

ANNUAL REPORT 2022

Our People, Our Pride



Raffles Medical Group

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Proxy Form

Our Core Values

Compassion

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



Excellence

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



Team-based Care

We dedicate and combine our skills, knowledge and experience for your benefit.



Value

We seek always to create and deliver value for you.



On the Cover: Multi-disciplinary healthcare team from Raffles Hospital Singapore.

From left to right: Acting Assistant Nurse Clinician Arine Gao, Radiographer Ajith Appukuttan Vijayamma, Paediatrician Dr Isaac Liu, Senior Staff Nurse Fabian Chew, and Ophthalmologist Dr Foo Fong Yee.

About Raffles Medical Group

Founded in 1976, Raffles Medical Group (RMG or the Group) is one of the leading integrated private healthcare providers in the region, providing a continuum of services from primary and tertiary care to health insurance for people across Asia.

A proudly Singaporean brand, RMG is listed on the mainboard of the Singapore stock exchange (SGX: BSL) and operates in 14 cities in five countries in Asia. This network includes three tertiary hospitals and over 100 multi-disciplinary clinics, offering services such as health screening, specialist care, diagnostic radiology, dental, and traditional Chinese medicine. Together with over 2,800 employees, RMG brings more than 46 years of trusted healthcare expertise and care to over two million patients annually across our network as their trusted partner for health. For more information, please visit rafflesmedicalgroup.com.

Raffles Medical

Raffles Medical is the primary care network of Raffles Medical Group operating multi-disciplinary clinics in Singapore providing family medicine, health screening, and dental services. Raffles Medical also has Japanese clinics and/or clinics offering Japanese services in Singapore, Osaka, Tianjin, Beijing, Hanoi, and Ho Chi Minh City, servicing its Japanese patients with family medicine and dental services. In Singapore, Raffles Medical represents one of the largest networks of primary care clinics and services over 7,000 corporate clients, supporting the healthcare needs of businesses and employees. Through Raffles Medical International, the Raffles brand of quality and affordable care is available to patients in 14 cities, including Singapore, Greater China, Japan, as well as Cambodia and Vietnam.

Raffles Hospital

Raffles Hospital is the flagship private tertiary hospital offering of the Group in Singapore that currently boasts a growing network of tertiary hospitals in Singapore and China, including Raffles Hospital Chongqing, Raffles Hospital Shanghai, and Raffles Hospital Beijing. In Singapore, Raffles Hospital offers a comprehensive range of medical and dental specialties as well as diagnostic services. Raffles Hospital is the only private tertiary hospital in Singapore to be recognised by the Ministry of Health as Trauma Centre and is authorised to accept emergency cases from public ambulances under the Emergency Care Collaboration Scheme. The Hospital also operates more than 31 specialist centres and specialist satellite clinics, covering over 30 disciplines. Subscribing to the Group Practice model of healthcare, over 1,500 physicians, nurses, and allied healthcare professionals bring the Raffles brand of quality, peer-reviewed healthcare to patients in the region.



Our Network

14 cities



Trusted Healthcare Expertise

46 years

Raffles China Healthcare

Raffles China Healthcare is the operating division of Raffles Medical Group in China that provides patients with a suite of healthcare services from primary care to tertiary care. Raffles China Healthcare provides primary and tertiary care through its clinics and hospitals in seven cities in China – Beijing, Chongqing, Hong Kong SAR, Nanjing, Shanghai, Shenzhen, and Tianjin. Raffles China Healthcare's network of tertiary hospitals includes Raffles Hospital Chongqing, Singapore's first private tertiary hospital in China, and Raffles Hospital Shanghai, which opened in July 2021, as well as Raffles Hospital Beijing, bringing the Raffles brand of quality, peer-reviewed healthcare to more patients in China. Raffles China Healthcare has been in operation in Hong Kong SAR since 1995 with multiple medical centres across Hong Kong SAR as well as Hong Kong International Airport where it is the exclusive medical service provider for the airport.

Raffles Health Insurance

Raffles Health Insurance is the health insurance division of Raffles Medical Group, providing healthcare insurance to corporates and individuals in Singapore. Backed by the expertise of a trusted medical group with over 46 years of experience, Raffles Health Insurance seeks to provide healthcare financing solutions that cater for the needs of all its policy owners and members. Incorporated in 2004, Raffles Health Insurance is a wholly-owned subsidiary of Raffles Medical Group and is the seventh insurer appointed by the Ministry of Health as an Integrated Shield Plan provider in Singapore. Raffles Health Insurance, through its partnership with Bupa Global, also offers a wider range of international private health plans, which are co-insured by Raffles Health Insurance and Bupa Global, to cater to the needs of individuals and corporate clients of the international business community in Singapore.

At a Glance

2,800
Employees



2,500
Flexible employees



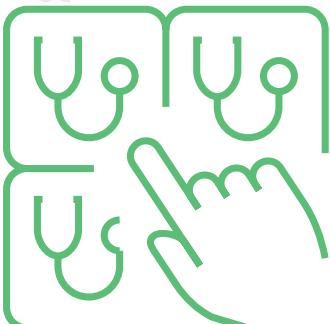
2,200,000
Patients and growing



More than
430
multi-specialty
physicians



More than
100
multi-disciplinary clinics



Over
1,500
physicians, nurses
and allied healthcare
professionals

Over
30
disciplines



More than
7,000
corporate clients

Location and Markets**Our Presence**

14 Cities **5** Countries

Headquarters

Singapore

Medical Facilities

- **Singapore**
- **China:** Beijing, Chongqing, Dalian, Nanjing, Shanghai, Shenzhen, Tianjin, Hong Kong SAR
- **Japan:** Osaka
- **Vietnam:** Hanoi, Ho Chi Minh City, Vung Tau
- **Cambodia:** Phnom Penh

Representative & Liaison Offices

- **Bangladesh:** Dhaka, Chittagong
- **Indonesia:** Jakarta, Bali, Bandung, Semarang, Solo, Surabaya
- **Vietnam:** Hanoi, Ho Chi Minh City

Financial Highlights



766.5m

▲ 5.9%

Group achieved 5.9% growth in revenue to \$766.5m



498.3m

▲ 8.6%

Revenue from Healthcare Services Division grew by 8.6% to \$498.3m



316.3m

▼ 8.6%

Revenue from Hospital Services Division decreased by 8.6% to \$316.3m



45.9m

▲ 15.6%

Revenue from Investment Holdings Division increased by 15.6% to \$45.9m



143.7m

▲ 71.7%

Profit after tax (PAT) increased by 71.7% to \$143.7m



236.1m

▲ 47.0%

Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 47.0% to \$236.1m




PATMI (\$ million)

143.5m

▲ 70.5%

Profit after tax and minority interest (PATMI) increased by 70.5% to \$143.5m



Earnings Per Share (Cents)

7.69

▲ 71.3%

Earnings per share grew 71.3% to 7.69 cents

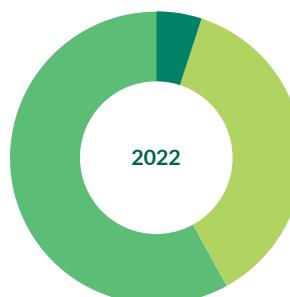


Dividend Per Share (Cents)

3.80*

Dividend increased 35.7% to 3.80 cents



Revenue Contributed By Segment


- 5% Investment Holdings
- 37% Hospital Services
- 58% Healthcare Services

	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000
Revenue	489,135	522,038	568,203	723,791	766,537
EBITDA	102,508	105,428	123,937	160,632	236,062
Operating Profit	84,235	76,168	88,442	121,306	195,846
Profit Before Tax	84,134	75,924	84,439	115,584	191,704
PATMI	71,056	60,273	65,891	84,171	143,516
Profit After Tax	70,803	60,522	64,670	83,716	143,702
Diluted Earnings per Share (cents)	3.97	3.32	3.58	4.49	7.69
Net Asset Value per Share (cents)	44.54	46.00	48.22	51.43	54.73
Dividend per Share* (cents)	2.50	2.50	2.50	2.80	3.80*
Return on Equity (%)	8.9	7.2	7.3	8.8	14.1

