,522
Profit for the year	—	—	—	—	—	—	—	—	—	—
<b>Other comprehensive income</b>	—	(3,932)	—	—	—	—	—	(3,932)	(425)	(4,357)
Foreign currency translation differences - foreign operations	—	(3,932)	—	—	—	—	—	(3,932)	(425)	(4,357)
<b>Total other comprehensive income for the year</b>	—	(3,932)	—	—	—	—	—	(3,932)	(425)	(4,357)
<b>Total comprehensive income for the year</b>	—	(3,932)	—	—	—	—	60,273	56,341	(176)	56,165
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	982	—	—	—	—	—	—	982	—	982
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	27,156	—	—	—	—	—	—	27,156	—	27,156
Own shares acquired	—	—	—	—	—	(400)	—	(400)	—	(400)
Value of employee services received for issue of share options	—	—	1,399	—	—	—	—	1,399	—	1,399
Final dividend paid of 2.0 cents per ordinary share - Cash	—	—	—	—	—	—	(8,814)	(8,814)	—	(8,814)
Final dividend paid of 2.0 cents per ordinary share - Scrip	—	—	—	—	—	—	(27,156)	(27,156)	—	(27,156)
Interim dividend paid of 0.5 cent per ordinary share - Cash	—	—	—	—	—	—	(9,140)	(9,140)	—	(9,140)
<b>Total contributions by and distributions to owners</b>	28,138	—	1,399	—	—	(400)	(45,110)	(15,973)	—	(15,973)
<b>Changes in ownership interests in subsidiaries</b>										
Present value of the exercise price of written put options	—	—	—	—	36	—	—	36	—	36
<b>Total changes in ownership interests in subsidiaries</b>	—	—	—	—	36	—	—	36	—	36
<b>Total transactions with owners</b>	28,138	—	1,399	—	36	(400)	(45,110)	(15,937)	—	(15,937)
<b>At 31 December 2019</b>	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854

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

# Consolidated Statement of Changes in Equity (cont'd)

Year ended 31 December 2020

	Share capital \$'000	Translation reserve \$'000	Equity compensation reserve \$'000	Revaluation reserve \$'000	Other reserve \$'000	Reserve for own shares \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1 January 2020</b>	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854
<b>Total comprehensive income for the year</b>										
Profit for the year	-	-	-	-	-	-	65,891	65,891	(1,221)	64,670
<b>Other comprehensive income</b>										
Foreign currency translation differences - foreign operations	-	8,954	-	-	-	-	-	8,954	661	9,615
<b>Total other comprehensive income for the year</b>	-	8,954	-	-	-	-	-	8,954	661	9,615
<b>Total comprehensive income for the year</b>	-	8,954	-	-	-	-	65,891	74,845	(560)	74,285
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	778	-	-	-	-	-	-	778	-	778
Issue of shares in lieu of cash dividends of 2.0 cents per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme	26,718	-	-	-	-	-	-	26,718	-	26,718
Value of employee services received for issue of share options and share awards	-	-	1,617	-	-	-	-	1,617	-	1,617
Final dividend paid of 2.00 cents per ordinary share - Cash	-	-	-	-	-	-	(9,866)	(9,866)	-	(9,866)
Final dividend paid of 2.00 cents per ordinary share - Scrip	-	-	-	-	-	-	(26,718)	(26,718)	-	(26,718)
Interim dividend paid of 0.5 cent per ordinary share - Cash	-	-	-	-	-	-	(9,320)	(9,320)	-	(9,320)
<b>Total contributions by and distributions to owners</b>	27,496	-	1,617	-	-	-	(45,904)	(16,791)	-	(16,791)
<b>Changes in ownership interests in subsidiaries</b>										
Present value of the exercise price of written put options	-	-	-	-	49	-	-	49	-	49
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	49	-	-	49	-	49
<b>Total transactions with owners</b>	27,496	-	1,617	-	49	-	(45,904)	(16,742)	-	(16,742)
<b>At 31 December 2020</b>	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397

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

# Consolidated Statement of Cash Flows

Year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Profit for the year		64,670	60,522
Adjustments for:			
Amortisation of intangible assets		2,008	1,610
Impairment of intangible assets and goodwill		3,576	–
Changes in fair value of investment properties		4,502	(2,128)
Depreciation of property, plant and equipment		33,487	27,650
Equity-settled share-based payment transactions		1,617	1,399
Finance expenses		5,153	1,941
Finance income		(1,150)	(1,697)
Gain on disposal of financial assets		(2)	–
Gain on lease modification and derecognition		(36)	–
Loss / (Gain) on disposal of property, plant and equipment, net		9	(30)
Property, plant and equipment written off		1,547	173
Tax expense		19,769	15,402
		<u>135,150</u>	<u>104,842</u>
<i>Changes in:</i>			
- Inventories		(4,342)	(925)
- Trade and other receivables		(30,298)	(1,382)
- Trade and other payables		37,836	14,987
- Insurance contract provisions		4,505	6,113
Cash generated from operations		<u>142,851</u>	<u>123,635</u>
Tax paid		<u>(9,705)</u>	<u>(12,488)</u>
<b>Net cash from operating activities</b>		<u>133,146</u>	<u>111,147</u>
<b>Cash flows from investing activities</b>			
Interest received		1,273	1,610
Proceeds from disposal of property, plant and equipment		6	3
Purchase of property, plant and equipment		(58,877)	(96,089)
Acquisition of intangible assets		(1,187)	(2,290)
Disposal of financial assets		42	–
Purchase of financial assets		(35)	–
Capitalised expenditure on investment properties		<u>(3,411)</u>	<u>(105)</u>
<b>Net cash used in investing activities</b>		<u>(62,189)</u>	<u>(96,871)</u>
<b>Cash flows from financing activities</b>			
Dividends paid to owners of the Company		(19,186)	(17,954)
Repurchase of own shares		–	(400)
Loan from subsidiary's non-controlling interest		12,546	12,111
Proceeds from issue of shares under share option scheme		778	982
Proceeds from bank loans		57,959	168,270
Repayment of bank loans		(55,392)	(118,653)
Payment of lease liabilities		(11,558)	(7,952)
Interest paid		(5,311)	(4,417)
Lease interest paid		<u>(714)</u>	<u>(440)</u>
<b>Net cash (used in)/from financing activities</b>		<u>(20,878)</u>	<u>31,547</u>
<b>Net increase in cash and cash equivalents</b>		50,079	45,823
Cash and cash equivalents at 1 January		150,749	105,984
Effect of exchange rate fluctuations on cash held		1,229	(1,058)
<b>Cash and cash equivalents at 31 December</b>	9	<u>202,057</u>	<u>150,749</u>

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

# Notes to the Financial Statements

Year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 20 February 2021.

## 1 Domicile and activities

Raffles Medical Group Ltd (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 585 North Bridge Road, Raffles Hospital #11-00, Singapore 188770.

The financial statements of the Group as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the Group).

The principal activities of the Company are those relating to the operation of medical clinics, other general medical services and investment holdings.

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 Healthcare Institute  
Raffles Health Screeners  
Raffles Medical Management  
Raffles Medihelp  
Raffles Optica  
Raffles Pharmacare  
Raffles Pharmacy  
Raffles Solitaire  
Raffles Solitaire International  
Raffles Specialist Centre

The Group and the Company are partners of the following:

Changi Medical Services LLP  
Raffles International Medical Assistance 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.



# Notes to the Financial Statements

Year ended 31 December 2020

## 2 Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)s).

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### 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 have been rounded to the nearest thousand, unless otherwise stated.

### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I)s 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 critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 14 - lease term: whether the Group is reasonably certain to exercise extension options.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities 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 5 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 6 – determination of fair value of investment properties on the basis of significant unobservable inputs
- Note 16 – insurance contract provisions

#### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

If third party information, such as property valuation report, is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Audit & Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

# Notes to the Financial Statements

Year ended 31 December 2020

## 2 Basis of preparation (cont'd)

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 – investment properties
- Note 11 – share based payment
- Note 17 – financial instruments

## 2.5 Changes in accounting policies

### New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

In addition, the Group has early adopted *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020.

## 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 2.5, which addresses changes in accounting policies.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

### 3.1 Basis of consolidation

#### *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) 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. Any goodwill that arises is tested annually for impairment.

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 date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI 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 NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, 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 equity transactions.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

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

### *Written put option in business combination*

When the Group writes a put with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and the put option granted to the non-controlling shareholders provides for settlement in cash or in another financial asset by the Group, then the Group recognises a liability for the present value of the exercise price of the option. Subsequent to initial recognition of the financial liability, the Group has adopted an accounting policy choice to recognise the changes in the carrying amount of the financial liability in equity.

NCI have present access to the returns associated with the underlying ownership interests, the Group has elected the present-access method to account for the NCI. Under the present-access method, the interest of non-controlling shareholders that hold the written put option are not derecognised when the financial liability is recognised. NCI have present access to the returns that are the subject of the put option.

If the put option expires unexercised, then the put liability is reversed against the other equity.

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related NCI and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### *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. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### *Subsidiaries in the separate financial statements*

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 reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally 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 reporting date. 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. However, if the foreign operation is a non-wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint 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 Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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.

## 3.3 Financial instruments

### *Recognition and initial measurement*

#### **Non-derivative financial assets and financial liabilities**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### *Classification and subsequent measurement*

#### **Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.



# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial assets: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

### **Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### **Non-derivative financial assets: Subsequent measurement and gains and losses**

#### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### **Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

### ***Derecognition***

#### **Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

#### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### ***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and bank deposits with maturities of three months or less from the date of acquisition 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.

### *Share capital*

#### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Where the Company's ordinary shares are repurchased (treasury shares), the consideration paid, excluding any directly attributable incremental cost, is deducted from equity attributable to the Company's equity holders and presented as reserve for own shares within equity, until they are cancelled, sold or reissued.

## 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.

If significant 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.

Any gain or loss on disposal of an item of property, plant and equipment 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 component 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.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

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.

Freehold land and fixed asset work in progress are not depreciated.

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

• Leasehold land	99 years, or lease term if shorter
• Properties	50 years
• Right-of-use assets (properties)	2 to 10 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	6 years, or lease term if shorter
• Facilities equipment	10 years

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

### ***Reclassification to investment property***

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss. When the property is sold, the related amount in the revaluation reserve is transferred to accumulated profits.

## 3.5 Intangible assets and goodwill

### (i) 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.

### ***Subsequent measurement***

Goodwill is measured at cost less accumulated impairment losses.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

### (ii) Software development in progress

The expenditure capitalised for software development in progress includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the assets for its intended use. Costs associated with maintaining the software are recognised in profit or loss as incurred.

Once the software is available to use, the capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

### (iii) Other intangible assets

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

### (iv) 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.

### (v) 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:

- Customer relationship 7 to 13 years
- Software 8 years

Intangible assets in progress are not amortised.

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

## 3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. They are not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group considered an own-use portion below ten percent of the measure used will generally be insignificant.



# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

Investment properties are 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 properties. The cost of self-constructed investment properties include the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

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

### 3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and 'lease liabilities' in the statements of financial position.

### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### *COVID-19-related rent concessions*

The Group has applied *COVID-19-Related Rent Concessions – Amendments to SFRS(I) 16*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

### **(ii) As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16.

## 3.8 Inventories

Inventories, comprising mainly pharmaceutical and medical supplies, are measured at the lower of cost and net realisable value. The cost of inventories 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.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

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 and contract assets*

The Group recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

#### *Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### *General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter into bankruptcy or other financial reorganisation.

### *Presentation of allowance for ECLs in the statements of financial position*

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, 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 its estimated 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.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

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.

### 3.10 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 equity-settled 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.



# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

### 3.12 Revenue

#### *Rendering of services*

Revenue from services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

#### *Rental income*

Rental income from investment properties 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.

### 3.13 Government grants

Government grants are recognised as deferred income when there is reasonable assurance that the grant will be received and the Group will comply with the conditions associated with the grant. These grants are recognised in profit or loss as 'Other operating income' on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

### 3.14 Finance income and finance expenses

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

Interest income or expense is recognised using the effective interest method.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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.

### 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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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 reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the presumption that the carrying amount of the investment properties 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.

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 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 and share awards 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 Executive 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 Executive 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 yet adopted

A number of new standards, amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

#### Effective for annual periods beginning on or after 1 January 2021

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

#### Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

# Notes to the Financial Statements

Year ended 31 December 2020

## 3 Significant accounting policies (cont'd)

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 17 *Insurance Contracts*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

# Notes to the Financial Statements

Year ended 31 December 2020

## 4 Property, plant and equipment

Group	Freehold land \$'000	Leasehold land \$'000	Properties \$'000	Right-of-use assets (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
<b>Cost</b>													
At 1 January 2019	18,500	208,148	169,983	20,795	53,549	8,462	2,304	733	16,636	17,721	4,174	174,578	695,583
Reclassification to intangible asset (note 5)	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Adjustments	-	-	(2,536)	-	-	-	-	-	-	-	-	-	(2,536)
Additions	-	-	280	22,795	17,255	206	262	-	1,755	1,262	257	92,344	136,416
Disposals	-	-	-	-	(4)	-	(24)	-	(10)	-	-	-	(38)
Lease modifications	-	-	-	(192)	-	-	-	-	-	-	-	-	(192)
Write-off	-	-	-	-	(1,752)	(177)	(17)	-	(338)	(170)	(53)	-	(2,507)
Transfer/Reclassification	-	9,845	121,794	-	7	(2)	(16)	-	380	-	-	(132,008)	-
Effect of movements in exchange rates	-	(218)	(2,532)	(422)	(299)	(7)	(4)	-	(40)	(70)	-	(3,367)	(6,959)
At 31 December 2019	18,500	217,775	286,989	42,976	68,756	8,482	2,505	733	18,383	18,743	4,378	131,540	819,760
<b>At 1 January 2020</b>	18,500	217,775	286,989	42,976	68,756	8,482	2,505	733	18,383	18,743	4,378	131,540	819,760
Reclassification from investment properties (note 6)	-	6,564	5,436	-	-	-	-	-	-	-	-	-	12,000
Adjustments	-	-	(646)	-	-	-	-	-	-	-	-	-	(646)
Additions	-	-	-	10,172	5,818	354	78	17	1,078	7,976	322	38,945	64,760
Derecognition of right-of-use assets	-	-	-	(4,058)	-	-	-	-	-	-	-	-	(4,058)
Disposals	-	-	-	-	(522)	-	(1)	-	(3)	-	-	-	(526)
Lease modifications	-	-	-	496	-	-	-	-	-	-	-	-	496
Write-off	-	-	-	(382)	(10,026)	(2,294)	(332)	-	(3,642)	(7,945)	(1,146)	(2)	(25,769)
Transfer/Reclassification	-	-	11,510	-	-	-	-	-	3	317	-	(11,830)	-
Effect of movements in exchange rates	-	459	5,456	607	633	12	5	-	90	316	-	6,189	13,767
At 31 December 2020	18,500	224,798	308,745	49,811	64,659	6,554	2,255	750	15,909	19,407	3,554	164,842	879,784



# Notes to the Financial Statements

Year ended 31 December 2020

## 4 Property, plant and equipment (cont'd)

Group	Freehold land \$'000	Leasehold land \$'000	Properties \$'000	Right-of-use assets (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
<b>Accumulated depreciation</b>													
At 1 January 2019	-	17,963	20,642	-	34,020	4,252	1,438	288	13,934	14,253	2,282	-	109,072
Depreciation charge for the year	-	3,289	5,420	8,222	5,682	726	351	71	1,904	1,678	307	-	27,650
Disposals	-	-	-	-	(3)	-	(20)	-	(10)	-	-	-	(33)
Lease modifications	-	-	-	(11)	-	-	-	-	-	-	-	-	(11)
Write-off	-	-	-	-	(1,684)	(128)	(16)	-	(335)	(140)	(31)	-	(2,334)
Transfer/Reclassification	-	-	-	-	(3)	3	(4)	-	4	-	-	-	-
Effect of movements in exchange rates	-	-	-	(46)	(60)	(1)	(4)	-	(9)	(49)	-	-	(169)
At 31 December 2019	-	21,252	26,062	8,165	37,952	4,852	1,745	359	15,488	15,742	2,558	-	134,175
<b>At 1 January 2020</b>	-	21,252	26,062	8,165	37,952	4,852	1,745	359	15,488	15,742	2,558	-	134,175
Depreciation charge for the year	-	3,360	6,543	12,329	6,705	691	310	73	1,488	1,664	324	-	33,487
Derecognition of right-of-use assets	-	-	-	(3,381)	-	-	-	-	-	-	-	-	(3,381)
Disposals	-	-	-	-	(507)	-	(1)	-	(3)	-	-	-	(511)
Write-off	-	-	-	(382)	(9,306)	(1,691)	(324)	-	(3,617)	(7,935)	(967)	-	(24,222)
Effect of movements in exchange rates	-	5	64	(27)	123	3	3	(1)	38	123	-	-	331
At 31 December 2020	-	24,617	32,669	16,704	34,967	3,855	1,733	431	13,394	9,594	1,915	-	139,879
<b>Carrying amounts</b>													
At 1 January 2019	18,500	190,185	149,341	20,795	19,529	4,210	866	445	2,702	3,468	1,892	174,578	586,511
At 31 December 2019	18,500	196,523	260,927	34,811	30,804	3,630	760	374	2,895	3,001	1,820	131,540	685,585
At 31 December 2020	18,500	200,181	276,076	33,107	29,692	2,699	522	319	2,515	9,813	1,639	164,842	739,905

### Reclassification from investment properties

In 2020, investment properties with carrying value of \$12,000,000 was transferred to property, plant and equipment as a portion of commercial spaces were converted into premises occupied by owner.

