

RafflesMedicalGroup

45 Years
of Trusted
Healthcare
in Asia

ANNUAL REPORT 2021



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Proxy Form

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.



Financial Highlights at a Glance



GROUP REVENUE (\$ million)

723.8m ▲ 27.4%
Group achieved 27.4% growth in revenue to \$732.8m



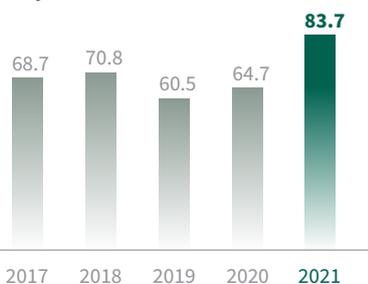
HOSPITAL SERVICES DIVISION (\$ million)

346.1m ▲ 10.6%
Revenue from Hospital Services Division increased by 10.6% to \$346.1m



PAT (\$ million)

83.7m ▲ 29.5%
Profit after tax (PAT) increased by 29.5% to \$83.7m



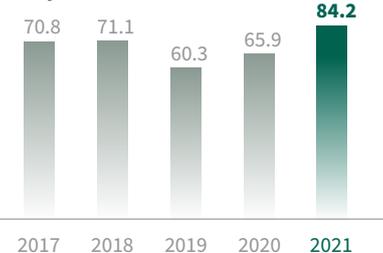
EBITDA (\$ million)

160.6m ▲ 29.6%
Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 29.6% to \$160.6m



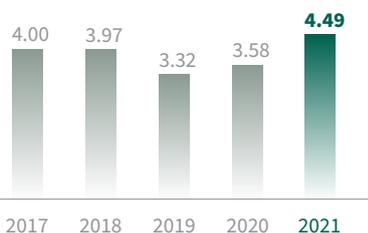
PATMI (\$ million)

84.2m ▲ 27.7%
Profit after tax and minority interest (PATMI) increased by 27.7% to \$84.2m



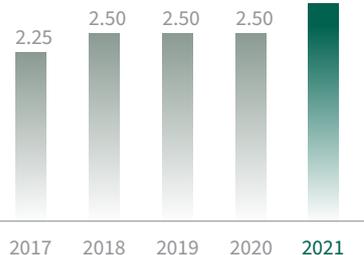
EARNINGS PER SHARE (Cents)

4.49 ▲ 25.4%
Earnings per share grew 25.4% to 4.49 cents

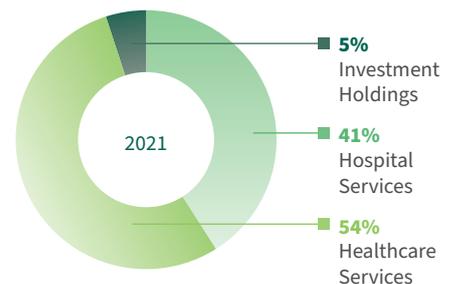


DIVIDEND PER SHARE (Cents)

2.80*
Dividend per share grew 0% to 2.80 cents



REVENUE CONTRIBUTED BY SEGMENT



* Final dividend of 2.8 cents is subject to approval by shareholders at the Annual General Meeting in 2022.



HEALTHCARE SERVICES DIVISION (\$ million)

458.7m

▲ 63.1%
Revenue from Healthcare Services Division grew by 63.1% to \$458.7m



INVESTMENT HOLDINGS DIVISION (\$ million)

39.7m

▲ 21.2%
Revenue from Investment Holdings Division increased by 21.2% to \$39.7m



FINANCIAL SUMMARY

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000
Revenue	477,583	489,135	522,038	568,203	723,791
EBITDA	95,078	102,508	105,428	123,937	160,632
Operating Profit	80,086	84,235	76,168	88,442	121,306
Profit Before Tax	80,818	84,134	75,924	84,439	115,584
PATMI	70,779	71,056	60,273	65,891	84,171
Profit After Tax	68,661	70,803	60,522	64,670	83,716
Diluted Earnings per Share (cents)	4.00	3.97	3.32	3.58	4.49
Net Asset Value per Share (cents)	41.45	44.54	46.00	48.22	51.43
Dividend per Share* (cents)	2.25	2.50	2.50	2.50	2.80*
Return on Equity (%)	9.6	8.9	7.2	7.3	8.8

* Final dividend of 2.8 cents is subject to approval by shareholders at the Annual General Meeting in 2022.



Steadfast commitment in every venture

Whatever we set out to do, whether treating our patients or setting up new facilities, we do it with unwavering passion and dedication.



▲ *Medical team from Raffles Hospital Singapore*

From left to right:

- **Chen Chia Chi**, Senior Staff Nurse, Neonatal ICU, Raffles Hospital
- **Dr Margaret Million Samin**, General Practitioner, Raffles Health Screeners
- **Dr Devin Tan**, Specialist in Emergency Medicine, Raffles Accident and Emergency Department
- **Dr Derek Li**, Family Physician, Raffles Medical
- **Santhosh Kumar**, Senior Principal Radiographer, Raffles Radiology

Chairman's Message

“The Group is where we are because of our people, and I extend my deepest appreciation to every staff for their contributions.”



Dear Shareholders,

We are now entering the third year of the COVID-19 pandemic. 2021 was no less eventful than the year before. It started with governments racing to vaccinate their residents. As the year progressed, new variants emerged and the world hastened to deal with each new threat. The good news is that vaccinations are proving to be effective against severe infection and many countries are now gradually transitioning to 'living with COVID-19'. Borders are re-opening and the global economy continues to show signs of recovery¹.

In the past two years, Raffles Medical Group has pivoted swiftly in response to the evolving pandemic, while continuing to deliver quality care to all our patients. In so doing, we quickly overcame the initial disruptions of 2020 and continued to grow in 2021.

I am pleased to report that the Group achieved a 27.4% increase in revenue to a record \$723.8 million in FY2021, and a 29.5% increase in profit after tax to \$83.7 million.

COMMITTED TO PLAYING OUR PART

In Singapore, we continue to be a key partner to the Government in its fight against COVID-19. The mass vaccination centres that we set up and operate have administered over 4 million doses to date, and we continue to support the national vaccination drive which now focuses on booster shots and paediatric vaccinations.

As Singapore's leading operator of mass vaccination centres, we are especially proud that we played a part in helping Singapore achieve one of the highest vaccination rates in the world² and contributed to the prevention of 8,000 COVID-19 deaths and 112,000 hospitalisations³.

Our support extends to operating the Community Treatment Facility to care for COVID-19 patients, as well as providing services to publicly subsidised patients through the Emergency Care Collaboration programme. These initiatives help to ease the stress on the public healthcare system and ensure that it does not get overwhelmed.

PROVIDING PEACE OF MIND TO TRAVELLERS

As borders reopen and more Vaccinated Travel Lanes (VTL) were implemented, we saw a demand for travel-related COVID-19 tests. Leveraging our digital capabilities and network of trusted partners, we came up with innovative solutions for travellers.

We partnered Myongji Hospital to provide travellers between Singapore and South Korea with a 'travel medicine pass', allowing them to book COVID-19 tests conveniently while enjoying priority access to medical services overseas. Separately, we partnered Transtar Travel to provide travellers to Malaysia the

option to purchase tests together with their tickets.

Such partnerships not just provide convenience, but more importantly, peace of mind for those away from home.

GROWING OUR CHINA PRESENCE

Even through these challenging times, we continue to plan for the long term and invest for the future. Our growth strategy is on track, with the opening of Raffles Hospital Shanghai in July 2021. Meanwhile, Raffles Hospital Beijing and Raffles Hospital Chongqing continue to grow steadily. All three hospitals are receiving more local and international patients and we expect continued demand there for our quality healthcare services.

Opening three full-scale hospitals in China in three years was no easy feat, especially amid the pandemic. It goes to show our commitment to being a long-term partner to our patients in China and the region.

LOOKING AHEAD

While our hospital and healthcare services in Singapore have been kept busy, some of our clinics in Southeast Asia have been seeing low patient loads as a result of the pandemic, as expatriates left and international travel was suspended. We are cautiously optimistic that with borders re-opening, travellers and expatriates will return soon.

As the last two years have shown, the key to being a resilient organisation is to be nimble-footed and respond decisively as landscapes change ever more quickly. As a Group, we have acted fast and emerged stronger, and we will continue to adapt as the situation evolves.

With 45 years' track record, we have grown to be Asia's trusted healthcare Group. Our value proposition lies in us being an integrated healthcare services provider with a network across Asia, a highly committed talent pool and a strong quality framework. This will continue to stand us in good stead for the future.

OUR BIGGEST ASSET - PEOPLE

Our results could not have been achieved without the full commitment of the entire Raffles team. From nurses and doctors to support staff from all levels, everyone pitched in. For the past two years, they have put patients' needs above their own, and continue to do so without hesitation.

The Group is where we are because of our people, and I extend my deepest appreciation to every staff for their contributions.

APPRECIATION

We would like to thank all our patients and corporate clients for their continued trust in us, and our partners and shareholders for their continued support.

We would also like to extend our deep appreciation to the Board of Directors for their wise counsel and contributions. In particular, we thank Dr Wee Beng Geok, Mr Koh Poh Tiong and Mr Kee Teck Koon who retired from the Board after many years of service. We welcome Mr Tan Wern Yuen, Ms Chong Chuan Neo and Professor Joseph Sung Jao Yiu to the Board, and look forward to their guidance.



Dr Loo Choon Yong
Executive Chairman

¹ Source: IMF (<https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>)

² Source: WHO (<https://covid19.who.int/table>)

³ Source: Straits Times (<https://www.straitstimes.com/singapore/health/covid-19-vaccines-helped-prevent-8000-deaths-during-delta-wave-moh>)



Continual excellence in every location

Wherever we operate, we use innovation and technology strategically to deliver high quality care for the best outcomes.



▲ At Raffles Hospital Chongqing, Radiologist Duan Qiongqiong ensuring her patient feels comfortable before performing an MRI scan.

Board Of Directors

Information as at 31 December 2021

Dr Loo Choon Yong age 72

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 2021)

32 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 2019 TO 31 DECEMBER 2021)

Nil

Mr Eric Ang Teik Lim age 68

Lead Independent Director⁽¹⁾



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 2021)

6 years 8 months

BOARD COMMITTEE(S) SERVED ON

- Nomination & Compensation Committee (Chairman) - up to 31 December 2021⁽²⁾
- Nomination & Compensation Committee (Member) - with effect from 1 January 2022
- Audit & Risk Committee (Member) - Appointed on 1 January 2022

CURRENT DIRECTORSHIPS IN LISTED COMPANIES

1. Raffles Medical Group Ltd (Non-Executive and Lead Independent Director – with effect from 1 January 2022)
2. Sembcorp Marine Ltd (Non-Executive and Lead Independent Director)
3. Wing Tai Holdings Limited (Non-Executive and Lead Independent Director)

OTHER MAJOR APPOINTMENTS

1. Surbana Jurong Private Limited (Director)
2. NetLink NBN Management Pte Ltd (Director)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

Nil

(1) Mr Eric Ang Teik Lim was appointed Lead Independent Director on 1 January 2022.

(2) Mr Eric Ang Teik Lim relinquished his position as Chairman of the Nomination & Compensation Committee on 31 December 2021 and remains as a member of the Nomination & Compensation Committee with effect from 1 January 2022.

Mr Allen Lew Yoong Keong age 66

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

26 April 2021

LENGTH OF SERVICE AS A DIRECTOR

(AS AT 31 DECEMBER 2021)

1 year 2 months

BOARD COMMITTEE(S) SERVED ON

- Audit & Risk Committee (Member) – From 19 February 2021 to 30 April 2021
- Audit & Risk Committee (Chairman) – Appointed on 1 May 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 (Senior Advisor)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

Nil

Mr Png Cheong Boon age 52

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 2021)

3 years 2 months

CURRENT DIRECTORSHIPS IN LISTED COMPANIES

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

OTHER MAJOR APPOINTMENTS

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

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

Nil

Mr Raymond Lim Siang Keat age 62

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 2021)

8 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. 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 2019 TO 31 DECEMBER 2021)

1. Hong Leong Finance Limited
(Non-Executive and Independent Director)

Mr Tan Wern Yuen age 43

Independent Director



ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Arts (First Class Honours) In Economics and Management, University of Oxford
- Masters in Finance, University of Cambridge

DATE OF FIRST APPOINTMENT AS A DIRECTOR

1 July 2021

DATE OF LAST RE-ELECTION AS A DIRECTOR

Nil

LENGTH OF SERVICE AS A DIRECTOR (AS AT 31 DECEMBER 2021)

0 year 6 months

BOARD COMMITTEE(S) SERVED ON

- Audit & Risk Committee (Member) –
Appointed on 1 January 2022

CURRENT DIRECTORSHIPS IN LISTED COMPANIES

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

OTHER MAJOR APPOINTMENTS

1. PepsiCo Inc (Chief Executive Officer, APAC)
2. Singapore Economic Development Board (Board Member)
3. China Chain Store and Franchise Association
(Vice Chairman)
4. Concentrate Manufacturing Singapore Pte Ltd (Director)
5. KSF Beverage Holding Co Ltd (Director)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

1. Dada Nexus Limited (Director)

Ms Chong Chuan Neo age 59

Independent Director



ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Science (Computer Science and Mathematics), National University of Singapore

DATE OF FIRST APPOINTMENT AS A DIRECTOR

15 October 2021

DATE OF LAST RE-ELECTION AS A DIRECTOR

Nil

LENGTH OF SERVICE AS A DIRECTOR (AS AT 31 DECEMBER 2021)

0 years 2 months

BOARD COMMITTEE(S) SERVED ON

- Nomination & Compensation Committee (Member) - Appointed on 1 January 2022

CURRENT DIRECTORSHIPS IN LISTED COMPANIES

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

- Lion Global Investors Limited (Non-Executive Director)

OTHER MAJOR APPOINTMENTS

- Partners Group (Operating Director)
- National University of Singapore Innovation and Enterprise (Executive Council Member)
- National Volunteer & Philanthropy Centre – Digital Task Force (Adviser)
- Graduate Investment Private Limited (Director)
- Boost Holdings Sdn Bhd (Director)
- iShine Cloud Limited (Director)
- Aimazing Pte Ltd (Director)
- vKirirom Pte Ltd (Director)
- Moda Solutions Ltd (Director)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

Nil

Mr Tan Soo Nan age 73

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

26 April 2021

LENGTH OF SERVICE AS A DIRECTOR (AS AT 31 DECEMBER 2021)

21 years 5 months

BOARD COMMITTEE(S) SERVED ON

Nil

CURRENT DIRECTORSHIPS IN LISTED COMPANIES

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

OTHER MAJOR APPOINTMENTS

- Raffles Health Insurance Pte Ltd (Executive Director)
- ICE Futures Singapore Pte Ltd (Director)
- ICE Clear Singapore Pte Ltd (Director)
- ICE Singapore Holdings Pte Ltd (Director)
- Temasek Foundation Limited (Director)
- Woh Hup Trust (Director)
- TF IPC Ltd (Director)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

Nil

Professor Sung Jao Yiu age 62

Independent Director



ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Medicine and Bachelor of Surgery, MBBS (HK)
- Medical Council of Canada Evaluation Examination, MCCEE (Canada)
- Doctor of Philosophy, PhD (Canada)
- Doctor of Medicine, MD (CUHK)

DATE OF FIRST APPOINTMENT AS A DIRECTOR

1 December 2021

DATE OF LAST RE-ELECTION AS A DIRECTOR

Nil

LENGTH OF SERVICE AS A DIRECTOR

(AS AT 31 DECEMBER 2021)

0 year 1 month

BOARD COMMITTEE(S) SERVED ON

- Nomination & Compensation Committee (Member) - Appointed on 1 January 2022

CURRENT DIRECTORSHIPS IN LISTED COMPANIES

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

OTHER MAJOR APPOINTMENTS

1. CUHK Medical Centre Limited (Director)
2. National Healthcare Group Pte Ltd (Director)
3. Nanyang Technological University, Singapore (Distinguished University Professor)
4. Health & Life Sciences, Nanyang Technological University, Singapore (Senior Vice President)
5. Lee Kong Chian School of Medicine, Nanyang Technological University, Singapore (Dean)
6. Consortium for Clinical Research and Innovation Singapore (CRIS)-PRECISE (Board Oversight Committee)

7. Ministry of Health, National Medical Research Council (NMRC) (Board Member)
8. National Healthcare Group (NHG)-Joint Talent Development Committee (JTDC) (Co-Chairman)
9. Primary Health Care Research in Multimorbidity and NMRC Centre Grant (CG) Mental Health in a Multi-Ethnic Population (PRIME) (Co-Chairman)
10. Ministry of Health, Programme for Research in Epidemic Preparedness and Response (PREPARE) (Member)
11. Ministry of Health (MOH)-Medical Student Training Standing Committee (MST-SC) (Committee Member)
12. Ministry of Education (MOE) Singapore Centre of Environmental Life Sciences Engineering (SCELSE) (Member of Governing Board)
13. Nanyang Technological University, Centre for Research and Development in Learning (CRADLE) (Member, Advisory Board)
14. University of Melbourne (Council Member)
15. Dr Stanley Ho Medical Development Foundation (Member, Board of Directors)
16. Wu Zhi Qiao (Bridge to China) Charitable Foundation (Council Chairman)
17. Journal of Gastroenterology and Hepatology (Chief Editor)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

Nil

Mr Olivier Lim Tse Ghow age 57

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

26 April 2021

**LENGTH OF SERVICE AS A DIRECTOR
(AS AT 31 DECEMBER 2021)**

7 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. Securities Industry Council (Member)
7. PropertyGuru Pte Ltd (Non-Executive and Independent Director/Chairman)
8. Lucid Investments Ltd (Director)

PREVIOUS DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (1 JANUARY 2019 TO 31 DECEMBER 2021)

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

Dr Sarah Lu Qinghui age 40

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

26 April 2021

**LENGTH OF SERVICE AS A DIRECTOR
(AS AT 31 DECEMBER 2021)**

3 years 10 months

BOARD COMMITTEE(S) SERVED ON

- Nomination & Compensation Committee (Member) – up to 31 December 2021

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 2019 TO 31 DECEMBER 2021)

Nil

Senior Management



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.

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 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 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.



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 the entire 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, 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 has held an active role as a member of the Finance Committee of the Asian Women's Welfare Association since 2017.



Dr Vincent Chia

*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. Under the stewardship of Dr Chia, Raffles Hospital Shanghai successfully opened for operations on 26 July 2021 and Raffles Beijing Clinic was upgraded to a hospital, Raffles Hospital Beijing.

Before he joined Raffles Medical Group, Dr Chia was the Founder and Managing Director of Asian Healthcare Solutions. He provided independent healthcare consulting services 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.



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 Juliet Khew

*Deputy Managing Director
Raffles Health Insurance*

Ms Khew is the Deputy Managing Director 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 hospitals.

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 of the Group 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 with another Insurance company prior to joining Raffles Health Insurance. She was integral to the success of its health business leading health transformation project focusing on customer proposition. In her leadership journey, Ms Khew has also worked in a variety of roles across different distribution channels, including an integration of GI & Life company, and Underwriting.

Ms Khew had also accumulated substantial experience in accident and health insurance underwriting, as well as life insurance sales since she first joined the insurance industry.



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 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 Raffles Medical Group in June 2017 as Director, Group Commercial. Her role includes leveraging the Group's integrated healthcare system to lead and support the growth strategies for Raffles Medical Group in Singapore, 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 2020, 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. In August 2020, she was appointed Deputy Speaker of Parliament. 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.



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 Tan Hsiang Lung

*General Manager
Raffles Hospital*

Dr Tan Hsiang Lung is the General Manager responsible for Raffles Hospital in Singapore. He joined the Group in 2008 as a family physician and subsequently took on various management roles.

Dr Tan graduated with a MBBS (Bachelor of Medicine, Bachelor of Surgery) from the National University of Singapore in 2000 and has obtained Graduate Diplomas in Geriatric Medicine and Family Medicine. He also has a Master of Business Administration from Singapore Management University.



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 19 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.



Dr Morrison Loh

*Director, Commercial
Raffles Medical Group &
Head, Medical Directorate
Raffles Health Insurance*

Dr Morrison Loh is the Director of Commercial at Raffles Medical Group and is responsible for driving and developing the Group's commercial businesses including consumer business and corporate services. He is also the Head of Medical Directorate of Raffles Health Insurance where he oversees panel management, medical adjudication, and medical underwriting.

Dr Loh joined the Group in 2014 and has previously served in Raffles Medical network clinics as Deputy Physician Leader where he was involved in primary care operations. At Raffles Health Insurance, he was part of the leadership team that launched Raffles Shield, a national Integrated Shield plan.

Dr Loh graduated from University College London in 2006 with a Bachelor of Science in Physiology and was awarded the Wellcome Trust Scholarship to perform research at the Institute of Neurology, Queen Square. He subsequently obtained his Bachelor of Medicine and Bachelor of Surgery from University College London and completed part of his training at Harvard Medical School (Massachusetts Eye and Ear Infirmary). He holds an Executive Master of Business Administration (Dean's List) from Singapore Management University.