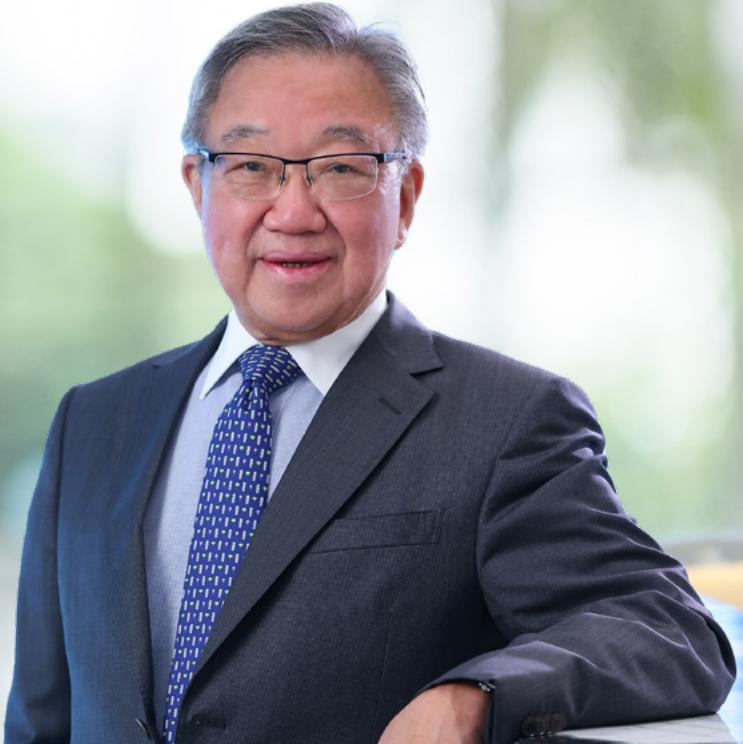
* Final dividend of 3.8 cents is subject to approval by shareholders at the Annual General Meeting in 2023.

Chairman's Message

During the past three years, our people across different geographies have risen to the multiple challenges that came with an ever-changing COVID-19 landscape to put our patients first.

Dr Loo Choon Yong

Executive Chairman



Revenue from the Healthcare Services Division grew by 8.6 per cent to S\$498.3 million.

Reflecting the return of patients to our clinics



94 employees conferred Public Service Medals by the Prime Minister's Office

for their outstanding contributions in managing the impact of COVID-19



Supporting the public healthcare system with our Transitional Care Facility in July 2022

Managing chronically ill patients from public hospitals



Received the operating license for our In-Vitro Fertilisation/ Assisted Reproductive Therapy centre at Le Cheng, Hainan

forming a full life-cycle service chain within obstetrics and gynaecology practices when fully open in the second half of FY2023

Dear Shareholders,

Rising up to the challenges in the past three years has been an extraordinary experience for the Group. There has been almost no rest nor respite for our people who had been operating on the frontline of COVID-19 across the geographies in which we operate, and I am very grateful to our staff, nurses, physicians, and management teams for staying the course and getting us to where we are today.

With the reopening of borders and easing of COVID-19 related protocols in the second half of FY2022, the Group saw a return of foreign patients seeking medical treatment in Singapore. While the Group's involvement in operating COVID-19 vaccination centres tapered off, it started a Transitional Care Facility in July 2022 for managing chronically ill patients from public hospitals to alleviate the burden on the public healthcare system.

For most of FY2022, Raffles China Healthcare was impacted by China's zero-tolerance policy for COVID-19. Although all three Raffles hospitals in China continued to operate during the respective lockdowns, their operations faced staffing constraints and interruption of patient access to their facilities. In December 2022 when China eased its zero-tolerance policy for COVID-19, the three hospitals supported the local community in government-led COVID-19 initiatives during this period.

Reflecting the return of patients to our clinics, revenue from the Healthcare Services division grew by 8.6 per cent to S\$498.3 million. Revenue from the Group's Hospital Services division decreased by 8.6 per cent to S\$316.3 million, due to a decrease in the number of polymerase chain reaction (PCR) diagnostic tests carried out in FY2022 as compared to FY2021.

The Group's earnings before interest, taxes, depreciation, and amortisation (EBITDA) grew 47.0 per cent from S\$160.6 million in FY2021 to S\$236.1 million in FY2022. Profit After Tax and Minority Interests (PATMI) grew 70.5 per cent to S\$143.5 million in FY2022 from S\$84.2 million in FY2021.

We closed FY2022 with our cash flow, liquidity, and balance sheet in very strong positions. For the financial year ended 31 December 2022, the Group generated cash from operating activities amounting to S\$196.2 million. As at 31 December 2022, the Group remained in a net cash position with S\$252.1 million in cash and cash equivalents and S\$96.1 million of debt, after net repayment of bank loans

and lease liabilities of S\$106.6 million, payment of dividends of S\$52.0 million in cash and executing share buy-back amounting to S\$24.3 million in value.

For the year ended 31 December 2022, the Directors are pleased to recommend a final ordinary dividend of 3.8 cents per share, an increase of 35.7 per cent as compared to the previous year.

Our People, Our Pride

The events of the past three years have reminded us of our responsibilities as a healthcare services provider. We worked diligently in the face of adversity and our efforts to support Singapore's fight against the COVID-19 pandemic were recognised nationally. We have a special role in supporting the nation in challenging times.

It gives me immense pride to share that among the recipients of the Singapore National Awards (COVID-19) are 94 of our employees who were conferred Public Service Medals by the Prime Minister's Office for their outstanding contributions in managing the impact of COVID-19. Emilia Hamzah, who is a nurse and healthcare manager of Raffles Medical was also awarded the Medal of Valour (COVID-19) for volunteering in a flight evacuation mission. She is the only healthcare personnel to receive this award which honours frontline personnel for their exemplary leadership and courage in the face of personal danger.

During the past three years, our people across different geographies have risen to the multiple challenges that came with an ever-changing COVID-19 landscape to put our patients first.

In China, the Group's three hospitals supported their local communities in government-led COVID-19 initiatives throughout the COVID-19 pandemic. During lockdowns, our doctors and nurses, as well as staff stayed in our three hospitals to ensure continuation of operations and patient care.

Raffles Medical Group would not be what it is today without our talented, dedicated team of physicians, nurses, allied health professionals, healthcare managers, and support staff who have stepped up in times of need and continue to put patients at the forefront of everything we do. They are true Healthcare Heroes and I extend my deepest appreciation to every staff member for their contributions – Our People, Our Pride indeed.

**Healthcare Services Division (\$ million)****498.3m**

▲ 8.6%

**PATMI (\$ million)****143.5m**

▲ 70.5%

**EBITDA (\$ million)****236.1m**

▲ 47.0%

**Dividend Per Share (Cents)****3.8 cents**

▲ 35.7%

Forging Ahead and Seizing Opportunities

Our path in recent times has been uncertain, but we learnt from embracing adversity as opportunity and have emerged in a stronger position. Despite the challenges of operating under zero COVID-19 policy until recently, our operations in China had continued to power ahead with our strategic plans. In this regard, I am happy to share that we have recently received the operating license for our In-Vitro Fertilisation/ Assisted Reproductive Therapy centre at Le Cheng, Hainan, which will complement our three hospitals in China. When fully open in the second half of FY2023, this facility will complement our three existing China hospitals' offerings through forming a full life-cycle service chain within its obstetrics and gynaecology practices for its patients across China, targeted to serve the estimated 40 million women in China who may require reproductive fertility services¹.

With China's COVID-19 containment policies relaxed, local and expatriate patients can now return to seek treatment at our hospitals and medical clinics. We remain keen to expand our regional presence as demographic trends in Asia continue to drive demand for quality healthcare.