# Notes to the Financial Statements

Year ended 31 December 2020

## 4 Property, plant and equipment (cont'd)

Company	Right-of-use assets (properties) \$'000	Medical equipment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Computers \$'000	Renovations \$'000	Fixed asset work in progress \$'000	Total \$'000
<b>Cost</b>									
At 1 January 2019	4,485	4,556	2,381	1,494	700	6,802	6,414	66	26,898
Additions	299	74	21	220	–	337	228	32	1,211
Disposal	–	(3)	–	–	–	(18)	–	–	(21)
Write-off	–	(86)	(26)	(12)	–	(86)	–	–	(210)
Transfer/Reclassification	–	7	(2)	2	–	–	–	(7)	–
At 31 December 2019	4,784	4,548	2,374	1,704	700	7,035	6,642	91	27,878
<b>At 1 January 2020</b>	4,784	4,548	2,374	1,704	700	7,035	6,642	91	27,878
Additions	4	165	21	19	–	235	109	243	796
Derecognition of right-of-use assets	(2,203)	–	–	–	–	–	–	–	(2,203)
Lease Modification	(150)	–	–	–	–	–	–	–	(150)
Disposal	–	(19)	–	–	–	(6)	–	(3)	(28)
Write-off	–	(568)	(335)	(147)	–	(1,712)	(5,127)	(2)	(7,891)
Transfer/Reclassification	–	–	–	–	–	–	316	(316)	–
At 31 December 2020	2,435	4,126	2,060	1,576	700	5,552	1,940	13	18,402
<b>Accumulated depreciation</b>									
At 1 January 2019	–	2,654	1,558	860	299	5,450	5,784	–	16,605
Depreciation charge for the year	1,612	472	183	256	59	629	378	–	3,589
Disposal	–	(1)	–	–	–	(17)	–	–	(18)
Write-off	–	(73)	(22)	(12)	–	(84)	–	–	(191)
At 31 December 2019	1,612	3,052	1,719	1,104	358	5,978	6,162	–	19,985
<b>At 1 January 2020</b>	1,612	3,052	1,719	1,104	358	5,978	6,162	–	19,985
Depreciation charge for the year	1,146	428	155	242	59	442	387	–	2,859
Derecognition of right-of-use assets	(1,525)	–	–	–	–	–	–	–	(1,525)
Disposal	–	(1)	–	–	–	(6)	–	–	(7)
Write-off	–	(507)	(259)	(140)	–	(1,689)	(5,122)	–	(7,717)
At 31 December 2020	1,233	2,972	1,615	1,206	417	4,725	1,427	–	13,595
<b>Carrying amounts</b>									
At 1 January 2019	4,485	1,902	823	634	401	1,352	630	66	10,293
At 31 December 2019	3,172	1,496	655	600	342	1,057	480	91	7,893
At 31 December 2020	1,202	1,154	445	370	283	827	513	13	4,807

# Notes to the Financial Statements

Year ended 31 December 2020

## 4 Property, plant and equipment (cont'd)

Details of freehold land, leasehold land and properties of the Group are as follows:

Description/Location	Gross Floor Area (sq m)	Tenure	Group Carrying amount	
			2020 \$'000	2019 \$'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	659	684
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 27/01/1984	189	196
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	916	952
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	1,185	1,227
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	742	769
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	596	617
HDB shop with living quarters located at Blk 446 Clementi Avenue 3, #01-189, Singapore 120446, held for use as a primary healthcare clinic	182.0	84 years commencing from 01/01/1995	4,873	4,957
A hospital building, located at 585 North Bridge Road, Singapore 188770, held for use as a hospital and medical centre	28,887.1*	99 years commencing from 01/03/1979	179,079	183,913
A building, located at 585 North Bridge Road, Singapore 188770	20,385.30^	99 years commencing from 01/03/1979	127,555	117,807
A building, located at 25 Tannery Lane, Singapore 347786, held for use as support office and storage centre	3,295.5	Freehold	19,890	20,054
A shopping mall, located at 118 Holland Avenue, Singapore 278997, held for use as a medical centre	6,011.4#	99 years commencing from 18/01/1985	17,109	17,419
A hospital building, located at No. 2, Huashan Middle Road, Yubei District, Chongqing, China	105,690.6	40 years commencing from 30/11/2017	141,964**	127,355**
			<u>494,757</u>	<u>475,950</u>

\* Includes commercial space of 826.2 sq m (2019: 826.2 sq m) classified as investment properties.

^ Includes commercial space of 6,310.1 sq m (2019: 6,829.5 sq m) classified as investment properties.

# Includes commercial space of 4,981.1 sq m (2019: 4,981.1 sq m) classified as investment properties.

\*\* Includes cost of \$32,482,000 (2019: \$69,987,000) which the underlying assets had not put into use. Staff costs of \$Nil (2019: \$921,000) and borrowing costs of \$Nil (2019: \$2,517,000) were capitalised during the year.

# Notes to the Financial Statements

Year ended 31 December 2020

## 4 Property, plant and equipment (cont'd)

### Major fixed asset work in progress

In 2020, staff costs of \$650,000 (2019: \$2,570,000) and borrowing costs of \$1,306,000 (2019: \$871,000) were capitalised during the year.

Location	Description	Intended use	Expected date of completion	Site area/ gross floor area (sq m)	Group effective interest (%)
Central business zone of Qiantan, Pudong New District, Shanghai, China	Hospital building	Commercial	2021	12,456/40,000 (estimated)	70

### 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.

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 and goodwill

	Goodwill \$'000	Customer relationship \$'000	Membership rights \$'000	Software under development \$'000	Software \$'000	Total \$'000
<b>Group</b>						
<b>Cost</b>						
At 1 January 2019	24,975	4,404	164	3,314	6,911	39,768
Additions	—	—	—	2,373	95	2,468
Reclassification from property, plant and equipment (note 4)	—	—	—	—	7	7
Transfer	—	—	—	(4,431)	4,431	—
Effects of movement in exchange rate	(588)	(76)	—	(1)	(33)	(698)
At 31 December 2019	24,387	4,328	164	1,255	11,411	41,545
Additions	—	—	—	411	776	1,187
Transfer	—	—	—	(445)	445	—
Effects of movement in exchange rate	934	130	—	—	62	1,126
At 31 December 2020	25,321	4,458	164	1,221	12,694	43,858

# Notes to the Financial Statements

Year ended 31 December 2020

## 5 Intangible assets and goodwill (cont'd)

	Goodwill \$'000	Customer relationship \$'000	Membership rights \$'000	Software under development \$'000	Software \$'000	Total \$'000
<b>Group</b>						
<b>Accumulated amortisation and impairment losses</b>						
At 1 January 2019	552	1,044	–	–	885	2,481
Amortisation	–	386	–	–	1,224	1,610
At 31 December 2019	552	1,430	–	–	2,109	4,091
Amortisation	–	363	–	–	1,645	2,008
Impairment loss	3,500	–	76	–	–	3,576
Effects of movement in exchange rate	36	–	–	–	3	39
At 31 December 2020	4,088	1,793	76	–	3,757	9,714
<b>Carrying amounts</b>						
At 1 January 2019	24,423	3,360	164	3,314	6,026	37,287
At 31 December 2019	23,835	2,898	164	1,255	9,302	37,454
At 31 December 2020	21,233	2,665	88	1,221	8,937	34,144

	Membership rights \$'000	Software \$'000	Total \$'000
<b>Company</b>			
<b>Cost</b>			
At 1 January 2019 and at 31 December 2019	93	1,270	1,363
Additions	–	213	213
At 31 December 2020	93	1,483	1,576
<b>Accumulated amortisation and impairment losses</b>			
At 1 January 2019	–	196	196
Amortisation	–	160	160
At 31 December 2019	–	356	356
Amortisation	–	192	192
Impairment loss	25	–	25
At 31 December 2020	25	548	573
<b>Carrying amounts</b>			
At 1 January 2019	93	1,074	1,167
At 31 December 2019	93	914	1,007
At 31 December 2020	68	935	1,003



# Notes to the Financial Statements

Year ended 31 December 2020

## 5 Intangible assets and goodwill (cont'd)

### Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

	Group	
	2020	2019
	\$'000	\$'000
<b>Group</b>		
China clinics	18,336	20,886
Cambodia clinic	2,897	2,949
	<u>21,233</u>	<u>23,835</u>

The recoverable amount of CGUs were based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs.

Key assumptions used in the estimation of value in use were as follows:

	2020	2019
	%	%
<b>Group</b>		
Discount rate	11.8 – 17.7	14.4 – 22.3
Terminal growth rate	3.0	3.0
Revenue growth rate for next five years	<u>6.0 – 50.4</u>	<u>5.7 – 50.8</u>

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal GDP rates for the countries in which the CGUs operate.

Revenue growth was projected based on expectation of future outcomes taking into account the average growth levels experienced over the past five years and the estimated growth for the next five years.

Management has identified that a reasonably possible change in budgeted first year revenue growth could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this key assumption would need to change (while holding all other variables constant) for the respective CGUs for the estimated recoverable amount to be equal to the carrying amount.

	Decrease in budgeted first year revenue growth rate	
	2020	2019
	%	%
China clinics	-	19.8
Cambodia clinic	<u>0.94</u>	<u>14.8</u>

# Notes to the Financial Statements

Year ended 31 December 2020

## 5 Intangible assets and goodwill (cont'd)

### China Clinics

Impairment loss was recognised in relation to the goodwill in the China clinics cash-generating unit (CGU) as follows:

	Group	
	2020 \$'000	2019 \$'000
Goodwill	3,500	–

The recoverable amount of the China clinic CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. In 2020, the operations of the China clinics were affected by the COVID-19 coronavirus pandemic and the measures. Management has taken into consideration the uncertainty of the pandemic situation in China going forward in the estimates of future cash flows. The carrying amount of the CGU was determined to be higher than its recoverable amount by \$3,500,000 and an impairment loss of \$3,500,000 was recognised. The impairment loss was fully allocated to goodwill and included in 'other operating expenses'.

Following the impairment loss recognised in the Group's China clinic CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

### Source of estimation uncertainty

The continually evolving situation due to COVID-19 coronavirus pandemic during the year resulted in inherent uncertainty in the impairment assessment. The value-in-use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budgets approved by the directors covering a five-year period and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The cash flows are projected based on the Group's historical experience, market expectations and recent historical operating result. These cash flows are then discounted using the applicable discount rates based on their pre-tax weighted average cost of capital. The forecasted cash flows assumed in the value in use calculation is, however, subject to estimation uncertainties that may have a significant risk of resulting in material adjustments in any future periods affected. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

## 6 Investment properties

	Note	Group	
		2020 \$'000	2019 \$'000
At 1 January		311,160	311,160
Additions		-	55
Adjustments		(58)	(2,183)
Reclassification to property, plant and equipment	4	(12,000)	–
Changes in fair value		(4,502)	2,128
At 31 December		294,600	311,160

# Notes to the Financial Statements

Year ended 31 December 2020

## 6 Investment properties (cont'd)

- (a) Investment properties relate to the shop units within Raffles Hospital Building and Raffles Specialist Centre, units of commercial space within Samsung Hub and Raffles Holland V that are leased to external parties. Each of the leases contains an initial non-cancellable period of 1 to 5 years. This is subject to the terms and conditions of the lease agreements entered into and subsequent renewals are negotiated with the respective lessee. These properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.
- (b) In 2020, a portion of commercial spaces were converted into premises occupied by owner. Accordingly, a portion of the investment properties amounted to \$12,000,000 were transferred to property, plant and equipment.

### Investment properties:

Description/Location	Tenure	Gross Floor Area (sq m)
Units within Raffles Hospital, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	826.2 (2019: 826.2)
Units within Raffles Specialist Centre, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	6,310.1 (2019: 6,829.5)
Units within Samsung Hub, located at 3 Church Street Singapore 049483	999 years commencing from 25/01/1827	491.0 (2019: 491.0)
Units within Raffles Holland V, located at 118 Holland Avenue, Singapore 278997	99 years commencing from 18/01/1985	4,981.1 (2019: 4,981.1)

### Measurement of fair value

#### (i) Determination of fair value and source of estimation uncertainty

The fair values are based on open 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 wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including capitalisation method and discounted cash flow method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates.

The capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property. Capital adjustments are then made to derive the capital value of the property. The discounted cash flow method involves the estimation and projection of net cash flows over a period and discounting the stream of net cash flow (including estimated terminal net cash flow) at an estimated required rate of return to arrive at the net present value.

In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

# Notes to the Financial Statements

Year ended 31 December 2020

## 6 Investment properties (cont'd)

The valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the external valuer has also recommended to keep the valuation of these properties under frequent review.

These estimated market values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant.

### (ii) Fair value hierarchy

Investment properties that are measured at fair value are stated at fair value based on valuation performed by independent professional valuers, Jones Lang LaSalle Property Consultants Pte. Ltd. (2019: Jones Lang LaSalle Property Consultants Pte. Ltd.), having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment properties of \$294,600,000 (2019: \$311,160,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2.4).

### (iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Note	Group	
		2020 \$'000	2019 \$'000
At 1 January		311,160	311,160
Reclassification to property, plant and equipment	4	(12,000)	–
Additions		–	55
Adjustment		(58)	(2,183)
(Loss)/gain included in other operating expense/income			
- Changes in fair value		(4,502)	2,128
At 31 December		294,600	311,160

# Notes to the Financial Statements

Year ended 31 December 2020

## 6 Investment properties (cont'd)

### *Valuation technique and significant unobservable inputs*

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation and discounted cash flow approach	<ul style="list-style-type: none"><li>• Capitalisation rates 3.5% to 6.25% (2019: 3.5% to 6.25%)</li><li>• Discount rates 7.25% (2019: 7.25%)</li><li>• Terminal yield rates 4.25% (2019: 4.25%)</li></ul>	The estimated fair value varies inversely against the capitalisation rates and discount rates.