Senior Physician Leaders



Dr Alfred Loh
Senior Clinical Director
Raffles Medical



Prof Walter Tan
Medical Director
Raffles Hospital Singapore



Dr Wilson Wong
Medical Director
Raffles Medical



Dr Yang Ching Yu
Medical Director
Raffles Hospital Singapore
Raffles Hospital Chongqing
Raffles China Healthcare



Dr Onishi Yoichi
Medical Director
Raffles Japanese Clinic



Dr Charles Poon
Medical Director
Raffles Hospital Beijing



Dr Motoda Lena
Medical Director
Raffles Japanese Clinic



Dr Chng Shih Kiat
Medical Director
Raffles Medical



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



Dr Lee I Wuen
Medical Director
Raffles Hospital Singapore



Dr Michael Lee
Deputy Medical Director
Raffles Medical



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 Melvyn Wong
Deputy Medical Director
Raffles Medical



Dr Nandha Kumar
Deputy Medical Director
Raffles Medical



Dr Anthony Foo
Deputy Medical Director
Raffles Hospital Singapore



Dr Sarah Lu
Deputy Medical Director
Raffles Hospital Singapore



Dr Isaac Liu
Deputy Medical Director
Raffles Hospital Singapore



Dedicated team-based care in every interaction

Whoever comes through our doors can expect integrated treatment and service delivered with compassion and sincerity, from welcome to post-discharge.



▲ General Dental Surgeon Cynthia Kung and Assistant Nurse Clinician Lijun Ma attending to a young patient at Raffles Hospital Shanghai's dental clinic.

Operations Review

Raffles Medical Group celebrates 45 years of operations with an expansion of our footprint in China.



GROUP REVENUE

\$723.8 million

▲ 27.4%



PAT

\$83.7 million

▲ 29.5%



Raffles Medical Group (RMG) celebrated our 45th Anniversary in 2021. During the year, we reached a new milestone, with the opening of our latest medical facility in Shanghai. Raffles Hospital Shanghai is a 400-bed tertiary hospital in Qiantan, Pudong that opened in July 2021. This followed the opening of Raffles Hospital Beijing the year before.

Even as our Group expanded our footprint in Asia, we continued to play a key role in Singapore's efforts against COVID-19. Our

Group ringfenced hospital bed capacity for emergency patients from the public hospitals, expanded our laboratory for COVID-19 testing, and operated several COVID-19 quarantine facilities and vaccination centres.

Despite the challenging climate, RMG continued to build on its service offerings to meet the needs of our patients, including expanding our Raffles Eye Centre and setting up our new Raffles Radiotherapy Centre.

Raffles Hospital

CONTINUING TO SUPPORT SINGAPORE'S COVID-19 EFFORTS

As the world entered the second year of the pandemic, Raffles Hospital remained heavily committed to the fight against COVID-19.

We continued to set aside bed capacity for patients under the Emergency Care Collaboration (ECC) scheme and extended transfer arrangements to more public hospitals so they can send us their patients whenever they are full.

We scaled up our laboratory to perform more types of COVID-19 tests and set up swab test centres to facilitate convenient testing.



▶ Raffles Accident and Emergency Department is fully equipped and staffed to manage high-risk injuries and critical medical conditions.



▶ LASIK is a safe and precise treatment to correct refractive errors such as myopia (near-sightedness), hyperopia (far-sightedness), and astigmatism.

ADDING SERVICES, MEETING THE NEEDS OF OUR PATIENTS

We relocated our Raffles Eye Centre to larger premises at level 16 of our Raffles Specialist Centre. The move enabled us to set up and launch a new paediatric eye service to complement the services offered at our Raffles Children's Centre, and our own LASIK service.

To better serve our oncology patients in one convenient location, we installed a state-of-the-art Varian TrueBeam linear accelerator with HyperArc technology at our new Raffles Radiotherapy Centre located at basement 2 of our Raffles Specialist Centre.

Raffles Medical

FIGHTING COVID-19 ON THE FRONTLINES

Raffles Medical continued to support Singapore in the fight against COVID-19 on the frontlines.

In January 2021, Raffles Medical was appointed by the Ministry of Health to set up and operate Singapore's first vaccination centre at Changi Airport Terminal 4, with the capacity to serve up to 4,000 patients daily. From there, we went on to set up and operate 14 more vaccination centres across the island in our support of Singapore's push to become a fully vaccinated nation. To date, we have vaccinated approximately one-third of the population in Singapore.

PRIMARY CARE DURING THE PANDEMIC

Our primary care clinics continued to serve our patients as Public Health Preparedness Clinics (PHPC) and Swab and Send Home (SASH) clinics.

Our clinics also supported other national initiatives against COVID-19, such as providing Rostered Routine Testing (RRT), which was later expanded to include virtually supervised RRT.

Catering to the increase in demand for pre-departure testing (PDT) as Singapore gradually reopened its borders with more Vaccinated Travel Lanes (VTL), we started dedicated testing facilities at the Travel Testing Centre at Raffles Hospital, and Swab Test Centres at Shaw Centre level 5, Holland V Rooftop, and Clementi level 2.

In addition, we partnered exclusively with bus operator Transtar to provide onsite PDT services at Woodlands Temporary Bus Interchange to support travellers returning to Malaysia at the VTL (Land).

KEEPING SINGAPORE SAFE WITH AIR BORDER SURVEILLANCE DURING THE PANDEMIC

Our Raffles Medical team at Changi Airport played an important role in securing our air borders by performing temperature screening, medical triaging and segregation, and on-arrival testing (OAT).



▶ RMG staff worked as swabbers to conduct departure swabs, arrival swabs, and regular swab tests for crew members on board cruises at Marina Bay Cruise Centre (MBCC).

It had been a 24/7/365 operation. At its peak, we deployed more than 1,000 healthcare workers daily to screen travellers and keep Singapore safe.

SUPPORTING THE RE-OPENING OF SINGAPORE'S ECONOMY

We operated the testing facility at Marina Bay Cruise Centre (MBCC), which conducted pre-departure and arrival testing for passengers as well as RRT for cruise crew.

We also supported many pilot MICE (meetings, incentives, conferences and exhibitions) events by setting up onsite and in-clinic Antigen Rapid Test (ART), including the International Maritime Security Conference. Some of these activities may continue in 2022.

MEDICAL CARE AT COMMUNITY CARE AND RECOVERY FACILITIES

Raffles Medical is proud to be the appointed healthcare provider at the Community Treatment Facilities (CTF) at Singapore EXPO. CTFs are facilities that were converted to house and treat COVID-19 patients who are not suitable for the Home Recovery Programme (HRP). We also supported the HRP by providing teleconsultation to COVID-19 patients.

STANDING BY OUR CORPORATE CLIENTS

We continued to provide regular advisories and updates to our over 7,000 esteemed corporate clients throughout the pandemic.

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. This included assisting our clients in securing provisional stock of ART kits to facilitate companies in managing their own RRT.

Educational sessions on mental wellness and consumer health were also offered to support our clients and their well-being.

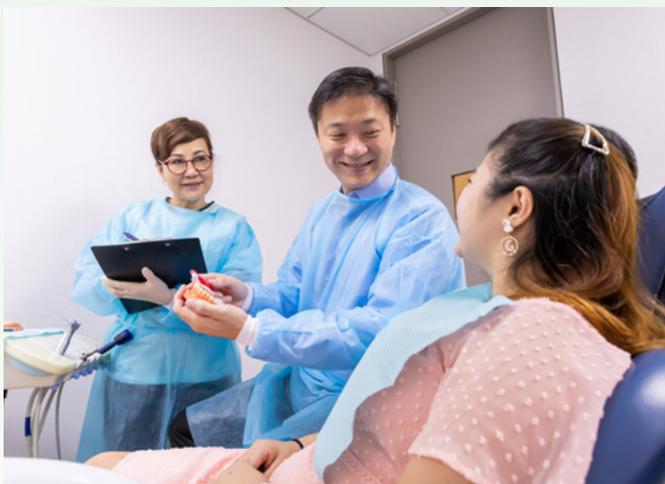
Raffles Dental

INCREASING CAPACITY AND OPTIONS FOR PATIENTS

Raffles Dental welcomed new GP dentists and expanded our Oral and Maxillofacial service in 2021, increasing our capacity to attend to more patients across our network.

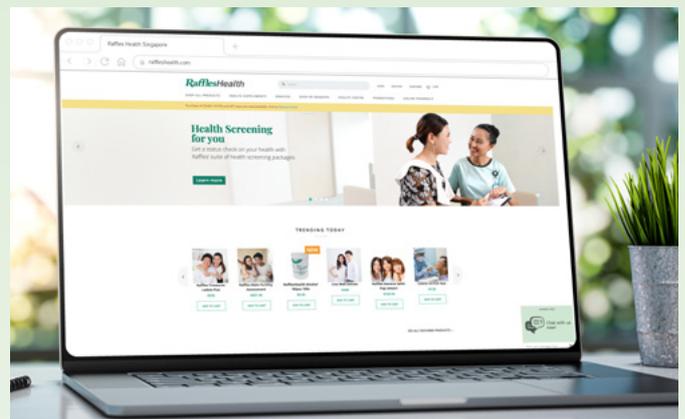
Along with the gradual reopening of the economy, we extended our operating hours across key clinics to meet the rise in demand from new and existing patients, many of whom had deferred treatment in 2020 due to the COVID-19 restrictions then.

With stringent COVID-19 infection control measures in place, our patients can enjoy peace of mind while undergoing our full range of multi-disciplinary dental procedures and treatments.



► Our dental surgeons and specialists continue to provide professional oral care in 12 well-equipped clinics island-wide, while obligating to safety measures during COVID-19.

Raffles Health



► A one-stop, e-commerce platform that offers a variety of healthcare products.

BRINGING MEDICAL SUPPLIES TO YOUR DOORSTEP

Interest in health products, supplements and testing remained strong. With widespread adoption of self-testing for COVID-19, there was sustained demand for ART home test kits.

Leveraging our established e-commerce platform, RafflesHealth.com, Raffles Health was one of the first to provide accessible and affordable kits to our corporate and retail customers, some of whom were on Home Quarantine Order and needed test kits and over-the-counter (OTC) medication delivered to their doorsteps.

With the strong emphasis on personal hygiene and heightened demand for hand sanitisers and antiseptic wipes during the pandemic, we introduced our own housebrand alcohol-based wipes on top of our existing range of hand sanitisers.

As part of our renewed focus on health and wellness, we have refreshed the designs on our range of health supplements, making information and branding clearer. In 2022, we will also be introducing more housebrand products including mouth rinses, breath sprays, pregnancy test kits, and Raffles Health supplements that can support liver functions, relieve allergies, and strengthen the skin, nails and hair.

Raffles Healthcare Institute



▶ Trainees learn lifesaving techniques and professional knowledge in a clinical setting while supervised by nurse educator.

A core team of clinical nursing staff were primed to conduct Vaccination Training for over 300 enrolled nurses and staff nurses, who were subsequently deployed to 15 vaccination centres island wide.



▶ Continuing education for nurses includes caring for patients and utilising advanced medical equipment to prepare them for senior level.

EXTENDING OUR TRAINING ARM TO SUPPORT NATIONAL EFFORTS

In support of Singapore's National Vaccination Programme, Raffles Healthcare Institute (RHCI) and the Human Capital Team partnered with Alice Lee Centre for Nursing Studies (National University of Singapore) to prime a core team of clinical nursing staff to conduct Vaccination Training for over 300 enrolled nurses and staff nurses, who were subsequently deployed to our 15 vaccination centres island wide.

Apart from Vaccination Training, our contribution to national training efforts also included the conduct of PPE, Infection Control, Code Blue and Swab Training for more than 200 Healthcare Assistants, Patient Care Assistants and Nurses, which prepared them for their deployment into their respective clinical roles in the CTF at Changi Expo.

From clinical training to clinical supervision, we collaborated with Republic Polytechnic (RP) and Health Management International (HMI) to supervise the practicum placements of close to 100 trainees to Raffles Hospital and Raffles Medical Clinics. This is over and above the existing clinical attachment of over 400 nursing and allied health students from various Post-Secondary Educational Institutes such as National University of Singapore, Singapore Institute of Technology, Nanyang Polytechnic, Ngee Ann Polytechnic and Institute of Technical Education.

As a private healthcare institution, we add value to the practical application of academic learning by providing not only clinical experience, but also exposure to private sector standards of service excellence and business management, facilitating the transition of the student/trainee into their clinical roles in the healthcare industry.

To groom our senior leaders to advance in their leadership capabilities, we supported the organisation of the Raffles Leadership Development Programme for 15 identified senior leaders. This one-year programme (held monthly) included talks and discussions with invited speakers for exposure to senior corporate leaders, sponsorship of courses, seminars and skills development opportunities as well as personal coaching by an RMG board member.



Raffles Medical International

BRIGHTER OUTLOOK WITH BORDER RE-OPENINGS

COVID-19 restrictions and lockdowns severely impacted patient volumes at our Indochina Raffles Medical clinics, especially during the second half of 2021. Many expatriates returned to their home countries, whilst local patients generally deferred their health checks and non-essential treatments during times of community outbreaks. However, the outlook has turned for the better. Vietnam and Cambodia have since dramatically increased their population vaccination rates and moved on to treating COVID-19 as endemic. Border restrictions have been lifted and both countries are committed to restart their economies by boosting foreign direct investment and international travel.

Raffles Health Insurance



GOING DIGITAL FOR MORE PATIENT-CENTRIC CONVENIENCE

Raffles Health Insurance (RHI) focused and invested heavily in process reengineering and automation during this pandemic year. By mapping out service blueprints of key processes, we identified bottlenecks and deficiencies to prioritise our efforts on, and create a more seamless patient experience.

The cashless approval and billing processes between service providers and ourselves has moved online, bringing more convenience to our customers.

We continue to work closely with our technology partners and app developers to improve our front-end offering to customers, such as converting Shield Application to an electronic form. We are also enhancing operational processes and customer relationship management functions, to continually upgrade the service experience of our customers.

In addition, we continually look to improve our customers' 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, we are also building a customer and intermediary portal.

Raffles China Healthcare

NEW FACILITIES, ENHANCED SERVICES

Raffles China Healthcare continued to break new ground in 2021, boosting capacity and capabilities with the opening of Raffles Hospital Shanghai and Raffles Hospital Beijing.

Raffles Hospital Shanghai will focus on developing specialties in health screening, women's health, paediatrics, cardiology, gastroenterology, orthopaedic surgery and sports injury management, among others. Since 1 January 2022, the 24-hour Accident & Emergency, along with inpatient, operating theatres, and critical care departments have also commenced operations. With patient visits showing robust growth since its opening, we look forward to serving the residents of Shanghai and people from the Yangtze River Delta with our international quality integrated clinical services.

Raffles Hospital Beijing expanded its clinical services to a hospital, with two operating theatres, six dental chairs, as well as 24-hour Accident and Emergency services. We will continue to aspire to be the healthcare provider of choice for the expatriate and local communities in Beijing.



► The expansion of Raffles Hospital in Chongqing allows RMG to provide medical services not just for Chongqing, but also China's southwest region and Central Asia.

Raffles Hospital Chongqing continued to expand its services, including in obstetrics and gynaecology services and has built a complete suite of end-to-end services for women. We will also be expanding service offerings across multiple specialty disciplines. We were appointed by the local Health Bureau as one of the designated COVID-19 vaccination hospitals for local residents, foreigners and minors, and are well-positioned to support the local government in its fight against COVID-19 as and when needed.

Corporate Social Responsibility

COMMUNITY SUPPORT

Zion Home for The Aged

Since 2015, doctors and TCM physicians from Raffles Medical Group (RMG) have visited the residents of Zion Home for the Aged on a monthly basis to provide medical consultations and acupuncture services to its residents. Zion Home for the Aged, a registered charity, is a sheltered home for aged females.

In 2021, due to the COVID-19 pandemic and health protocol restrictions, such

visits were put on hold. However, we remain committed to support the home and look forward to resuming such visits when restrictions lift.

Humanitarian Efforts in Indonesia

In 2021, Indonesia was badly affected by COVID-19 and faced an unprecedented spike in daily case numbers. The country was then reported to be Asia's new COVID-19 epicentre. As the exclusive healthcare provider at the Changi International Airport and part of the One Changi Airport Community, we joined an initiative led by the Changi

Airport Group and donated 10 units of oxygen concentrators, worth \$10,000, to aid the treatment of COVID-19 patients in Indonesia.

COMMUNITY OUTREACH

Enhanced Screen for Life (SFL)

Raffles Medical supports SFL, the national screening programme by Singapore's Health Promotion Board that offers Singaporeans and Permanent Residents health screening recommendations and the necessary follow-up based on

age and gender. Since 2017, Pioneer Generation cardholders, Community Health Assist Scheme cardholders, and all other eligible Singaporeans can access subsidised chronic disease blood test, colorectal cancer test and cervical cancer test with one postscreening consultation at a subsidised fee at Raffles Medical's CHAS clinics.

Primary Care Network (PCN)

Raffles Medical has been a participant of the Ministry of Health's (MOH) PCN Scheme since 2018. Under the scheme, MOH will provide funding of operational and administrative support to Raffles Medical General Practitioners 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, Nurse Counselling, and Mental Health Review.

EDUCATION

In 2021, under the Raffles Medical Group Scholarship scheme, we supported eight employees to study 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, 18 bursary awards were disbursed to our employees' children in support of their education needs. The bursary award aims to provide financial assistance to our employees' children to give them a head start in their life and career.

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 2021, we saw a total of 50 A-level students from various Junior Colleges participate in our Frontline Service Experience Programme.

In the same year, on top of training our employees, we also trained 383 external and community first responders 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 polices and operations, RMG:

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

Sustainability Statement

The Board of Raffles Medical Group (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 2021 Sustainability Report will be available in May 2022.

Professional Governance

Raffles Hospital

MEDICAL BOARD

Dr Loo Choon Yong (Advisor)
Dr Alfred Loh (Advisor)
Prof Walter Tan (Chairman)
Dr Wilson Wong (Deputy Chairman)
Dr Yang Ching Yu
Dr Lee I Wuen
Dr Chng Shih Kiat
Dr Anthony Foo
Dr Isaac Liu
Dr Sarah Lu
Dr Nora Heng
Dr Salleh Omar
Dr Melvyn Wong
Dr Kenneth Wu (Ex-Officio)

QUALITY COMMITTEE

Dr Alfred Loh (Chairman)
Dr Kenneth Wu (Co-Chairman)
Prof 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 Perumal Premalatha (Secretary)

PHARMACY & THERAPEUTICS COMMITTEE

Dr Melvyn Wong (Chairman)
Dr Chong Yong Yeow (Co-Chairman)
Dr Chng Shih Kiat (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)

CREDENTIALLING & PRIVILEGING COMMITTEE

Dr Yang Ching Yu (Chairman)
Dr Alfred Loh (Deputy Chairman)
Dr Anthony Foo
Dr Isaac Liu
A/Prof Philip Wong
Prof Walter Tan (Ex-Officio)

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 Aswin Warier
Ms Lilian Yew
Ms Kartini Sameejan
Mr Fadhillah Bin Abu Bakar (Secretary)

INFECTION CONTROL COMMITTEE

Dr Teo Sek Khee (Chairman)
Dr Leyland Chuang Lee Ren (Co-Chairman)
Dr Fong Sau Shung
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 Thida Aye
Ms Cassandra Angelica R. Cuvin (Secretary)

ETHICS COMMITTEE

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

SURGICAL AUDIT COMMITTEE

Prof Walter Tan (Chairman)
Dr Yang Ching Yu (Co-Chairman)
Prof Abu Rauff (External Advisor)
Prof Tay Boon Keng (External Advisor)
Dr Tay Eng Hseon (External Advisor)
A/Prof 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)

OPERATING THEATRE COMMITTEE

Dr Eric Teh (Chairman)
Dr Nelson Chua (Co-Chairman)
Dr Ho Kok Yuen (Advisor)
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
Ms Kartini Sameejan
Ms Teo Poh Lin
Ms Caroline Mary D Almeida (Secretary)

Family Medicine

BLOOD TRANSFUSION & TISSUE REVIEW COMMITTEE

Dr Nicholas Goh (Co-Chairman)
Dr Fong Sau Shung
Dr Motoda Lena
Ms Norazlina Binte Hassan
Ms Fa'eezah Bte Hamzah
Ms Sarina Bte Saleh
Ms Anastacia Pajarillaga (Secretary)

PATIENT CASE REVIEW COMMITTEE

Dr Ng Chin (Chairman)
Dr Chong Yong Yeow (Co-Chairman)
Dr Aaron Woo
Mr Andrew Lum
Ms Ong Suat Kien
Mr Lim Hun Teck
Ms Ang Sook Lin, Kryslyn
Ms Png Ci En
Mr Cruz Kevin Cristopher Magtira
Ms Fa'eezah Bte Hamzah (Secretary)

TRANSPLANT COMMITTEE

Dr Christopher Leo (Chairman)
Dr Lim Kok Bin
Dr Lim Yun Chin
Ms Javier Zenia Pabualan
Ms Cai Miao Zai Monica
Mr Jonathan Low (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 Fadhillah Bin Abu Bakar
Mr Eugene Lam (Secretary)

CRITICAL CARE COMMITTEE

Dr Chan Choong Chee (Chairman)
Dr Nelson Chua
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 Fadhillah Bin Abu Bakar
Ms Than Sook Ling (Secretary)

GENETIC TESTING COMMITTEE

Dr Issac Liu (Chairman)
Dr Michael Lee (Co-Chairman)
Dr Terence Tan
Ms Beatrix Lee (Secretary)

MEDICAL BOARD

Dr Wilson Wong (Chairman)
Dr Chng Shih Kiat (Co-Chairman)
Dr Salleh Omar
Dr Melvyn Wong
Dr Lim Teng Hong
Dr Tay Kian Wei
Dr Jason Soh

Corporate Information

Raffles Medical Group

BOARD OF DIRECTORS

Dr Loo Choon Yong

(Executive Chairman and
Non-Independent Director)

Mr Eric Ang Teik Lim

(Lead Independent Director)

Mr Lew Yoong Keong Allen

(Independent Director)

Mr Png Cheong Boon

(Independent Director)

Mr Raymond Lim Siang Keat

(Independent Director)

Mr Tan Wern Yuen

(Independent Director)

Ms Chong Chuan Neo

(Independent Director)

Professor Sung Jao Yiu

(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 Lew Yoong Keong Allen (Chairman)

Mr Eric Ang Teik Lim

Mr Raymond Lim Siang Keat

Mr Tan Wern Yuen

NOMINATION & COMPENSATION COMMITTEE

Mr Png Cheong Boon (Chairman)

Mr Eric Ang Teik Lim

Ms Chong Chuan Neo

Professor Sung Jao Yiu

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 and
Non-Independent Director)

Mr Charles Maurice Octave Pierron

(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

Corporate Governance Report

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 2021 (FY2021) 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 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:

Corporate Governance Report

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;
- (j) The appointment of new Directors; and
- (k) Any other matters that may be delegated to Committees whose decisions are reported to and monitored by the Board.