Tough times make us stronger. As we push ahead, we will do so with greater confidence and a renewed drive for serving our patients and advancing the company in a meaningful way. To meet the evolving healthcare and wellness needs of patients, clients, and our partners, we are investing in our people, upgrading our digital infrastructure, enhancing our facilities, and improving our service offerings.

Amidst structural challenges facing the healthcare sector, potential impacts of slower global economic growth, inflation and higher interest rates, the Group will strive to improve operational leverages of existing businesses and explore new business opportunities as they arise. Our key priorities will continue to be the delivery of high-quality care, sustainable growth in attractive markets and synergistic business segments, in addition to building on our momentum as **the trusted partner for health in Asia**.

¹ Source: National Library of Medicine, Article PMC4729105 "Assisted reproductive technology in China: compliance and non-compliance"



Our key priorities will continue to be the delivery of high-quality care, sustainable growth in attractive markets and synergistic business segments, in addition to building on our momentum as the trusted partner for health in Asia.

Creating Sustainable Growth

With more than 46 years of offering quality healthcare solutions to patients, we are proud of the reputation we have earned as an industry leader and stalwart supporter of government initiatives as well as the lasting relationships we have built with our stakeholders.

As a responsible corporate citizen, Raffles Medical Group is committed to sustainable business practices that create value for our key stakeholders while doing our part for the environment and the communities in which we operate.

The Board, together with the Group's senior leadership, assesses, reviews, and monitors the Group's material sustainability topics and tracks its progress in these focus areas periodically, with the benefit of inputs gathered from a cross-functional executive team and through engagement with key stakeholders. To ensure reliable data is presented in our Sustainability Report (page 30 of the Annual Report), internal assurance is undertaken by our internal audit team. The review of sustainability reporting processes will continue to be part of the internal audit plan and the Board will be guided by industry benchmarks in formulating and refreshing its sustainability strategy.

We are encouraged by improvements we have made over the years in reducing waste, water, and energy consumption and increasing recycling rates, and are committed to accelerating progress in this area. We are also mindful of the impact the prolonged pandemic and on-going manpower crunch has had on our people, and we will continue to place emphasis on supporting our staff through greater engagement and talent development, to nurture resilience and the next generation of healthcare leaders and professionals.

Appreciation

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

We would also like to express our deep appreciation to the Board of Directors for their wise counsel, guidance, and support through this challenging period. I would like to thank Mr Raymond Lim, who retired from the Board in April 2022, for his contributions to the Group. We wish him good health and success in his endeavours.

Dr Loo Choon Yong

Executive Chairman

Board Of Directors

Information as at 31 December 2022



Dr Loo Choon Yong

age 73

Executive Chairman and
Non-Independent Director



Mr Eric Ang Teik Lim

age 69

Lead 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 2022)

33 years 7 months

Board Committee(s) served on

Nil

Current Directorships in Listed Companies

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

Other Major Appointments

- Ministry of Foreign Affairs
(Non-Resident Ambassador to the Republic of Poland)
- Asian Medical Foundation Ltd (Chairman)
- Raffles Health Insurance Pte Ltd (Chairman)
- Doctor World Pte Ltd (Chairman)

Previous Directorships in Other Listed Companies

held over the preceding three years

(1 January 2020 to 31 December 2022)

Nil

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

25 April 2022

Length of service as a Director (as at 31 December 2022)

7 years 8 months

Board Committee(s) served on

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

Current Directorships in Listed Companies

- Raffles Medical Group Ltd
(Non-Executive and Lead Independent Director)
- Wing Tai Holdings Limited
(Non-Executive and Lead Independent Director)

Other Major Appointments

- Surbana Jurong Private Limited (Independent Director)
- NetLink NBN Management Pte Ltd
(Independent Director)

Previous Directorships in Other Listed Companies

held over the preceding three years

(1 January 2020 to 31 December 2022)

- Sembcorp Marine Ltd
(Non-Executive and Lead Independent Director)



**Mr Allen Lew
Yoong Keong**

age 67
Independent Director



Mr Png Cheong Boon

age 53
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 2022)

2 years 2 months

Board Committee(s) served on

- Audit & Risk Committee (Chairman)

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd
(Non-Executive and Independent Director)
2. Advanced Info Service 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 2020 to 31 December 2022)

Nil

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

25 April 2022

Length of service as a Director (as at 31 December 2022)

4 years 2 months

Board Committee(s) served on

- Nomination & Compensation Committee (Chairman)

Current Directorships in Listed Companies

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

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 (Deputy 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)
9. Business China (Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2020 to 31 December 2022)

Nil

**Mr Tan Wern Yuen**

age 44

Independent Director

**Ms Chong Chuan Neo**

age 60

Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

1 July 2021

Date of last re-election as a Director

25 April 2022

Length of service as a Director (as at 31 December 2022)

1 year 6 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. Calbee Inc
(Non-Executive and Non-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 2020 to 31 December 2022)

1. Dada Nexus Limited (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

25 April 2022

Length of service as a Director (as at 31 December 2022)

1 year 2 months

Board Committee(s) served on

- Nomination & Compensation Committee (Member)

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd
(Non-Executive and Independent Director)
2. Lion Global Investors Limited
(Non-Executive Director)
3. Oversea-Chinese Banking Corporation Limited
(Non-Executive and Independent Director)
4. SIA Engineering Company Limited
(Non-Executive and Independent Director)

Other Major Appointments

1. Partners Group (Operating Director)
2. Boost Holdings Sdn Bhd
(Non-Executive and Independent Director)
3. iShine Cloud Limited
(Non-Executive and Independent Director)
4. Moda Solutions Ltd
(Non-Executive and Independent Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2020 to 31 December 2022)

Nil



Professor Sung Jao Yiu

age 63

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

25 April 2022

Length of service as a Director (as at 31 December 2022)

1 year 1 month

Board Committee(s) served on

- Nomination & Compensation Committee (Member)

Current Directorships in Listed Companies

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

Other Major Appointments

1. CUHK Medical Centre Limited (Director)
2. National Healthcare Group Pte Ltd (Board Member)
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 Member)
17. Journal of Gastroenterology and Hepatology (Chief Editor)
18. Singapore Eye Research Institute (Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2020 to 31 December 2022)

Nil

**Mr Tan Soo Nan**

age 74

Executive and
Non-Independent Director**Mr Olivier Lim
Tse Ghow**

age 58

Non-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 2022)

22 years 5 months

Board Committee(s) served on

Nil

Current Directorships in Listed Companies

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

Other Major Appointments

1. Raffles Health Insurance Pte Ltd (Executive Director)
2. ICE Futures Singapore Pte Ltd (Director)
3. ICE Clear Singapore Pte Ltd (Director)
4. ICE Singapore Holdings Pte Ltd (Director)
5. Temasek Foundation Limited (Director)
6. Woh Hup Trust (Director)
7. TF IPC Ltd (Director)
8. Ministry of Transport
(Member of the Public Transport Council)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2020 to 31 December 2022)

Nil

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 2022)

8 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)
3. PropertyGuru Group Limited
(Non-Executive Chairman and Independent Director)
4. Starhub Ltd (Appointed as Non-Executive Chairman on 1 January 2023 after serving as Independent Director since 12 February 2022)

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. Singapore Management University
(Member of Board of Trustees)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2020 to 31 December 2022)

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

**Dr Sarah Lu Qinghui**

age 41

Executive and
Non-Independent Director**Academic and Professional Qualifications**

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

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 2022)

4 years 10 months

Board Committee(s) served on

Nil

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 2020 to 31 December 2022)**

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.

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

2013 to March 2019. He was previously the Chairman of Sentosa Development Corporation Ltd and Sentosa Golf Club.

Dr Loo 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 Sheila 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, was the CFO of GES International Limited, 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.



Mr Darren Tan

Chief Investment Officer
Raffles Medical Group

Mr Darren Tan joined Raffles Medical Group in March 2023 as Chief Investment Officer to develop and execute its business and investment strategy.