# Notes to the Financial Statements

Year ended 31 December 2020

## 7 Deferred tax assets and liabilities

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

Group	At 1 January 2019 \$'000	Recognised in profit or loss (note 21) \$'000	Exchange differences \$'000	At 31 December 2019 \$'000	Recognised in profit or loss (note 21) \$'000	Exchange differences \$'000	At 31 December 2020 \$'000
<b>Deferred tax assets</b>							
Property, plant and equipment	(53)	(40)	–	(93)	21	–	(72)
Unutilised tax losses	(908)	(129)	18	(1,019)	100	(31)	(950)
Other items	(50)	(4)	1	(53)	4	1	(48)
	(1,011)	(173)	19	(1,165)	125	(30)	(1,070)
<b>Deferred tax liabilities</b>							
Property, plant and equipment	3,398	(70)	–	3,328	(153)	–	3,175
Software	1,026	193	–	1,219	(67)	–	1,152
Intangible assets	828	(88)	(20)	720	(89)	33	664
Other items	(487)	2,234	–	1,747	1,008	–	2,755
	4,765	2,269	(20)	7,014	699	33	7,746
<b>Deferred tax liabilities/(assets) (net)</b>	3,754	2,096	(1)	5,849	824	3	6,676

# Notes to the Financial Statements

Year ended 31 December 2020

## 7 Deferred tax assets and liabilities (cont'd)

	At 1 January 2019 \$'000	Recognised in profit or loss \$'000	At 31 December 2019 \$'000	Recognised in profit or loss \$'000	At 31 December 2020 \$'000
<b>Company</b>					
<b>Deferred tax liabilities</b>					
Property, plant and equipment	647	12	659	(228)	431
Software	182	(27)	155	4	159
Other items	(185)	(236)	(421)	90	(331)
	644	(251)	393	(134)	259

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.

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>	
	2020 \$'000	2019 \$'000
Tax losses	82,744	48,192

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.

## 8 Trade and other receivables

	<b>Group</b>		<b>Company</b>	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables	95,605	72,938	42,177	17,911
Allowance for doubtful receivables	(5,549)	(6,060)	(2,038)	(2,557)
Net receivables	90,056	66,878	40,139	15,354
Deposits	7,628	5,032	145	534
Staff loans	751	2,025	516	764
Other receivables	15,621	11,060	1,685	674
Amounts due from subsidiaries:				
- trade	—	—	36,183	48,913
- non-trade (see note below)	—	—	104,108	75,474
	114,056	84,995	182,776	141,713
Prepayments	2,658	2,392	1,069	1,040
	116,714	87,387	183,845	142,753
Non-current	3,285	3,452	5,250	5,843
Current	113,429	83,935	178,595	136,910
	116,714	87,387	183,845	142,753

# Notes to the Financial Statements

Year ended 31 December 2020

## 8 Trade and other receivables (cont'd)

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no impairment loss arising from these outstanding balances as ECL is not material.

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 17.

Included in other receivables is an amount of \$2,440,000 relating to government grant – Job Support Scheme (JSS) that became receivable during the year.

## 9 Cash and cash equivalents

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fixed deposits	158,361	99,718	97,959	45,689
Cash at bank and in hand *	44,753	52,108	1,956	1,932
Cash and cash equivalents in the statements of financial position	203,114	151,826	99,915	47,621
Bank balances deposited in an escrow account	(1,057)	(1,077)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	202,057	150,749	99,915	47,621

\* 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 0.37% (2019: 1.83%) and 0.28% (2019: 1.67%) respectively. Interest rates re-price at intervals of one week to three months (2019: one week to three months).

## 10 Capital and reserves

### Share capital

	2020		2019	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<b>Company</b>				
<b>Fully paid ordinary shares, with no par value:</b>				
At 1 January	1,828,258	393,470	1,797,174	365,332
Issue of shares under scrip dividend	35,155	26,718	29,516	27,156
Issue of shares under share option scheme	1,313	778	1,568	982
At 31 December	1,864,726	420,966	1,828,258	393,470

### Ordinary shares

The holders of ordinary 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 rank equally with regard to the Company's residual assets.

# Notes to the Financial Statements

Year ended 31 December 2020

## 10 Capital and reserves (cont'd)

During the financial year, the Company issued 35,155,000 shares at \$0.76 per share (2019: 29,516,000 shares at \$0.92 per share) to shareholders in lieu of cash dividends of 2.00 cents (2019: 2.00 cents) per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme.

Pursuant to the option plans i.e. RMG 2000 Scheme and RMG 2010 Scheme, a total of 1,313,000 (2019: 1,568,000) 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	
		2020	2019
01/04/2009	0.26	–	421,000
01/04/2010	0.55	1,014,000	480,000
01/04/2011	0.73	252,000	154,000
02/04/2012	0.78	47,000	180,000
01/04/2013	1.09	–	3,000
01/04/2014	1.07	–	330,000
		<u>1,313,000</u>	<u>1,568,000</u>

\* After adjustment for Share Split.

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 11.

### Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Translation reserve	(1,109)	(10,063)	–	–
Equity compensation reserve	30,671	29,054	30,671	29,054
Revaluation reserve	16,367	16,367	–	–
Reserve for own shares	(400)	(400)	(400)	(400)
Other reserve	(4,656)	(4,705)	–	–
Accumulated profits	<u>437,157</u>	<u>417,170</u>	<u>296,874</u>	<u>270,788</u>
	<u>478,030</u>	<u>447,423</u>	<u>327,145</u>	<u>299,442</u>

### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

### Equity compensation reserve

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company.

# Notes to the Financial Statements

Year ended 31 December 2020

## 10 Capital and reserves (cont'd)

### *Revaluation reserve*

The revaluation reserve relates to difference between the carrying amount of the property, plant and equipment and its fair value at the date of reclassification to investment properties.

### *Reserve for own shares*

The Company acquired Nil (2019: 400,000) of its own shares during the year. The treasury shares held by the Company as at 31 December 2020 represent 0.02% (2019: 0.02%) of the total number of issued shares (excluding treasury shares).

### *Other reserve*

Other reserve relates to present value of the exercise price of written put option arising from the call and put options entered with the non-controlling shareholders (see note 15), and the difference of the net recognised amount of the identifiable assets acquired and liabilities assumed over fair value of the consideration on the acquisition of the non-controlling interests.

## 11 Share based payment

### *Raffles Medical Group (2000) Share Option 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 was administered by the Nomination & Compensation Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

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.
- (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.

### *Raffles Medical Group (2010) Share Option Scheme*

- (1) On 30 April 2010, the Shareholders of the Company approved the Raffles Medical Group (2010) Share Option Scheme (RMG 2010 Scheme) at the Annual General Meeting. Details of the RMG 2010 Scheme were set out in the Circular to Shareholders dated 8 April 2010.

# Notes to the Financial Statements

Year ended 31 December 2020

## 11 Share based payment (cont'd)

- (2) 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 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 five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

### ***Raffles Medical Group (2020) Share Option Scheme***

On 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Share Option Scheme (RMG 2020 Scheme) at the Annual General Meeting. The existing RMG 2010 Scheme was concurrently terminated. The termination of the RMG 2010 Scheme will, however, not affect the subscription rights comprised in options granted pursuant to the RMG 2010 Scheme prior to the termination. Such options will continue to be exercisable in accordance with the RMG 2010 Scheme. However, no further options will be granted under the RMG 2010 Scheme.



# Notes to the Financial Statements

Year ended 31 December 2020

## 11 Share based payment (cont'd)

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 2020 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 2020 Scheme at such discount for the duration of the RMG 2020 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 2020 Scheme is administered by a committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2020 Scheme. The Scheme is administered by the Nomination and Compensation Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

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

	Weighted average exercise price 2020 \$	No. of options 2020 '000	Weighted average exercise price 2019 \$	No. of options 2019 '000
Outstanding at 1 January	1.163	71,665	1.167	65,689
Granted during the year	0.810	9,100	1.040	10,000
Forfeited/expired during the year	1.158	(3,047)	1.103	(2,456)
Exercised during the year	0.593	(1,313)	0.627	(1,568)
Outstanding at 31 December	1.131	76,405	1.163	71,665
Exercisable at 31 December	1.200	52,606	1.183	51,317

# Notes to the Financial Statements

Year ended 31 December 2020

## 11 Share based payment (cont'd)

Options under RMG 2000 Scheme and RMG 2010 Scheme exercised in 2020 resulted in 1,313,000 ordinary shares being issued at weighted average exercise price of \$0.593 each.

In 2020, 3,047,000 options under RMG 2000 Scheme, RMG 2010 Scheme and RMG 2020 Scheme were forfeited at weighted average exercise price of \$1.158 each.

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$0.88 (2019: \$1.04) 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	
			2020 '000	2019 '000
01/04/2010	31/03/2020	0.55	–	1,084
01/04/2011	31/03/2021	0.73	2,211	2,466
02/04/2012	01/04/2022	0.78	4,948	5,019
01/04/2013	31/03/2023	1.09	6,941	7,436
01/04/2014	31/03/2024	1.07	8,106	8,718
01/04/2015	31/03/2020	1.31	–	1,335
01/04/2015	31/03/2025	1.31	12,611	12,611
01/04/2016	31/03/2021	1.50	912	912
01/04/2016	31/03/2026	1.50	9,435	9,435
03/04/2017	02/04/2022	1.42	560	600
03/04/2017	02/04/2027	1.42	4,338	4,338
03/09/2018	02/09/2023	1.09	725	900
03/09/2018	02/09/2028	1.09	7,013	7,013
01/07/2019	30/06/2024	1.04	825	1,000
01/07/2019	30/06/2029	1.04	8,698	8,698
01/07/2019	30/06/2024	1.08	100	100
05/10/2020	04/10/2025	0.81	1,950	–
05/10/2020	04/10/2030	0.81	7,032	–
			<b>76,405</b>	<b>71,665</b>

\* After adjustment for Share Split.

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.

Date of grant of options	Group	
	05/10/2020	01/07/2019
<i>Fair value of share options and assumptions</i>		
Fair value at measurement date	\$0.125 – \$0.156	\$0.161 – \$0.202
Share price	\$0.805	\$1.03
Exercise price	\$0.81	\$1.04 – \$1.08
Expected volatility	26.17%	21.05%
Expected option life	3.5 – 7.6 years	4.0 – 6.9 years
Expected dividend yield	2.74%	1.88%
Risk-free interest rate	1.24%	2.25%

# Notes to the Financial Statements

Year ended 31 December 2020

## 11 Share based payment (cont'd)

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.

### *Raffles Medical Group (2020) Performance Share Plan*

On 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Performance Share Plan (RMG 2020 PSP) at the Annual General Meeting.

Information regarding the share plan is as follows:

- (i) There are two (2) categories of awards:
  - (a) in relation to performance related awards, shares which are subject to that award shall only be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the NCC having determined that the performance conditions have been satisfied at the end of the relevant performance period;
  - (b) in relation to time-related awards, shares which are subject to that award shall be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the NCC having determined that the conditions (which may include the participant's individual performance as an employee, his/her service criteria and contribution) applicable to the award have been satisfied.
- (ii) Awards represent the right of the participants to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that the conditions are met and upon the expiry of any vesting periods, which will be determined by the Nomination and Compensation Committee on the award date.

The RMG 2020 PSP is administered by the Nomination and Compensation Committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2020 PSP. The Scheme is administered by the Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

Share Awards outstanding at the end of the year are as follows:

<b>Date of grant of awards</b>	<b>Share Awards outstanding</b>
05/10/2020	1,689,000
The fair value of services received in return for the share awards are measured by reference to the fair value of share granted on the date of grant of award.	
<b>Date of grant of awards</b>	<b>Group 05/10/2020</b>
Fair value at date of grant	\$0.805

# Notes to the Financial Statements

Year ended 31 December 2020

## 12 Loans and borrowings

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current liabilities</b>				
Unsecured bank loans	143,859	156,559	47,849	47,771
<b>Current liabilities</b>				
Unsecured bank loans	27,201	8,542	8,584	8,484
Total loans and borrowings	171,060	165,101	56,433	56,255

Information about the Group and the Company's exposure to interest rate, foreign currency and liquidity risk is included in note 17.

### Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	2020		2019	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group							
Unsecured bank loan	S\$	0.65% + SWAP/SOR	2021- 2023	87,914	87,810	87,912	87,679
Unsecured bank loan	CNY	LPR + 1.00%	2021- 2022	74,666	74,666	—	—
Unsecured bank loan	CNY	103% of 1-5 years PBOC Base Rate	2020- 2022	—	—	68,938	68,938
Unsecured bank loan	HK\$	1.00	2021	6,734	6,734	—	—
Unsecured bank loan	JPY	0.47	2021	1,850	1,850	—	—
Unsecured bank loan	HK\$	2.76	2020	—	—	6,706	6,706
Unsecured bank loan	JPY	0.52	2020	—	—	1,778	1,778
Total interest-bearing liabilities				171,164	171,060	165,334	165,101
Company							
Unsecured bank loan	S\$	0.65% + SWAP/SOR	2021- 2023	47,914	47,849	47,912	47,771
Unsecured bank loan	HK\$	1.00	2021	6,734	6,734	—	—
Unsecured bank loan	JPY	0.47	2021	1,850	1,850	—	—
Unsecured bank loan	HK\$	2.76	2020	—	—	6,706	6,706
Unsecured bank loan	JPY	0.52	2020	—	—	1,778	1,778
Total interest-bearing liabilities				56,498	56,433	56,396	56,255

# Notes to the Financial Statements

Year ended 31 December 2020

## 12 Loans and borrowings (cont'd)

### Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Liabilities			
	Loans and borrowings	Loan from subsidiary's non-controlling interest	Lease liabilities	Total
Balance as at 1 January 2020	165,101	14,511	35,275	214,887
Changes from financing cash flows				
Proceeds from bank loans	57,959	–	–	57,959
Proceeds from loan due to subsidiary's non-controlling interest	–	12,546	–	12,546
Repayment of bank loans	(55,392)	–	–	(55,392)
Payment of lease liabilities	–	–	(11,558)	(11,558)
Interest paid	(4,575)	(736)	–	(5,311)
Lease interest paid	–	–	(714)	(714)
Total changes from financing cash flows	(2,008)	11,810	(12,272)	(2,470)
The effect of changes in foreign exchange rates	3,049	750	161	3,960
Other changes				
New leases	–	–	10,172	10,172
Capitalised borrowing costs	554	752	–	1,306
Lease derecognition	–	–	(217)	(217)
Interest expense	4,364	75	714	5,153
Total other changes	4,918	827	10,669	16,414
Balance as at 31 December 2020	171,060	27,898	33,833	232,791
Balance as at 1 January 2019	116,496	2,402	21,067	139,965
Changes from financing cash flows				
Proceeds from bank loans	168,270	–	–	168,270
Proceeds from loan due to subsidiary's non-controlling interest	–	12,111	–	12,111
Repayment of bank loans	(118,653)	–	–	(118,653)
Payment of lease liabilities	–	–	(7,952)	(7,952)
Interest paid	(4,417)	–	–	(4,417)
Lease interest paid	–	–	(440)	(440)
Total changes from financing cash flows	45,200	12,111	(8,392)	48,919
The effect of changes in foreign exchange rates	(1,484)	(2)	(422)	(1,908)
Other changes				
New leases	–	–	22,795	22,795
Capitalised borrowing costs	3,388	–	–	3,388
Lease modification	–	–	(213)	(213)
Interest expense	1,501	–	440	1,941
Total other changes	4,889	–	23,022	27,911
Balance as at 31 December 2019	165,101	14,511	35,275	214,887

\* See note 2.5

# Notes to the Financial Statements

Year ended 31 December 2020

## 13 Trade and other payables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables	41,808	42,700	6,121	4,227
Accrued operating expenses	119,905	98,142	34,742	22,238
Amounts due to subsidiaries:				
- trade	–	–	3,700	291
- non-trade	–	–	41,862	17,325
Loans from subsidiary's non-controlling interest	27,898	14,511	–	–
Deferred income	4,809	636	2,327	502
Deposits received	5,007	3,447	369	317
Other payables	27,865	24,020	4,691	3,935
	<u>227,292</u>	<u>183,456</u>	<u>93,812</u>	<u>48,835</u>
Non-current	35,910	20,926	2,983	1,157
Current	<u>191,382</u>	<u>162,530</u>	<u>90,829</u>	<u>47,678</u>
	<u>227,292</u>	<u>183,456</u>	<u>93,812</u>	<u>48,835</u>

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

The loans from subsidiary's non-controlling interest included loan of \$2,630,000 (2019: \$2,400,000) which is unsecured, bears interest at 3% (2019:3%) per annum and is repayable on demand, and loan of \$25,268,000 (2019: \$12,111,000) is unsecured, bears interest at 4.75% (2019: 4.75%) per annum and is repayable within three years at the discretion of the Group.