Board Committees

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

- (a) Nomination & Compensation Committee (NCC); and
- (b) Audit & 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 for 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 the 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.

Corporate Governance Report

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

Attendance At Meetings

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

NAME OF DIRECTOR	INDEPENDENT(I) / NON- INDEPENDENT (NI)	EXECUTIVE(E) / NON- EXECUTIVE (NE)	ASSESSMENT OF DIRECTORS' INDEPENDENCE STATUS	MEETING ATTENDANCE REPORT			
			INDEPENDENCE STATUS UNDER THE CODE	◆ CHAIR OF THE COMMITTEE	● MEMBER OF THE COMMITTEE	AGM ⁽¹⁾	BOARD ⁽²⁾
Dr Loo Choon Yong	NI	E	No	◆ 1/1	◆ 4/4	-	-
Mr Koh Poh Tiong ⁽⁵⁾	I	NE	Yes	● 1/1	● 4/4	● 3/3	● 1/1
Mr Eric Ang Teik Lim	I	NE	Yes	● 1/1	● 4/4	-	◆ 1/1
Mr Lew Yoong Keong Allen	I	NE	Yes	● 1/1	● 4/4	◆ ⁽⁷⁾ 3/3	-
Mr Kee Teck Koon ⁽⁵⁾	I	NE	Yes	● 1/1	● 4/4	◆ ⁽⁷⁾ 1/1	● 1/1
Mr Png Cheong Boon	I	NE	Yes	● 1/1	● 4/4	-	● 1/1
Dr Wee Beng Geok ⁽⁶⁾	I	NE	Yes	● 1/1	● 1/1	-	● 1/1
Mr Raymond Lim Siang Keat	I	NE	Yes	● 1/1	● 3/4	● 2/3	-
Mr Tan Wern Yuen ⁽⁸⁾	I	NE	Yes	-	● 2/2	-	-
Ms Chong Chuan Neo ⁽⁹⁾	I	NE	Yes	-	● 1/1	-	-
Professor Sung Jao Yiu ⁽¹⁰⁾	I	NE	Yes	-	-	-	-
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	NI	E	No	● 1/1	● 4/4	-	● 1/1

Notes:

- (1) AGM denotes Annual General Meeting.
- (2) Board denotes Board of Directors' Meeting.
- (3) ARC denotes Audit & Risk Committee.
- (4) NCC denotes Nomination & Compensation Committee.
- (5) Mr Koh Poh Tiong and Mr Kee Teck Koon retired from the Board on 31 December 2021.
- (6) Dr Wee Beng Geok retired from the Board on 30 April 2021.

Corporate Governance Report

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

Attendance At Meetings (cont'd)

- (7) Mr Kee Teck Koon relinquished his position as Chairman of the ARC on 30 April 2021 and Mr Lew Yoong Keong Allen was appointed Chairman of the ARC on 1 May 2021 following Mr Lew's prior appointment as a member of the ARC on 19 February 2021.
- (8) Mr Tan Wern Yuen was appointed to the Board as a Non-Executive and Independent Director on 1 July 2021.
- (9) Ms Chong Chuan Neo was appointed to the Board as a Non-Executive and Independent Director on 15 October 2021.
- (10) Professor Sung Jao Yiu was appointed to the Board as a Non-Executive and Independent Director on 1 December 2021.

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 by virtue of the Director's employment). During FY2021, none of the Directors held 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.

Corporate Governance Report

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

Board Support And Access To Information (cont'd)

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. Subsequent to the last annual report, there have been changes to Board and Board Committees composition arising from the retirement of Dr Wee Beng Geok, Mr Koh Poh Tiong and Mr Kee Teck Koon from the Board, the appointment of Mr Tan Wern Yuen, Ms Chong Chuan Neo and Professor Sung Jao Yiu to the Board, and other new appointments which became effective on 1 January 2022.

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 Eric Ang Teik Lim ⁽¹⁾	24/04/2015	Non-Executive and Independent	26/04/2019	Lead Independent Director	Member of ARC and NCC
Mr Lew Yoong Keong Allen ⁽²⁾	28/10/2020	Non-Executive and Independent	26/04/2021	Director	Chairman of ARC
Mr Png Cheong Boon ⁽³⁾	15/10/2018	Non-Executive and Independent	26/04/2019	Director	Chairman of NCC
Mr Raymond Lim Siang Keat	25/04/2013	Non-Executive and Independent	26/06/2020	Director	Member of ARC
Mr Tan Wern Yuen ⁽⁴⁾	01/07/2021	Non-Executive and Independent	-	Director	Member of ARC
Ms Chong Chuan Neo ⁽⁵⁾	15/10/2021	Non-Executive and Independent	-	Director	Member of NCC
Professor Sung Jao Yiu ⁽⁶⁾	01/12/2021	Non-Executive and Independent	-	Director	Member of NCC
Mr Tan Soo Nan	28/07/2000	Executive and Non-Independent	26/04/2021	Director	Nil
Mr Olivier Lim Tse Ghow	01/10/2014	Non-Executive and Non-Independent	26/04/2021	Director	Nil
Dr Sarah Lu Qinghui ⁽⁷⁾	20/02/2018	Executive and Non-Independent	26/04/2021	Director	Nil

Corporate Governance Report

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

Board Size and Composition (cont'd)

Notes:

- (1) Mr Eric Ang Teik Lim relinquished his position as Chairman of the Nomination and Compensation Committee (NCC) on 31 December 2021 and remained a member of the NCC. Mr Ang was appointed the Lead Independent Director of the Company and a member of the Audit & Risk Committee (ARC) on 1 January 2022.
- (2) Mr Lew Yoong Keong Allen was appointed Chairman of the ARC on 1 May 2021 following his prior appointment as a member of the ARC on 19 February 2021.
- (3) Mr Png Cheong Boon was previously a member of the NCC and was appointed the Chairman of the NCC on 1 January 2022.
- (4) Mr Tan Wern Yuen was appointed to the Board as a Non-Executive and Independent Director on 1 July 2021 and a member of the ARC on 1 January 2022.
- (5) Ms Chong Chuan Neo was appointed to the Board as a Non-Executive and Independent Director on 15 October 2021 and a member of the NCC on 1 January 2022.
- (6) Professor Sung Jao Yiu was appointed to the Board as a Non-Executive and Independent Director on 1 December 2021 and a member of the NCC on 1 January 2022.
- (7) Dr Sarah Lu Qinghui relinquished her position as a member of the NCC on 31 December 2021.

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 2021, there is a strong independent 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.

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 Committees 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, the Company considers candidates with varying skill sets, industry and business experiences, gender, age, ethnicity and cultural backgrounds. This helps to provide a diverse range of viewpoints in decision-making. The final appointment of directors is 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 reviews the structure, size, balance, and diversity of the Board annually and recommends any proposed changes to the Board to complement the Company's objectives and strategies, including its board diversity policy.

Corporate Governance Report

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

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). With this in mind, following the retirement of Dr Wee Beng Geok from the Board on 30 April 2021, Ms Chong Chuan Neo, who has an extensive background in management and technology consulting as well as digital transformation was appointed to the Board on 15 October 2021. As at 31 December 2021, female directors represented 18.2% of total Board membership, which compared favourably to the average of 18.0% among the top 100 listed companies in Singapore as at 30 June 2021 (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 are in alignment with the needs of the Group and well-suited to facilitate independent and effective decision-making.

Notably, the new Directors appointed in FY2020 and FY2021 bring with them a wealth of experience in technology and digitisation, retail and marketing, the practice of medicine and medical research as well as academia, among other things, on top of insight into the regional and China market.

- (a) Mr Lew Yoong Keong Allen (Mr Lew) (appointed on 28 October 2020) is currently Senior Adviser to Singapore Telecommunications Limited (Singtel) and held several senior appointments with Singtel prior to that. Mr Lew also holds the position of Non-Executive Director with Advanced Info Service Public Company (AIS) and directorships with Singtel companies registered in Australia and Optus companies in Australia and New Zealand. Mr Lew is the Chairman of the AIS Executive Committee. Mr Lew has a Bachelor of Electrical Engineering degree from the University of Western Australia and a Master of Science (Management) degree from the Massachusetts Institute of Technology.
- (b) Mr Tan Wern Yuen (Mr Tan) (appointed on 1 July 2021) is currently the Chief Executive Officer (APAC) of PepsiCo Inc. and was President and Chief Executive Officer (China) of Walmart Inc. and Managing Director of McDonald's Taiwan prior to that. Mr Tan brings with him many years of experience leading transformation in the retail industry and driving enterprise innovation and business development. Mr Tan holds a Bachelor of Arts degree (First Class Honours) in Economics and Management from the University of Oxford and a Masters degree in Finance from the University of Cambridge.

Corporate Governance Report

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

Board Diversity Objectives (cont'd)

- (c) Ms Chong Chuan Neo (Ms Chong) (appointed on 15 October 2021) worked for Accenture for about 30 years and has been involved in Management and Technology consulting as well as digital transformation programs for Global Fortune 500 companies. She was the Chairman and Country Managing Director for Accenture Greater China from 2015 to 2018, where she led a team of 15,000 employees to serve multi-national companies, state owned enterprises and large local companies. Ms Chong left Accenture in 2018 to pursue her interest in technology startups and private equity. She is involved in the startup community and ecosystem in Asia. She mentors startup founders, and invests in and advises startups in Asia. She is also an Operating Director at a Swiss private equity and is involved in the transformation of portfolio companies to achieve high performance, regionalisation and business expansion. Ms Chong graduated from the National University of Singapore with Bachelor of Science (Mathematics and Computer Science) and attended Executive, Management and Leadership programs at IMD Lausanne, Switzerland.
- (d) Professor Sung Jao Yiu (Professor Sung) (appointed on 1 December 2021) is currently Distinguished University Professor, Senior Vice-President (Health & Life Sciences) and Dean (Lee Kong Chian School of Medicine) of Nanyang Technological University, Singapore. He is a renowned researcher in gastroenterology and hepatology and his contributions in the advancement of medical sciences and academic development have been recognised locally and regionally. Professor Sung was conferred a medical degree (MBBS) by the University of Hong Kong, a PhD (Doctor of Philosophy) in biomedical sciences by the University of Calgary and an MD (Doctor of Medicine) by the Chinese University of Hong Kong. He holds fellowships from the Royal Colleges of Physicians of Edinburgh, Glasgow, London and Australia, the American College of Gastroenterology, the American Gastroenterological Association, the Hong Kong College of Physicians and the Hong Kong Academy of Medicine.

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 review and monitor the performance of Management in meeting the goals and objectives of the Group. The Non-Executive Directors and/or Independent Directors 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.

Corporate Governance Report

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

The Executive Chairman sets the agenda for Board meetings and ensures that adequate time is 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 oversees the conveyance to the Board of complete, adequate and timely information, and 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 putting in place strong governance systems and processes that are 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 maintaining a majority of Non-Executive and Independent Directors on the Board and the NCC.

Additionally, the 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.

Lead Independent Director

Mr Eric Ang Teik Lim was appointed by the Board as the Lead Independent Director on 1 January 2022, following the retirement from the Board of the previous Lead Independent Director, Mr Koh Poh Tiong, on 31 December 2021. The Lead Independent Director leads Board discussions with the Non-Executive and Independent 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 the NCC to, amongst others, make recommendations to the Board on all Board appointments and re-appointments, and oversee the succession plans for the Board, Executive Chairman, the CEO and key management personnel (KMP) as well as the review of training and professional development programmes.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

The NCC has four members and is made up of 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 48 and 49.

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, 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.

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, 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.

Directors who have served for more than nine years and wish to remain as Independent Directors are subject to a two-tiered voting process when they seek re-election at the shareholders' general meeting. The two-tiered voting will entail 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.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

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 Eric Ang Teik Lim, Mr Lew Yoong Keong Allen, Mr Png Cheong Boon, Mr Raymond Lim Siang Keat, Mr Tan Wern Yuen, Ms Chong Chuan Neo and Professor Sung Jao Yiu in the paragraphs that follow.

Mr Eric Ang Teik Lim (Mr Ang) is concurrently a Non-Executive and Independent Director of Sembcorp Marine Ltd, Wing Tai Holdings Limited (WTHL), Surbana Jurong Private Limited (SJPL) and NetLink NBN Management Pte Ltd. These roles are non-executive and advisory in nature, and do not pose any conflict of interest for Mr Ang. He is also not involved in the day-to-day conduct of the business of the aforementioned companies and organisations.

The Group provides healthcare services to WTHL and SJPL. SJPL, through its subsidiary, SMM Pte. Ltd., provides facilities management services to the Group. The Board has considered that these transactions involving WTHL and SJPL were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2021. Mr Ang is considered independent of management of, and business relationships with, the Company.

Mr Lew Yoong Keong Allen (Mr Lew) is Senior Adviser to Singapore Telecommunications Limited (Singtel). Mr Lew holds non-executive directorships with 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 was not material relative to the revenue of the Group in FY2021. 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.

Mr Png Cheong Boon (Mr Png) is the Chief Executive Officer and a Member of Enterprise Singapore (ESG) and a Member of Economic Development Board (EDB) and currently serves on the board of 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.

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. In addition, the value of services was not material relative to the revenue of the Group in FY2021. Mr Png is considered independent of management of, and business relationships with, the Company.

Mr Raymond Lim Siang Keat (Mr Lim) is a Non-Executive Director of Swire Properties Limited (SPL). Mr Lim's role is non-executive in nature, and he is not involved in the business operations of the company. Mr Lim is also appointed as the Executive Chairman of APS Asset Management Pte Ltd (APS), 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 (NTU).

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Review of Directors' Independence (cont'd)

The Group provides healthcare and insurance services to SPL, APS and NTU and the Board has considered that the transactions with SPL, APS and NTU were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2021.

Mr Lim had declared to the 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 Tan Wern Yuen (Mr Tan) is the Chief Executive Officer (APAC) of PepsiCo Inc. and does not hold any other Board memberships with listed companies. The Group does not have any business dealings with PepsiCo Inc. Mr Tan is considered independent of management of, and business relationships with, the Company.

Ms Chong Chuan Neo (Ms Chong) is an Operating Director of Partners Group and a board member of BSC (Shanghai) Display & Fixture Co Ltd, a Partners Group portfolio company in China. Ms Chong is also a Non-Executive Director of Lion Global Investors Limited and sits on a number of non-profit and commercial boards in the region. She is a board member of National University of Singapore (NUS) Graduate Investment Limited and an executive council (EXCO) member of NUS Innovation and Enterprise. Ms Chong's roles in all the aforementioned appointments are non-executive in nature and she is not involved in the day-to-day conduct of business of the companies.

The Group provides healthcare services to Partners Group and the Board has considered that the transactions with Partners Group were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2021. Ms Chong is considered independent of management of, and business relationships with, the Company.

Professor Sung Jao Yiu (Professor Sung) is currently the Distinguished University Professor, Senior Vice-President (Health & Life Sciences) and Dean (Lee Kong Chian School of Medicine) of Nanyang Technological University, Singapore (NTU). He is also a Director of National Healthcare Group Pte Ltd (NHGP) and CUHK Medical Centre Limited. Professor Sung'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 at NTU.

The Group provides healthcare and insurance services to NHGP and NTU and the Board has considered that the transactions with NHGP and NTU were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2021. Professor Sung is considered independent of management of, and business relationships with, the Company.

With regard to the three Non-Executive and Independent Directors who retired from the Board in FY2021, namely Dr Wee Beng Geok who retired on 30 April 2021, and Mr Koh Poh Tiong and Mr Kee Teck Koon who both retired on 31 December 2021, the NCC has considered and is of the view that, all three Directors had no employment relationship with the Company, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the business judgement for the best interests of the Group as a whole. Prior and up to their respective dates of retirement, the three retired Directors were considered independent of management of, and business relationships with, the Company.

Corporate Governance Report

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. Directors who have served for more than nine years and wish to remain as Independent Directors are subject to a two-tiered voting process when they seek re-election at the shareholders' general meeting. 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 will be deemed Non-Independent Directors of the Company.

The Board also considered whether Mr Eric Ang Teik Lim, Mr Lew Yoong Keong Allen, Mr Png Cheong Boon, Mr Raymond Lim Siang Keat, Mr Tan Wern Yuen, Ms Chong Chuan Neo and Professor Sung Jao Yiu had demonstrated independence of character and judgement in the discharge of their respective responsibilities as Directors of the Company during FY2021, 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 give 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 Ghow 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, 39 and 40 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.

The results of the evaluation in FY2021 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 on individual directors, in its appraisal process.

Corporate Governance Report

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 four members and is made up of four Non-Executive Directors, all of whom are Independent Directors. 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 are provided.

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.

Corporate Governance Report

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (CONT'D)

Nomination & Compensation Committee (cont'd)

- (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.
- (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 NCC was reconstituted on 1 January 2022 with all four current NCC members assuming new appointments. The Chairman of the NCC is Independent Director, Mr Png Cheong Boon. The other members are Lead Independent Director, Mr Eric Ang Teik Lim, and Independent Directors, Ms Chong Chuan Neo and Professor Sung Jao Yiu. The NCC members, through their appointments and involvement in large organisations, are knowledgeable and experienced in the field of executive compensation.

Prior to 1 January 2022, the Chairman of the NCC was Mr Eric Ang Teik Lim and the remaining members were Mr Koh Poh Tiong (Lead Independent Director prior to 1 January 2022), Mr Png Cheong Boon (Independent Director), Dr Wee Beng Geok (Independent Director who retired from the Board on 30 April 2021) and Dr Sarah Lu Qinghui (Executive and Non-Independent Director).

In FY2021, the NCC considered and reviewed, amongst others, remuneration matters and recommended to the Board proposed amendments to the Raffles Medical Group incentive plans, namely the RMG (2020) Performance Share Plan and the RMG (2020) Share Option Scheme, which were approved by shareholders at the Annual 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 FY2021, the Company did not engage any remuneration consultants.

Corporate Governance Report

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 four years.

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

The NCC presently consists of four Non-Executive Directors, all of whom are Independent Directors. 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 FY2021, the Directors received directors' fees, commensurate with their contributions, after taking into account factors such as effort, time spent and the individual responsibilities of the 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.

Corporate Governance Report

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.

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 the 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, the RMG (2020) Share Option Scheme and the RMG (2020) Performance Share Plan are set out on pages 72 to 77 of the Annual Report.

The summary of Directors' remuneration for FY2021 are set out below:

REMUNERATION BAND	NUMBER OF DIRECTORS	
	2021 ⁽¹⁾	2020 ⁽²⁾
\$500,000 and above	2	1
\$250,000 and below \$500,000	1	2
Below \$250,000	11	9
	14	12

Note:

- (1) Includes pro-rated Director's remuneration payable/paid to Dr Wee Beng Geok who retired from the Board on 30 April 2021 and pro-rated Director's remuneration payable to Mr Tan Wern Yuen, Ms Chong Chuan Neo and Professor Sung Jao Yiu who were appointed to the Board on 1 July 2021, 15 October 2021 and 1 December 2021 respectively.
- (2) Includes pro-rated Director's remuneration paid to Professor Lim Pin who retired from the Board on 26 June 2020.

The Board is of the view that, considering 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, it is appropriate for the Company to disclose the remuneration of each individual Director and the CEO on a named basis with breakdown in percentages. Given the sensitivity of remuneration matters, the Company has also 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.

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

Directors' Compensation

Details of the compensation for each individual Director for FY2021 are as follows:

NAME OF DIRECTOR	BASE OR FIXED SALARY ⁽¹⁾ %	VARIABLE OR BONUS ⁽²⁾ %	DIRECTORS' FEES %	SHARE BASED ⁽³⁾ %	TOTAL COMPENSATION %
\$500,000 and above					
Dr Loo Choon Yong Executive Chairman and Non-Independent	5	95	–	–	100
Mr Tan Soo Nan Executive and Non-Independent	60	31	–	9	100
\$250,000 and below \$500,000					
Dr Sarah Lu Qinghui Executive and Non-Independent	–	98	–	2	100
Below \$250,000					
Mr Koh Poh Tiong ⁽⁴⁾ Non-Executive and Independent	–	–	56	44	100
Mr Eric Ang Teik Lim Non-Executive and Independent	–	–	61	39	100
Mr Lew Yoong Keong Allen Non-Executive and Independent	–	–	81	19	100
Mr Kee Teck Koon ⁽⁴⁾ Non-Executive and Independent	–	–	53	47	100
Mr Png Cheong Boon Non-Executive and Independent	–	–	100	–	100
Dr Wee Beng Geok ⁽⁵⁾ Non-Executive and Independent	–	–	44	56	100
Mr Raymond Lim Siang Keat Non-Executive and Independent	–	–	57	43	100
Mr Tan Wern Yuen ⁽⁶⁾ Non-Executive and Independent	–	–	85	15	100
Ms Chong Chuan Neo ⁽⁷⁾ Non-Executive and Independent	–	–	100	–	100
Professor Sung Jao Yiu ⁽⁸⁾ Non-Executive and Independent	–	–	100	–	100
Mr Olivier Lim Tse Ghow Non-Executive and Non-Independent	–	–	50	50	100

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

Directors' Compensation (cont'd)

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) Mr Koh Poh Tiong and Mr Kee Teck Koon retired from the Board on 31 December 2021.
- (5) Dr Wee Beng Geok retired from the Board on 30 April 2021.
- (6) Mr Tan Wern Yuen was appointed to the Board as a Non-Executive and Independent Director on 1 July 2021.
- (7) Ms Chong Chuan Neo was appointed to the Board as a Non-Executive and Independent Director on 15 October 2021.
- (8) Professor Sung Jao Yiu was appointed to the Board as a Non-Executive and Independent Director on 1 December 2021.
- (9) Details of the Executive Directors' remuneration in aggregate are included in the Notes to Financial Statements - Transactions with KMP.