Before he joined Raffles Medical Group, Mr Tan was the Chief Financial Officer (CFO) of OCBC Bank from 2011 to 2022. Mr Tan joined OCBC Bank in 2007 as Head of Asset & Liability in Global Treasury and assumed the role of Deputy CFO in 2011. Prior to this, Mr Tan worked for 13 years in the Government of Singapore Investment Corporation (GIC) with his last position in GIC as Head of Money Markets.

Mr Tan serves on the Board of Inland Revenue Authority of Singapore, Tax Academy of Singapore, and Singapore Management University's School of Accountancy. He is a council member of the Institute of Singapore Chartered Accountants and serves as chairman of its Investment Committee. Mr Tan had previously served on the Boards of OCBC Bank (China), OCBC Bank (Malaysia), Bank of Ningbo (China), Lion Global Investors (Singapore), and MaxWealth Asset Management (China). He had also served as a member of the Alumni Advisory Board and Adjunct Professor of Nanyang Business School.

Mr Tan is a Chartered Financial Analyst (CFA) and Fellow Chartered Accountant of Singapore. He was named "Best CFO" at FinanceAsia Awards 2016, Singapore Corporate Awards 2017, Corporate Governance Asia 2018, and Corporate Treasurer Awards 2021. Mr Tan graduated with first class honours in accountancy from Nanyang Technological University and is an alumni member of Stanford Graduate Business School.



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. He was appointed Managing Director in January 2022.

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

Chief Operating Officer
Singapore Healthcare
Raffles Medical Group

Dr Kenneth Wu is the Chief Operating Officer 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.

Senior Management

**Ms Juliet Khew**

Deputy Managing Director
Raffles Health Insurance

Ms Juliet Khew is the Deputy Managing Director of Raffles Health Insurance, the synergistic insurance arm and a wholly-owned subsidiary of 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 the 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 had led Health transformation project focusing on customer proposition and in her leadership journey, she 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.

**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 Kwok Quek Sin

Chief Digital Officer
Raffles Medical Group

Mr Kwok Quek Sin joined Raffles Medical Group as Chief Digital Officer in 2022. In this capacity, he is responsible for driving RMG into a data-driven, digitally responsive, and connected organisation.

Prior to joining Raffles Medical Group, Mr Kwok was Executive Director in Monetary Authority of Singapore (MAS), and was responsible for developing the industry wide Green Fintech strategy to harness technology and data to support the Financial Sector's Green and Sustainability agenda.

Before his secondment to MAS, Mr Kwok was Senior Director in Government Technology Agency (GovTech), overseeing Singapore's National Digital Identity programme. Here, he spearheaded the strategy, implementation, operations, and adoption of the National Digital Identity Platform, which includes commonly used digital products such as Singpass, Corppass, MyInfo, SafeEntry, and multiple sectorial data platforms such as SGFinIndex and SGTradex.

Throughout his 13 years in the public sector, Mr Kwok was also responsible for several e-Government projects. He received The Public Administration Medal (Silver) in 2021 for his contributions to the Smart Nation and Digital Government efforts.

Prior to joining the public service in 2009, Mr Kwok served in multiple consulting and management roles across various MNCs.



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 20 years of experience in the healthcare industry. Mr Teo previously held the position of Head Systems Services and Principal Enterprise Architect at Integrated Health Information Systems (IHIS). During his tenure, 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

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.

Dr Loh joined the Group in 2014 and had previously served in Raffles Medical network clinics as Deputy Physician Leader where he was involved in primary care operations. He was

previously the Head of Medical Directorate of Raffles Health Insurance where he oversaw panel management, medical adjudication, and medical underwriting. He was also 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 Chng Shih Kiat
Medical Director
Raffles Medical



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 Lee I Wuen
Medical Director
Raffles Hospital Singapore



Dr Michael Wong
Deputy Medical Director
Raffles Medical



Dr Salleh Omar
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

Operations Review

A confluence of factors from the return of foreign patients in the second half of FY2022 following the re-opening of air borders together with the continuation of certain COVID-19 activities, coupled with a disciplined operating model, saw the Group deliver exceptional financial results for the year ended 31 December 2022.

We achieved revenue growth of 5.9 per cent year on year, translating into S\$766.5 million for FY2022.

Reflecting the results of better cost control and deployment of manpower, together with lower inventories and consumables used, the Group posted Profit After Tax and Minority Interests (PATMI) growth of 70.5 per cent to S\$143.5 million in FY2022 from S\$84.2 million in FY2021.

As the world transitions to living with COVID-19, we are pleased to report that 94 of the Group's employees were named in December 2022 as recipients of the Public Service Medals conferred by the Prime Minister's Office for their outstanding contributions in managing the impact of COVID-19.

In contrast, FY2022 was a particularly challenging year for the Group's China operations that had to operate under the constraints of zero-tolerance policy for COVID-19 for most part of the year. We are proud that our staff and healthcare professionals in China stepped up to the challenge during this difficult year and our three hospitals there supported their local communities in government-led COVID-19 initiatives throughout this period.



766.5m ▲ 5.9%



143.5m ▲ 70.5%

In FY2022, we continued to strengthen our regional footprint by forming key partnerships in major cities and increasing our presence in local communities. Through strategic collaborations and teamwork, we achieved several notable awards and accreditations such as the Nursing Continuing Professional Development Premier Award by the American Nurses Credentialing Centre (ANCC), and the successful re-accreditation as a baby-friendly hospital by the Association for Breastfeeding Advocacy – both of which are a first for a private hospital in Asia.

With the easing of COVID-19 related protocols, the Group saw a return of local and foreign patients seeking treatment in Singapore. As the normalisation in our core businesses accelerates, we continue to invest in new treatments, specialist doctors, technology and training to improve our service offerings, patients' experiences, advance our clinical capabilities, and gain efficiencies.

SINGAPORE OPERATIONS



Raffles Hospital

Emerging from COVID-19

The resumption of air travel in FY2022 saw a return of foreign patients seeking medical treatments in Singapore.

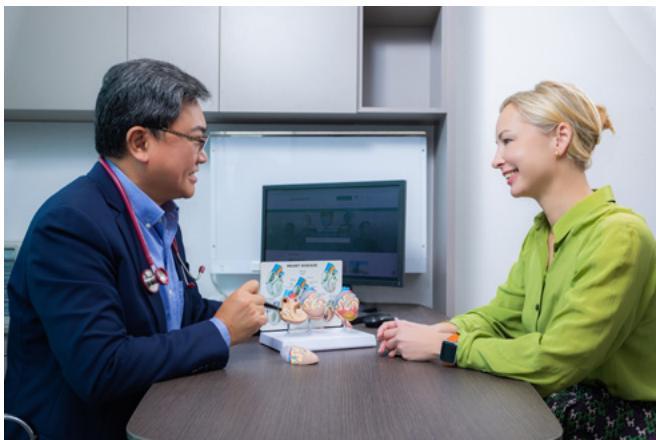
Creating Value for Our Patients

To better serve the evolving needs of patients, we continued to expand our service offerings.

GI Genius, an artificial intelligence (AI) module that enhances the accuracy of colonoscopy, was introduced in conjunction with Colorectal Cancer Awareness Month in March 2022. Employing machine learning technology, the module helps endoscopists and specialists evaluate the colon with greater precision, and identify small polyps that may otherwise go unnoticed by the human eye.

In May 2022, Raffles Hospital started offering peritoneal dialysis, and this gained traction throughout the year. One of the key benefits of peritoneal dialysis is that it can be carried out at home. It is also needle-free and less expensive compared to using a dialysis machine. Patients benefit from having better protection of the remaining kidney function and less fluctuation in blood pressure.

We also strengthened our paediatric ophthalmology division with the addition of an orthoptist. This allied health professional is the equivalent of an eye therapist, and primarily works with young children to help them regain healthy vision. The orthoptist works closely with ophthalmologists to assess, diagnose, and treat patients with various eye conditions.