Deferred income included an amount of \$3,996,000 relating to government grants – JSS that was received or became receivable during the year. The Group has received JSS that meant to provide wage support to employees to help them retain their local employees. The amount of grant recognised in profit or loss during the year is presented in 'other operating income' (see note 19).

The Group and the Company's exposures to currency and liquidity risks related to trade and other payables is disclosed in note 17.

## 14 Lease liabilities

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current</b>				
one to two years	9,992	8,949	384	957
two to three years	9,264	7,032	130	718
three to four years	1,675	5,052	72	264
four to five years	622	3,191	13	72
more than five years	745	292	–	14
	<u>22,298</u>	<u>24,516</u>	<u>599</u>	<u>2,025</u>
<b>Current</b>				
less than one year	11,535	10,759	629	1,192
	<u>33,833</u>	<u>35,275</u>	<u>1,228</u>	<u>3,217</u>



# Notes to the Financial Statements

Year ended 31 December 2020

## 14 Lease liabilities (cont'd)

### Leases as lessee (SFRS(I) 16)

The Group leases clinics, that typically run for a period of 2 to 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every 2 to 10 years to reflect market rentals.

The Group leases equipment with contract terms of one to four years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

### Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 4).

### Amounts recognised in profit or loss

	2020 \$'000	2019 \$'000
<b>Leases under SFRS(I) 16</b>		
Interest on lease liabilities	714	440
* Expenses relating to short-term leases	618	3,092
* Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	181	159

### Amounts recognised in consolidated statement of cash flows

	2020 \$'000	2019 \$'000
<b>Total cash outflow for leases</b>	(12,272)	(8,392)

### Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group expects to make use of all extension options in the lease contracts, which typically vary between 1 and 3 years.

### Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties (see note 6). All leases are classified as operating leases from a lessor perspective. Each of the leases contains an initial non-cancellable period of 1-5 years, with fixed annual rents. Subsequent renewals are negotiated with the lessee and historically the average renewal period ranges from 1-5 years.

# Notes to the Financial Statements

Year ended 31 December 2020

## 14 Lease liabilities (cont'd)

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment property recognised by the Group during 2020 was \$6,989,000 (2019: \$8,213,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2020 \$'000	2019 \$'000
<b>Operating leases under SFRS(I) 16</b>		
Less than one year	7,611	7,859
One to two years	4,310	6,682
Two to three years	1,095	3,374
Three to four years	–	508
<b>Total</b>	<b>13,016</b>	<b>18,423</b>

## 15 Other financial liabilities

	Group	
	2020 \$'000	2019 \$'000
Present value of the exercise price of written put options	2,705	2,754

The Group has a written call and put options with the non-controlling shareholders of certain subsidiaries. These call options provide the Group the right to require the non-controlling shareholders to sell the shares owned by them, and put options provide the non-controlling shareholders the right to require the Group to acquire shares owned by them.

## 16 Insurance contract provisions

### Analysis of movements in insurance contract provisions

	Group					
	2020			2019		
	Gross \$'000	Reinsurers' share \$'000	Net \$'000	Gross \$'000	Reinsurers' share \$'000	Net \$'000
At 1 January	42,062	(22,089)	19,973	34,965	(21,105)	13,860
Provision made	73,013	(26,607)	46,406	67,510	(22,894)	44,616
Provision used	(65,232)	23,331	(41,901)	(60,413)	21,910	(38,503)
At 31 December	49,843	(25,365)	24,478	42,062	(22,089)	19,973

# Notes to the Financial Statements

Year ended 31 December 2020

## 16 Insurance contract provisions (cont'd)

The Group writes both group and individual health insurance contracts, as well as group term life contracts. Insurance contract provisions represent the Group's liabilities to the insured under insurance contracts whether reported or not reported as at the balance sheet date. Historical data collated by the management were used for determining the expected ultimate claims liability. This data was also supplemented by externally available information on industry statistics and trends.

The Group reserving methodology for determining insurance contract provision is intended to result in the most likely or expected outcome for the ultimate loss settlement by analysing the historical claim payments to identify possible trends in order to project future claim payments. The Principal method used is the Chain Ladder method. This approach is supplemented with the Bornhuetter-Ferguson and Expected Loss Ratio methods where appropriate. An additional loading is applied, otherwise known as a provision for adverse deviation, having regard to Singapore Insurance Legislation administered by the Monetary Authority of Singapore (MAS) and uncertainty introduced by limitations of available data. 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 MAS'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.

## 17 Financial instruments

### *Financial risk management*

#### *Overview*

The Group has exposure to the following risks arising from 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 has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to 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.

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

The Audit & Risk 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 & Risk 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 & Risk Committee.

### ***Credit risk***

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 represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

### ***Trade and other receivables***

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.

The Group's primary exposure to credit risk arises through its cash and cash equivalents, trade and other receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables which no loss allowance is recognised because of collateral.

### ***Expected credit loss assessment for trade and other receivables (lifetime ECL)***

### ***Trade receivables***

### ***Group and Company***

The Group and Company applied the simplified approach in SFRS(I) 9 to measure the loss allowance of trade receivables from individual and corporate customers at lifetime ECL based on allowance matrix, which comprise a very large number of small balances. As the Group and Company's past default experience does not show significantly different loss patterns for different customer segments, the allowance matrix is not further distinguished between the different customer bases.

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
<b>31 December 2020</b>				
No credit terms	–	10,944	–	No
Not past due	0.62	36,677	226	No
Past due 0 – 30 days	2.55	25,555	652	No
Past due 31 – 180 days	9.23	15,462	1,427	No
Past due 181 – 365 days	16.76	3,007	504	Yes
More than one year	69.20	3,960	2,740	Yes
		<u>95,605</u>	<u>5,549</u>	
<b>31 December 2019</b>				
No credit terms	–	9,388	–	No
Not past due	1.12	37,844	422	No
Past due 0 – 30 days	3.20	6,933	222	No
Past due 31 – 180 days	10.99	9,746	1,071	No
Past due 181 – 365 days	20.25	4,228	856	Yes
More than one year	72.70	4,799	3,489	Yes
		<u>72,938</u>	<u>6,060</u>	
Company	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
<b>31 December 2020</b>				
Not past due	0.70	15,943	111	No
Past due 0 – 30 days	2.44	18,992	463	No
Past due 31 – 180 days	9.60	5,659	543	No
Past due 181 – 365 days	42.90	331	142	Yes
More than one year	62.22	1,252	779	Yes
		<u>42,177</u>	<u>2,038</u>	
<b>31 December 2019</b>				
Not past due	4.10	8,486	348	No
Past due 0 – 30 days	5.84	2,190	128	No
Past due 31 – 180 days	16.50	3,175	524	No
Past due 181 – 365 days	16.97	1,874	318	Yes
More than one year	56.68	2,186	1,239	Yes
		<u>17,911</u>	<u>2,557</u>	

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

The ECLs on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Management believes that there is no indication that any macro-economic factor will have a significant direct and immediate impact on the credit quality of its receivables. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the allowance matrix.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

### *Movements in allowance for impairment in respect of trade receivables*

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	Company
	Lifetime ECL	Lifetime ECL
	\$'000	\$'000
At 1 January 2019	5,915	2,342
Impairment loss recognised	2,085	1,370
Impairment loss utilised	(1,940)	(1,155)
At 31 December 2019	6,060	2,557
At 1 January 2020	6,060	2,557
Impairment loss recognised	1,916	138
Impairment loss utilised	(2,427)	(657)
At 31 December 2020	5,549	2,038

### *Other receivables, staff loans and deposits (Group and Company)*

Impairment on deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Other receivables are considered to have low credit risk as they are not due for payment at the end of reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The amount of the allowance on other receivables was negligible.

### *Amounts due from subsidiaries (Company) (note 8 and note 26)*

Impairment on the amounts due from subsidiaries has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant as none of the amounts due from subsidiaries at the end of the reporting period is past due and there has been no significant increase in the risk of default on these balances since initial recognition.

### *Cash and cash equivalents (Group and Company)*

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash and cash equivalents are held with bank and financial institution counterparties which are rated BB- to AA-, based on rating agency Standard & Poor's ratings. The amount of the allowance on cash and cash equivalents was negligible.



# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

### 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.

The Group has adequate undrawn unsecured credit facilities to meet its future operating activities and to finance and support the Group's contractual commitments.

The Group has contractual commitments to complete the development of the Raffles Hospital Shanghai Project and Raffles Hospital Chongqing Project (see note 24).

### Exposure to liquidity risk

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	Between 1 and 5 years \$'000	More than 5 years \$'000
<b>Group</b>					
<b>31 December 2020</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured bank loans	171,060	(184,033)	(33,708)	(150,325)	–
Other financial liabilities	2,705	(2,705)	(2,705)	–	–
Trade and other payables*	222,483	(223,762)	(187,852)	(35,910)	–
Lease liabilities	33,833	(35,008)	(12,093)	(22,160)	(755)
	<u>430,081</u>	<u>(445,508)</u>	<u>(236,358)</u>	<u>(208,395)</u>	<u>(755)</u>
<b>31 December 2019</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured bank loans	165,101	(174,337)	(12,331)	(162,006)	–
Other financial liabilities	2,754	(2,754)	(2,754)	–	–
Trade and other payables*	182,820	(183,467)	(162,541)	(20,926)	–
Lease liabilities	35,275	(36,648)	(11,350)	(25,298)	–
	<u>385,950</u>	<u>(397,206)</u>	<u>(188,976)</u>	<u>(208,230)</u>	<u>–</u>

\* Excludes deferred income

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Between 1 and 5 years \$'000
<b>Company</b>				
<b>31 December 2020</b>				
<b>Non-derivative financial liabilities</b>				
Unsecured bank loans	56,433	(56,583)	(8,670)	(47,913)
Trade and other payables*	91,485	(91,485)	(88,502)	(2,983)
Lease liabilities	1,228	(1,256)	(647)	(609)
	<u>149,146</u>	<u>(149,324)</u>	<u>(97,819)</u>	<u>(51,505)</u>
<b>31 December 2019</b>				
<b>Non-derivative financial liabilities</b>				
Unsecured bank loans	56,255	(56,623)	(8,709)	(47,914)
Trade and other payables*	48,333	(48,333)	(47,176)	(1,157)
Lease liabilities	3,217	(3,312)	(1,241)	(2,071)
	<u>107,805</u>	<u>(108,268)</u>	<u>(57,126)</u>	<u>(51,142)</u>

\* 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

The Group is exposed to currency risk on borrowings and inter-company balances that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Euro (EUR), Hong Kong dollar (HK\$), US dollar (US\$), Japanese Yen (JPY), Singapore dollar (S\$) and Chinese Yuan (CNY).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level.

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

### Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	EUR \$'000	HK\$ \$'000	US\$ \$'000	JPY \$'000	S\$ \$'000	CNY \$'000
<b>Group</b>						
<b>31 December 2020</b>						
Trade and other receivables	–	–	124	–	–	145
Cash and cash equivalents	–	–	1,406	–	7	29
Trade and other payables	(395)	–	(2,056)	–	–	–
Amount owing (to)/from subsidiaries (net)	–	(345)	(8,232)	3,347	712	–
Loans and borrowings	–	(6,734)	–	(1,851)	–	–
	(395)	(7,079)	(8,758)	1,496	719	174

	EUR \$'000	HK\$ \$'000	US\$ \$'000	JPY \$'000	S\$ \$'000	CNY \$'000
<b>Group</b>						
<b>31 December 2019</b>						
Trade and other receivables	–	–	778	–	84	21
Cash and cash equivalents	–	–	1,879	–	32	139
Trade and other payables	(376)	–	(3,116)	–	–	–
Amount owing (to)/from subsidiaries (net)	–	(2,600)	775	3,505	(4,347)	650
Loans and borrowings	–	(6,706)	–	(1,778)	–	–
	(376)	(9,306)	316	1,727	(4,231)	810

	HK\$ \$'000	US\$ \$'000	JPY \$'000	CNY \$'000
<b>Company</b>				
<b>31 December 2020</b>				
Cash and cash equivalents	–	–	–	–
Amount owing (to)/from subsidiaries (net)	–	–	1,851	–
Loans and borrowings	(6,734)	–	(1,851)	–
	(6,734)	–	–	–
<b>31 December 2019</b>				
Cash and cash equivalents	–	854	–	137
Amount owing (to)/from subsidiaries (net)	–	–	1,778	–
Loans and borrowings	(6,706)	–	(1,778)	–
	(6,706)	854	–	137

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

### *Sensitivity analysis*

A 10% strengthening of the following major currencies against the functional currency of each of the Group's entities would increase/(decrease) profit or loss by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2020 \$'000	2019 \$'000
<b>Group</b>		
EUR	(40)	(38)
HK\$	(708)	(931)
US\$	(876)	32
JPY	150	173
S\$	72	(423)
CNY	17	81
<b>Company</b>		
HK\$	(673)	(671)
US\$	—	85
CNY	—	14

### *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.

### *Managing interest rate benchmark reform*

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore swap offer rates (SORs), and the transition from SOR to the Singapore Overnight Rate Average (SORA), is also ongoing. The Group anticipates that IBOR reform will impact its risk management.

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

### Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Company	
	Nominal amount		Nominal amount	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>Fixed rate instruments</b>				
Financial assets	158,361	99,718	97,959	45,689
Financial liabilities	(42,417)	(43,759)	(9,812)	(11,701)
Loan due to subsidiary's non-controlling interest	(27,898)	(14,511)	—	—
	88,046	41,448	88,147	33,988
<b>Variable rate instruments</b>				
Financial liabilities	(162,476)	(156,617)	(47,849)	(47,771)

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$'000	\$'000	\$'000	\$'000
<b>31 December 2020</b>				
Variable rate instruments	(1,625)	1,625	(478)	478
<b>31 December 2019</b>				
Variable rate instruments	(1,566)	1,566	(478)	478

### 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 capital, which the Group defines as net operating income divided by total shareholders' equity excluding NCI. The Board also monitors the levels of dividends to ordinary shareholders. In addition, the Board and senior management also monitors the Group's capital adequacy and insurance fund solvency levels against regulatory requirements.

To mitigate exposure to large risks underwritten that can impact the financial strength of the Group, it has put in place robust underwriting guidelines and reinsurance arrangements to control its insurance risk exposure. The Group further stress-tests its financial position and capital adequacy under various stress scenarios to assess its financial stability.

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

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.

There were no changes in the Group's approach to capital management during the year.