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 following table setting out the remuneration paid to the Company's top 5 KMP:

REMUNERATION BAND	NUMBER OF EXECUTIVES	BASE OR FIXED SALARY ⁽¹⁾ %	VARIABLE OR BONUS ⁽²⁾ %	SHARE BASED ⁽³⁾ %	TOTAL COMPENSATION ⁽⁴⁾ %
\$500,000 and above	1	81	17	2	100
\$500,000 and above	1	69	23	8	100
\$250,000 and below \$500,000	1	79	18	3	100
\$250,000 and below \$500,000	1	75	19	6	100
\$250,000 and below \$500,000	1	76	21	3	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 KMP.
- (4) Details of the KMP's remuneration in aggregate are included in the Notes to Financial Statements - Transactions with KMP.

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

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 ^(b)
Dr Sarah Lu Qinghui	Dr Loo Choon Yong (Dr Loo)	Father	Executive Chairman ^(a)
	Dr Foo Tun Lin (Dr Foo)	Spouse	Consultant, Raffles Orthopaedic Centre ^(b)
Mr Raymond Lim Siang Keat	Dr Lim Wei Han (Dr Lim)	Son	Physician, Raffles Medical Clinic ^(b)

Notes:

- (a) The remuneration of Dr Loo is reviewed by NCC and disclosed in the Directors' compensation table on page 52.
- (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;

Corporate Governance Report

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

- (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 whistleblowing, 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 (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 Group may, from time to time, appoint consultants to perform a review of its existing risk management framework and risk assessment procedures. Recommendations for improvement will be presented to the Board upon completion of such engagement.

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.

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. The internal audit function (IA) takes into consideration the respective risk profiles of each business unit when preparing the annual 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.

Corporate Governance Report

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

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 65 and 66.

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 are 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 in the capability and integrity of the Company.

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

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.

Corporate Governance Report

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee which discharges its duties objectively.

The ARC is chaired by Mr Lew Yoong Keong Allen, who was appointed as a member of the ARC on 19 February 2021 and appointed as Chairman of the ARC on 1 May 2021. Prior to 1 January 2022, the ARC comprised three members and the other ARC members were Mr Koh Poh Tiong and Mr Raymond Lim Siang Keat. With effect from 1 January 2022 and following Mr Koh Poh Tiong's retirement from the Board on 31 December 2021, Mr Eric Ang Teik Lim (Lead Independent Director) and Tan Wern Yuen were appointed as members of the ARC, which currently has four members. 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 FY2021, 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 of the same;
- (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.

Corporate Governance Report

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 FY2021 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 FY2021, 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 FY2021:

SIGNIFICANT MATTERS	HOW THE ARC REVIEWED THESE MATTERS
Valuation of Investment Properties	The ARC considered the valuation methodologies adopted by the external valuers. 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 FY2021 have been addressed by the ARC and covered in the above commentary.

Corporate Governance Report

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 FY2021 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 160. 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 that the Board propose the re-appointment of KPMG, as the independent auditors of the Group, for shareholders' approval at the forthcoming annual general meeting (AGM) of the Company. The ARC also made recommendations to the Board on the terms of engagement and remuneration of KPMG.

During FY2021 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 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.

Whistleblowing Policy

The Group has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. 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 whistleblowing policy is administered by the internal audit function within the Company and approved by the ARC, which is responsible for oversight and monitoring of whistleblowing. The policy may only be revised with the approval of the ARC and the Board of Directors. The ARC also maintains a record of complaints raised through whistleblowing channels and reports such complaints to the Board of Directors as and when appropriate. If investigation of a complaint is necessary, the ARC will direct an independent investigation to be conducted on the complaint received. A report on the complaint, investigation findings and any follow-up action taken will be submitted to the Board of Directors upon completion of the investigations.

The Company is committed and has put in place policies to ensure protection of the whistleblower against detrimental or unfair treatment, and to maintain confidentiality of the whistleblower's identity. Harassment or victimisation of the whistleblower will not be tolerated.

Corporate Governance Report

PRINCIPLE 10 : AUDIT COMMITTEE (CONT'D)

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.

To ensure that internal audits are performed by competent professionals, the Group recruits and employs suitably qualified professional staff with the requisite skillsets 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 provides the necessary co-operation to enable the internal auditors to perform its function. Based on the review conducted for FY2021, 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 FY2021, 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 Singapore Companies Act 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.

Corporate Governance Report

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

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 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 6 April 2021, 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) beyond 30 June 2021, until the legislation is revoked or further amended. As with its 31st and 32nd AGM, the Company will again, in observance of safe-distancing measures, be conducting its 33rd AGM, scheduled for 25 April 2022, via Virtual Meeting.

To adapt to the practical constraints of holding Virtual Meetings, shareholders are only able to vote by appointing the Chairman of the Virtual AGM 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, are encouraged to submit their voting instruction to their respective Relevant Intermediary as soon as possible.

For the Company's 31st and 32nd AGM, held entirely via Virtual Meeting, shareholders and investors were informed in advance that they would not be able to ask questions "live" during the Virtual Meeting. Instead, questions were submitted via a pre-registration website, or by email to a specified email address. The Company consolidated its responses to shareholders' questions and shared the responses via a release on SGXNet ahead of each Virtual AGM. Going forward, the Company will continue to adopt this format to address shareholders' questions at all Virtual Meetings and comply with timelines stipulated by legislation or SGX for the publication of its responses to questions from shareholders.

The notice of the AGM (Notice of 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, if applicable, are also set out in the Notice of AGM.

Each item of special business included in the Notice of 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. When circumstances permit physical meetings to be held, the Company uses electronic poll voting devices to register the votes of shareholders who attend the general meetings.

Corporate Governance Report

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

Provision has been made under Regulation 77A of the Constitution to allow 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 are 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 (where applicable), 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 scrutineer 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. For Virtual AGMs without "live" voting, the scrutineer compiles the votes received prior to the meeting and the results are announced at the meeting. 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 Company has consolidated 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 applied in the decision not to offer a scrip dividend option since last year.

For FY2021, the Board of Directors has proposed a final dividend of 2.8 Singapore cents, comprising of a core dividend of 1.8 cents and a special dividend of 1.0 cents each 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.

Corporate Governance Report

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS (CONT'D)

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 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 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, 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.

Despite a continuation of safe-distancing measures and travel restrictions due to COVID-19, virtual meetings enabled the IR team to maintain communications with the investment community. For FY2021, the IR team and Senior Management engaged a total of 141 local and foreign institutional entities over 33 meetings. Investor relations activities undertaken in FY2021 included:

Calendar of Events

MONTH	EVENT	ORGANISER
January	12 th Credit Suisse ASEAN Conference	Credit Suisse
February	FY2020 Post Results Briefing	CLSA
March	Singapore Momentum	SGX & DBS
June	Asia Healthcare Corporate Day HSBC 5 th Annual Asia Credit Conference	Credit Suisse HSBC
July	1H2021 Post Results Briefing	CLSA
September	28 th Annual CITIC CLSA Flagship Investor's Forum	CLSA
October	12 th Asian Gems Virtual Conference	UOB Kay Hian

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 2022. 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.

Additional Information Required by the Singapore Exchange Securities Trading Limited (SGX-ST)

MATERIAL CONTRACTS

During FY2021, 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 Executive Chairman, 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 (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 Persons of the Company and its subsidiaries, and to those with access to price-sensitive and confidential information, before the commencement of each Closed Period during which dealings in the Company's securities are prohibited. All Directors of the Company and its subsidiaries are required to report all dealings in the Company's securities 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 ARC 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 FY2021, 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 – For the provision of IT services to the Group and administrative fees for the usage of RafflesConnect App</i>	\$709,610	Nil

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.

Risk Management

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.

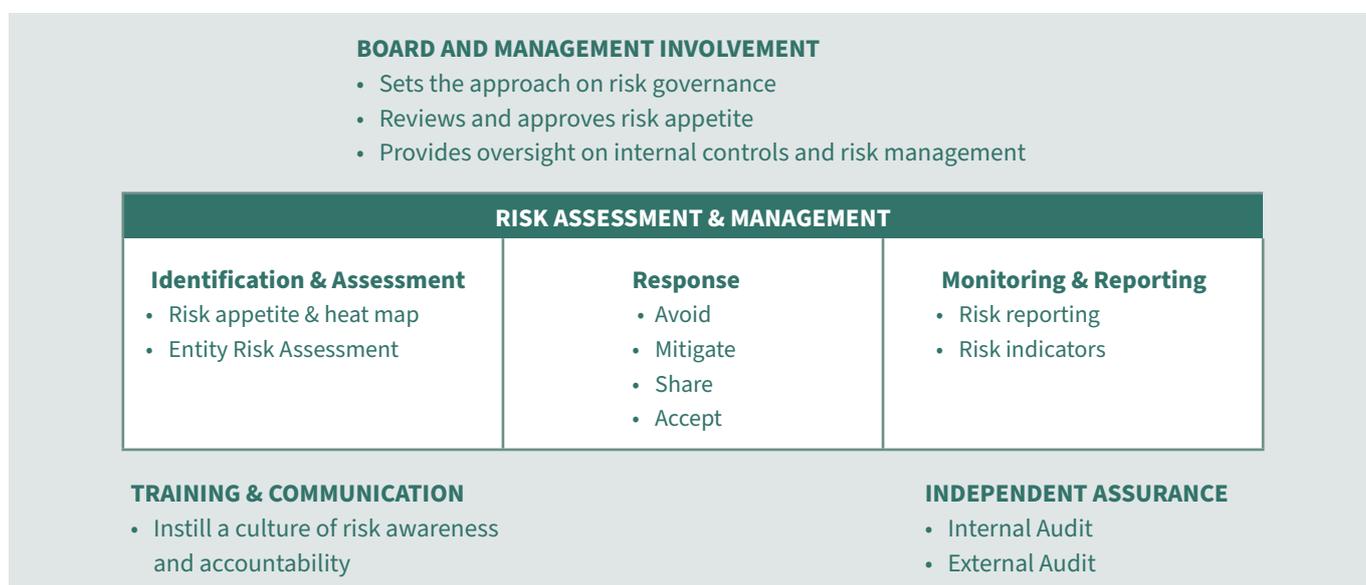
With guidance from the ARC, the Board oversees Management on maintaining a sound system of internal controls and risk management, thereby improving decision-making at both the operational and strategic levels for the Group. The Group's Clinical Leaders and the ARC govern clinical and corporate risks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

The Group may, from time to time, appoint consultants to perform a review of its existing risk management framework and risk assessment procedures. Recommendations for improvement will be presented to the Board upon completion of such engagement.

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.

Risk Management

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.

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 the Corporate Governance Report, under Principle 9 : Risk Management and Internal Controls on pages 54 to 56.

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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 2021.

In our opinion:

- (a) the financial statements set out on pages 84 to 175 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 December 2021 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 Companies Act 1967 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 Eric Ang Teik Lim
Mr Lew Yoong Keong Allen
Mr Png Cheong Boon
Mr Raymond Lim Siang Keat
Mr Tan Wern Yuen (Appointed on 1 July 2021)
Ms Chong Chuan Neo (Appointed on 15 October 2021)
Professor Sung Jao Yiu (Appointed on 1 December 2021)
Mr Tan Soo Nan
Mr Olivier Lim Tse Ghow
Dr Sarah Lu Qinghui
Mr Kee Teck Koon (Retired on 31 December 2021)
Mr Koh Poh Tiong (Retired on 31 December 2021)
Dr Wee Beng Geok (Retired on 30 April 2021)

Directors' Statement

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (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:

The Company	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Ordinary Shares				
Dr Loo Choon Yong	194,745,434	196,245,434	780,649,870	780,649,870
Mr Eric Ang Teik Lim	–	15,000	–	–
Mr Lew Yoong Keong Allen	–	200,000	–	–
Mr Raymond Lim Siang Keat	150,000	160,000	–	–
Mr Tan Soo Nan	4,536,000	4,536,000	–	–
Mr Olivier Lim Tse Ghow	246,316	451,016	–	–
Dr Sarah Lu Qinghui	51,316	51,316	61,255,366	61,255,366
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 Eric Ang Teik Lim	250,000	250,000	\$0.81	05/10/2020
	–	200,000	\$1.40	01/09/2021
Mr Lew Yoong Keong Allen	–	200,000	\$1.40	01/09/2021
Mr Raymond Lim Siang Keat	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	250,000	\$0.81	05/10/2020
	–	200,000	\$1.40	01/09/2021
Mr Tan Wern Yuen	–	50,000	\$1.40	01/09/2021
Mr Tan Soo Nan	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	350,000	\$0.81	05/10/2020
	–	240,000	\$1.40	01/09/2021

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
Mr Olivier Lim Tse Ghow	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	250,000	\$0.81	05/10/2020
	–	200,000	\$1.40	01/09/2021
Dr Sarah Lu Qinghui	100,000	100,000	\$1.08	01/07/2019
	–	215,000	\$1.40	01/09/2021

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

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, 2020 and 2021 are exercisable:

- (a) 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-employee from the Date of Grant; and
- (b) 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 10 years for employees from the Date of Grant.

Directors' Statement

DIRECTORS' INTERESTS (CONT'D)

The Company	At beginning of the year	At end of the year	Date of grant
	Share Awards		
Mr Eric Ang Teik Lim	15,000	–	05/10/2020
Mr Raymond Lim Siang Keat	10,000	–	05/10/2020
Mr Tan Soo Nan	10,000	10,000	05/10/2020
Mr Olivier Lim Tse Ghow	10,000	–	05/10/2020
Dr Sarah Lu Qinghui	5,000	5,000	05/10/2020
	–	3,500	01/09/2021

Dr Sarah Lu Qinghui 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
	Ordinary Shares			
Raffles Medical Holdings Pte Ltd				
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 date of appointment, if later or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2022.

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.

Directors' Statement

SHARE BASED COMPENSATION PLANS

Employees' Share Option Scheme

Raffles Medical Group (2010) Share Option Scheme

- On 30 April 2010, the Shareholders of the Company approved the Raffles Medical Group (2010) Share Option Scheme (RMG ESOS 2010) at the Annual General Meeting. Details of the RMG ESOS 2010 were set out in the Circular to Shareholders dated 8 April 2010.
- The RMG ESOS 2010 was administered by the Nomination & Compensation Committee (NCC), which at the date of this statement, comprises the following directors:

Mr Png Cheong Boon (Chairman), Non-Executive Director

Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director

Ms Chong Chuan Neo, Non-Executive Director (Appointed to NCC on 1 January 2022)

Professor Sung Jao Yiu, Non-Executive Director (Appointed to NCC on 1 January 2022)

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

- No additional options were granted pursuant to the RMG ESOS 2010 for the financial year ended 31 December 2021.
- Since the commencement of the RMG ESOS 2010, 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 ESOS 2010. 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.
- As at 31 December 2021, outstanding options to take up unissued ordinary shares in the Company under the RMG ESOS 2010 were as follows:

Date of grant of options	Exercise price per share*	Options outstanding at 1 January 2021*	Options granted*	Options exercised*	Options forfeited/expired*	Options outstanding at 31 December 2021*	Number of option holders at 31 December 2021
01/04/2011	\$0.73	2,211,000	–	2,064,000	147,000	–	–
02/04/2012	\$0.78	4,948,000	–	1,670,000	81,000	3,197,000	78
01/04/2013	\$1.09	6,941,000	–	699,000	198,000	6,044,000	143
01/04/2014	\$1.07	8,106,000	–	770,000	405,000	6,931,000	180
01/04/2015	\$1.31	12,611,000	–	210,000	–	12,401,000	251
01/04/2016	\$1.50	10,347,000	–	15,000	912,000	9,420,000	210
03/04/2017	\$1.42	4,898,000	–	11,000	20,000	4,867,000	247
03/09/2018	\$1.09	7,738,000	–	353,000	–	7,385,000	285
01/07/2019	\$1.04	9,523,000	–	385,000	–	9,138,000	328
01/07/2019	\$1.08	100,000	–	–	–	100,000	1
		67,423,000	–	6,177,000	1,763,000	59,483,000	

* After adjustment for Share Split.

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

(6) 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 2021	Aggregate number of Shares comprised in Options granted since commencement of RMG ESOS 2010 to 31 December 2021	Aggregate number of Shares comprised in Options exercised since commencement of RMG ESOS 2010 to 31 December 2021	Aggregate number of Shares comprised in Options lapsed since commencement of RMG ESOS 2010 to 31 December 2021	Aggregate number of Shares comprised in Options outstanding as at 31 December 2021
Mr Raymond Lim Siang Keat	–	670,000	150,000	270,000	250,000
Mr Tan Soo Nan	–	1,715,000	450,000	840,000	425,000
Mr Olivier Lim Tse Ghow	–	375,000	–	150,000	225,000
Dr Sarah Lu Qinghui	–	100,000	–	–	100,000
	–	2,860,000	600,000	1,260,000	1,000,000

(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 expiring on the tenth anniversary of such Date of Grant for an employee and expiring 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 expiring on the tenth anniversary of such Date of Grant for an employee and expiring on the fifth anniversary of such Date of Grant for a non-employee.

(b) The number of shares, to the extent not yet vested, which may be acquired by a participant and the exercise price may be subject to adjustment, by reason of any issue of additional shares in RMG by way of rights, capitalisation of profits or reserves, reduction of capital, subdivision, consolidation or distribution of Shares or otherwise, as the NCC may deem appropriate, provided always that, no adjustments shall be made in such a way that any Participant receives a benefit that a Shareholder does not receive.

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

Raffles Medical Group (2020) Share Option Scheme

- (1) At the Company's Annual General Meeting held on 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Share Option Scheme (RMG ESOS 2020), which superseded the Raffles Medical Group (2010) Share Option Scheme (RMG ESOS 2010). The RMG ESOS 2020 was amended at the subsequent Annual General Meeting held on 26 April 2021. Details of the RMG ESOS 2020 as amended were set out in the Circular dated 1 April 2021.
- (2) Following the termination of the RMG ESOS 2010 in 2020, the subscription rights comprised in options granted pursuant to the RMG ESOS 2010 prior to the termination will not be affected. Such options will continue to be exercisable in accordance with the RMG ESOS 2010. However, no further options will be granted under the RMG ESOS 2010.
- (3) The RMG ESOS 2020 was administered by the NCC, which at the date of this statement, comprises the following directors:

Mr Png Cheong Boon (Chairman), Non-Executive Director
 Mr Eric Ang Teik Lim, Non-Executive Director
 Ms Chong Chuan Neo, Non-Executive Director (Appointed to NCC on 1 January 2022)
 Professor Sung Jao Yiu, Non-Executive Director (Appointed to NCC on 1 January 2022)

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

- (4) Since the commencement of the RMG ESOS 2020, no participant has received 5% or more of the total number of options available under the RMG ESOS 2020. 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 1 September 2021, additional options were granted pursuant to the RMG ESOS 2020 to subscribe for ordinary shares at the following exercise prices:

	Exercise price	Company Number of shares
Non-Executive Directors of the Company	\$1.40	1,370,000
Executive Directors of the Company, subsidiaries and other participants	\$1.40	5,530,000
		<u>6,900,000</u>

- (6) As at 31 December 2021, outstanding options to take up unissued ordinary shares in the Company under the RMG ESOS 2020 were as follows:

Date of grant of options	Exercise price per share	Options outstanding				Options outstanding at 31 December 2021	Number of option holders at 31 December 2021
		at 1 January 2021	Options granted	Options exercised	Options forfeited/expired		
05/10/2020	\$0.81	8,982,000	–	125,000	50,000	8,807,000	125
01/09/2021	\$1.40	–	6,900,000	–	45,000	6,855,000	145
		<u>8,982,000</u>	<u>6,900,000</u>	<u>125,000</u>	<u>95,000</u>	<u>15,662,000</u>	

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

(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 2021	Aggregate number of Shares comprised in Options granted since commencement of the RMG ESOS 2020 to 31 December 2021	Aggregate number of Shares comprised in Options exercised since commencement of the RMG ESOS 2020 to 31 December 2021	Aggregate number of Shares comprised in Options lapsed since commencement of the RMG ESOS 2020 to 31 December 2021	Aggregate number of Shares comprised in Options outstanding as at 31 December 2021
Mr Eric Ang Teik Lim	200,000	450,000	–	–	450,000
Mr Lew Yoong Keong Allen	200,000	200,000	–	–	200,000
Mr Raymond Lim Siang Keat	200,000	450,000	–	–	450,000
Mr Tan Wern Yuen	50,000	50,000	–	–	50,000
Mr Tan Soo Nan	240,000	590,000	–	–	590,000
Mr Olivier Lim Tse Ghow	200,000	450,000	–	–	450,000
Dr Sarah Lu Qinghui	200,000	200,000	–	–	200,000
	1,290,000	2,390,000	–	–	2,390,000

(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 expiring on the tenth anniversary of such Date of Grant for an employee and expiring on 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 expiring on the tenth anniversary of such Date of Grant for an employee and expiring on the fifth anniversary of such Date of Grant for a non-employee.