Raffles Hospital welcomed the return of international patients with new services that seek to enhance treatment outcomes and add value to patients.



We launched the In-Vitro Fertilisation (IVF) with Life Whisperer Viability service in November 2022. Designed to assess and evaluate embryo quality, this AI system improves IVF outcomes by selecting embryos that are more likely to lead to pregnancy, reducing the number of IVF cycles for hopeful parents.

Throughout the year, RMG continued to support Singapore's public healthcare system with the Emergency Care Collaboration (ECC) scheme, where RMG takes in accident and emergency (A&E) cases in a load share arrangement with certain public hospitals, which allowed the Group to step up in times of capacity constraints at public hospitals.

Upholding Best Practices as a Leading Healthcare Provider in Asia

In November 2022, we became the first private hospital in Singapore to receive a successful re-accreditation as a baby-friendly hospital by the Association for Breastfeeding Advocacy, under the Baby Friendly Health Initiative (BFHI). The BFHI was launched in 1991 by UNICEF (now also known as the United Nations Children's Fund) and the World Health Organisation (WHO) to encourage maternity hospitals to adopt best practices in supporting breastfeeding mothers. Having the BFHI Accreditation means that Raffles Hospital fulfils all the criteria in WHO's guidelines on "Ten Steps to Successful Breastfeeding", including adhering to the International Code of Marketing of Breastmilk Substitutes, and ensuring that staff have sufficient knowledge, competence and skills to support breastfeeding.

Building on the good work that earned us Accreditation with Distinction conferred by the ANCC, Raffles Hospital was presented with the Nursing Continuing Professional Development Premier Award in recognition of its commitment towards meeting the learning needs of its nurses. Raffles Hospital is the first private hospital in Asia to receive this award.



Living with COVID-19

Raffles Medical continued to support Singapore's national vaccination programme through our various vaccination centres islandwide. Following the Ministry of Health's (**MOH**) authorisation of the COVID-19 vaccine for children and infants, Raffles Medical was appointed as an official healthcare provider to serve this demographic.

As our involvement in operating COVID-19 vaccination centres tapered off, we continued to contribute to the fight against the pandemic through our operations at Singapore EXPO, where we manage COVID-19 patients unsuitable for home recovery at the country's largest COVID-19 Treatment Facility. In July 2022, we evolved our operations and started a Transitional Care Facility for managing chronically ill patients from public hospitals to alleviate the burden on the public healthcare system. These patients do not require acute hospital care but may have chronic conditions requiring medical attention.

With the cessation of on-arrival Tests in Singapore in February 2022, Raffles Medical continues to play a pivotal role in supporting border health measures at Changi Airport by screening incoming travellers for other potential infectious diseases.

Enhancing Our Primary Care Network

We continue to evaluate our primary care network footprint to ensure that we will continue to serve our patients at convenient and accessible locations.

Raffles Medical, an active participant of government schemes such as the Community Health Assist Scheme (**CHAS**) and the Public Health Preparedness Clinic (**PHPC**) scheme, operates one of Singapore's largest family medicine clinic networks in support of the national Primary Care Network (**PCN**) programme. Through the PCN programme, patients receive personalised health management advice from our family physicians. Treatment outcomes are closely monitored by our committed case management team to ensure patients receive the appropriate level of care and support to manage their chronic conditions. In furtherance of the objective to achieve better health for all, Raffles Medical will also be a participant of the MOH's Healthier SG initiative.



Tapping on our network of clinics located around Singapore, Raffles Medical has formed a strong primary care network to support our patients' health journey.



Raffles Dental



15 Vaccination Centres (VCs)

Raffles Medical continued to support Singapore's fight against COVID-19 as we transitioned to a post COVID-19 world.

With the reopening of borders, we have seen a healthy increase in foreign patients seeking specialist dental treatments in Singapore. We have also extended our operating hours in satellite clinics across Singapore, and redeployed dentists to support the needs of patients working in the central business district as they returned to the office.



Raffles Health



Setup of Five Paediatric VCs across the island

Raffles Medical was appointed as one of the official healthcare providers to offer COVID-19 vaccination for children aged five to 11.



Raffles Health offers quality health and lifestyle products that are accessible in-store and online.

Raffles Health constantly seeks to innovate and improve on the products we bring to consumers.



Transitional Care Facility

Managing chronically ill patients from public hospitals to help alleviate the burden on the public healthcare system.

A new curation service was introduced in 2022 with the needs of travellers in mind, offering amenity kits with products customised in consultation with our in-house pharmacist.

As part of the retail pharmacy's renewed effort to promote health and wellness, the designs and formulas on our wide range of supplements and nutraceuticals have been refreshed to enhance appeal to customers and are also available online at www.raffleshealth.com for the convenience of our customers.



Raffles Healthcare Institute

Service Excellence at Every Touchpoint



Delivering service with an impact for every patient and touching lives, moving hearts.

During the year, Raffles Healthcare Institute collaborated with our Customer Experience Management team to launch a new Centre of Service Excellence (CSE). The centre focuses on delivering training to instil the spirit of service excellence in all our employees. It also emphasises creating a positive patient experience at every patient touchpoint. The programme offered at CSE comprises a structured training roadmap that provides Workforce Skills Qualifications-recognised service training courses at the fundamental, intermediate, and advanced levels.



Launched the new Centre of Service Excellence

This collaboration with our Customer Experience Management team offers a structured training roadmap that provides Workforce Skills Qualifications-recognised service training courses at the fundamental, intermediate, and advanced levels.



Nursing Continuing Professional Development (NCPD) Premier Award

Raffles Hospital was recognised by the ANCC for excellence in the field of NCPD and for promoting life-long learning through professional development programmes to ensure our nurses stay up-to-date on best practices.



Nurturing Our Talents

Raffles Leadership Development Programme was set up to nurture managers into business leaders, and comprises management modules such as strategic thinking and people management.



Raffles Health Insurance

Nurturing Our Talents



Various professional development programmes are available for nurses at Raffles Hospital to promote continuous learning and the highest standards of nursing.

To advance the leadership capabilities of the management team, selected staff were given the opportunity to participate in the Raffles Leadership Development Programme. This programme was set up to nurture managers into business leaders, and comprises management modules such as strategic thinking and people management.

Building Stronger Digital Capability

In 2022, Raffles Health Insurance (RHI) focused on process re-engineering and automation to streamline operations. This included implementing solutions to automate key processes such as group policy administration, and the use of a robust digital system to improve operational efficiency. As part of our continued effort to go digital, the request for letters of guarantee required for hospital admissions may now be submitted online by our customers, allowing such requests to be reviewed and processed more expediently.

Our efforts to simplify insurance claims processes and deliver convenience extended beyond the Raffles network. During the year, we collaborated with National University Hospital to offer cashless payments for inpatient and outpatient specialist visits. We also expanded our GP and specialist panel offerings for patients to enjoy more flexibility when seeking medical care.

Additional enhancements were made to RHI's product offerings in 2022. Raffles Corporate Care, a plan designed for small and medium-sized entities, was well received by our corporate clients. In anticipation of regulatory changes to be imposed by the Ministry of Manpower, RHI also revamped our Foreign Worker Medical Insurance Plan offerings.

We have also expanded our distribution partnership network with partners to drive growth in revenue for both customised and standardised portfolio solutions.

OVERSEAS OPERATIONS



Raffles Medical International

INDOCHINA

Serving the Needs of the Community

Shortly after borders reopened in early 2022, life and business in Indochina quickly returned to a pre-pandemic pace. From general medicine to various specialist services, we saw both local and foreign patients seeking medical care at our clinics and medical centres. The demand for corporate health screening also increased, and we continued to work closely with our partner networks to support their growing employee healthcare needs.

Launch of Raffles Connect in Indochina

In response to our patients' needs for greater accessibility, we launched Raffles Connect to offer teleconsultation and virtual care services. Through Raffles Connect, patients could make appointments for COVID-19 tests, purchase health screening services, and book sessions with a GP doctor or a specialist of their choice.