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 the regulatory capital requirement prescribed under the Singapore Insurance Act. Under the Risk-based Capital Framework regulation set by the Monetary Authority of Singapore (MAS), insurance companies are required to satisfy minimum prescribed capital adequacy ratio (CAR) and fund solvency ratio (FSR).



# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

### Accounting classifications and fair values

#### Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

		Carrying amount		Fair value				
	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group								
31 December 2020								
Financial assets not measured at fair value								
	8	114,056	–	114,056				
	9	203,114	–	203,114				
		317,170	–	317,170				
Financial liabilities not measured at fair value								
	12	–	(171,060)	(171,060)	–	(171,164)	–	(171,164)
	13	–	(222,483)	(222,483)				
	15	–	(2,705)	(2,705)	–	–	(2,705)	(2,705)
		–	(396,248)	(396,248)				

# Excludes prepayments

\* Excludes deferred income

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

Group	Carrying amount				Fair value			
	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2019								
Financial assets not measured at fair value								
Trade and other receivables #	8	84,995	–	84,995				
Cash and cash equivalents	9	151,826	–	151,826				
		236,821	–	236,821				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(165,101)	(165,101)	–	(165,334)	–	(165,334)
Trade and other payables*	13	–	(182,820)	(182,820)				
Other financial liabilities	15	–	(2,754)	(2,754)	–	–	(2,754)	(2,754)
		–	(350,675)	(350,675)				

# Excludes prepayments

\* Excludes deferred income

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

		Carrying amount			Fair value			
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company								
31 December 2020								
Financial assets not measured at fair value								
	8	182,776	-	182,776				
	9	99,915	-	99,915				
	26	566,105	-	566,105	-	-	566,105	566,105
		848,796	-	848,796				
Financial liabilities not measured at fair value								
	12	-	(56,433)	(56,433)	-	(56,498)	-	(56,498)
	13	-	(91,485)	(91,485)				
		-	(147,918)	(147,918)				
31 December 2019								
Financial assets not measured at fair value								
	8	141,713	-	141,713				
	9	47,621	-	47,621				
	26	557,972	-	557,972	-	-	557,972	557,972
		747,306	-	747,306				
Financial liabilities not measured at fair value								
	12	-	(56,255)	(56,255)	-	(56,396)	-	(56,396)
	13	-	(48,333)	(48,333)				
		-	(104,588)	(104,588)				

# Excludes prepayments

\* Excludes deferred income

# Notes to the Financial Statements

Year ended 31 December 2020

## 17 Financial instruments (cont'd)

### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values.

#### Financial instrument not measured at fair value

Type	Valuation techniques
<b>Group and Company</b>	
Other financial liabilities – put options	<i>Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate</i>
Non-current loans and borrowings	<i>The carrying amounts of floating interest bearing loans, which are repriced within 1 month from the reporting date, reflect the corresponding fair values.</i>

#### Other financial assets and liabilities

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

### Transfer between fair values hierarchies

There was no transfer between the fair value hierarchies during the financial year.

#### Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for level 3 fair values:

Group	Put options \$'000
At 1 January 2019	2,790
Changes in exercise price of written put options	(36)
At 31 December 2019	2,754
Changes in exercise price of written put options	(49)
At 31 December 2020	2,705

# Notes to the Financial Statements

Year ended 31 December 2020

## 18 Revenue

	Group	
	2020 \$'000	2019 \$'000
Revenue from contracts with customers	561,214	513,825
Rental income	6,989	8,213
	<u>568,203</u>	<u>522,038</u>

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

### Healthcare services

#### **Nature of goods or services**

The healthcare services segment of the Group principally generates revenue from 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.

#### **When revenue is recognised**

Where contracts relate to provision of medical services, management and consulting services, revenue is recognised in the accounting period in which the services are rendered.

Where contracts relate to provision of health insurance, revenue is recognised over the premium period.

Where contracts relate to trading in pharmaceutical and nutraceutical products and diagnostic equipment, revenue is recognised when goods are delivered to the customers and all criteria for acceptance have been satisfied.

#### **Significant payment terms**

Invoices are issued upon completion of services or/and delivery of goods.

Payment terms for respective revenue are as follows:

- Provision of medical services, management and consulting services: payment is due upon completion of service
- Provision of health insurance: payment is due when invoices are issued
- Trading in pharmaceutical and nutraceutical products and diagnostic equipment: customers are usually given a credit term ranges from 30 to 90 days from invoice date

### Hospital services

#### **Nature of goods or services**

The hospital services segment of the Group principally generates revenue from provision of specialised medical services, inpatient services and business of medical laboratory and imaging centre. Services may be sold separately or in bundled packages. For the bundled contract, the Group accounts for individual services separately if they are distinct, i.e. if a service is separately identifiable from other items in the bundled package and if a patient can benefit from it.

# Notes to the Financial Statements

Year ended 31 December 2020

## 18 Revenue (cont'd)

### When revenue is recognised

Revenue is recognised in the accounting period in which the services are rendered.

The consideration for bundled package is allocated to the separate services based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on individual prices that the Group would have charged if the services were contracted for separately.

### Significant payment terms

Invoices are issued upon discharge of patients from the hospital. Payment is due when invoice is issued.

For risk management, a portion of the contract consideration is received upfront in the form of deposit for inpatients, and the remaining consideration is received from customers upon issuance of invoices. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

## 19 Other operating income

The following items have been included in other operating income:

	Group	
	2020 \$'000	2019 \$'000
Government grants income	25,379	-
Employment related supports	2,690	537

Government grants income relates mainly to COVID-19 relief measures and support which comprise mainly of Job Support Scheme grants and Property tax rebates. For government grant that was passed down to external parties, the Group recognised grant expense in profit or loss during the year and presented in 'other operating expenses'.

Employment related supports comprise of Wage Credit Scheme, Foreign Worker Levy rebates and other employment related subsidies.



# Notes to the Financial Statements

Year ended 31 December 2020

## 20 Profit for the year

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

	Group	
	2020 \$'000	2019 \$'000
Recovery of bad debts	(1,218)	(933)
Changes in fair value in investment properties	4,502	(2,128)
Contributions to defined contribution plans	20,205	17,530
Loss / (Gain) on disposal of property, plant and equipment, net	9	(30)
Write-off for stock obsolescence	891	150
Interest expense:		
- bank loans	4,364	1,501
- subsidiary's non-controlling interest	75	-
- lease liabilities	714	440
Interest income	(1,150)	(1,697)
Audit fees paid to:		
- auditors of the Company	203	211
- other auditors	154	83
Non-audit fees paid to:		
- auditors of the Company	40	53
- other auditors	2	1
Property, plant and equipment written-off	1,547	173
Foreign exchange (gain)/loss	(643)	515
Value of employee services received for issue of share options and share awards, included in staff costs	1,617	1,399
Impairment loss on intangible assets and goodwill	3,576	-
Grant expense	1,343	-

## 21 Tax expense

	Group	
Note	2020 \$'000	2019 \$'000
<b>Tax recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	18,002	14,586
Adjustment for prior years	(95)	(1,280)
	17,907	13,306
<b>Withholding tax</b>		
Current year	1,038	-
<b>Deferred tax expense</b>		
Movements in temporary differences	903	968
Adjustment for prior years	(79)	1,128
7	824	2,096
<b>Tax expense</b>	19,769	15,402

# Notes to the Financial Statements

Year ended 31 December 2020

## 21 Tax expense (cont'd)

	Group	
	2020	2019
	\$'000	\$'000
<b>Reconciliation of effective tax rate</b>		
Profit before tax	84,439	75,924
Tax using the Singapore tax rate of 17% (2019: 17%)	14,355	12,907
Effect of tax rates in foreign jurisdiction	(2,452)	(1,189)
Non-deductible expenses	3,500	1,833
Tax exempt income	(4,383)	(634)
Tax incentives	(18)	(174)
Withholding tax	1,038	-
Tax effect of unrecognised tax losses	8,902	4,779
Utilisation of tax losses	(705)	(1,138)
Over provision in respective of prior years	(174)	(152)
Others	(294)	(830)
	19,769	15,402

The Group intends to utilise the unabsorbed tax losses and capital allowances of \$ Nil (2019: \$3,798,000) of other subsidiaries in Singapore under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authority of Singapore.

## 22 Earnings per share

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 was based on the profit attributable to ordinary shareholders of \$65,891,000 (2019: \$60,273,000), and a weighted-average number of ordinary shares outstanding of 1,839,095,915 (2019: 1,813,326,091), calculated as follows:

### Profit attributable to ordinary shareholders

	Group	
	2020	2019
	\$'000	\$'000
Profit attributable to ordinary shareholders	65,891	60,273

### Weighted-average number of ordinary shares

	Group	
	2020	2019
	No. of	No. of
	shares	shares
	'000	'000
Issued ordinary shares at beginning of the year	1,828,259	1,797,174
Effect of own shares held	(400)	(188)
Effect of scrip dividend shares issued	10,278	15,203
Effect of share options exercised	959	1,137
Weighted average number of ordinary shares during the year	1,839,096	1,813,326

# Notes to the Financial Statements

Year ended 31 December 2020

## 22 Earnings per share (cont'd)

### Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2020 was based on profit attributable to ordinary shareholders of \$65,891,000 (2019: \$60,273,000), and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,840,374,386 (2019: 1,815,814,937), calculated as follows:

### Profit attributable to ordinary shareholders (diluted)

	Group	
	2020 \$'000	2019 \$'000
Profit attributable to ordinary shareholders	65,891	60,273

### Weighted-average number of ordinary shares

	Group	
	2020 No. of shares '000	2019 No. of shares '000
Weighted average number of ordinary share (basic)	1,839,096	1,813,326
Potential ordinary shares issuable under share options/share awards	1,278	2,489
Weighted average number of ordinary shares (diluted) during the year	1,840,374	1,815,815

At 31 December 2020, 69,246,000 (2019: 63,096,000) options were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

## 23 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 Executive 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 and those relating to investment properties.

# Notes to the Financial Statements

Year ended 31 December 2020

## 23 Operating segments (cont'd)

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive 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 current tax and deferred 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

Year ended 31 December 2020

## 23 Operating segments (cont'd)

### Information about reportable segments

	Healthcare services		Hospital services		Investment holdings		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Revenue and expenses</b>								
Revenue	281,265	238,718	312,795	306,434	32,743	33,724	626,803	578,876
Inter-segment revenue	3,146	3,808	29,169	26,775	26,285	26,255	58,600	56,838
Finance expenses	(996)	(832)	(24)	(21)	(4,133)	(1,088)	(5,153)	(1,941)
Depreciation and amortisation	(16,747)	(13,039)	(9,087)	(7,733)	(163)	(185)	(25,997)	(20,957)
Reportable segment profit before tax	31,492	13,812	49,695	48,379	11,488	22,036	92,675	84,227
Other material non-cash items:								
- Impairment losses on intangible assets and goodwill	(3,551)	-	(25)	-	-	-	(3,576)	-
- Impairment losses on trade receivable	(328)	(1,621)	(1,424)	(461)	(164)	(3)	(1,916)	(2,085)
Reportable segment assets	1,027,838	908,111	249,317	214,302	957,316	926,249	2,234,471	2,048,662
Capital expenditure	20,640	23,938	9,116	22,348	36,191	92,653	65,947	138,939
Reportable segment liabilities	277,629	217,160	159,565	141,495	750,531	786,627	1,187,725	1,145,282

# Notes to the Financial Statements

Year ended 31 December 2020

## 23 Operating segments (cont'd)

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

	2020 \$'000	2019 \$'000
<b>Revenues</b>		
Total revenue for reportable segments	626,803	578,876
Elimination of inter-segment revenue	(58,600)	(56,838)
Consolidated revenue	568,203	522,038
<b>Profit or loss before tax</b>		
Total profit for reportable segments	92,675	84,227
Elimination of inter-segment profits / Consolidation adjustment	1,262	-
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(9,498)	(8,303)
Consolidated profit before tax	84,439	75,924
<b>Assets</b>		
Total assets for reportable segments	2,234,471	2,048,662
Elimination of inter-segment assets	(831,407)	(765,005)
Unallocated amounts-current tax and deferred tax assets	1,070	1,165
Consolidated total assets	1,404,134	1,284,822
<b>Liabilities</b>		
Total liabilities for reportable segments	1,187,725	1,145,282
Elimination of inter-segment liabilities	(728,357)	(738,723)
Unallocated amounts-current tax and deferred tax liabilities	30,369	21,409
Consolidated total liabilities	489,737	427,968

### Other material items

	Reportable segment totals \$'000	Adjustments \$'000	Consolidated totals \$'000
<b>31 December 2020</b>			
Depreciation and amortisation	25,997	9,498	35,495
<b>31 December 2019</b>			
Depreciation and amortisation	20,957	8,303	29,260

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre and Raffles Hospital Chongqing are owned by its subsidiaries and classified as investment properties in the subsidiaries' 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, a portion of these properties are reclassified from investment properties to property, plant and equipment as these properties are used in the supply of medical services by the Group. Accordingly, the carrying values of these properties are depreciated over their useful lives in the consolidated financial statements of the Group.



# Notes to the Financial Statements

Year ended 31 December 2020

## 23 Operating segments (cont'd)

The amount of \$9,498,000 (2019: \$8,303,000) relates to the depreciation of these properties for the year ended 31 December 2020.

### Geographical information

The Group operations are primarily in Singapore, Greater China, Vietnam, Cambodia and Japan.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Group	
	2020 \$'000	2019 \$'000
<b>Revenue</b>		
Singapore	518,037	462,245
Greater China	34,292	40,021
Rest of Asia	15,874	19,772
Consolidated revenue	568,203	522,038
<b>Non-current assets</b>		
Singapore	696,045	712,489
Greater China	363,944	312,866
Rest of Asia	8,660	8,844
Consolidated non-current assets*	1,068,649	1,034,199

\* Non-current assets exclude financial instruments and deferred tax assets.

### Major customer

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

## 24 Commitments and contingent liabilities

At 31 December 2020, commitments contracted but not provided for by the Group in the financial statements amounted to \$45,699,000 (2019: \$51,726,000). This mainly relates to properties development expenditure for Raffles Hospital Shanghai Project and Raffles Hospital Chongqing Project.

In 2016, the Group pledged to donate \$1,000,000 to the National Kidney Foundation (NKF) to set up Raffles NKF Renal Wellness Centre in Raffles Hospital. The Group donated \$400,000 to NKF in 2017. The Group has in 2016, also committed to donate \$4,000,000 by awarding 40 university scholarships over the next five years of which \$731,000 has been disbursed as at 31 December 2020.

# Notes to the Financial Statements

Year ended 31 December 2020

## 25 Transactions with key management personnel

### Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executives.

Key management personnel participate in the Raffles Medical Group (2020) Share Option Scheme and Raffles Medical Group (2020) Performance Share Plan. 3,000,000 (2019: 2,325,000) share options and 132,000 (2019: Nil) share awards were received by the key management personnel of the Company during the year. The share options and share awards 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 11. At the reporting date, 8,357,000 (2019: 9,617,000) of the share options and 132,000 (2019: Nil) of share awards granted to the directors of the Company were outstanding.

Key management personnel compensation comprised:

	Group	
	2020 \$'000	2019 \$'000
Short-term employee benefits	12,527	11,515
Directors' fees	595	722
Share-based benefits	429	391
	<u>13,551</u>	<u>12,628</u>

## 26 Subsidiaries

	Company	
	2020 \$'000	2019 \$'000
Investments in subsidiaries	44,650	43,803
Amounts due from subsidiaries	566,105	557,972
	<u>610,755</u>	<u>601,775</u>

The amounts due from subsidiaries are unsecured, interest-free and not due within the next 12 months. There is no impairment loss arising from these outstanding balances as ECL is not material. The Company's exposure to credit risk and impairment losses is disclosed in note 17.