(b) The number of shares, to the extent not yet vested, which may be acquired by a participant and the exercise price may be subject to adjustment, by reason of any issue of additional shares in RMG by way of rights, capitalisation of profits or reserves, reduction of capital, subdivision, consolidation or distribution of Shares or otherwise, as the NCC may deem appropriate, provided always that, no adjustments shall be made in such a way that any Participant receives a benefit that a Shareholder does not receive.

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

Raffles Medical Group (2020) Performance Share Plan

(1) At the Company's Annual General Meeting held on 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Performance Share Plan (RMG PSP 2020). The RMG PSP 2020 was amended at the subsequent Annual General Meeting held on 26 April 2021. Details of the RMG PSP 2020 as amended were set out in the Circular dated 1 April 2021.

(2) The RMG PSP 2020 was administered by the NCC, which at the date of this statement, comprises the following directors:

Mr Png Cheong Boon (Chairman), Non-Executive Director
 Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
 Ms Chong Chuan Neo, Non-Executive Director (Appointed to NCC on 1 January 2022)
 Professor Sung Jao Yiu, Non-Executive Director (Appointed to NCC on 1 January 2022)

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

(3) As at 31 December 2021, outstanding share awards to take up unissued ordinary shares in the Company under the RMG PSP 2020 were as follows:

Date of grant of awards	Share Awards outstanding at 1 January 2021	Share Awards granted	Share Awards released	Share Awards forfeited/expired	Share Awards outstanding at 31 December 2021	Number of Share Awards holders at 31 December 2021
05/10/2020	1,689,000	–	98,000	3,000	1,588,000	422
01/09/2021	–	1,000,000	–	24,000	976,000	367
	1,689,000	1,000,000	98,000	27,000	2,564,000	

(4) 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 2021	Aggregate number of Shares comprised in Awards granted since commencement of the RMG PSP 2020 to 31 December 2021	Aggregate number of Shares comprised in Awards which have vested since commencement of the RMG PSP 2020 to 31 December 2021	Aggregate number of Shares comprised in Awards which have not been released as at 31 December 2021
Mr Eric Ang Teik Lim	15,000	15,000	15,000	–
Mr Raymond Lim Siang Keat	10,000	10,000	10,000	–
Mr Tan Soo Nan	–	10,000	–	10,000
Mr Olivier Lim Tse Ghow	10,000	10,000	10,000	–
	35,000	45,000	35,000	10,000

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

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

Except as disclosed in this statement, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

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

Audit & Risk Committee

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

- Mr Lew Yoong Keong Allen (Chairman), Non-Executive Director
- Mr Eric Ang Teik Lim, Non-Executive Director (Appointed to ARC on 1 January 2022)
- Mr Raymond Lim Siang Keat, Non-Executive Director
- Mr Tan Wern Yuen, Non-Executive Director (Appointed to ARC on 1 January 2022)

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

Directors' Statement

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.

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 Lew Young Keong Allen
Director

19 February 2022

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 2021, 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 84 to 175.

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 Companies Act 1967 (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 2021 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 \$18,322,000 (2020: \$21,233,000) as at 31 December 2021. 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 \$274,000,000 (2020: \$294,600,000) as at 31 December 2021.

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.

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.

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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.

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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.

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

19 February 2022

Statements of Financial Position

As at 31 December 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current assets					
Property, plant and equipment	4	797,362	739,905	3,788	4,807
Intangible assets and goodwill	5	31,830	34,144	875	1,003
Investment properties	6	274,000	294,600	-	-
Subsidiaries	26	-	-	724,603	610,755
Deferred tax assets	7	1,138	1,070	322	-
Trade and other receivables	8	1,857	3,285	5,024	5,250
		1,106,187	1,073,004	734,612	621,815
Current assets					
Inventories		13,374	14,587	3,024	2,748
Trade and other receivables	8	160,737	113,429	175,985	178,595
Cash and cash equivalents	9	264,988	203,114	137,708	99,915
		439,099	331,130	316,717	281,258
Total assets		1,545,286	1,404,134	1,051,329	903,073
Equity attributable to owners of the Company					
Share capital	10	426,346	420,966	426,346	420,966
Reserves	10	534,448	478,030	428,470	327,145
		960,794	898,996	854,816	748,111
Non-controlling interests	26	15,826	15,401	-	-
Total equity		976,620	914,397	854,816	748,111
Non-current liabilities					
Loans and borrowings	12	77,914	143,859	37,914	47,849
Trade and other payables	13	50,316	35,910	8,582	2,983
Lease liabilities	14	13,678	22,298	117	599
Deferred tax liabilities	7	10,147	7,746	-	259
		152,055	209,813	46,613	51,690
Current liabilities					
Loans and borrowings	12	96,297	27,201	18,546	8,584
Current tax liabilities		29,095	22,623	14,669	3,230
Trade and other payables	13	253,568	191,382	116,378	90,829
Lease liabilities	14	10,243	11,535	307	629
Other financial liabilities	15	2,761	2,705	-	-
Insurance contract provisions	16	24,647	24,478	-	-
		416,611	279,924	149,900	103,272
Total liabilities		568,666	489,737	196,513	154,962
Total equity and liabilities		1,545,286	1,404,134	1,051,329	903,073

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

Consolidated Statement of Profit or Loss

Year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Revenue	18	723,791	568,203
Other operating income	19	13,849	31,585
Inventories and consumables used		(82,013)	(72,289)
Purchased and contracted services		(61,257)	(63,486)
Staff costs		(386,973)	(291,698)
Depreciation of property, plant and equipment	4	(36,725)	(33,487)
Amortisation of intangible assets	5	(2,601)	(2,008)
Operating lease expenses		(1,744)	(2,023)
Impairment loss on trade receivables		(1,495)	(1,916)
Other operating expenses		(43,526)	(44,439)
Profit from operating activities		121,306	88,442
Finance income		634	1,150
Finance costs		(6,356)	(5,153)
Profit before tax		115,584	84,439
Tax expense	21	(31,868)	(19,769)
Profit for the year	20	83,716	64,670
Profit attributable to:			
Owners of the Company		84,171	65,891
Non-controlling interests		(455)	(1,221)
Profit for the year		83,716	64,670
Earnings per share			
Basic earnings per share (cents)	22	4.51	3.58
Diluted earnings per share (cents)	22	4.49	3.58

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	2021	2020
	\$'000	\$'000
Profit for the year	83,716	64,670
Other comprehensive income		
Item that is or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	11,078	9,615
Total comprehensive income for the year	94,794	74,285
Total comprehensive income attributable to:		
Owners of the Company	94,369	74,845
Non-controlling interests	425	(560)
Total comprehensive income for the year	94,794	74,285

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Share capital \$'000	Translation reserve \$'000	Equity compensation reserve \$'000	Revaluation reserve \$'000	Other reserve \$'000	Reserve for own shares \$'000	Accumulated profits \$'000	Company interests \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2020	393,470	(10,063)	29,054	16,367	(4,705)	(400)	417,170	840,893	15,961	856,854
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	65,891	65,891	(1,221)	64,670
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	8,954	-	-	-	-	-	8,954	661	9,615
Total other comprehensive income for the year										
	-	8,954	-	-	-	-	-	8,954	661	9,615
Total comprehensive income for the year										
	-	8,954	-	-	-	-	65,891	74,845	(560)	74,285
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
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 2.0 cents per ordinary share - Cash	-	-	-	-	-	-	(9,866)	(9,866)	-	(9,866)
Final dividend paid of 2.0 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)
Total contributions by and distributions to owners	27,496	-	1,617	-	-	-	(45,904)	(16,791)	-	(16,791)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	49	-	-	49	-	49
Total changes in ownership interests in subsidiaries										
	-	-	-	-	49	-	-	49	-	49
Total transactions with owners	27,496	-	1,617	-	49	-	(45,904)	(16,742)	-	(16,742)
At 31 December 2020	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 Changes in Equity (cont'd)

Year ended 31 December 2021

	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
At 1 January 2021	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	84,171	84,171	(455)	83,716
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	10,198	-	-	-	-	-	10,198	880	11,078
Total other comprehensive income for the year										
Total comprehensive income for the year										
	-	10,198	-	-	-	-	-	10,198	880	11,078
	-	10,198	-	-	-	-	84,171	94,369	425	94,794
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	5,301	-	-	-	-	-	-	5,301	-	5,301
Issue of shares to employees under Raffles Medical Group Performance Share Plan	79	-	(79)	-	-	-	-	-	-	-
Own shares acquired	-	-	-	-	-	(3,230)	-	(3,230)	-	(3,230)
Own shares reissued pursuant to Raffles Medical Group Employees' Share Option Schemes	-	-	-	-	(106)	400	-	294	-	294
Value of employee services received for issue of share options and share awards	-	-	2,469	-	-	-	-	2,469	-	2,469
Final dividend paid of 2.00 cents per ordinary share - Cash	-	-	-	-	-	-	(37,349)	(37,349)	-	(37,349)
Total contributions by and distributions to owners										
	5,380	-	2,390	-	(106)	(2,830)	(37,349)	(32,515)	-	(32,515)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	-	(56)	-	-	(56)	-	(56)
Total changes in ownership interests in subsidiaries										
	-	-	-	-	(56)	-	-	(56)	-	(56)
Total transactions with owners										
	5,380	-	2,390	-	(162)	(2,830)	(37,349)	(32,571)	-	(32,571)
At 31 December 2021										
	426,346	9,089	33,061	16,367	(4,818)	(3,230)	483,979	960,794	15,826	976,620

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

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Profit for the year		83,716	64,670
Adjustments for:			
Amortisation of intangible assets		2,601	2,008
Impairment of intangible assets and goodwill		3,780	3,576
Changes in fair value of investment properties		(414)	4,502
Depreciation of property, plant and equipment		36,725	33,487
Equity-settled share-based payment transactions		2,469	1,617
Finance expenses		6,356	5,153
Finance income		(634)	(1,150)
Gain on disposal of financial assets		–	(2)
Gain on lease modification and derecognition		(120)	(36)
Loss on disposal of property, plant and equipment, net		59	9
Property, plant and equipment written off		1,278	1,547
Tax expense		31,868	19,769
		167,684	135,150
<i>Changes in:</i>			
- Inventories		1,213	(4,342)
- Trade and other receivables		(48,325)	(30,298)
- Trade and other payables		61,113	37,836
- Insurance contract provisions		169	4,505
Cash generated from operations		181,854	142,851
Tax paid		(21,742)	(9,705)
Net cash from operating activities		160,112	133,146
Cash flows from investing activities			
Interest received		625	1,273
Proceeds from disposal of property, plant and equipment		45	6
Purchase of property, plant and equipment		(49,940)	(58,877)
Acquisition of intangible assets		(2,864)	(1,187)
Disposal of financial assets		–	42
Purchase of financial assets		–	(35)
Capitalised expenditure on investment properties		(65)	(3,411)
Net cash used in investing activities		(52,199)	(62,189)
Cash flows from financing activities			
Dividends paid to owners of the Company		(37,349)	(19,186)
Acquisition of own shares		(3,230)	–
Loan from subsidiary's non-controlling interest		7,467	12,546
Proceeds from issue of shares under share option scheme		5,595	778
Proceeds from bank loans		39,547	57,959
Repayment of bank loans		(40,056)	(55,392)
Payment of lease liabilities		(11,542)	(11,558)
Interest paid		(6,729)	(5,311)
Lease interest paid		(576)	(714)
Net cash used in financing activities		(46,873)	(20,878)
Net increase in cash and cash equivalents		61,040	50,079
Cash and cash equivalents at 1 January		202,057	150,749
Effect of exchange rate fluctuations on cash held		811	1,229
Cash and cash equivalents at 31 December	9	263,908	202,057

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

Notes To The Financial Statements

Year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 19 February 2022.

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 2021 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 2021

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) 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 prospectively.

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.

Notes To The Financial Statements

Year ended 31 December 2021

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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:

- 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 amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions* (Amendments to SFRS(I) 16)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

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

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 applicable at the reporting 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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

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).

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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 either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - 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.

Transferred assets are not derecognised when 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.

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital (cont'd)

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which include directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit is presented in other reserve.

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

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.

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.

(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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets and goodwill (cont'd)

(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.

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 includes 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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 to separate non-lease components.

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 right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 3.6.

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

(i) As a lessee (cont'd)

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.

(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'.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

General approach (cont'd)

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

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

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

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

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

3.10 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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Employee benefits (cont'd)

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.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits (bonus plan) other than defined contribution and defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current period. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds, that have a credit rating of at least AA from rating agency Standard & Poor's, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

3.11 Provisions

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

3.12 Revenue

Rendering of services

Revenue from 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 POs.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue (cont'd)

Rendering of services (cont'd)

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 costs

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, and reflects uncertainty related to income taxes, if any.

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 2021 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 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

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* and amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 2021

4 PROPERTY, PLANT AND EQUIPMENT

Group Cost	Freehold land		Leasehold land		Properties \$'000	Right-of- use assets (Properties) \$'000	Medical equipment		Furniture and fittings		Office equipment		Motor vehicles		Computers		Renovations equipment		Facilities work in progress		Total \$'000
	\$'000	\$'000	\$'000	\$'000			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2020	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 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land		Leasehold land		Properties	Right-of-use assets (Properties)	Furniture and fittings			Office equipment	Motor vehicles	Computers	Renovations	Facilities equipment	Fixed asset work in progress	Total
	\$'000	\$'000	\$'000	\$'000			Medical equipment	\$'000	\$'000							
At 1 January 2021	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			
Reclassification from investment properties (note 6)	-	11,460	9,554	-	-	-	-	-	-	-	-	-	21,014			
Additions	-	-	992	3,994	13,025	467	164	46	1,300	881	525	39,333	60,727			
Derecognition of right-of-use assets	-	-	-	(4,606)	-	-	-	-	-	-	-	-	(4,606)			
Disposals	-	-	-	-	(191)	(2)	-	-	(945)	(3,147)	-	-	(4,285)			
Lease modifications	-	-	-	(13)	-	-	-	-	-	-	-	-	(13)			
Write-off	-	-	-	(1,610)	(3,372)	(1,196)	(759)	(114)	(1,346)	(1,495)	(160)	-	(10,052)			
Transfer/ Reclassification	-	37,649	154,820	(35)	8,072	881	53	-	1,912	613	89	(204,054)	-			
Effect of movements in exchange rates	-	4,647	10,164	876	937	28	(13)	4	202	493	-	20	17,358			
At 31 December 2021	18,500	278,554	484,275	48,417	83,130	6,732	1,700	686	17,032	16,752	4,008	141	959,927			

Notes To The Financial Statements

Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land	Leasehold land	Properties	Right-of-use assets	Medical equipment	Furniture and fittings	Office equipment	Motor vehicles	Computers	Renovations	Facilities equipment	Fixed asset work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	-	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

Notes To The Financial Statements

Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land		Leasehold land		Properties		Right-of-use assets (Properties)		Medical equipment		Furniture and fittings		Office equipment		Motor vehicles		Computers		Renovations		Facilities equipment		Fixed asset work in progress		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Accumulated depreciation																										
At 1 January 2021	-	24,617	32,669	16,704	34,967	3,855	1,733	431	13,394	9,594	1,915	-	139,879													
Depreciation charge for the year	-	3,694	7,619	12,005	7,972	596	262	76	2,184	2,012	305	-	36,725													
Derecognition of right-of-use assets	-	-	-	(2,200)	-	-	-	-	-	-	-	-	(2,200)													
Disposals	-	-	-	-	(123)	-	-	-	(944)	(3,114)	-	-	(4,181)													
Write-off	-	-	-	(1,611)	(2,796)	(1,113)	(642)	(114)	(1,345)	(1,010)	(143)	-	(8,774)													
Effect of movements in exchange rates	-	19	250	324	255	12	(12)	3	134	131	-	-	1,116													
At 31 December 2021	-	28,330	40,538	25,222	40,275	3,350	1,341	396	13,423	7,613	2,077	-	162,565													
Carrying amounts																										
At 1 January 2020	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													
At 31 December 2021	18,500	250,224	443,737	23,195	42,855	3,382	359	290	3,609	9,139	1,931	141	797,362													

Reclassification from investment properties

In 2021, investment properties with carrying value of \$21,014,000 (see note 6) 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 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Right-of-use assets (Properties)	Medical equipment	Furniture and fittings	Office equipment	Motor vehicles	Computers	Renovations	Fixed asset work in progress	Total
Cost									
At 1 January 2020	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
At 1 January 2021	2,435	4,126	2,060	1,576	700	5,552	1,940	13	18,402
Additions	-	282	33	62	-	689	127	664	1,857
Derecognition of right-of-use assets	(393)	-	-	-	-	-	-	-	(393)
Disposal	-	-	-	(7)	-	(4)	-	-	(11)
Write-off	-	(642)	(1,020)	(666)	(114)	(931)	(729)	-	(4,102)
Transfer/Reclassification	-	19	11	47	-	143	405	(625)	-
At 31 December 2021	2,042	3,785	1,084	1,012	586	5,449	1,743	52	15,753

Notes To The Financial Statements

Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets (Properties)	Medical equipment	Furniture and fittings	Office equipment	Motor vehicles	Computers	Renovations	Fixed asset work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation									
At 1 January 2020	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
At 1 January 2021	1,233	2,972	1,615	1,206	417	4,725	1,427	-	13,595
Depreciation charge for the year	567	404	118	196	59	423	258	-	2,025
Derecognition of right-of-use assets	(168)	-	-	-	-	-	-	-	(168)
Disposal	-	-	-	(1)	-	(1)	-	-	(2)
Write-off	-	(627)	(986)	(552)	(114)	(930)	(276)	-	(3,485)
At 31 December 2021	1,632	2,749	747	849	362	4,217	1,409	-	11,965
Carrying amounts									
At 1 January 2020	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
At 31 December 2021	410	1,036	337	163	224	1,232	334	52	3,788

Notes To The Financial Statements

Year ended 31 December 2021

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	
			2021 \$'000	2020 \$'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	634	659
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	182	189
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	880	916
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	1,142	1,185
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	716	742
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	576	596
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	4,789	4,873
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	174,858	179,079
A building, located at 585 North Bridge Road, Singapore 188770, held for use as a medical centre	20,385.3 [^]	99 years commencing from 01/03/1979	146,040	127,555
A building, located at 25 Tannery Lane, Singapore 347786, held for use as support office and storage centre	3,295.5	Freehold	19,726	19,890
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	16,799	17,109
A hospital building, located at No. 2, Huashan Middle Road, Yubei District, Chongqing, China	105,690.6	40 years commencing from 30/11/2017	146,197**	141,964**
A hospital building, located at No. 200 Yuanzhao Road, Pudong District, Shanghai, China	72,233.3	50 years commencing from 31/10/2015	199,922***	–
			712,461	494,757

* Includes commercial space of 826.2 sq m (2020: 826.2 sq m) classified as investment properties.

[^] Includes commercial space of 5,322.0 sq m (2020: 6,310.1 sq m) classified as investment properties.

[#] Includes commercial space of 4,981.1 sq m (2020: 4,981.1 sq m) classified as investment properties.

** Includes cost of \$34,042,000 (2020: \$32,482,000) which the underlying assets had not been put into use.

*** Includes cost of \$125,144,000 which the underlying assets had not been put into use.

Notes To The Financial Statements

Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Major fixed asset work in progress

In 2021, staff costs of \$354,000 (2020: \$650,000) and borrowing costs of \$1,011,000 (2020: \$1,306,000) were capitalised. During the year, the construction of hospital building has been completed and was transferred from fixed asset work in progress to the respective components of property, plant and equipment.

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	12,456/72,233.3	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 valuer 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.

Notes To The Financial Statements

Year ended 31 December 2021

5 INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Customer relationship	Membership rights	Software under development	Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Cost						
At 1 January 2020	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
Additions	-	-	-	-	2,973	2,973
Transfer	-	-	-	(1,057)	1,057	-
Effects of movement in exchange rate	1,118	214	-	-	133	1,465
At 31 December 2021	26,439	4,672	164	164	16,857	48,296
Accumulated amortisation and impairment losses						
At 1 January 2020	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
Amortisation	-	376	-	-	2,225	2,601
Impairment loss	3,780	-	-	-	-	3,780
Effects of movement in exchange rate	249	93	-	-	29	371
At 31 December 2021	8,117	2,262	76	-	6,011	16,466
Carrying amounts						
At 1 January 2020	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
At 31 December 2021	18,322	2,410	88	164	10,846	31,830

Notes To The Financial Statements

Year ended 31 December 2021

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

	Membership rights \$'000	Software \$'000	Total \$'000
Company			
Cost			
At 1 January 2020	93	1,270	1,363
Additions	–	213	213
At 31 December 2020	93	1,483	1,576
Additions	–	125	125
At 31 December 2021	93	1,608	1,701
Accumulated amortisation and impairment losses			
At 1 January 2020	–	356	356
Amortisation	–	192	192
Impairment loss	25	–	25
At 31 December 2020	25	548	573
Amortisation	–	253	253
At 31 December 2021	25	801	826
Carrying amounts			
At 1 January 2020	93	914	1,007
At 31 December 2020	68	935	1,003
At 31 December 2021	68	807	875

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	
	2021 \$'000	2020 \$'000
Group		
China clinics	15,364	18,336
Cambodia clinic	2,958	2,897
	18,322	21,233

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.

Notes To The Financial Statements

Year ended 31 December 2021

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Key assumptions used in the estimation of value in use were as follows:

	2021	2020
	%	%
Group		
Discount rate	12.1 – 18.1	11.8 – 17.7
Terminal growth rate	2.0 – 3.0	3.0
Revenue growth rate for next five years	3.0 – 25.9	6.0 – 50.4

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	
	2021	2020
	%	%
China clinics	–	–
Cambodia clinic	1.69	0.94

Notes To The Financial Statements

Year ended 31 December 2021

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	
	2021	2020
	\$'000	\$'000
Goodwill	3,780	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 2021, the operations of the China clinics were affected by the continual 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 \$3,780,000 and an impairment loss of \$3,780,000 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.