The Community's Trusted Partner for Health

Raffles Medical Indochina's medical facilities in Vietnam (Ho Chi Minh City or **HCMC**, and Hanoi) and Cambodia (Phnom Penh) have been accredited as panel members of Australia, New Zealand, the United Kingdom (**UK**), Canada, and the United States (**US**) to provide Immigration Medical Examinations (**IME**) for tuberculosis screenings*.

We expect to add more panel memberships to the portfolios of our medical centres in 2023.

* HCMC IME services: Australia, New Zealand, and UK

Hanoi IME services: UK and Canada

Phnom Penh IME services: Australia, New Zealand, UK, and US



Raffles Medical

Serving the needs of the community as their trusted partner for health.

We were also the appointed medical provider for multiple sports and charity events organised by leading international schools and business associations.

During the year, we continued to expand our community engagement via social media and digital platforms, dissemination of regular health advisories, health and wellness talks, as well as the provision of first-aid training courses.



Raffles China Healthcare

CHINA

Despite operating under challenging circumstances, imposed by a zero-tolerance COVID-19 policy for most of 2022, Raffles China Healthcare's three hospitals continued to gain operational momentum.

Raffles Hospital Beijing

Raffles Hospital Beijing (RHBJ) expanded its commercial outreach to ultra-high net worth local Chinese, while continuing to focus on being the choice healthcare provider among the international community in Beijing. RHBJ also provides healthcare services to the consulates of many countries, including accredited visa health checks to meet the entry requirements of each respective country. During COVID-19 lockdowns, RHBJ offered customised healthcare services, including but not limited to COVID-19 advisory and screening as well as vaccination programmes tailored to meet the requirements of specific consulates.

Conveniently located between the 2nd and 3rd Ring Roads in Beijing, RHBJ also offers minimally invasive surgical procedures. In addition to providing a range of clinical services, it houses a 24/7 A&E clinic to provide medical treatment at all hours to patients seeking medical attention and urgent care.

Raffles Hospital Chongqing

Raffles Hospital Chongqing (RHCQ) continued to expand its obstetrics and gynaecology (O&G) services and now offers a complete suite of end-to-end services for women. Our maternity packages and confinement centre have been very well received and we look to continue expansion of our service offerings in this area. Clinical services in interventional cardiology and neuroscience have also been expanded as we continue to provide safe and quality healthcare to residents in Chongqing.

RHCQ, being one of the designated COVID-19 vaccination hospitals appointed by the local health bureau, also supported the local government in mass COVID-19 polymerase chain reaction (PCR) tests during community outbreaks in the city.

Raffles Hospital Shanghai

Raffles Hospital Shanghai (RHSH), which only commenced operations in July 2021, provides 24-hour emergency care, and offers various clinical specialties and programmes that includes women's health, paediatrics, cardiology, gastroenterology, orthopaedic surgery and sports injury management, amongst others.

Of the three hospitals that we operate in China, RHSH was most impacted by the country's zero tolerance COVID-19 policy in 2022. During this period, RHSH operations faced staffing constraints and interruption of patient access to its facilities. To ensure continuation of operations and patient care, our doctors, nurses and staff stayed in the hospital during lockdowns. Their tireless efforts and commitment to putting patients first were instrumental in ensuring continuity of care throughout the lockdown periods in April and May 2022.

Raffles International Hospital (Hainan)

On a brighter note, Raffles International Hospital (Hainan) recently received its operating licence to set up an In-Vitro Fertilisation/Assisted Reproductive Therapy centre at Le Cheng, Hainan, China.

Scheduled to commence operations in 2Q FY2023, this facility will complement our China hospitals' offerings by forming a full life-cycle service chain within the O&G practices for their patients across China, targeted to serve the estimated 40 million women in China who may require reproductive fertility services¹.

Going forward, we will leverage our IVF expertise in Singapore to also offer our newly launched IVF with Life Whisperer Viability service.

Patient visits have shown encouraging growth despite challenges posed by the pandemic and lockdowns. With the lifting of COVID-19 restrictions in December 2022, we look forward to accelerated growth in China in 2023 and beyond, as we continue serving patients who seek trusted and quality healthcare services.

1. Source: National Library of Medicine, Article PMC4729105 "Assisted reproductive technology in China: compliance and non-compliance"

Sustainability Report

Board Statement

Raffles Medical Group recognises the importance of sustainability in safeguarding the well-being of our patients, employees, and the community. We are committed to integrating sustainability into our business operations and practices to create long-term value for our stakeholders.

The Board of Raffles Medical Group (also referred to as **RMG** or the **Group**) affirms that it specifically considers sustainability issues in providing strategic direction to the Group. The Group's senior management monitors and updates the Board on sustainability progress and assists in the formulation of the relevant strategies.

The Board also acknowledges its responsibility for the Group's sustainability reporting and Board members have completed the requisite sustainability training in accordance with SGX-mandated requirements. The Board believes the following report provides a reasonable and transparent presentation of the Group's strategy as well as its Environmental, Social and Governance (**ESG**) performance.

About This Report

This Sustainability Report (**Report**) supplements our last sustainability report published on SGXNet in May 2022 and highlights the developments and progress of our sustainability journey in the year 2022. The Report references the Global Reporting Initiative (**GRI**) Universal Standards 2021 issued by the Global Sustainability Standards Board and is guided by the SGX-ST Sustainability Reporting Guide (Practice Note 7.6). In preparing the Report, we continue to focus on communicating value creation through our ESG strategies. In the coming years, where appropriate for the Group's disclosures, we will progressively adopt the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**) on climate-related financial information.

The Report covers the ESG performance of all the business divisions and subsidiaries within RMG over the reporting period. Information is extracted from primary internal records to ensure accuracy and is presented using internationally accepted measurement units. The Report does not include any restatement of previously published data nor significant changes from the previous reporting periods in the list of material topics and topic boundaries. As the Board reviews the Group's sustainability policies and processes in tandem with the evolving landscape and changes to disclosure best practices, appropriate recalibration may be made in subsequent reports.

In line with the SGX's requirements for internal review and/or external assurance of the sustainability reporting process and ESG information, the information contained herein has been reviewed by the Group's internal audit department, and sustainability reporting processes will continue to be audited as part of the internal audit cycle. The Group will monitor developments on the standard for sustainability reporting assurance which the International Audit and Assurance Standards Board is in the process of formulating and adopt the recommendations as appropriate for the Group following deliberation by the Audit & Risk Committee and the Board in consultation with internal and/or external auditors.

Sustainability Approach

We are committed to supporting the health and well-being of our employees and the communities in which we operate, while fostering ethical business practices, achieving business growth and high standards of governance. Our commitment to sustainability is anchored by our mission, vision, and values, which are the guiding principles for our business conduct.

We recognise the importance of climate-related disclosures in mitigating the effects of climate change. In addition to environmental disclosures made in the Report, we are in the process of formulating an approach for determining climate-related risks and opportunities as well as targets that would be meaningful to our stakeholders, to be incorporated into future reports.

Sustainability Governance

The Board has assigned the responsibility for monitoring and overseeing the Group's sustainability efforts to the Sustainability Committee (**Committee**).

The Committee comprises senior executives from key functions of the business. It oversees the development and implementation of our organisation-wide sustainability strategy and recommends the direction for reporting to the Board. Its responsibilities include reviewing, assessing, and determining the sustainability context, material topics, scope, boundary, and prioritisation of issues to be included in the report. It considers feedback from both internal and external stakeholders to determine the material issues in the report. The Committee convenes as and when necessary and is supported by a cross-functional team that gathers and verifies the data, including the internal audit department which undertakes internal assurance and reports independently to the Audit & Risk Committee. The Board is apprised of issues and progress relating to the Group's sustainability efforts and makes decisions on sustainability strategies at Board meetings or on an ad-hoc basis when required.