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2020 %	2019 %
<sup>1</sup> Raffles Hospital Pte Ltd	Provision of general and specialised medical services and operation of a hospital	Singapore	100	100

# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2020 %	2019 %
<sup>1</sup> Raffles Diagnostica Pte Ltd	Operation of medical laboratory and imaging centre	Singapore	100	100
<sup>1</sup> Raffles Medical Properties Pte Ltd and its subsidiaries:	Property owner and investment holding	Singapore	100	100
<sup>1</sup> Raffles Hospital Properties Pte Ltd	Property owner	Singapore	100	100
<sup>1</sup> MP Clementi Pte Ltd	Investment holding	Singapore	100	100
<sup>1</sup> RM Network Pte Ltd	Management consultancy services for healthcare organisations	Singapore	100	100
<sup>1</sup> Raffles Research Labs Pte Ltd	Research & experimental development on Biotechnology, Life & Medical Science	Singapore	100	100
<sup>1</sup> Raffles Chinese Medicine Pte Ltd	Provision of general medical services, acupuncture and acupressure	Singapore	100	100
<sup>1</sup> Raffles Japanese Clinic Pte Ltd and its subsidiaries:	Operation of medical clinics, provision of medical services and investment holding	Singapore	80	80
<sup>2</sup> RJC Ltd and its subsidiaries:	Investment holding	Japan	80	80
<sup>2</sup> RSM Ltd and its subsidiary:	Provision of medical support and consultancy services	Japan	40.8	40.8
<sup>2</sup> Zui Wa Kai Medical Corporation	Operation of medical clinics and provision of medical services	Japan	— <sup>14</sup>	— <sup>14</sup>
<sup>1</sup> Raffles Health Pte Ltd	Trading in pharmaceutical and nutraceutical products and diagnostic equipment	Singapore	100	100
<sup>1</sup> Aptitude [2003] Pte Ltd	Provision of advisory and consultancy services and developing IT solutions	Singapore	100	100

# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2020 %	2019 %
<sup>4</sup> Raffles Healthcare Management (China) Limited	Provision of hospital management and hospital management consultancy services	Hong Kong	100	100
<sup>1</sup> Raffles Medical International Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100
<sup>4</sup> Raffles Medical Group (Hong Kong) Limited and its subsidiaries:	Investment holding and provision of medical and dental services	Hong Kong	100	100
<sup>4</sup> Coors Consultants Limited	Provision of consultancy services	Hong Kong	100	100
<sup>4</sup> Medical Properties Limited	Investment holding, provision of medical services and hospital operation	Hong Kong	100	100
<sup>7</sup> Anzheng (Chongqing) Hospital Co. Ltd.	Property owner	China	100	100
<sup>7</sup> ShenAn (Chongqing) Hospital Co. Ltd.	Hospital management and operations	China	100	100
<sup>12</sup> Renguang Health Management (Shanghai) Co. Ltd.	Hospital management and operations	China	100	100
<sup>7</sup> Raffles Hospital Shanghai Co. Ltd.	Hospital management and operations	China	100	—
<sup>4</sup> Raffles Medical Services (HK) Limited	Provision of medical services	Hong Kong	100	100
<sup>5</sup> Renguang Management Consultancy (Shanghai) Co. Ltd	Management consultancy	China	100	100
<sup>5</sup> Shanghai Ruihe Clinic Co.Ltd	Operation of medical clinics and provision of medical services	China	— <sup>14</sup>	— <sup>14</sup>
<sup>6</sup> Dalian Jin Pu New District Anshen Clinic	Operation of medical clinics and provision of medical services	China	— <sup>14</sup>	— <sup>14</sup>

# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2020 %	2019 %
<sup>6</sup> Nanjing Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	— <sup>14</sup>	— <sup>14</sup>
<sup>13</sup> Tianjin Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	— <sup>14</sup>	— <sup>14</sup>
<sup>2</sup> Shenzhen Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	— <sup>14</sup>	— <sup>14</sup>
<sup>2</sup> Shenzhen ShenAn Clinic	Operation of medical clinics and provision of medical services	China	— <sup>8,14</sup>	—
<sup>1</sup> Raffles Health Insurance Pte Ltd	Provision of health and related insurance	Singapore	100	100
<sup>2</sup> PT Raffles Medika Indonesia	Provision of hospital and healthcare management and consultancy services	Indonesia	100 <sup>3</sup>	100 <sup>3</sup>
<sup>1</sup> Raffles SurgiCentre Pte Ltd and its subsidiaries:	Provision of general and specialised medical services, operation of a hospital and investment holding	Singapore	100	100
<sup>1</sup> International SOS (MC Holdings) Pte Ltd and its subsidiaries:	Provision of the usage of trade name, trademark and administration, training, network services and marketing services to related companies, and investment holding	Singapore	80	80
<sup>6</sup> Beijing Raffles Medical International Clinic Co., Ltd (fka Beijing International (SOS) Clinic)	Provides medical services through operation of medical clinics	China	80	80
<sup>6</sup> Nanjing International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80
<sup>11</sup> Tianjin International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80

# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2020 %	2019 %
<sup>9</sup> Lifetime Health Limited Liability Company	Provides medical examination and treatment through its international polyclinics and specialty clinics	Vietnam	80	80
<sup>10</sup> AEA International SOS (Cambodia) Ltd	Provides medical services through operation of medical clinics	Cambodia	80	80
<sup>4</sup> International SOS (HK) Limited and its subsidiary:	Provision of medical emergency assistance services, the sale of medical kits and investment holding	Hong Kong	80	80
<sup>8</sup> Shenzhen International SOS Clinic	Provision of clinical services	China	80	80
<sup>1</sup> Raffles Medical China Pte Ltd and its subsidiaries:	Investment holding and provision of medical services and hospital operation	Singapore	100	100
<sup>2</sup> Shenzhen Investments Pte Ltd	Investment holding (dormant)	Singapore	100	100
<sup>1</sup> Shanghai Capital Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
<sup>7</sup> Shanghai Qihua Hospital Co. Ltd.	Property owner	China	70	70
<sup>1</sup> RMG Capital Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
<sup>1</sup> Asian Healthcare Capital Management Pte Ltd	Property owner	Singapore	100	100
<sup>2</sup> International Medical Investment Co., Ltd	Investment holding (dormant)	British Virgin Islands	100	100
<sup>1</sup> Nicoll Capital Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	100



# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2020 %	2019 %
<sup>1</sup> Nicoll Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100
<sup>1</sup> Scotts Capital Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	100
<sup>2</sup> Scotts Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100

<sup>1</sup> Audited by KPMG LLP, Singapore

<sup>2</sup> Not required to be audited

<sup>3</sup> Shares of this subsidiary are partially held in trust by a director of the subsidiary

<sup>4</sup> Audited by Lawrence Cheung C.P.A. Company Limited, Hong Kong

<sup>5</sup> Audited by Shanghai Deking Certified Public Accountants Co., Ltd

<sup>6</sup> Audited by Beijing Zimp Certified Public Accountants Co., Ltd

<sup>7</sup> Audited by BDO China Shu Lun Pan Certified Public Accountants LLP

<sup>8</sup> Audited by WongGa Partners Certified Public Accountants (SZ) General Partners

<sup>9</sup> Audited by KPMG Limited, Ho Chi Minh City

<sup>10</sup> Audited by BDO (Cambodia) Limited

<sup>11</sup> Audited by Tianjin Zhongqihua Certified Public Accountants Co., Ltd for 2019. Not required to be audited for 2020.

<sup>12</sup> Not required to be audited for 2019. Audited by BDO China Shu Lun Pan Certified Public Accountants LLP for 2020.

<sup>13</sup> Not required to be audited for 2019. Audited by Beijing Zimp Certified Public Accountants Co., Ltd for 2020.

<sup>14</sup> The Group does not hold any ownership interests in these entities. However, based on the terms of agreements under which these entities were established, the Group receives substantially all of the returns related to their operations and net assets and has the current ability to direct these entities' activities that most significantly affect these returns. Because the owners' interests in these entities are presented as liabilities of the Group, there are no non-controlling interests for these entities.

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.

# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

### Non-controlling interests in subsidiaries

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI	
		2020	2019
Raffles Japanese Clinic Pte Ltd (RJC)	Singapore	20%	20%
International SOS (MC Holdings) Pte Ltd (MCH)	Singapore	20%	20%
Shanghai Qihua Hospital Co. Ltd (SQH)	China	30%	30%

The following summarised financial information for the above subsidiaries are prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	RJC \$'000	MCH \$'000	SQH \$'000	Other individually immaterial subsidiaries \$'000	Intra-group elimination \$'000	Total \$'000
<b>2020</b>						
Revenue	14,627	27,838	–			
Profit/(Loss)	249	(7,361)	(33)			
Other comprehensive income (OCI)	–	63	2,459			
<b>Total comprehensive income</b>	249	(7,298)	2,426			
<b>Attributable to NCI:</b>						
- Profit/(Loss)	50	(1,472)	(10)	212	(1)	(1,221)
- OCI	–	12	738	(89)	–	661
<b>- Total comprehensive income</b>	50	(1,460)	728	123	(1)	(560)
Non-current assets	949	25,092	154,692			
Current assets	18,067	14,852	10,487			
Non-current liabilities	(133)	(9,882)	(100,022)			
Current liabilities	(5,091)	(35,506)	(11,096)			
<b>Net assets/(liabilities)</b>	13,792	(5,444)	54,061			
<b>Net assets attributable to NCI</b>	2,758	(1,089)	16,218	(2,362)	(124)	15,401
Cash flows (used in)/from operating activities	(11)	7,047	(2,467)			
Cash flows from/(used in) investing activities	144	(12,411)	(33,640)			
Cash flows from financing activities	–	–	25,634			
<b>Net increase/(decrease) in cash and cash equivalents</b>	133	(5,364)	(10,473)			

# Notes to the Financial Statements

Year ended 31 December 2020

## 26 Subsidiaries (cont'd)

	RJC \$'000	MCH \$'000	SQH \$'000	Other individually immaterial subsidiaries \$'000	Intra-group elimination \$'000	Total \$'000
<b>2019</b>						
Revenue	19,074	36,901	—			
Profit/(Loss)	835	(201)	(3)			
Other comprehensive income (OCI)	—	(87)	(1,363)			
<b>Total comprehensive income</b>	<b>835</b>	<b>(288)</b>	<b>(1,366)</b>			
<b>Attributable to NCI:</b>						
- Profit/(Loss)	167	(40)	(1)	136	(13)	249
- OCI	—	(17)	(409)	1	—	(425)
<b>- Total comprehensive income</b>	<b>167</b>	<b>(57)</b>	<b>(410)</b>	<b>137</b>	<b>(13)</b>	<b>(176)</b>
Non-current assets	1,104	19,234	122,713			
Current assets	18,101	18,853	17,574			
Non-current liabilities	(163)	(11,776)	(70,675)			
Current liabilities	(5,520)	(24,462)	(17,977)			
<b>Net assets</b>	<b>13,522</b>	<b>1,849</b>	<b>51,635</b>			
<b>Net assets attributable to NCI</b>	<b>2,704</b>	<b>370</b>	<b>15,491</b>	<b>(2,485)</b>	<b>(119)</b>	<b>15,961</b>
Cash flows from/(used in) operating activities	1,549	4,052	(3,989)			
Cash flows from/(used in) investing activities	1,711	(1,514)	(41,897)			
Cash flows from financing activities	—	—	51,440			
<b>Net increase in cash and cash equivalents</b>	<b>3,260</b>	<b>2,538</b>	<b>5,554</b>			

## 27 Dividends

After the respective reporting dates, the directors proposed a one-tier tax exempt final dividend of 2.00 cents (2019: 2.00 cents) per share amounting approximately to \$37,287,000 (2019: \$36,557,000), 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 are no income tax consequences.

# Shareholdings Statistics

As at 16 March 2021

## SHARE CAPITAL AND VOTING RIGHTS

Number of Issued and fully paid shares	: 1,865,122,925
Number of Treasury shares held	: Nil
Class of shares	: Ordinary shares
Number of subsidiary holdings	: Nil
Voting rights	: 1 vote per ordinary share / No vote for Treasury Shares

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 16 March 2021, approximately 39.4% 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	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 99	718	4.60	30,500	0.00
100 - 1,000	1,508	9.67	819,957	0.04
1,001 -10,000	8,112	52.01	41,802,076	2.24
10,001 - 1,000,000	5,218	33.45	219,809,376	11.79
1,000,001 and above	42	0.27	1,602,661,016	85.93
	15,598	100.00	1,865,122,925	100.00

## TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NUMBER OF SHARES	%
1	Raffles Medical Holdings Pte Ltd	692,280,209	37.12
2	Loo Choon Yong	194,434,223	10.42
3	DBS Nominees Pte Ltd	179,885,643	9.65
4	Citibank Nominees Singapore Pte Ltd	145,160,591	7.78
5	DBSN Services Pte Ltd	77,885,179	4.18
6	S & D Holdings Pte Ltd	61,255,366	3.28
7	Raffles Nominees (Pte) Limited	57,933,449	3.11
8	UOB Nominees (2006) Pte Ltd	27,114,295	1.45
9	BPSS Nominees Singapore (Pte.) Ltd.	24,639,480	1.32
10	HSBC (Singapore) Nominees Pte Ltd	17,886,028	0.96
11	Tan Tiang Lee	15,319,192	0.82
12	Asian Medical Foundation Ltd	14,443,321	0.77
13	United Overseas Bank Nominees Pte Ltd	13,622,873	0.73
14	Yii Hee Seng	9,700,513	0.52
15	OCBC Nominees Singapore Pte Ltd	9,603,347	0.52
16	Phillip Securities Pte Ltd	8,278,021	0.44
17	Maybank Kim Eng Securities Pte. Ltd	7,039,088	0.38
18	Tan Soo Nan @Tan Soo Nam	4,536,000	0.24
19	Wee Beng Geok	3,459,000	0.19
20	UOB Kay Hian Pte Ltd	3,112,058	0.17
		1,567,587,876	84.05

# Shareholdings Statistics

As at 16 March 2021

## SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

NAME	DIRECT INTEREST		DEEMED INTEREST		TOTAL INTEREST	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Dr Loo Choon Yong <sup>(1)</sup>	194,560,223	10.43	782,335,081	41.95	976,895,304	52.38
Raffles Medical Holdings Pte Ltd	719,394,504	38.57	-	-	719,394,504	38.57
Global Alpha Capital Management Ltd. <sup>(2)</sup>	-	-	143,676,324	7.70	143,676,324	7.70

### Notes:

- (1) Dr Loo is deemed to be interested in the shares of the Company 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 Chai Chee, Jacqueline by virtue of the operation of the provisions of Section 4 of the Securities and Futures Act (Cap. 289).
- (2) Global Alpha Capital Management Ltd. is a Canadian based discretionary asset manager, and has filed the notification on behalf of a number of pooled funds and client accounts, for which Global Alpha Capital Management Ltd. has discretionary control of voting rights. The pooled fund units are held by various clients. Global Alpha Capital Management Ltd. does not hold any of the shares on its own behalf.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 32<sup>nd</sup> Annual General Meeting (**AGM**) of Raffles Medical Group Ltd (the **Company**) will be convened and held by electronic means on **Monday, 26 April 2021 at 3.30 p.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' Statement and Audited Financial Statements for the year ended 31 December 2020 together with the Auditors' Report thereon. **[Resolution 1]**
2. To declare a one-tier tax exempt final dividend of 2.0 Singapore cents per share for the year ended 31 December 2020 (2019: 2.0 Singapore cents per share). **[Resolution 2]**
3. To approve Directors' Fees S\$461,400 for the year ended 31 December 2020 (2019: S\$483,000). **[Resolution 3]**
4. To re-elect Mr Lew Yoong Keong Allen, who is retiring in accordance with Regulation 92 of the Constitution of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 4]**
5. To re-elect Mr Tan Soo Nan, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 5]**
6. To re-elect Mr Olivier Lim Tse Ghow, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 6]**
7. To re-elect Dr Sarah Lu Qinghui, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer herself for re-election. **[Resolution 7]**
8. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors of the Company (**Directors**) to fix their remuneration. **[Resolution 8]**