Notes To The Financial Statements

Year ended 31 December 2021

6 INVESTMENT PROPERTIES

	Note	Group	
		2021 \$'000	2020 \$'000
At 1 January		294,600	311,160
Adjustments		–	(58)
Reclassification to property, plant and equipment	4	(21,014)	(12,000)
Changes in fair value		414	(4,502)
At 31 December		274,000	294,600

- (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 2021, a portion of commercial spaces were converted into premises occupied by owner. Accordingly, a portion of the investment properties amounting to \$21,014,000 (2020: \$12,000,000) was 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 (2020: 826.2)
Units within Raffles Specialist Centre, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	5,322.0 (2020: 6,310.1)
Units within Samsung Hub, located at 3 Church Street Singapore 049483	999 years commencing from 25/01/1827	491.0 (2020: 491.0)
Units within Raffles Holland V, located at 118 Holland Avenue, Singapore 278997	99 years commencing from 18/01/1985	4,981.1 (2020: 4,981.1)

Notes To The Financial Statements

Year ended 31 December 2021

6 INVESTMENT PROPERTIES (CONT'D)

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.

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, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2020: 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 \$274,000,000 (2020: \$294,600,000), after taking into consideration the reclassification of certain area for own use, has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2.4).

Notes To The Financial Statements

Year ended 31 December 2021

6 INVESTMENT PROPERTIES (CONT'D)

(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	
		2021 \$'000	2020 \$'000
At 1 January		294,600	311,160
Reclassification to property, plant and equipment	4	(21,014)	(12,000)
Adjustment		–	(58)
Gain/(loss) included in other operating expense/income			
- Changes in fair value		414	(4,502)
At 31 December		274,000	294,600

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"> Capitalisation rates 3.5% to 5.50% (2020: 3.5% to 6.25%) Discount rates 7.00% (2020: 7.25%) Terminal yield rates 4.25% (2020: 4.25%) 	The estimated fair value varies inversely against the capitalisation rates and discount rates.

Notes To The Financial Statements

Year ended 31 December 2021

7 DEFERRED TAX ASSETS AND LIABILITIES

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

	At 1 January 2020	Recognised in profit or loss (note 21)	Exchange differences	At 31 December 2020	Recognised in profit or loss (note 21)	Exchange differences	At 31 December 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Deferred tax (assets)/ liabilities							
Property, plant and equipment	3,235	(132)	-	3,103	1,219	(1)	4,321
Software	1,219	(67)	-	1,152	(174)	-	978
Unutilised tax losses	(1,019)	100	(31)	(950)	264	(33)	(719)
Intangible assets	720	(89)	33	664	(93)	30	601
Other items	1,694	1,012	1	2,707	1,090	31	3,828
	5,849	824	3	6,676	2,306	27	9,009

	At 1 January 2020	Recognised in profit or loss	At 31 December 2020	Recognised in profit or loss	At 31 December 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
Deferred tax liabilities/(assets)					
Property, plant and equipment	659	(228)	431	45	476
Software	155	4	159	(10)	149
Other items	(421)	90	(331)	(616)	(947)
	393	(134)	259	(581)	(322)

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.

Notes To The Financial Statements

Year ended 31 December 2021

7 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	-	(72)	4,321	3,175
Software	-	-	978	1,152
Unutilised tax losses	(719)	(950)	-	-
Intangible assets	-	(48)	601	664
Other items	(996)	-	4,824	2,755
Deferred tax (assets)/liabilities	(1,715)	(1,070)	10,724	7,746
Set off of tax	577	-	(577)	-
Net deferred tax (assets)/liabilities	(1,138)	(1,070)	10,147	7,746

Deferred tax assets have not been recognised in respect of the following items:

Group	Group	
	2021	2020
	\$'000	\$'000
Tax losses	143,222	82,744

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.

Notes To The Financial Statements

Year ended 31 December 2021

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables	144,821	95,605	84,679	42,177
Allowance for doubtful trade receivables	(4,314)	(5,549)	(1,382)	(2,038)
Net receivables	140,507	90,056	83,297	40,139
Other receivables	13,375	15,621	82	1,685
Deposits	4,063	7,628	117	145
Staff loans	1,342	751	227	516
Amounts due from subsidiaries:				
- trade	-	-	46,731	36,183
- non-trade (see note below)	-	-	49,094	104,108
	159,287	114,056	179,548	182,776
Prepayments	3,307	2,658	1,461	1,069
	162,594	116,714	181,009	183,845
Non-current	1,857	3,285	5,024	5,250
Current	160,737	113,429	175,985	178,595
	162,594	116,714	181,009	183,845

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.

9 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fixed deposits	165,836	158,361	101,000	97,959
Cash at bank and in hand *	99,152	44,753	36,708	1,956
Cash and cash equivalents in the statements of financial position	264,988	203,114	137,708	99,915
Bank balances deposited in an escrow account	(1,080)	(1,057)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	263,908	202,057	137,708	99,915

* 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 0.39% (2020: 0.37%) and 0.33% (2020: 0.28%) respectively. Interest rates re-price at intervals of one week to three months (2020: one week to three months).

Notes To The Financial Statements

Year ended 31 December 2021

10 CAPITAL AND RESERVES

Share capital

	2021		2020	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Company				
Fully paid ordinary shares, with no par value:				
At 1 January	1,864,726	420,966	1,828,258	393,470
Issue of shares under scrip dividend	–	–	35,155	26,718
Issue of shares under share option scheme	5,902	5,301	1,313	778
Issue of shares under performance share plan	98	79	–	–
At 31 December	1,870,726	426,346	1,864,726	420,966

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.

During the financial year, the Company did not issue shares to shareholders in lieu of cash dividends pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme.

Pursuant to the option plans i.e. RMG ESOS 2010 and RMG ESOS 2020, a total of 5,902,000 (2020: 1,313,000) new fully-paid ordinary shares were issued and 400,000 (2020: Nil) treasury shares were utilised during the year for cash by the Company as follows:

Date of Grant	Exercise price*	No. of Shares	
		2021	2020
01/04/2010	0.55	–	1,014,000
01/04/2011	0.73	2,064,000	252,000
02/04/2012	0.78	1,670,000	47,000
01/04/2013	1.09	699,000	–
01/04/2014	1.07	770,000	–
01/04/2015	1.31	210,000	–
01/04/2016	1.50	15,000	–
03/04/2017	1.42	11,000	–
03/09/2018	1.09	353,000	–
01/07/2019	1.04	385,000	–
05/10/2020	0.81	125,000	–
		6,302,000	1,313,000

* 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. The Company issued 98,000 new ordinary shares pursuant to the RMG PSP 2020 during the financial year.

Notes To The Financial Statements

Year ended 31 December 2021

10 CAPITAL AND RESERVES (CONT'D)

Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Translation reserve	9,089	(1,109)	-	-
Equity compensation reserve	33,061	30,671	33,061	30,671
Revaluation reserve	16,367	16,367	-	-
Reserve for own shares	(3,230)	(400)	(3,230)	(400)
Other reserve	(4,818)	(4,656)	(106)	-
Accumulated profits	483,979	437,157	398,745	296,874
	534,448	478,030	428,470	327,145

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 and scheme of the Company.

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 2,436,900 (2020: Nil) of its own shares during the year. The treasury shares held by the Company as at 31 December 2021 represent 0.13% (2020: 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), 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 and surplus/deficit arising on the reissue of treasury shares.

Notes To The Financial Statements

Year ended 31 December 2021

11 SHARE BASED PAYMENT

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 ESOS 2010) at the Annual General Meeting. Details of the RMG ESOS 2010 were set out in the Circular to Shareholders dated 8 April 2010.

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 ESOS 2010 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 ESOS 2010 at such discount for the duration of the RMG ESOS 2010); 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 Nomination & Compensation Committee (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 (2020) Share Option Scheme

At the Company's Annual General Meeting held on 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Share Option Scheme (RMG ESOS 2020), which superseded the Raffles Medical Group (2010) Share Option Scheme (RMG ESOS 2010). The RMG ESOS 2020 was amended at the subsequent Annual General Meeting held on 26 April 2021. Following the termination of the RMG ESOS 2010 in 2020, the subscription rights comprised in options granted pursuant to the RMG ESOS 2010 prior to the termination will not be affected. Such options will continue to be exercisable in accordance with the RMG ESOS 2010. However, no further options will be granted under the RMG ESOS 2010.

Notes To The Financial Statements

Year ended 31 December 2021

11 SHARE BASED PAYMENT (CONT'D)

Raffles Medical Group (2020) Share Option Scheme (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 ESOS 2020 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 ESOS 2020 at such discount for the duration of the RMG ESOS 2020); 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.

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

	Weighted average exercise price	No. of options	Weighted average exercise price	No. of options
	2021	2021	2020	2020
	\$	'000	\$	'000
Outstanding at 1 January	1.131	76,405	1.163	71,665
Granted during the year	1.400	6,900	0.810	9,100
Forfeited/expired during the year	1.248	(1,858)	1.158	(3,047)
Exercised during the year	0.888	(6,302)	0.593	(1,313)
Outstanding at 31 December	1.173	75,145	1.131	76,405
Exercisable at 31 December	1.211	52,488	1.200	52,606

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11 SHARE BASED PAYMENT (CONT'D)

Options under RMG ESOS 2010 and RMG ESOS 2020 exercised in 2021 resulted in 6,302,000 (2020: 1,313,000) ordinary shares being issued at weighted average exercise price of \$0.888 (2020: \$0.593) each.

In 2021, 1,858,000 (2020: 3,047,000) options under RMG ESOS 2010 and RMG ESOS 2020 were forfeited at weighted average exercise price of \$1.248 (2020: \$1.158) each.

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$1.22 (2020: \$0.88) 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	
			2021	2020
		\$	'000	'000
01/04/2011	31/03/2021	0.73	–	2,211
02/04/2012	01/04/2022	0.78	3,197	4,948
01/04/2013	31/03/2023	1.09	6,044	6,941
01/04/2014	31/03/2024	1.07	6,931	8,106
01/04/2015	31/03/2025	1.31	12,401	12,611
01/04/2016	31/03/2021	1.50	–	912
01/04/2016	31/03/2026	1.50	9,420	9,435
03/04/2017	02/04/2022	1.42	500	560
03/04/2017	02/04/2027	1.42	4,367	4,338
03/09/2018	02/09/2023	1.09	725	725
03/09/2018	02/09/2028	1.09	6,660	7,013
01/07/2019	30/06/2024	1.04	825	825
01/07/2019	30/06/2029	1.04	8,313	8,698
01/07/2019	30/06/2024	1.08	100	100
05/10/2020	04/10/2025	0.81	1,900	1,950
05/10/2020	04/10/2030	0.81	6,907	7,032
01/09/2021	31/08/2026	1.40	1,610	–
01/09/2021	31/08/2031	1.40	5,245	–
			75,145	76,405

* After adjustment for Share Split.

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11 SHARE BASED PAYMENT (CONT'D)

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	
	01/09/2021	05/10/2020
<i>Fair value of share options and assumptions</i>		
Fair value at measurement date	\$0.264 - \$0.330	\$0.125 - \$0.156
Share price	\$1.43	\$0.805
Exercise price	\$1.40	\$0.81
Expected volatility	28.05%	26.17%
Expected option life	3.7 – 8.1 years	3.5 – 7.6 years
Expected dividend yield	2.50%	2.74%
Risk-free interest rate	1.24%	1.24%

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.

Notes To The Financial Statements

Year ended 31 December 2021

11 SHARE BASED PAYMENT (CONT'D)

Raffles Medical Group (2020) Performance Share Plan

At the Company's Annual General Meeting held on 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Performance Share Plan (RMG PSP 2020). The RMG PSP 2020 was amended at the subsequent Annual General Meeting held on 26 April 2021.

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 Committee 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 Committee 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 Committee on the award date.

Share Awards outstanding at the end of the year are as follows:

Date of grant of awards	Share Awards outstanding
05/10/2020	1,588,000
01/09/2021	976,000
	2,564,000

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.

Date of grant of awards	Group	
	01/09/2021	05/10/2020
Fair value at date of grant	\$1.43	\$0.805

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Year ended 31 December 2021

12 LOANS AND BORROWINGS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current liabilities				
Unsecured bank loans	77,914	143,859	37,914	47,849
Current liabilities				
Unsecured bank loans	96,297	27,201	18,546	8,584
Total loans and borrowings	174,211	171,060	56,460	56,433

Information about the Group and the Company's exposure to interest rate, foreign currency and liquidity risks 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	2021		2020	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group							
Unsecured bank loan	S\$	0.65% + SWAP/SOR	2022-2023	87,914	87,914	87,914	87,810
Unsecured bank loan	CNY	LPR + 1.00%	2022	77,751	77,751	74,666	74,666
Unsecured bank loan	HK\$	0.71	2022	6,851	6,851	-	-
Unsecured bank loan	JPY	0.40	2022	1,695	1,695	-	-
Unsecured bank loan	HK\$	1.00	2021	-	-	6,734	6,734
Unsecured bank loan	JPY	0.47	2021	-	-	1,850	1,850
Total interest-bearing liabilities				174,211	174,211	171,164	171,060
Company							
Unsecured bank loan	S\$	0.65% + SWAP/SOR	2022-2023	47,914	47,914	47,914	47,849
Unsecured bank loan	HK\$	0.71	2022	6,851	6,851	-	-
Unsecured bank loan	JPY	0.40	2022	1,695	1,695	-	-
Unsecured bank loan	HK\$	1.00	2021	-	-	6,734	6,734
Unsecured bank loan	JPY	0.47	2021	-	-	1,850	1,850
Total interest-bearing liabilities				56,460	56,460	56,498	56,433

Notes To The Financial Statements

Year ended 31 December 2021

12 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Total \$'000
	Loans and borrowings \$'000	Loan from subsidiary's non-controlling interest \$'000	Lease liabilities \$'000	
Group				
Balance as at 1 January 2021	171,060	27,898	33,833	232,791
Changes from financing cash flows				
Proceeds from bank loans	39,547	–	–	39,547
Proceeds from loan due to subsidiary's non-controlling interest	–	7,467	–	7,467
Repayment of bank loans	(40,056)	–	–	(40,056)
Payment of lease liabilities	–	–	(11,542)	(11,542)
Interest paid	(5,037)	(1,692)	–	(6,729)
Lease interest paid	–	–	(576)	(576)
Total changes from financing cash flows	(5,546)	5,775	(12,118)	(11,889)
The effect of changes in foreign exchange rates	3,468	915	174	4,557
Other changes				
New leases	–	–	3,995	3,995
Capitalised borrowing costs	305	705	–	1,010
Lease modification and derecognition	–	–	(2,539)	(2,539)
Interest expense	4,924	856	576	6,356
Total other changes	5,229	1,561	2,032	8,822
Balance as at 31 December 2021	174,211	36,149	23,921	234,281

Notes To The Financial Statements

Year ended 31 December 2021

12 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities			Total
	Loans and borrowings	Loan from subsidiary's non-controlling interest	Lease liabilities	
	\$'000	\$'000	\$'000	\$'000
Group				
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 modification and 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

Notes To The Financial Statements

Year ended 31 December 2021

13 TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade payables	67,739	44,351	18,842	7,929
Accrued operating expenses	158,634	119,905	47,129	34,742
Amounts due to subsidiaries:				
- trade	-	-	2,736	3,700
- non-trade	-	-	49,117	41,862
Loans from subsidiary's non-controlling interest	36,149	27,898	-	-
Deferred income	2,038	4,809	406	2,327
Other long term employee benefits – bonus plan	3,038	-	1,866	-
Deposits received	7,192	5,007	191	369
Other payables	29,094	25,322	4,673	2,883
	303,884	227,292	124,960	93,812
Non-current	50,316	35,910	8,582	2,983
Current	253,568	191,382	116,378	90,829
	303,884	227,292	124,960	93,812

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 \$2,178,000 (2020: \$2,630,000) which is unsecured, bears interest at 3% (2020: 3%) per annum and is repayable on demand, and loan of \$33,971,000 (2020: \$25,268,000) is unsecured, bears interest at 4.75% (2020: 4.75%) per annum and is repayable within three years at the discretion of the Group.

Deferred income included an amount of Nil (2020: \$3,996,000) relating to government grants – JSS that was received or became receivable during the year. The Group had 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 in 2020 and 2021 are presented in 'other operating income' (see note 19).

The Group's net obligation in respect of the other long term employee benefits – bonus plan is the amount of future benefits that employees have earned in return for their service in the current period.

The Group and the Company's exposures to currency and liquidity risks related to trade and other payables is disclosed in note 17.

Notes To The Financial Statements

Year ended 31 December 2021

14 LEASE LIABILITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current				
one to two years	7,556	9,992	51	384
two to three years	4,350	9,264	53	130
three to four years	921	1,675	13	72
four to five years	252	622	–	13
more than five years	599	745	–	–
	13,678	22,298	117	599
Current				
less than one year	10,243	11,535	307	629
	23,921	33,833	424	1,228

Leases as lessee

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 1 to 4 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

	2021 \$'000	2020 \$'000
Interest on lease liabilities	576	714
Expenses relating to short-term leases	1,476	618
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	191	181

Notes To The Financial Statements

Year ended 31 December 2021

14 LEASE LIABILITIES (CONT'D)

Amounts recognised in consolidated statement of cash flows

	2021 \$'000	2020 \$'000
Total cash outflow for leases	(12,118)	(12,272)

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.

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 2021 was \$7,576,000 (2020: \$6,989,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2021 \$'000	2020 \$'000
Operating leases under SFRS(I) 16		
Less than one year	4,618	7,611
One to two years	1,439	4,310
Two to three years	613	1,095
Three to four years	536	-
Four to five years	506	-
Total	7,712	13,016

Notes To The Financial Statements

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15 OTHER FINANCIAL LIABILITIES

	Group	
	2021 \$'000	2020 \$'000
Present value of the exercise price of written put options	2,761	2,705

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					
	2021			2020		
	Gross \$'000	Reinsurers' share \$'000	Net \$'000	Gross \$'000	Reinsurers' share \$'000	Net \$'000
At 1 January	49,843	(25,365)	24,478	42,062	(22,089)	19,973
Provision made	78,079	(38,931)	39,148	73,013	(26,607)	46,406
Provision used	(71,098)	32,119	(38,979)	(65,232)	23,331	(41,901)
At 31 December	56,824	(32,177)	24,647	49,843	(25,365)	24,478

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 reporting 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.

Notes To The Financial Statements

Year ended 31 December 2021

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

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. As at 31 December 2021, 18.1 % (2020: 8.7%) of the total trade receivables was due from the Group's largest customer. 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.

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
31 December 2021				
No credit terms	–	11,418	–	No
Not past due	0.31	91,085	286	No
Past due 0 – 30 days	1.55	16,495	256	No
Past due 31 – 180 days	5.38	20,786	1,119	No
Past due 181 – 365 days	8.11	2,342	190	Yes
More than one year	91.39	2,695	2,463	Yes
		<u>144,821</u>	<u>4,314</u>	
31 December 2020				
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>	

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Group and Company (cont'd)

Company	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
31 December 2021				
Not past due	0.35	60,436	210	No
Past due 0 – 30 days	1.35	11,355	153	No
Past due 31 – 180 days	5.53	12,333	682	No
Past due 181 – 365 days	26.67	30	8	Yes
More than one year	62.67	525	329	Yes
		84,679	1,382	
31 December 2020				
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
		42,177	2,038	

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.

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

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 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
At 1 January 2021	5,549	2,038
Impairment loss recognised	1,495	258
Impairment loss utilised	(2,762)	(914)
Exchange differences	32	-
At 31 December 2021	4,314	1,382

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. The amount of the allowance on cash and cash equivalents was negligible.

Notes To The Financial Statements

Year ended 31 December 2021

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.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	Between 1 and 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Unsecured bank loans	174,211	(187,115)	(108,533)	(78,582)	-
Other financial liabilities	2,761	(2,761)	(2,761)	-	-
Trade and other payables*	298,808	(300,487)	(250,171)	(50,316)	-
Lease liabilities	23,921	(24,403)	(10,404)	(13,381)	(618)
	499,701	(514,766)	(371,869)	(142,279)	(618)
31 December 2020					
Non-derivative financial liabilities					
Unsecured bank loans	171,060	(185,015)	(33,474)	(151,541)	-
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)
	430,081	(446,490)	(236,124)	(209,611)	(755)

* Excludes deferred income and other long term employee benefits.

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Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Between 1 and 5 years \$'000
Company				
31 December 2021				
Non-derivative financial liabilities				
Unsecured bank loans	56,460	(57,338)	(19,099)	(38,239)
Trade and other payables*	122,688	(122,688)	(115,972)	(6,716)
Lease liabilities	424	(431)	(311)	(120)
	179,572	(180,457)	(135,382)	(45,075)
31 December 2020				
Non-derivative financial liabilities				
Unsecured bank loans	56,433	(57,565)	(9,026)	(48,539)
Trade and other payables*	91,485	(91,485)	(88,502)	(2,983)
Lease liabilities	1,228	(1,256)	(647)	(609)
	149,146	(150,306)	(98,175)	(52,131)

* Excludes deferred income and other long term employee benefits

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.