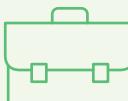


Stakeholder Engagement

We recognise that our sustainability efforts cannot be achieved alone. The key stakeholders in our sustainability journey comprise our patients / customers, corporate clients, employees, shareholders, suppliers and contractors, government and regulators, voluntary welfare organisations (VWOs), media, and the local communities. They were identified based on their level of influence and interest in our business activities and we engage with them on a regular basis to understand their perspectives and concerns, which in turn determine the Group's material sustainability topics.

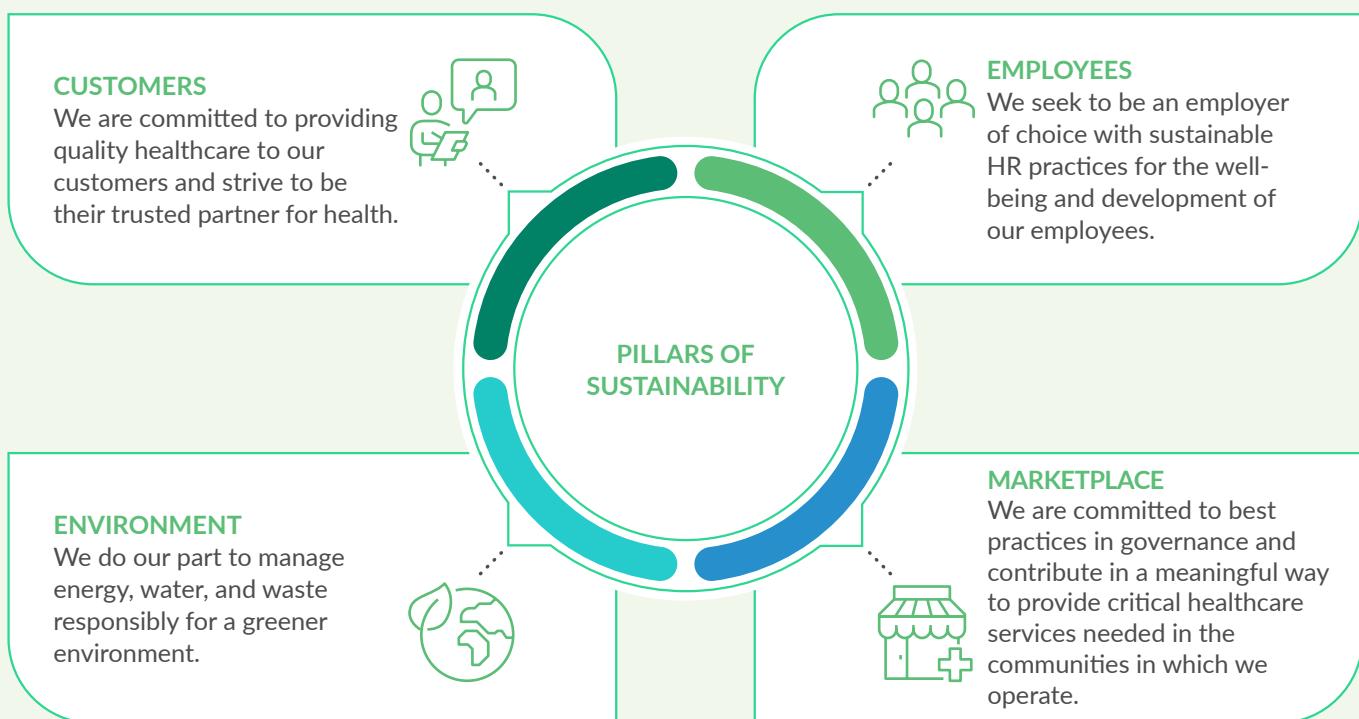
The Group engages the relevant stakeholders as follows:

Stakeholder	Key Focus Areas	Engagement Method
 Corporate Clients, Customers	<ul style="list-style-type: none"> • Access to healthcare • Patient safety and education • Data protection • Customer experience 	<p>We engage our corporate clients and customers through a variety of platforms and touchpoints, including:</p> <ul style="list-style-type: none"> • Regular health advisory content from Raffles experts • Monthly health e-newsletters on health trends and tips • Regular client meetings for human resource leaders and senior management • Client hospitality and networking events, where permitted • Scheduled meetings on data analytics • Health talks and webinars • Customised corporate events on employee wellness • Raffles Connect mobile application with various features on health news, alerts, and advisories • Regular feedback through surveys
 Employees	<ul style="list-style-type: none"> • Employee health and safety • Employee wellness • Employee retention • Employee volunteerism • Training and talent development 	<p>Our employees are kept engaged and updated through various platforms, which include:</p> <ul style="list-style-type: none"> • Monthly e-newsletters to overseas and local markets with the latest highlights and news of the month • Intranet that provides a platform for staff to be updated with company guidelines, news, and key human resource information • Internal events such as Nurses Day, annual staff meeting, physician summits, annual management meetings, New Year gathering and department quarterly social outings, where permitted • E-newsletters, emails, one-to-one performance appraisals (mid-year and year-end), staff meetings, and conferences • Raffles Recreation Club monthly e-newsletters that highlight staff perks and benefits through our partner network • Raffles Recreation Club activities that include subsidised sports, healthy lifestyle initiatives, family-oriented art, and cultural internal events • Volunteerism activities organised through the Asian Medical Foundation • Emails from Raffles Healthcare Institute offering more than 75 enrichment courses including General Management, Life Support and Nursing Education, amongst others to all employees (frontline and ancillary, supervisors, managers, and senior leaders) • Dissemination of information for professional development opportunities (e.g Continuing Nursing Education programmes accredited by the American Nurses Credentialing Centre)

Stakeholder	Key Focus Areas	Engagement Method
 Government and Regulators	<ul style="list-style-type: none"> • Compliance with relevant laws and regulations • Prompt and accurate regulatory disclosures • Support for national initiatives 	Periodic reports of various performance and clinical indicators, quarterly and half yearly update sessions with the ministries, and/or regulatory bodies
 Suppliers and Contractors	<ul style="list-style-type: none"> • Business performance • Fair tender process • Competitive pricing • Good quality of goods and services • Occupational health and safety • Compliance with laws and regulations 	Tenders, request for quotations and request for proposals, tender interviews, site visits, regular meetings, annual vendor evaluation, and email correspondences
 Shareholders	<ul style="list-style-type: none"> • Business and operations performance • Business strategy and outlook • Corporate governance • Compliance with relevant laws and regulations • Transparency and timely announcements 	<ul style="list-style-type: none"> • General Meetings of shareholders • Timely release of financial results together with results briefing sessions • Investor conferences, small group and in-house meetings, emails, and phone calls • Dedicated investor relations portal accessible through the Group's corporate website www.rafflesmedicalgroup.com • Timely SGX updates, where applicable
 Media	<ul style="list-style-type: none"> • Timely information • Transparent, open and effective communication 	Face-to-face meetings, emails, phone calls, media replies, media releases, media briefings, and media events
 Local Communities	<ul style="list-style-type: none"> • Contribution to and engagement with the local community 	Corporate website, social media, webinars, seminars, partnership activities, and Raffles Connect
 Voluntary Welfare Organisations	<ul style="list-style-type: none"> • Contribution to and engagement with the local community 	Regular discussions with VWOs including the Asian Medical Foundation to identify support needs, regular engagement with VWOs through employee volunteer initiatives

Pillars Of Sustainability

The Group is committed to adopting environmentally, economically, and socially sustainable practices to continue delivering value and achieving sustainable growth. Our sustainability approach is anchored on four key pillars: Customers, Employees, Environment, and Marketplace.