## AS SPECIAL BUSINESS

### **9. Authority to Allot and Issue Shares**

That pursuant to Section 161 of the Companies Act (Chapter 50, of Singapore) (**Companies Act**) 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 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,



## Notice of Annual General Meeting

### 9. 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 and subsidiary holdings) in the capital of the Company (as calculated in accordance with 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 and subsidiary holdings) in the capital of the Company (as calculated in accordance with 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 paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 Constitution 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 9]**

### 10. Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes

That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to:

- (a) grant awards (**Awards**) and/or options (**Options**) in accordance with the rules of the Raffles Medical Group (2020) Performance Share Plan (**RMG PSP 2020**) and the Raffles Medical Group (2020) Share Option Scheme (**RMG ESOS 2020**) respectively; and
- (b) allot and issue or deliver from time to time such number of shares as may be required pursuant to the vesting of the Awards under the RMG PSP 2020 and/or the exercise of Options under the RMG ESOS 2020,

provided that the aggregate number of shares to be issued pursuant to the RMG PSP 2020, the RMG ESOS 2020 and all other share-based incentive schemes of the Company then in force shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

**[Resolution 10]**

# Notice of Annual General Meeting

## 11. The Proposed Renewal of Share Buy Back Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company (**Shares**), not exceeding the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
  - (i) on-market purchase of Shares (**On-Market Share Buy Back**), transacted on the SGX-ST through the ready market or the special trading counter on the SGX-ST trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted (**Other Exchange**), through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchase of Shares (**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 Companies Act,

and otherwise be in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange 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 Shareholders in a general meeting, the authority conferred on the Directors 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 required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the proposed Share Buy Back Mandate is revoked or varied by the Shareholders in a general meeting;

- (c) in this Resolution:

**“Average Closing Market Price”** means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of an 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 Manual, for any corporate action that occurs during the relevant five (5) Market Days and the day on which the repurchase is made;

**“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 five per cent (5%) above the Average Closing Market Price of the Shares, excluding related expenses) 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 the number of issued Shares representing ten per cent (10%) of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings); and

# Notice of Annual General Meeting

## 11. The Proposed Renewal of Share Buy Back Mandate (Cont'd)

**"Maximum Price"** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed more than five per cent (5%) of the Average Closing Market Price of the Share (in the case of an On-Market Share Buy Back or an Off-Market Equal Access Share Buy Back); and

- (d) the Directors 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/she may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[Resolution 11]

## 12. 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 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 12]

## 13. The Proposed Amendments to the Raffles Medical Group (2020) Performance Share Plan (RMG PSP 2020)

That:

- (a) the amendments to the "Raffles Medical Group (2020) Performance Share Plan" (the **RMG PSP 2020**), details of which are set out in Appendix B of the Notice of 2021 AGM, be and are hereby approved; and
- (b) the Directors be and are hereby authorised:
  - (i) to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the amendments to the rules of the RMG PSP 2020; and
  - (ii) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient for the purposes of or to give effect to this resolution as they think fit and in the interests of the Company.

[Resolution 13]

## 14. The Proposed Amendments to the Raffles Medical Group (2020) Share Option Scheme (RMG ESOS 2020)

That:

- (a) the amendments to the "Raffles Medical Group (2020) Share Option Scheme" (the **RMG ESOS 2020**), details of which are set out in Appendix B of the Notice of 2021 AGM, be and are hereby approved; and
- (b) the Directors be and are hereby authorised:
  - (i) to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the amendments to the rules of the RMG ESOS 2020; and
  - (ii) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient for the purposes of or to give effect to this resolution as they think fit and in the interests of the Company.

[Resolution 14]

# Notice of Annual General Meeting

**15. The Proposed Participation of Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, in the Amended Raffles Medical Group (2020) Performance Share Plan**

That subject to and contingent upon the passing of Resolution 13, the participation by Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder of the Company, in the RMG PSP 2020, be and is hereby approved. **[Resolution 15]**

**16. The Proposed Participation of Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, in the Amended Raffles Medical Group (2020) Share Option Scheme**

That subject to and contingent upon the passing of Resolution 14, the participation by Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder of the Company, in the RMG ESOS 2020, be and is hereby approved. **[Resolution 16]**

**17. The Proposed Grant of Award to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the Amended Raffles Medical Group (2020) Performance Share Plan**

That subject to and contingent upon the passing of Resolution 13 and Resolution 15, the proposed offer and grant of an Award to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder of the Company, pursuant to and in accordance with the rules of the RMG PSP 2020, on the following terms be and is hereby approved, and the Directors be and are hereby authorised to allot and issue or deliver from time to time such number of Shares upon the release of such Award:

- (a) Proposed Date of Grant of Award : Within 6 months from the date of the AGM
- (b) Number of Shares comprised in the proposed Award : 10,000 Shares (representing approximately 0.0005% of the total issued Shares as at the Latest Practicable Date)

**[Resolution 17]**

**18. The Proposed Grant of Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the Amended Raffles Medical Group (2020) Share Option Scheme**

That subject to and contingent upon the passing of Resolution 14 and Resolution 16, the proposed offer and grant of an Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder of the Company, pursuant to and in accordance with the rules of the RMG ESOS 2020, on the following terms be and is hereby approved, and the Directors be and are hereby authorised to allot and issue or deliver from time to time such number of Shares upon the exercise of such Option:

- (a) Proposed Date of Grant of Option : Within 6 months from the date of the AGM
- (b) Number of Shares comprised in the proposed Option : 250,000 Shares (representing approximately 0.013% of the total issued Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period of Option : The period from the day after the second anniversary of the Offer Date to the day falling before the tenth anniversary of the Offer Date

**[Resolution 18]**

**BY ORDER OF THE BOARD**

Kimmy Goh  
Company Secretary  
1 April 2021

# Notice of Annual General Meeting

## Explanatory Notes:

In relation to Ordinary Resolution 2 above, the Company will, upon the approval by Shareholders of the proposed final dividend for the year ended 31 December 2020, announce the record date and payment date in due course.

Ordinary Resolution 3 above, if passed, is to seek approval for the payment of up to S\$461,400 to all Directors as Directors' Fees for the year ended 31 December 2020.

In relation to Ordinary Resolution 4 above, Mr Lew Yoong Keong Allen will, upon re-election as Director of the Company, remain as a Non-Executive and Independent Director and a member of the Audit & Risk Committee of the Company. There are no relationships (including immediate family relationships) between Mr Lew and the other Directors of the Company.

In relation to Ordinary Resolution 5 above, Mr Tan Soo Nan will, upon re-election as Director of the Company, remain as an Executive and Non-Independent Director of the Company. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors of the Company.

In relation to Ordinary Resolution 6 above, Mr Olivier Lim Tse Ghow will, upon re-election as Director of the Company, remain as the Non-Executive and Non-Independent Director of the Company. There are no relationships (including immediate family relationships) between Mr Lim and the other Directors of the Company.

In relation to Ordinary Resolution 7 above, Dr Sarah Lu Qinghui will, upon re-election as Director of the Company, remain as an Executive and Non-independent Director of the Company and a member of the Nomination & Compensation Committee. Dr Lu is the daughter of Dr Loo Choon Yong, the Executive Chairman of the Company.

Ordinary Resolution 9 above, if passed, will authorise the Directors of the Company from the date of the above AGM until the date of the next AGM 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 and subsidiary holdings) 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 and subsidiary holdings) in the capital of the Company, for the time being.

Ordinary Resolution 10 above, if passed, will authorise the Directors to grant Awards and/or Options and allot and issue or deliver shares in the capital of the Company pursuant to the vesting of the Awards under the RMG PSP 2020 or exercise of Options under the RMG ESOS 2020 provided that the aggregate number of shares to be issued pursuant to the RMG PSP 2020, the RMG ESOS 2020 and all other share-based incentive schemes of the Company then in force shall not exceed 15% of the total number of shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

Further details in relation to Ordinary Resolution 11 can be found in the letter to Shareholders dated 1 April 2021 which is appended to the Notice of Annual General Meeting (**Appendix A**). All capitalised terms used in Ordinary Resolution 11 which are not defined herein shall have the same meanings ascribed to them in Appendix A, unless otherwise defined herein or where the context otherwise requires.

Ordinary Resolution 12 above, if passed, will authorise the Directors of the Company to issue ordinary shares pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme to members who have elected to receive scrip in lieu of cash in respect of any dividend to which the said Scrip Dividend Scheme is applied.

Further details in relation to Ordinary Resolutions 13 to 18 are set out in the letter to Shareholders dated 1 April 2021, which is appended as Appendix B to the Notice of Annual General Meeting (**Appendix B**). All capitalised terms used in Resolutions 13 to 18 which are not defined herein shall have the same meanings ascribed to them in Appendix B, unless otherwise defined herein or where the context otherwise requires.

## Meeting Notes:

### General

1. In view of the safe distancing measures imposed by the Singapore Government due to the COVID-19 outbreak, Raffles Medical Group Ltd (the **Company**) will be conducting the 32<sup>nd</sup> Annual General Meeting (the **AGM**) of the Company wholly by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020 (the **Order**) and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020) titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation" (the **Joint Guidance**). Shareholders are advised to check the Company's website (<https://www.rafflesmedicalgroup.com/investor-relations/upcoming-events/annual-general-meeting>) or the Company's announcements on SGXNet (<https://www.sgx.com/securities/company-announcements>) regularly for the latest updates on the status of the AGM, if any.
2. Documents and information relating to the AGM (including the 2020 Annual Report, Notice of AGM, letters to Shareholders set out as Appendix A and Appendix B to the Notice of AGM, Additional Information on Directors Seeking Re-election as at 16 March 2021 and the Proxy Form) have been made available via the Company's website and on SGXNet. Printed copies of these documents will not be sent to Shareholders.

### Participation via "Live" Audio-visual Webcast or "Live" Audio-only Stream

3. The AGM will be conducted only by electronic means and Shareholders will not be able to physically attend the AGM. The proceedings of the AGM will be broadcast through a "live" audio-visual webcast (accessible via mobile phones, tablets or computers) (**Webcast**) and "live" audio-only stream (accessible via telephone) (**Audio Stream**).
4. All Shareholders and investors holding shares through Central Provident Fund (**CPF**) and Supplementary Retirement Scheme (**SRS**) (**CPF/SRS Investors**) who wish to follow the proceedings of the AGM through the Webcast or Audio Stream are required to pre-register online at <https://online.meetings.vision/rmg-agm-registration> by Friday, 23 April 2021, 3.30 p.m. Singapore Time (**Registration Deadline**) for verification purposes.

# Notice of Annual General Meeting

## Participation via “Live” Audio-visual Webcast or “Live” Audio-only Stream (Cont’d)

5. Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (**Investors**), other than CPF/SRS Investors, will not be able to pre-register for the Webcast or Audio Stream. If they wish to follow the proceedings of the AGM through the Webcast or Audio Stream, they should instead approach their respective relevant intermediary as soon as possible to make the necessary arrangements.
6. Shareholders and CPF/SRS Investors who have been successfully verified will each receive a confirmation email (at the email specified in the pre-registration details) containing login details and instructions to access the Webcast or Audio Stream by Saturday, 24 April 2021, 5.00 p.m. Singapore Time. Shareholders who have registered by the Registration Deadline but who have not received such confirmation email may contact the Company’s Share Registrar, M&C Services Private Limited, at +65 6228 0530 on Sunday, 25 April 2021, between 9.00 a.m. and 5.00 p.m. Singapore Time and Monday, 26 April 2021 between 9.00 a.m. and 3.00 p.m. Singapore Time.

## Appointment of Proxy and Voting

7. In compliance with the Order and the Joint Guidance, a Shareholder who wishes to vote at the AGM can only do so by appointing the Chairman of the AGM as proxy to vote on their behalf. In the Proxy Form, a Shareholder should specifically direct the proxy on how he is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the AGM. If no specific direction as to voting on a resolution is given, the appointment of the Chairman of the AGM as proxy for that resolution shall be treated as invalid.
8. Proxy Forms can be downloaded from SGXNet, the Company’s website, or the pre-registration website.
9. The duly completed Proxy Form must be deposited with the Company in the following manner:
  - (a) via post, to be deposited at the office of the Company’s Share Registrar, M&C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902;
  - (b) for Shareholders and CPF/SRS Investors who pre-register to follow the proceedings of the AGM through the Webcast or Audio Stream, via the pre-registration website at <https://online.meetings.vision/rmg-agm-registration> (by enclosing a clear scanned complete and signed Proxy Form); or
  - (c) via email to the Company’s Share Registrar, M&C Services Private Limited’s email address at [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com) (by enclosing a clear scanned complete and signed Proxy Form),

and in any case, must be received by the Company by Friday, 23 April 2021, 3.30 p.m. Singapore Time, being 72 hours before the time appointed for the holding of the AGM. In view of the COVID-19 situation, we strongly encourage Shareholders to submit the completed and signed Proxy Form electronically.

10. Investors, including CPF/SRS Investors and that wish to vote should not make use of the Proxy Form and should instead approach their respective relevant intermediary (including their respective CPF Agent banks/SRS Operators) to specify their voting instructions as soon as possible, and in any event, by Wednesday, 14 April 2021, 5.00 p.m. Singapore Time to ensure that their votes are submitted.

## Submission of Questions

11. Shareholders and Investors will not be able to ask questions “live” via the Webcast or Audio Stream. All Shareholders and Investors can submit questions relating to the business of the AGM up until Friday, 23 April 2021, 3.30 p.m. Singapore Time (being 72 hours before the time appointed for the holding of the AGM) in the following manner:
  - (a) via post, to be deposited at the office of the Company’s Share Registrar, M&C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902;
  - (b) for Shareholders and CPF/SRS Investors who pre-register to following the proceedings of the AGM through the Webcast or Audio Stream, via the pre-registration website at <https://online.meetings.vision/rmg-agm-registration>; or
  - (c) via email to the Company’s Investor Relations address at [investorrelations@rafflesmedical.com](mailto:investorrelations@rafflesmedical.com).

When sending your questions by email or post, please also provide the Company with (i) your full name; (ii) your address; and (iii) the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

12. The Company will endeavour to respond to substantial and relevant questions either prior to the AGM (via an announcement on SGXNet and the Company’s website) or during the AGM. The Company will also publish the minutes of the AGM on SGXNet and the Company’s website.

## Personal Data Privacy

13. By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) recordings and transmitting images and/or voice recordings when broadcasting the AGM proceedings through Webcast and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.



## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, we set out below the additional information on Mr Lew Yoong Keong Allen, Mr Tan Soo Nan, Mr Olivier Lim Tse Ghow and Dr Sarah Lu Qinghui, all of whom are seeking re-election as Directors at the 32nd Annual General Meeting. The information shall be read in conjunction with their respective biographies on Pages 10 to 15 of the Raffles Medical Group Ltd (RMG) Annual Report 2020.