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Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (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	GBP \$'000
Group							
31 December 2021							
Cash and cash equivalents	-	6	928	-	39	22	-
Trade and other payables	(551)	-	(4,447)	-	-	-	(275)
Amount owing (to)/from subsidiaries (net)	-	(454)	(6,642)	2,310	865	584	-
Loans and borrowings	-	(6,851)	-	(1,695)	-	-	-
Net exposure	(551)	(7,299)	(10,161)	615	904	606	(275)
31 December 2020							
Trade and other receivables	-	-	124	-	-	145	-
Cash and cash equivalents	-	-	1,406	-	7	29	-
Trade and other payables	(395)	-	(2,056)	-	-	-	(63)
Amount owing (to)/from subsidiaries (net)	-	(345)	(8,232)	3,347	712	-	-
Loans and borrowings	-	(6,734)	-	(1,851)	-	-	-
Net exposure	(395)	(7,079)	(8,758)	1,496	719	174	(63)
					HK\$ \$'000	JPY \$'000	
Company							
31 December 2021							
Amount owing from subsidiaries (net)					-	1,695	
Loans and borrowings					(6,851)	(1,695)	
Net exposure					(6,851)	-	
31 December 2020							
Amount owing from subsidiaries (net)					-	1,851	
Loans and borrowings					(6,734)	(1,851)	
Net exposure					(6,734)	-	

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Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (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.

	2021 \$'000	2020 \$'000
Group		
EUR	(55)	(40)
HK\$	(730)	(708)
US\$	(1,016)	(876)
JPY	62	150
S\$	90	72
CNY	61	17
GBP	(28)	(6)
Company		
HK\$	(685)	(673)

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.

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fixed rate instruments				
Financial assets	165,836	158,361	101,000	97,959
Financial liabilities	(32,467)	(42,417)	(8,970)	(9,812)
Loan due to subsidiary's non-controlling interest	(36,149)	(27,898)	-	-
	97,220	88,046	92,030	88,147
Variable rate instruments				
Financial liabilities	(165,665)	(162,476)	(47,914)	(47,849)

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

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
31 December 2021				
Variable rate instruments	(1,657)	1,657	(479)	479
31 December 2020				
Variable rate instruments	(1,625)	1,625	(478)	478

Managing interest rate benchmark reform and associated risks

Overview

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 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group's main IBOR exposure at 31 December 2021 was indexed to SOR. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STs) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and SIBOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively.

Management monitors and manages the Group's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties. The management reports to the Board of Directors quarterly and collaborates with other business functions as needed.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 included unsecured bank loans indexed to SOR. The Group is still in the process of communication with the counterparties for all SOR indexed exposures and specific changes have yet been agreed.

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Managing interest rate benchmark reform and associated risks (cont'd)

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2021. The amounts of financial liabilities are shown at their carrying amounts.

	SOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000
Group		
31 December 2021		
Financial liabilities		
Unsecured bank loans	(87,914)	–
Company		
31 December 2021		
Financial liabilities		
Unsecured bank loans	(47,914)	–

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

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.

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).

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Year ended 31 December 2021

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.

Group	Note	Carrying amount			Fair value			
		Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2021								
Financial assets not measured at fair value								
	8	159,287	-	159,287				
	9	264,988	-	264,988				
		424,275	-	424,275				
Financial liabilities not measured at fair value								
	12	-	(174,211)	(174,211)	-	(174,211)	-	(174,211)
	13	-	(298,808)	(298,808)				
	15	-	(2,761)	(2,761)	-	-	(2,761)	(2,761)
		-	(475,780)	(475,780)				

Excludes prepayments

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Group	Note	Carrying amount			Fair value			
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables #	8	114,056	-	114,056				
Cash and cash equivalents	9	203,114	-	203,114				
		317,170	-	317,170				
Financial liabilities not measured at fair value								
Loans and borrowings	12	-	(171,060)	(171,060)	-	(171,164)	-	(171,164)
Trade and other payables*	13	-	(222,483)	(222,483)				
Other financial liabilities	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 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Carrying amount			Fair value			
		Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company								
31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables [#]	8	179,548	-	179,548				
Cash and cash equivalents	9	137,708	-	137,708				
Amounts due from subsidiaries	26	678,731	-	678,731	-	-	678,731	678,731
		995,987	-	995,987				
Financial liabilities not measured at fair value								
Loans and borrowings	12	-	(56,460)	(56,460)	-	(56,460)	-	(56,460)
Trade and other payables*	13	-	(122,688)	(122,688)				
		-	(179,148)	(179,148)				

[#] Excludes prepayments

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

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17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Carrying amount			Fair value			
		Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)				

Excludes prepayments

* Excludes deferred income

Notes To The Financial Statements

Year ended 31 December 2021

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
Group and Company	
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 2020	2,754
Changes in exercise price of written put options	(49)
At 31 December 2020	2,705
Changes in exercise price of written put options	56
At 31 December 2021	2,761

18 REVENUE

	Group	
	2021	2020
	\$'000	\$'000
Revenue from contracts with customers	716,215	561,214
Rental income	7,576	6,989
	723,791	568,203

Notes To The Financial Statements

Year ended 31 December 2021

18 REVENUE (CONT'D)

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.

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.

Notes To The Financial Statements

Year ended 31 December 2021

19 OTHER OPERATING INCOME

The following items have been included in other operating income:

	Group	
	2021	2020
	\$'000	\$'000
Government grants income	6,470	25,379
Employment related supports	5,522	2,690

Government grants income relates mainly to COVID-19 relief measures and support which comprise mainly of Jobs 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 Jobs Growth Incentive, Wage Credit Scheme, Foreign Worker Levy rebates and other employment related subsidies.

20 PROFIT FOR THE YEAR

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

	Group	
	2021	2020
	\$'000	\$'000
Recovery of bad debts	(732)	(1,218)
Changes in fair value in investment properties	(414)	4,502
Contributions to defined contribution plans	31,321	20,205
Loss on disposal of property, plant and equipment, net	59	9
Write-off for stock obsolescence	351	891
Write-off for non-trade receivables	680	-
Interest expense:		
- bank loans	4,924	4,364
- subsidiary's non-controlling interest	856	75
- lease liabilities	576	714
Interest income	(634)	(1,150)
Audit fees paid/payable to:		
- auditors of the Company	217	203
- other auditors	168	154
Non-audit fees paid/payable to:		
- auditors of the Company	65	40
- other auditors	1	2
Property, plant and equipment written-off	1,278	1,547
Foreign exchange gain	(542)	(643)
Value of employee services received for issue of share options and share awards, included in staff costs	2,469	1,617
Impairment loss on intangible assets and goodwill	3,780	3,576
Grant expense	130	1,343

Notes To The Financial Statements

Year ended 31 December 2021

21 TAX EXPENSE

	Note	Group	
		2021 \$'000	2020 \$'000
Tax recognised in profit or loss			
Current tax expense			
Current year		28,538	18,002
Adjustment for prior years		(351)	(95)
		28,187	17,907
Withholding tax			
Current year		1,375	1,038
Deferred tax expense			
Movements in temporary differences		2,086	903
Adjustment for prior years		220	(79)
	7	2,306	824
Tax expense		31,868	19,769
Reconciliation of effective tax rate			
Profit before tax		115,584	84,439
Tax using the Singapore tax rate of 17% (2020: 17%)		19,649	14,355
Effect of tax rates in foreign jurisdiction		(3,726)	(2,452)
Non-deductible expenses		3,519	3,500
Tax exempt income		(2,398)	(4,383)
Tax incentives		(18)	(18)
Withholding tax		1,375	1,038
Tax effect of unrecognised tax losses		13,704	8,902
Utilisation of tax losses		(790)	(705)
Over provision in respect of prior years		(131)	(174)
Others		684	(294)
		31,868	19,769

Notes To The Financial Statements

Year ended 31 December 2021

22 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 December 2021 was based on the profit attributable to ordinary shareholders of \$84,171,000 (2020: \$65,891,000), and a weighted-average number of ordinary shares outstanding of 1,867,546,983 (2020: 1,839,095,915), calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2021	2020
	\$'000	\$'000
Profit attributable to ordinary shareholders	84,171	65,891

Weighted-average number of ordinary shares

	Group	
	2021	2020
	No. of shares	No. of shares
	'000	'000
Issued ordinary shares at beginning of the year	1,864,727	1,828,259
Effect of own shares held	(513)	(400)
Effect of scrip dividend shares issued	–	10,278
Effect of share options exercised	3,333	959
Weighted average number of ordinary shares during the year	1,867,547	1,839,096

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2021 was based on profit attributable to ordinary shareholders of \$84,171,493 (2020: \$65,891,000), and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,876,459,936 (2020: 1,840,374,386), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	Group	
	2021	2020
	\$'000	\$'000
Profit attributable to ordinary shareholders	84,171	65,891

Notes To The Financial Statements

Year ended 31 December 2021

22 EARNINGS PER SHARE (CONT'D)

Weighted-average number of ordinary shares

	Group	
	2021	2020
	No. of shares	No. of shares
	'000	'000
Weighted average number of ordinary share (basic)	1,867,547	1,839,096
Potential ordinary shares issuable under share options/share awards	8,913	1,278
Weighted average number of ordinary shares (diluted) during the year	1,876,460	1,840,374

At 31 December 2021, 33,543,000 (2020: 69,246,000) 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

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.

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23 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Healthcare services		Hospital services		Investment holdings		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses								
Revenue	458,749	281,265	346,101	312,795	39,691	32,743	844,541	626,803
Inter-segment revenue	15,196	3,146	72,608	29,169	32,946	26,285	120,750	58,600
Finance expenses	(797)	(996)	(11)	(24)	(5,548)	(4,133)	(6,356)	(5,153)
Depreciation and amortisation	(16,889)	(16,747)	(11,367)	(9,087)	(162)	(163)	(28,418)	(25,997)
Reportable segment profit before tax	78,478	31,492	23,955	49,695	23,534	11,488	125,967	92,675
Other material non-cash items:								
- Impairment losses on intangible assets and goodwill	(3,780)	(3,551)	-	(25)	-	-	(3,780)	(3,576)
- Impairment losses on trade receivable	(917)	(328)	(741)	(1,424)	163	(164)	(1,495)	(1,916)
Reportable segment assets	1,175,191	1,027,838	287,000	249,317	1,022,846	957,316	2,485,037	2,234,471
Capital expenditure	7,445	20,640	25,048	9,116	31,207	36,191	63,700	65,947
Reportable segment liabilities	318,406	277,629	222,183	159,565	797,131	750,531	1,337,720	1,187,725

Notes To The Financial Statements

Year ended 31 December 2021

23 OPERATING SEGMENTS (CONT'D)

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

	2021	2020
	\$'000	\$'000
Revenues		
Total revenue for reportable segments	844,541	626,803
Elimination of inter-segment revenue	(120,750)	(58,600)
Consolidated revenue	723,791	568,203
Profit or loss before tax		
Total profit for reportable segments	125,967	92,675
Elimination of inter-segment profits / Consolidation adjustment	525	1,262
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(10,908)	(9,498)
Consolidated profit before tax	115,584	84,439
Assets		
Total assets for reportable segments	2,485,037	2,234,471
Elimination of inter-segment assets	(940,889)	(831,407)
Unallocated amounts-current tax and deferred tax assets	1,138	1,070
Consolidated total assets	1,545,286	1,404,134
Liabilities		
Total liabilities for reportable segments	1,337,720	1,187,725
Elimination of inter-segment liabilities	(808,296)	(728,357)
Unallocated amounts-current tax and deferred tax liabilities	39,242	30,369
Consolidated total liabilities	568,666	489,737

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Year ended 31 December 2021

23 OPERATING SEGMENTS (CONT'D)

Other material items

	Reportable segment totals \$'000	Adjustments \$'000	Consolidated totals \$'000
31 December 2021			
Depreciation and amortisation	28,418	10,908	39,326
31 December 2020			
Depreciation and amortisation	25,997	9,498	35,495

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre, Raffles Hospital Chongqing and Raffles Hospital Shanghai 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.

The amount of \$10,908,000 (2020: \$9,498,000) relates to the depreciation of these properties for the year ended 31 December 2021.

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.

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Year ended 31 December 2021

23 OPERATING SEGMENTS (CONT'D)

Geographical information (cont'd)

	Group	
	2021 \$'000	2020 \$'000
Revenue		
Singapore	660,448	518,037
Greater China	49,292	34,292
Rest of Asia	14,051	15,874
Consolidated revenue	723,791	568,203
Non-current assets		
Singapore	686,590	696,045
Greater China	409,338	363,944
Rest of Asia	7,264	8,660
Consolidated non-current assets*	1,103,192	1,068,649

* Non-current assets exclude financial instruments and deferred tax assets.

Major customer

Revenue from one major customer amounted to \$158.5 million (2020: \$74.4 million), arising from sales by all segments.

24 COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2021, commitments contracted but not provided for by the Group in the financial statements amounted to \$42,227,000 (2020: \$45,699,000). This mainly relates to capital 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 \$894,000 has been disbursed as at 31 December 2021.

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Year ended 31 December 2021

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. 2,600,000 (2020: 3,000,000) share options and nil (2020: 132,000) 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, 9,160,000 (2020: 8,357,000) of the share options and 36,000 (2020: 132,000) of share awards granted to the directors of the Company were outstanding.

Key management personnel compensation comprised:

	Group	
	2021	2020
	\$'000	\$'000
Short-term employee benefits	16,300	12,527
Other long-term employee benefits	436	-
Directors' fees	678	595
Share-based benefits	624	429
	18,038	13,551

26 SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
Investments in subsidiaries	45,872	44,650
Amounts due from subsidiaries	678,731	566,105
	724,603	610,755

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.

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2021 %	2020 %
¹ Raffles Hospital Pte Ltd	Provision of general and specialised medical services and operation of a hospital	Singapore	100	100
¹ Raffles Diagnostica Pte Ltd	Operation of medical laboratory and imaging centre	Singapore	100	100
¹ Raffles Medical Properties Pte Ltd and its subsidiaries:	Property owner and investment holding	Singapore	100	100
¹ Raffles Hospital Properties Pte Ltd	Property owner	Singapore	100	100
¹ MP Clementi Pte Ltd	Investment holding	Singapore	100	100
¹ RM Network Pte Ltd	Management consultancy services for healthcare organisations	Singapore	100	100
¹ Raffles Research Labs Pte Ltd	Research & experimental development on Biotechnology, Life & Medical Science	Singapore	100	100
¹ Raffles Chinese Medicine Pte Ltd	Provision of general medical services, acupuncture and acupressure	Singapore	100	100
¹ Raffles Japanese Clinic Pte Ltd and its subsidiaries:	Operation of medical clinics, provision of medical services and investment holding	Singapore	80	80
² RJC Ltd and its subsidiaries:	Investment holding	Japan	80	80
² RSM Ltd and its subsidiary:	Provision of medical support and consultancy services	Japan	40.8	40.8
² Zui Wa Kai Medical Corporation	Operation of medical clinics and provision of medical services	Japan	– ¹³	– ¹³
¹ Raffles Health Pte Ltd	Trading in pharmaceutical and nutraceutical products and diagnostic equipment	Singapore	100	100
¹ Aptitude [2003] Pte Ltd	Provision of advisory and consultancy services and developing IT solutions	Singapore	100	100
⁴ Raffles Healthcare Management (China) Limited	Provision of hospital management and hospital management consultancy services	Hong Kong	100	100

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2021 %	2020 %
¹ Raffles Medical International Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100
⁴ Raffles Medical Group (Hong Kong) Limited and its subsidiaries:	Investment holding and provision of medical and dental services	Hong Kong	100	100
⁴ Coors Consultants Limited	Provision of consultancy services	Hong Kong	100	100
⁴ Medical Properties Limited	Investment holding, provision of medical services and hospital operation	Hong Kong	100	100
⁷ Anzheng (Chongqing) Hospital Co. Ltd.	Property owner	China	100	100
⁷ ShenAn (Chongqing) Hospital Co. Ltd.	Hospital management and operations	China	100	100
⁷ Renguang Health Management (Shanghai) Co. Ltd.	Hospital management and operations	China	100	100
⁷ Raffles Hospital Shanghai Co. Ltd.	Hospital management and operations	China	100	100
⁴ Raffles Medical Services (HK) Limited	Provision of medical services	Hong Kong	100	100
⁵ Renguang Management Consultancy (Shanghai) Co. Ltd	Management consultancy	China	100	100
⁶ Dalian Jin Pu New District Anshen Clinic	Operation of medical clinics and provision of medical services	China	_ 13	_ 13
⁶ Nanjing Lai Ning Clinic and its subsidiary:	Operation of medical clinics and provision of medical services	China	_ 13	_ 13
⁶ Tianjin Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	_ 13	_ 13
¹¹ Shenzhen Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	_ 11	_ 13

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2021 %	2020 %
⁵ Shanghai Ruihe Clinic Co. Ltd and its subsidiary:	Operation of medical clinics and provision of medical services	China	— ¹³	— ¹³
¹² Shenzhen ShenAn Clinic	Operation of medical clinics and provision of medical services	China	— ^{8,13}	— ^{8,13}
¹ Raffles Health Insurance Pte Ltd	Provision of health and related insurance	Singapore	100	100
² PT Raffles Medika Indonesia	Provision of hospital and healthcare management and consultancy services	Indonesia	100 ³	100 ³
¹ Raffles SurgiCentre Pte Ltd and its subsidiaries:	Provision of general and specialised medical services, operation of a hospital and investment holding	Singapore	100	100
¹ 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
⁶ Raffles Hospital Beijing Co., Ltd (fka Beijing Raffles Medical International Clinic Co., Ltd)	Provides medical services through operation of medical clinics	China	80	80
⁶ Nanjing International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80
² Tianjin International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80
⁹ Lifetime Health Limited Liability Company	Provides medical examination and treatment through its international polyclinics and specialty clinics	Vietnam	80	80
¹⁰ AEA International SOS (Cambodia) Ltd	Provides medical services through operation of medical clinics	Cambodia	80	80
⁴ 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
⁸ Shenzhen International SOS Clinic	Provision of clinical services	China	80	80

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2021 %	2020 %
¹ Raffles Medical China Pte Ltd and its subsidiaries:	Investment holding and provision of medical services and hospital operation	Singapore	100	100
² PeopleSolve Pte. Ltd. (fka Shenzhen Investments Pte Ltd)	Provision of employment agency and other health services (dormant)	Singapore	100	100
¹ Shanghai Capital Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
⁷ Shanghai Qihua Hospital Co. Ltd.	Property owner	China	70	70
¹ RMG Capital Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
¹ Asian Healthcare Capital Management Pte Ltd	Property owner	Singapore	100	100
² International Medical Investment Co., Ltd	Investment holding (dormant)	British Virgin Islands	100	100
¹ Nicoll Capital Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	100
¹ Nicoll Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100
¹ Scotts Capital Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	100
² Scotts Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100

¹ Audited by KPMG LLP, Singapore

² Not required to be audited

³ Shares of this subsidiary are partially held in trust by a director of the subsidiary

⁴ Audited by Lawrence Cheung C.P.A. Company Limited, Hong Kong

⁵ Audited by Shanghai Deking Certified Public Accountants Co., Ltd

⁶ Audited by BeiJing Zimp Certified Public Accountants Co., Ltd

⁷ Audited by BDO China Shu Lun Pan Certified Public Accountants LLP

⁸ Audited by WongGa Partners Certified Public Accountants (SZ) General Partners

⁹ Audited by KPMG Limited, Ho Chi Minh City

¹⁰ Audited by BDO (Cambodia) Limited

¹¹ Not required to be audited for 2020. The subsidiary was struck off on 9 February 2021

¹² Not required to be audited for 2020. Audited by WongGa Partners Certified Public Accountants (SZ) General Partners

¹³ 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.

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CONT'D)

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.

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	
		2021	2020
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%

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CON'TD)

Non-controlling interests in subsidiaries (cont'd)

The following summarised financial information for the above subsidiaries are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	RJC	MCH	SQH	Other individually immaterial subsidiaries	Intra-group elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Revenue	15,651	36,098	6,850			
Profit/(Loss)	381	(7,433)	1,582			
Other comprehensive income (OCI)	–	(308)	2,518			
Total comprehensive income	381	(7,741)	4,100			
Attributable to NCI:						
- Profit/(Loss)	76	(1,487)	475	481	–	(455)
- OCI	–	(61)	755	186	–	880
Total comprehensive income	76	(1,548)	1,230	667	–	425
Non-current assets	750	22,829	194,421			
Current assets	18,224	15,412	20,030			
Non-current liabilities	(83)	(7,347)	(124,339)			
Current liabilities	(4,689)	(44,482)	(31,824)			
Net assets/(liabilities)	14,202	(13,588)	58,288			
Net assets attributable to NCI	2,840	(2,718)	17,486	(1,696)	(86)	15,826
Cash flows from/(used in) operating activities	1,479	4,699	(4,071)			
Cash flows from/(used in) investing activities	311	(5,254)	(12,643)			
Cash flows from financing activities	–	–	17,395			
Net increase/(decrease) in cash and cash equivalents	1,790	(555)	681			

Notes To The Financial Statements

Year ended 31 December 2021

26 SUBSIDIARIES (CON'TD)

Non-controlling interests in subsidiaries (cont'd)

	RJC	MCH	SQH	Other individually immaterial subsidiaries	Intra-group elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Revenue	14,627	27,838	-			
Profit/(Loss)	249	(7,361)	(33)			
Other comprehensive income (OCI)	-	63	2,459			
Total comprehensive income	249	(7,298)	2,426			
Attributable to NCI:						
- Profit/(Loss)	50	(1,472)	(10)	212	(1)	(1,221)
- OCI	-	12	738	(89)	-	661
Total comprehensive income	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)			
Net assets/(liabilities)	13,792	(5,444)	54,061			
Net assets attributable to NCI	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			
Net increase/(decrease) in cash and cash equivalents	133	(5,364)	(10,473)			

27 DIVIDENDS

After the respective reporting dates, the directors proposed a one-tier tax exempt final dividend of 2.80 cents (2020: 2.00 cents) per share, comprising of a core dividend of 1.8 cents per share and a special dividend of 1.0 cent per share, amounting approximately to \$52,312,000 (2020: \$37,287,000), 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 2022

SHARE CAPITAL AND VOTING RIGHTS

Number of issued and fully paid shares	: 1,873,245,925
Number and percentage of treasury shares held	: 11,300,000 (0.603% of total number of issued ordinary shares)
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 2022, approximately 39.2% 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	1,014	6.51	42,790	0.00
100 – 1,000	1,780	11.43	975,624	0.05
1,001 - 10,000	7,909	50.78	40,545,737	2.17
10,001 - 1,000,000	4,827	31.00	207,327,629	11.07
1,000,001 and above	44	0.28	1,624,354,145	86.71
	15,574	100.00	1,873,245,925	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	Number of Shares	%*
1	Raffles Medical Holdings Pte Ltd	692,280,209	37.18
2	Loo Choon Yong	194,434,223	10.44
3	Citibank Nominees Singapore Pte Ltd	159,568,338	8.57
4	DBS Nominees Pte Ltd	113,182,325	6.08
5	DBSN Services Pte Ltd	93,905,404	5.04
6	Raffles Nominees (Pte) Limited	92,686,595	4.98
7	S & D Holdings Pte Ltd	62,755,366	3.37
8	HSBC (Singapore) Nominees Pte Ltd	37,182,756	2.00
9	UOB Nominees (2006) Pte Ltd	27,114,295	1.46
10	BPSS Nominees Singapore (Pte.) Ltd.	15,928,131	0.85
11	Tan Tiang Lee	15,417,192	0.83
12	Asian Medical Foundation Ltd	14,443,321	0.78
13	United Overseas Bank Nominees Pte Ltd	12,472,312	0.67
14	Yii Hee Seng	9,700,513	0.52
15	OCBC Nominees Singapore Pte Ltd	8,616,100	0.46
16	Phillip Securities Pte Ltd	7,243,325	0.39
17	Maybank Securities Pte. Ltd	7,016,964	0.38
18	IFast Financial Pte Ltd	4,769,437	0.26
19	Tan Soo Nan @Tan Soo Nam	4,536,000	0.24
20	Wee Beng Geok	3,584,000	0.19
		1,576,836,806	84.69

* The percentage is calculated based on the number of issued ordinary shares of the Company as at 16 March 2022, excluding 11,300,000 shares held as treasury shares as at that date.