	<b>MR LEW YOONG KEONG ALLEN</b>	<b>MR TAN SOO NAN</b>	<b>MR OLIVIER LIM TSE GHOW</b>	<b>DR SARAH LU QINGHUI</b>
Date of Appointment	28/10/2020	28/07/2000	01/10/2014	20/02/2018
Date of last re-appointment(if applicable)	Not Applicable	27/04/2018	27/04/2018	27/04/2018
Age	65	72	56	39
Country of Principal Residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The re-election of Mr Lew as a Non-Executive and Independent Director of the Company was recommended by the Nomination &amp; Compensation Committee (NCC) and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr Lew has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The re-election of Mr Tan as an Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr Tan has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The re-election of Mr Lim as a Non-Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr Lim has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The re-election of Dr Lu as an Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.</p> <p>Dr Lu has abstained from the deliberation of the Board pertaining to her re-election.</p>

## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	<b>MR LEW YOONG KEONG ALLEN</b>	<b>MR TAN SOO NAN</b>	<b>MR OLIVIER LIM TSE GHOW</b>	<b>DR SARAH LU QINGHUI</b>
Whether appointment is executive, and if so, the area of responsibility	<ul style="list-style-type: none"> <li>• Non-Executive and Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>• Executive and Non-Independent Director of RMG and Raffles Health Insurance Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive and Non-Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>• Executive, Consultant Breast Surgeon</li> </ul>
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>• Non-Executive and Independent Director</li> <li>• Member of the Audit &amp; Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Executive and Non-Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive and Non-Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>• Executive and Non-Independent Director</li> <li>• Member of the NCC</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Electrical Engineering from University of Western Australia</li> <li>• Master of Science (Management) from Massachusetts Institute of Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration (Honours), University of Singapore</li> <li>• Associate of The Chartered Institute of Bankers</li> <li>• Program for Management Development, Harvard Business School</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Engineering (Civil) (First Class Honours), Imperial College, London, UK</li> </ul>	<ul style="list-style-type: none"> <li>• MBBS, University of London, 2005</li> <li>• Master of Medicine (Surgery), National University of Singapore, 2010</li> <li>• Fellow, Royal College of Surgeons (Edinburgh), 2013</li> <li>• Master of Science in Health Professions Education, MGH Institute of Health Professions, 2019</li> </ul>
Working experience and occupation(s) during the past 10 years	<p>1 Feb 2006: Chief Executive Officer (CEO), Singtel Singapore Operations</p> <p>1 Apr 2012: CEO, Group Digital Life</p> <p>1 Oct 2014: CEO, Consumer Australia and CEO Optus</p> <p>1 Apr 2020 to present: CEO Group Strategy &amp; Business Development/ Country Chief Officer, Thailand</p>	<p>Jul 2000 to Jan 2015: Non-Executive and Non-Independent Director of RMG</p> <p>Jan 2015 to present: Executive and Non-Independent Director of RMG</p> <p>Oct 2004 to present: Executive and Non-Independent Director of Raffles Health Insurance Pte Ltd</p>	<p>CapitaLand Limited from 2003 to 2014, including:</p> <p>January 2013 to September 2014: Group Deputy Chief Executive Officer</p> <p>February 2012 to January 2013: Chief Investment Officer</p> <p>August 2011 to February 2012: Senior Vice President, Strategic Corporate Development</p> <p>July 2005 to August 2011 : Group Chief Financial Officer</p> <p>Mr Lim currently serves as an Independent Director/Chairman of various companies. Please refer to his present directorships provided in the following page for further information.</p>	<p>2006: Medical Officer, National Healthcare Group</p> <p>2009: Registrar, Tan Tock Seng Hospital</p> <p>2013: Associate Consultant, Tan Tock Seng Hospital</p> <p>2015 to 15 April 2020: Consultant, Tan Tock Seng Hospital</p> <p>1 June 2020 to present: Consultant, Raffles Hospital</p>

## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	<b>MR LEW YOONG KEONG ALLEN</b>	<b>MR TAN SOO NAN</b>	<b>MR OLIVIER LIM TSE GHOW</b>	<b>DR SARAH LU QINGHUI</b>
Shareholding interest in RMG and its subsidiaries	No	Yes	Yes	Yes
Shareholding Details	Nil	4,536,000 ordinary shares in RMG	441,016 ordinary shares in RMG	Dr Lu is deemed to be interested in 61,306,682 ordinary shares of RMG held through S & D Holdings Pte Ltd in which she is a director and shareholder of, and her spouse, Dr Foo Tun Lin.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, RMG and/ or substantial shareholder of RMG or of any of its principal subsidiaries	Nil	Nil	Nil	Dr Lu is the daughter of Dr Loo Choon Yong, Executive Chairman of RMG.
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to RMG	Yes	Yes	Yes	Yes
<b>OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS</b>				
Past (for the last 5 years)	<ol style="list-style-type: none"> <li>1. Singtel Optus Pty Limited</li> <li>2. Singapore Telecom Australia Investments Pty Limited</li> <li>3. Optus C1 Satellite Pty Limited</li> <li>4. Optus Satellite Pty Limited</li> <li>5. Optus Satellite Network Pty Limited</li> <li>6. Optus Wholesale Pty Limited</li> <li>7. Optus Vision Pty Limited</li> <li>8. Optus Vision Media Pty Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. OSIM International Ltd</li> <li>2. Temasek Education Foundation CLG Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Banyan Tree Holdings Limited</li> <li>2. Frasers Property Australia Pty Ltd</li> <li>3. globalORE Pte Ltd</li> <li>4. SMU Institute for Societal Leadership</li> <li>5. The Anglo-Chinese Schools Foundation Limited</li> <li>6. KWL Intelligence Pte Ltd</li> </ol>	Nil

## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	<b>MR LEW YOONG KEONG ALLEN</b>	<b>MR TAN SOO NAN</b>	<b>MR OLIVIER LIM TSE GHOW</b>	<b>DR SARAH LU QINGHUI</b>
Present	<ol style="list-style-type: none"> <li>Advanced Info Services Public Company Limited</li> <li>Akal Pty Ltd</li> <li>Alpha West ERP Pty Ltd</li> <li>Alpha West Holdings Pty Limited</li> <li>Alphawest Pty Limited</li> <li>Alphawest Services Pty Ltd</li> <li>AUE Music TV Pty Ltd</li> <li>AUEVR Music TV Pty. Ltd.</li> <li>Aussat Finance Ltd</li> <li>Aussat New Zealand Limited</li> <li>Bkal Pty Limited</li> <li>CV Services International Wholesale Pty Limited</li> <li>Evolution IS (ACT) Pty Ltd</li> <li>Evolution IS Pty Ltd</li> <li>Inform Systems Australia Pty Limited</li> <li>Microplex Pty Limited</li> <li>Optus Administration Pty Limited</li> <li>Optus ADSL Pty Limited</li> <li>Optus Billing Services Pty Limited</li> <li>Optus Broadband Pty Limited</li> <li>Optus Content Pty Limited</li> <li>Optus Data Centres Pty Limited</li> <li>Optus E-Commerce Pty Limited</li> <li>Optus E_Solutions Pty Limited</li> <li>Optus Finance Pty Limited</li> <li>Optus Fixed Infrastructure Pty Limited</li> <li>Optus Internet Pty Limited</li> <li>Optus Kylie Holdings Pty Limited</li> <li>Optus Mobile Investments Pty Limited</li> <li>Optus Mobile Pty Limited</li> <li>Optus Mobile Migrations Pty Limited</li> <li>Optus Multimedia Pty Limited</li> <li>Optus Narrowband Pty Limited</li> <li>Optus Network Investments Pty Ltd</li> <li>Optus Networks Pty Limited</li> <li>Optus Rental &amp; and Leasing Pty Limited</li> <li>Optus Retailco Pty Limited</li> <li>Optus Share Plan Pty Limited</li> <li>Optus Stockco Pty Limited</li> <li>Optus Systems Pty Limited</li> <li>Optus Vision Interactive Pty Limited</li> <li>Optus Vision Investments Pty Limited</li> </ol>	<ol style="list-style-type: none"> <li>SATS Ltd (Non-Executive and Independent Director)</li> <li>Engro Corporation Limited (Non-Executive and Independent Director)</li> <li>Raffles Health Insurance Pte Ltd (Executive Director)</li> <li>ICE Futures Singapore Pte Ltd (Director)</li> <li>ICE Clear Singapore Pte Ltd (Director)</li> <li>ICE Singapore Holdings Pte Ltd (Director)</li> <li>Temasek Foundation Ltd (Director)</li> <li>TF IPC Ltd (Director)</li> <li>Woh Hup Trust (Director)</li> </ol>	<ol style="list-style-type: none"> <li>DBS Group Holdings Ltd (Non-Executive and Lead Independent Director)</li> <li>DBS Bank Ltd (Non-Executive and Independent Director)</li> <li>DBS Foundation Ltd (Non-Executive Director)</li> <li>Certis CISCO Security Pte Ltd (Non-Executive and Independent Director/Chairman)</li> <li>JTC Corporation (Member of Board)</li> <li>Lucid Investments Ltd</li> <li>Singapore Management University (Member of Board of Trustees)</li> <li>Northlight School (Member of Board of Governors/ Director)</li> <li>Securities Industry Council (Member)</li> <li>PropertyGuru Pte Ltd (Non-Executive and Independent Director/Chairman)</li> </ol>	<ol style="list-style-type: none"> <li>S &amp; D Holdings Pte Ltd</li> </ol>

## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	<b>MR LEW YOONG KEONG ALLEN</b>	<b>MR TAN SOO NAN</b>	<b>MR OLIVIER LIM TSE GHOW</b>	<b>DR SARAH LU QINGHUI</b>
Present (Cont'd)	43. Path Communications Pty. Ltd 44. Perpetual Systems Pty. Ltd 45. Reef Networks Pty Ltd 46. Satellite Platform Investment Pty Limited 47. Sibalo Pty Limited 48. Simplus Mobile Pty Limited 49. Source Integrated Networks Pty Ltd 50. The Net Effect Pty. Ltd. 51. Ubowireless Pty Limited 52. Ue Access Pty Limited 53. Uecommm Operations Pty Limited 54. Uecommm Pty Limited 55. Uecommm Share Plans Custodian Pty Ltd 56. Ue Vialight Pty Ltd 57. Unite.Com Pty Ltd 58. Unwired Australia Pty Limited 59. Vanilla Shelf Co No. 2 Pty Limited 60. Virgin Mobile (Australia) Services Pty Limited 61. Virgin Mobile Pty Ltd 62. Vividwireless Group Ltd 63. Vividwireless Pty Ltd 64. VR Music TV Pty Ltd 65. World Wide Web Pty Limited 66. XYZed LMDS Holdings Pty Limited 67. XY Zed LMDS Pty Limited 68. Dspark Pty Limited 69. Optus Australia Investments Pty Limited 70. Optus Digital Life Australia Investments Pty Limited 71. Optus ICT Investments Pty Limited 72. Singtel Services Australia Pty. Limited (in liquidation)			

## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	MR LEW YOONG KEONG ALLEN	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW	DR SARAH LU QINGHUI
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No



## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	<b>MR LEW YOONG KEONG ALLEN</b>	<b>MR TAN SOO NAN</b>	<b>MR OLIVIER LIM TSE GHOW</b>	<b>DR SARAH LU QINGHUI</b>
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

## Additional Information on Directors Seeking Re-Election

As at 16 March 2021

	MR LEW YOONG KEONG ALLEN	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW	DR SARAH LU QINGHUI
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No



Company Registration No. 198901967K  
(Incorporated in Singapore)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

- (a) For investors holding shares of Raffles Medical Group Ltd through relevant intermediaries (as defined under Section 181 of the Companies Act (Chapter 50, of Singapore)), including CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify their voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators by **Wednesday, 14 April 2021, 5.00 p.m. Singapore time** to ensure that their votes are submitted.
- (b) By submitting this Proxy Form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 April 2021.
- (c) Please read the notes to the Proxy Form which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/UEN)  
of \_\_\_\_\_ (Address) being a  
member/members of Raffles Medical Group Ltd (the **Company**) hereby appoint the Chairman of the 32<sup>nd</sup> Annual General Meeting (**Chairman**) as my/our proxy to attend, speak and vote on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company (**AGM**) to be held by way of electronic means on Monday, 26 April 2021 at 3.30 p.m. and at any adjournment thereof in the following manner:

No.	Resolutions	For*	Against*	Abstain*
<b>ORDINARY BUSINESS – ORDINARY RESOLUTIONS</b>				
1.	Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2020 and Auditors' Report thereon			
2.	Approval of a one-tier tax exempt final dividend of 2.0 Singapore cents per share for the year ended 31 December 2020			
3.	Approval of Directors' Fees of S\$461,400 for the year ended 31 December 2020			
4.	Re-election of Mr Lew Yoong Keong Allen, who is retiring in accordance with Regulation 92 of the Company's Constitution			
5.	Re-election of Mr Tan Soo Nan, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
6.	Re-election of Mr Olivier Lim Tse Ghow, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
7.	Re-election of Dr Sarah Lu Qinghui, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
8.	Re-appointment of KPMG LLP as Auditors and fixing their remuneration			
<b>SPECIAL BUSINESS – ORDINARY RESOLUTIONS</b>				
9.	Authority to Allot and Issue Shares			
10.	Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes			
11.	The Proposed Renewal of Share Buy Back Mandate			
12.	Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme			
13.	The Proposed Amendments to the Raffles Medical Group (2020) Performance Share Plan			
14.	The Proposed Amendments to the Raffles Medical Group (2020) Share Option Scheme			
15.	The Proposed Participation of Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, in the Amended Raffles Medical Group (2020) Performance Share Plan			
16.	The Proposed Participation of Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, in the Amended Raffles Medical Group (2020) Share Option Scheme			
17.	The Proposed Grant of Award to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the Amended Raffles Medical Group (2020) Performance Share Plan			
18.	The Proposed Grant of Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the Amended Raffles Medical Group (2020) Share Option Scheme			

\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided. If you wish the Chairman as your proxy to abstain from voting on a resolution, please indicate with a (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares the Chairman as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

**Total Number of Shares Held**  
(Please see Note 1)

Signature of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes to Proxy Form:**

1. 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 81SF of the Securities and Futures Act (Chapter 289, 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. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you (in both the Depository Register and the Register of Members).
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. CPF/SRS investors who wish to appoint the Chairman as proxy should contact their respective CPF Agent Banks or SRS Operators by **Wednesday, 14 April 2021, 5.00 p.m.** Singapore time to submit his/her voting instructions.
4. The Proxy Form (together with the power of attorney, if any, under which it is signed or a notorially certified copy thereof) must be deposited to the Company in the following manner:
  - (a) via post, to be deposited at the office of the Company's Share Registrar, M&C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902; or
  - (b) for members and CPF/SRS investors who pre-register to following the proceedings of the AGM, via the pre-registration website at <https://online.meetings.vision/rmg-agm-registration> (by enclosing a clear scanned complete and signed Proxy Form); or
  - (c) via email to the Company's Share Registrar, M&C Services Private Limited's email address at [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com) (by enclosing a clear scanned complete and signed Proxy Form), and in any case, must be received by the Company by no later than **Friday, 23 April 2021, 3.30 p.m. Singapore time**, being 72 hours before the time appointed for the holding of the AGM.
5. **In view of the COVID-19 situation, we strongly encourage Shareholders to submit the completed and signed Proxy Form electronically.**
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (in the absence of previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Company shall be entitled to reject the Proxy Form 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 Proxy Form. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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Please Affix  
Postage  
Stamp

The Share Registrar  
**Raffles Medical Group Ltd**  
c/o M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902

Fold here





## ***RafflesMedicalGroup***

Company Registration  
No. 198901967K  
585 North Bridge Road  
Raffles Hospital #11-00  
Singapore 188770  
Telephone: (65) 6311 1111  
Facsimile: (65) 6338 1318  
[rafflesmedicalgroup.com](http://rafflesmedicalgroup.com)



RafflesMedGrp



RafflesHospital