Shareholdings Statistics

As at 16 March 2022

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Dr Loo Choon Yong ⁽²⁾	199,961,523	10.74	783,835,081	42.10	983,796,604	52.84
Raffles Medical Holdings Pte Ltd	719,394,504	38.64	-	-	719,394,504	38.64
Global Alpha Capital Management Ltd. ⁽³⁾	-	-	143,676,324	7.72	143,676,324	7.72

Notes:

- (1) Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares.
- (2) Dr Loo is deemed to be interested in the shares of the Company held through Raffles Medical Holdings Pte Ltd, of which he is a director and shareholder, S & D Holdings Pte Ltd, of which he is a director and shareholder, 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 2001 of Singapore.
- (3) 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 33rd Annual General Meeting (**AGM**) of Raffles Medical Group Ltd (the **Company**) will be convened and held by electronic means on **Monday, 25 April 2022 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 2021 together with the Auditors' Report thereon. **[Resolution 1]**
2. To declare a one-tier tax exempt final dividend of 2.8 Singapore cents per share for the year ended 31 December 2021 (2020 : 2.0 Singapore cents per share). **[Resolution 2]**
3. To approve Directors' Fees of S\$564,650 for the year ended 31 December 2021 (2020: S\$461,400). **[Resolution 3]**
4. To re-elect Mr Tan Wern Yuen, 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 Ms Chong Chuan Neo, who is retiring in accordance with Regulation 92 of the Constitution of the Company, and who, being eligible, will offer herself for re-election. **[Resolution 5]**
6. To re-elect Professor Sung Jao Yiu, 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 6]**
7. To re-elect Mr Eric Ang Teik Lim, 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 7]**
8. To re-elect Mr Png Cheong Boon, 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 8]**
9. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors of the Company (**Directors**) to fix their remuneration. **[Resolution 9]**

AS SPECIAL BUSINESS

10. **Authority to Allot and Issue Shares**

That pursuant to Section 161 of the Companies Act 1967 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

Notice of Annual General Meeting

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

- (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,

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 10]**

11. 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 11]**

Notice of Annual General Meeting

12. 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

12. 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 12]**

13. 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 13]

14. The Proposed Grant of Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the Raffles Medical Group (2020) Share Option Scheme

That the proposed offer and grant of an Option to Dr Sarah Lu Qinghui as 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 | : | 200,000 Shares (representing approximately 0.0107% 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 14]

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
1 April 2022

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 2021, 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\$564,650 to all Directors as Directors' Fees for the year ended 31 December 2021.

In relation to Ordinary Resolution 4 above, Mr Tan Wern Yuen 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. The Board considers him to be an Independent Director. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors of the Company.

In relation to Ordinary Resolution 5 above, Ms Chong Chuan Neo will, upon re-election as Director of the Company, remain as a Non-Executive and Independent Director of the Company and a member of the Nomination & Compensation Committee. There are no relationships (including immediate family relationships) between Ms Chong and the other Directors of the Company.

In relation to Ordinary Resolution 6 above, Professor Sung Jao Yiu will, upon re-election as Director of the Company, remain as a Non-Executive and Non-Independent Director of the Company and a member of the Nomination & Compensation Committee. There are no relationships (including immediate family relationships) between Professor Sung and the other Directors of the Company.

In relation to Ordinary Resolution 7 above, Mr Eric Ang Teik Lim will, upon re-election as Director of the Company, remain as the Lead Independent Director and a member of the Audit & Risk Committee as well as a member of the Nomination & Compensation Committee. The Board considers him to be an Independent Director. There are no relationships (including immediate family relationships) between Mr Ang and the other Directors of the Company.

In relation to Ordinary Resolution 8 above, Mr Png Cheong Boon will, upon re-election as Director of the Company, remain as an Executive and Non-independent Director of the Company and Chairman of the Nomination & Compensation Committee. There are no relationships (including immediate family relationships) between Mr Png and the other Directors of the Company.

Ordinary Resolution 10 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 11 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 12 can be found in the letter to Shareholders dated 1 April 2022 which is appended as Appendix A to the Notice of Annual General Meeting (**Appendix A**). Appendix A can be downloaded from the Company's website at <https://www.rafflesmedicalgroup.com/investor-relations/upcoming-events/annual-general-meeting>. All capitalised terms used in Ordinary Resolution 12 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 13 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 Resolution 14 are set out in the letter to Shareholders dated 1 April 2022 which is appended as Appendix B to the Notice of Annual General Meeting (**Appendix B**). Appendix B can be downloaded from the Company's website at <https://www.rafflesmedicalgroup.com/investor-relations/upcoming-events/annual-general-meeting>. All capitalised terms used in Ordinary Resolution 14 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 33rd 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**) (last amended on 6 April 2021) and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (last updated on 4 February 2022) 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 2021 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 2022 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**).

Notice of Annual General Meeting

Participation via “Live” Audio-visual Webcast or “Live” Audio-only Stream (cont’d)

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/rafflesmedical-agm-registration> by Friday, 22 April 2022, 3.30 p.m. Singapore Time (Registration Deadline) for verification purposes.
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, 23 April 2022, 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, 24 April 2022, between 9.00 a.m. and 5.00 p.m. Singapore Time and Monday, 25 April 2022 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/rafflesmedical-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 (by enclosing a clear scanned complete and signed Proxy Form),and in any case, must be received by the Company by Friday, 22 April 2022, 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, who 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, 13 April 2022, 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 Monday, 11 April 2022, 3.30 p.m. Singapore Time 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/rafflesmedical-agm-registration>; or
 - (c) via email to the Company’s Investor Relations address at 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 publish its response to questions no later than 72 hours before the closing date and time for the lodgement of the proxy forms, via an announcement on SGXNet and the Company’s website. Any subsequent clarifications sought on substantial and relevant matters after the cut-off time for submission of questions will be addressed at 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 2022

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, we set out below the additional information on Mr Eric Ang Teik Lim, Mr Png Cheong Boon, Mr Tan Wern Yuen, Ms Chong Chuan Neo and Professor Sung Jao Yiu, all of whom are seeking re-election as Directors at the 33rd Annual General Meeting. The information shall be read in conjunction with their respective biographies on pages 10 to 15 of the Raffles Medical Group (RMG) Annual Report 2021.

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Date of Appointment	24/04/2015	15/10/2018	01/07/2021	15/10/2021	01/12/2021
Date of last re-appointment (if applicable)	26/04/2019	26/04/2019	Not Applicable	Not Applicable	Not Applicable
Age	69	52	43	59	62
Country of Principal Residence	Singapore	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 Ang as a Non-Executive and Independent Director of the Company was recommended by the Nomination & Compensation Committee (NCC) and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr Ang has abstained from the deliberation of the NCC as well as that of the Board pertaining to his re-election.</p>	<p>The re-election of Mr Png as a Non-Executive and 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 experience and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr Png has abstained from the deliberation of the NCC as well as that of the Board pertaining to his re-election.</p>	<p>The re-election of Mr Tan as a Non-Executive and 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 experience 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 Ms Chong as a Non-Executive and 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 experience and overall contribution since she was appointed as a Director of the Company.</p> <p>Ms Chong has abstained from the deliberation of the NCC as well as that of the Board pertaining to her re-election.</p>	<p>The re-election of Professor Sung as a Non-Executive and 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 experience and overall contribution since he was appointed as a Director of the Company.</p> <p>Professor Sung has abstained from the deliberation of the NCC as well as that of the Board pertaining to his re-election.</p>

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Whether appointment is executive, and if so, the area of responsibility	<ul style="list-style-type: none"> Non-Executive and Independent Director 	<ul style="list-style-type: none"> Non-Executive and Independent Director 	<ul style="list-style-type: none"> Non-Executive and Independent Director 	<ul style="list-style-type: none"> Non-Executive and Independent Director 	<ul style="list-style-type: none"> Non-Executive and Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Non-Executive and Independent Director Lead Independent Director, Member of the NCC and the ARC 	<ul style="list-style-type: none"> Non-Executive and Independent Director Chairman of the NCC 	<ul style="list-style-type: none"> Non-Executive and Independent Director Member of the ARC 	<ul style="list-style-type: none"> Non-Executive and Independent Director Member of the NCC 	<ul style="list-style-type: none"> Non-Executive and Independent Director Member of the NCC
Professional qualifications	<ul style="list-style-type: none"> Bachelor in Business Administration (Honours), University of Singapore 	<ul style="list-style-type: none"> Bachelor of Science degree in Electrical Engineering, Cornell University Master of Science in Management under the Sloan Fellows Programme, Stanford University 	<ul style="list-style-type: none"> Bachelor of Arts (First Class Honours) in Economics and Management, University of Oxford Masters in Finance, University of Cambridge 	<ul style="list-style-type: none"> Bachelor of Science (Computer Science and Mathematics), National University of Singapore 	<ul style="list-style-type: none"> Bachelor of Medicine and Bachelor of Surgery, MBBS (HK) Medical Council of Canada Evaluation Examination, MCCEE (Canada) Doctor of Philosophy, PhD (Canada) Doctor of Medicine, MD (CUHK)
Working experience and occupation(s) during the past 10 years	<p>Senior Executive Adviser, DBS Bank (retired in January 2020)</p> <p>Managing Director and Head of Capital Markets Group, DBS Bank (stepped down on 31 May 2014)</p> <p>Mr Ang has held and currently holds directorships with several companies. Please refer to details of his past and present appointments in the following pages.</p>	<p>Apr 2018 to present: Chief Executive Officer, Enterprise Singapore</p> <p>Jun 2017 to May 2018: Second Permanent Secretary, Ministry of Trade and Industry (Singapore)</p> <p>May 2013 to Aug 2017: Chief Executive Officer, JTC Corporation</p>	<p>Jun 2020 to present: Chief Executive Officer, APAC, PepsiCo Inc.</p> <p>Jan 2017 to Jun 2020: President and CEO, China, Walmart Inc.</p> <p>Jul 2011 to Dec 2016: Taiwan, Mcdonald's Corporation</p> <ul style="list-style-type: none"> Managing Director (from Apr 2013) Vice President (from Jul 2011) 	<p>2019 to present: Operating Director, Partners Group</p> <p>2008 to 2018: Accenture Pte Ltd</p> <ul style="list-style-type: none"> Chairperson and Country Managing Director, Accenture Greater China (2015 to 2018) Senior Managing Director and Asia Pacific Practice Leader (2009 to 2015) 	<p>2021 to present: Nanyang Technological University, Singapore</p> <ul style="list-style-type: none"> Distinguished University Professor Senior Vice President (Health & Life Sciences) Dean, Lee Kong Chian School of Medicine

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Working experience and occupation(s) during the past 10 years (Cont'd)		Aug 2008 to Apr 2013: Chief Executive, SPRING Singapore	Feb 2006 to Jul 2011: Principal, The Boston Consulting Group	- Global Industry Managing Director (2008 to 2010)	<p>2018 to present:</p> <ul style="list-style-type: none"> - Chief Scientific Officer, Precision Medicine Institute, The First Affiliated Hospital, Sun Yat-sen University - Chief Editor, Journal of Gastroenterology and Hepatology <p>2014 to present: Director, Board of Directors, CUHK Medical Centre Limited</p> <p>Apr 2020 to Mar 2021: Director, Board of Directors, National University Health System Pte Limited</p> <p>2018 to 2021: The Chinese University of Hong Kong</p> <ul style="list-style-type: none"> - Director, Institute of Digestive Disease - Co-Director, Stanley Ho Big Data Decision Analytics Research Centre - Director, CUHK Jockey Club Multi-Cancer Prevention Programme - Co-Director, S.H. Ho Centre for Digestive Health (2019 to 2021)

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Working experience and occupation(s) during the past 10 years (Cont'd)					<p>- Senior Adviser to the Vice-Chancellor and President (2018 to 2020)</p> <p>2009 to 2021: Founding Director and Adviser, Stanley Ho Centre for Emerging Infectious Diseases Faculty of Medicine, The Chinese University of Hong Kong</p> <p>2007 to 2021: Mok Hing Yiu Professor of Medicine, Department of Medicine and Therapeutics, The Chinese University of Hong Kong</p> <p>1998 to 2021: Chair Professor in Medicine, Department of Medicine and Therapeutics, The Chinese University of Hong Kong</p> <p>Jul 2010 to Dec 2017: Vice-Chancellor and President, The Chinese University of Hong Kong</p>

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Shareholding interest in RMG and its subsidiaries	Yes	No	No	No	No
Shareholding Details	15,000 ordinary shares in RMG; 450,000 share options (vested and unvested) granted pursuant to RMG ESOS 2020	Nil	Nil	Nil	Nil
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	Nil	Nil
Conflict of interest (including any competing business) any competing business)	Nil	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	Yes

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS					
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. Changi Airport Group (Singapore) Pte. Ltd. (Director) 2. DBS Foundation Ltd. (Director) 3. Community Chest (Vice Chairman) 4. SGX Disciplinary Committee (Co-Chairman) 5. NetLink Management Pte. Ltd. (Director) 6. Hwang Capital (Malaysia) Berhad (Director) 	<ol style="list-style-type: none"> 1. Growth Enterprise Fund Pte Ltd 2. Spring Equity Investments Pte Ltd 3. Employment and Employability Institute Pte Ltd 4. Singapore Innovate Pte Ltd 	<ol style="list-style-type: none"> 1. JD.Com (Board Observer) 2. Dada Nexus (Director) 3. Walmart Inc. (Chief Executive Officer, China) 4. McDonald's Corporation (Managing Director, Taiwan) 	<ol style="list-style-type: none"> 1. Accenture Pte Ltd 2. Newspaper Pte Ltd 	<ol style="list-style-type: none"> 1. The Chinese University of Hong Kong 2. National University Health System Pte Limited

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Present	<ol style="list-style-type: none"> Sembcorp Marine Ltd (Non-Executive and Lead Independent Director) Wing Tai Holdings Limited (Non-Executive and Lead Independent Director) Surbana Jurong Private Limited (Director) NetLink NBN Management Pte. Ltd. (Director) 	<ol style="list-style-type: none"> Economic Development Board (Member) Enterprise Singapore (Chief Executive Officer and Member) Enterprise Singapore Holdings Pte Ltd (Chairman) Singapore Cooperation Enterprise (Chairman) Infrastructure Asia (Chairman) EDBI Pte Ltd (Director) Singapore Israel Industrial Research and Development Foundation (SIIRD) (Co-Chairman) National Research Foundation (Director) 	<ol style="list-style-type: none"> Concentrate Manufacturing Singapore Pte. Ltd. (Director) KSF Beverage Holding Co. Ltd. (Director) PepsiCo Inc. (Chief Executive Officer, APAC) Singapore Economic Development Board (Board Member) China Chain Store and Franchise Association (Vice Chairman) 	<ol style="list-style-type: none"> Lion Global Investors Limited (Director) Graduate Investment Private Limited (Director) Boost Holdings Sdn Bhd (Director) iShine Cloud Limited (Director) Aimazing Pte. Ltd. (Director) vKirirom Pte. Ltd. (Director) Moda Solutions Ltd (Director) OCBC Bank Ltd (Non-Executive Director) Partners Group (Operating Director) National University of Singapore Innovation and Enterprise (Executive Council Member) National Volunteer & Philanthropy Centre – Digital Task Force (Adviser) 	<ol style="list-style-type: none"> CUHK Medical Centre Limited (Director) National Healthcare Group Pte Ltd (Director) Singapore Eye Research Institute (Director) Nanyang Technological University, Singapore (Distinguished University Professor) Health & Life Sciences, Nanyang Technological University, Singapore (Senior Vice President) Lee Kong Chian School of Medicine, Nanyang Technological University, Singapore (Dean) Integrated Medical, Biological and Environmental Life Sciences, Nanyang Technological University, Singapore (Coordinating Director)

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Present (cont'd)					<p>8. Consortium for Clinical Research and Innovation Singapore (CRIS)-PRECISE (Board Oversight Committee)</p> <p>9. Ministry of Health, National Medical Research Council (NMRC) (Board Member)</p> <p>10. National Healthcare Group (NHG)-Joint Talent Development Committee (JTDC) (Co-Chairman)</p> <p>11. Primary Health Care Research in Multimorbidity and NMRC Centre Grant (CG) Mental Health in a Multi-Ethnic Population (PRIME) (Co-Chairman)</p> <p>12. Ministry of Health, Programme for Research in Epidemic Preparedness and Response (PREPARE) (Member)</p> <p>13. Ministry of Health (MOH)-Medical Student Training Standing Committee (MST-SC) (Committee Member)</p>

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
Present (cont'd)					<p>14. Ministry of Education (MOE) Singapore Centre of Environmental Life Sciences Engineering (SCELSE) (Member of Governing Board)</p> <p>15. Nanyang Technological University, Centre for Research and Development in Learning (CRADLE) (Member, Advisory Board)</p> <p>16. University of Melbourne (Council Member)</p> <p>17. Dr Stanley Ho Medical Development Foundation (Member, Board of Directors)</p> <p>18. Wu Zhi Qiao (Bridge to China) Charitable Foundation (Council Chairman)</p> <p>19. Journal of Gastroenterology and Hepatology (Chief Editor)</p>

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
(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	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	No
(c) Whether there is any unsatisfied judgement against him?	No	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	No

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
(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	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	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	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	No

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
(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	No
(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	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	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	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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No

Additional Information on Directors Seeking Re-Election

As at 16 March 2022

	MR ERIC ANG TEIK LIM	MR PNG CHEONG BOON	MR TAN WERN YUEN	MS CHONG CHUAN NEO	PROFESSOR SUNG JAO YIU
(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	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 1967 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, 13 April 2022, 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 2022.
- (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 33rd Annual General Meeting (**Chairman**) as my/our proxy to attend, speak and vote on my/our behalf at the 33rd Annual General Meeting of the Company (**AGM**) to be held by way of electronic means on Monday, 25 April 2022 at 3.30 p.m. and at any adjournment thereof in the following manner:

No.	Resolutions	For*	Against*	Abstain*
ORDINARY BUSINESS – ORDINARY RESOLUTIONS				
1.	Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2021 and Auditors' Report thereon			
2.	Approval of a one-tier tax exempt final dividend of 2.8 Singapore cents per share for the year ended 31 December 2021			
3.	Approval of Directors' Fees of S\$564,650 for the year ended 31 December 2021			
4.	Re-election of Mr Tan Wern Yuen, who is retiring in accordance with Regulation 92 of the Company's Constitution			
5.	Re-election of Ms Chong Chuan Neo, who is retiring in accordance with Regulation 92 of the Company's Constitution			
6.	Re-election of Professor Sung Jao Yiu, who is retiring in accordance with Regulation 92 of the Company's Constitution			
7.	Re-election of Mr Eric Ang Teik Lim, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
8.	Re-election of Mr Png Cheong Boon, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
9.	Re-appointment of KPMG LLP as Auditors and fixing their remuneration			
SPECIAL BUSINESS – ORDINARY RESOLUTIONS				
10.	Authority to Allot and Issue Shares			
11.	Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes			
12.	The Proposed Renewal of Share Buy Back Mandate			
13.	Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme			
14.	The Proposed Grant of Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the 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 _____ 2022

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 2001 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, 13 April 2022, 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 notarially 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/rafflesmedical-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@mncssingapore.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, 22 April 2022, 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.

Fold here

Please Affix
Postage
Stamp

Raffles Medical Group Ltd
c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Fold here

Fold this flap for sealing. Glue firmly.

*Raffles*MedicalGroup

Company Registration
No. 198901967K

585 North Bridge Road
Raffles Hospital #11-00
Singapore 188770
Telephone: (65) 6311 1111
Facsimile: (65) 6338 1318

WWW.RAFFLESMEDICALGROUP.COM