Prioritising Identified Aspects

Significance to Company	High	Occupational Health & Safety	• Employees • Access to Healthcare	• Regulatory Compliance • Patient Safety
	Medium	Energy, Water	• Procurement Practices • Risk Management • Training & Education	• Economic Performance • Customer Experience • Data Protection • Digital Transformation
	Low	• Effluent & Waste • Local Supplies	• Community • Patient Education	—
Importance to Stakeholders		Low	Medium	High

Key Sustainability Topics

Pillars	Strategic Area	Value Created	Challenges	Key Indicators	Targets
 Customers	Access to Healthcare	<ul style="list-style-type: none"> Comprehensive medical services Team-based care with integrated records Clinical governance peer reviews Quality assurance & audits Location of services within reach Primary care services Satellite hubs with specialist services Tertiary care facilities Member of Singapore's Community Health Assist Scheme (CHAS) in support of the national Primary Care Network (PCN) programme 	Competition for manpower / talents	Access points for patient care	Number of access points to patient care
	Patient Safety and Education	<ul style="list-style-type: none"> Quality healthcare Patient health advisories Access to healthcare information, services, and goods Participates in the Ministry of Health's Healthier SG initiative 	<ul style="list-style-type: none"> Patient education Outreach to patients 	Digital engagement	Digital outreach census
	Data Protection	<ul style="list-style-type: none"> Compliance with regulatory requirements and mitigation of risk Safekeeping of patient, corporate and strategic data 	Patient understanding and consent	Compliance with relevant personal data protection legislations	100% compliance rate
	Customer Experience	Customer satisfaction	Patient expectations	<ul style="list-style-type: none"> Annual Customer Satisfaction Index Repeat customers visits 	Annual improvement

Key Sustainability Topics

Pillars	Strategic Area	Value Created	Challenges	Key Indicators	Targets
 Employees	Employee Safety and Security	Ensure the safety and security of employees	Workplace safety advocacy	Workplace Safety and Health (WSH) audit	Successful completion of WSH audit
	Employee Health and Wellness	Improved physical and mental well-being of our employees	Programme advocacy	Availability of physical and wellness programmes	Increased percentage of employee participation
	Employee Retention	Improved retention rates	Competition for talents	Retention rate	Improvement of retention rate
	Employee Volunteerism	<ul style="list-style-type: none"> A socially responsible workforce Strong community spirit 	Meeting employee expectations on the choice of programme	Volunteerism hours	Improvement of volunteerism hours
	Employee Training and Talent Development	Broaden skillsets for employees to add value in service to customers, and assume roles, and responsibilities	Conducting face-to-face training in view of pandemic	<ul style="list-style-type: none"> Training hours Course evaluation 	Positive course evaluation ratings
 Environment	Energy	Reduced energy consumption	Creating employee awareness	<ul style="list-style-type: none"> Green mark building audit and compliance by 10% in tandem with GFA in the next 3 years Savings in consumption 	To reduce the electricity consumption index by 10% in tandem with GFA in the next 3 years
	Waste	<ul style="list-style-type: none"> Reduced disposal cost Reduced pollution to the environment 	Creating employee awareness	<ul style="list-style-type: none"> Increase recycling Cost savings 	<ul style="list-style-type: none"> To reduce the waste index by 5% in tandem with GFA in the next 3 years. To increase our recycling capacity to include plastic, metal and food waste
	Water Controls	Water conservation	Creating employee and patient awareness	<ul style="list-style-type: none"> Water consumption Cost savings 	To reduce the water consumption index by 10% in tandem with GFA in the next 3 years

Key Sustainability Topics

Pillars	Strategic Area	Value Created	Challenges	Key Indicators	Targets
 Marketplace	Fair Market Practices	Transparent pricing schedules	Competition	MOH pricing guidelines	Compliance with MOH guidelines
	Procurement Practices	Contribute to economy and business growth	<ul style="list-style-type: none"> Inflationary cost pressures Supply chain disruptions 	<ul style="list-style-type: none"> Tender evaluation criteria Cost savings 	Compliance with tender and procurement practices
	Risk Management and Internal Controls	<ul style="list-style-type: none"> Ensure adequate and effective risk management that is aligned with the Group's business objectives Mitigate business risks 	Keeping updated with the latest emerging threat and risk	<ul style="list-style-type: none"> Code of conduct and business ethics Incidents reported Enterprise Risk Management (ERM) risk rating 	Annual risk assessment conducted Group-wide
	Community Development	Stronger public branding	Programme selection	Health campaigns	Completion of health awareness campaigns
	Digital Transformation	Reach out and engage clients and patients	<ul style="list-style-type: none"> Rapid technology changes Competition in the open market 	Digital engagement	Digital outreach census

Value Creation Scorecard

We believe that value creation is essential for ensuring that the group remains competitive, resilient and successful in the long-term. Our value creation scorecard enables us to track and evaluate our performance across the various dimensions of our strategic focus areas so that we make more informed decisions and create value for our stakeholders.

Strategic Area	FY2022	FY2021	FY2020
CUSTOMERS			
Customer Satisfaction Index*			
Raffles Hospital (%)	82	84	84
Raffles Medical Clinics (%)	66	71	73
Patient Safety			
Central Line-Associated Blood Stream Infection Rate (per 1,000 device days)	0	0	0
Ventilator Associated Pneumonia Rate (per 1,000 device days)	5.6	0	0
Catheter Associated Urinary Tract Infection Rate (per 1,000 device days)	0	3.1	0
Unscheduled Readmission Within 30 Days Rate	1.5	1.5	1.2
EMPLOYEES			
Permanent Employees	2,678	2,763	2,766
Average Training Hours Per Employee	19.3	11.7	6.5
Training Expenditure Per Employee (S\$)	129	150	21 ¹
Course Evaluation (%)	96	95	96
Staff Turnover Rate (%)	36	32	22
Staff Performance Review Rate (%)	100	100	100
Hand Hygiene Compliance (%)	95	94	94
ENVIRONMENT			
Paper Consumption (ton)	46	44	47
Water Consumption Index (m ³ / GFA)	1.01	1.03	1.18
Electricity Consumption Index (MWh / GFA) ³	0.18	0.16	0.19
General Waste (non-hazardous) Consumption Index (ton / GFA)	0.003	0.005	0.009
Biohazard Waste Index (ton / GFA) ³	0.014	0.020	0.024 ²
Paper Recycled (ton)	83	48	78
Food Waste Digested (ton) ⁴	48	30	-

* Scores relate to Singapore only, pending formulation of a common set of assessment criteria for the Group.

Strategic Area	FY2022	FY2021	FY2020
MARKETPLACE			
Revenue (S\$'000)	766,537	723,791	568,203
EBITDA (S\$'000)	236,062	160,632	123,937
Operating Profit (S\$'000)	195,846	121,306	88,442
Profit After Tax (S\$'000)	143,702	83,716	64,670
Operating Costs (including staff costs) (S\$'000)	578,648	616,334	511,346
Staff Costs (S\$'000)	341,746	386,973	291,698
Dividends (S\$'000) ⁵	70,473	52,312	46,607
Dividend Payout Ratio (%)	49	62	71
Local-Based Suppliers (%)	99	99	99
% of Actual Dollars Spent on Local-Based Suppliers	99	99	98
Employee Volunteerism (number of hours)	7,176 ⁷	544	36 ⁶
Employee Volunteerism (number of employees)	135 ⁷	68	15 ⁶
Community Training (number of external parties trained)	1,599 ⁸	383	1,531
Internships and Clinical Attachments	429	417	383

1 Value in FY2020 was lower due to a greater emphasis on online learning during COVID-19 and increased in FY2021 and FY2022 with gradual resumption of activities.

2 Value in FY2020 was higher due to COVID-19 related Personal Protective Equipment (PPE) expenditure and tailed down in FY2021 and FY2022 with decreased demand.

3 Units or basis of measurement have been updated in line with recommendations for reporting and figures in previous years have been revised for comparison purposes.

4 Food waste digester was installed at Raffles Hospital in FY2021 and at Raffles Holland V Mall in FY2022.

5 Comprising interim dividends paid and final dividends proposed for the financial year.

6 Volunteerism in FY2020 was limited due to the initial impact of COVID-19.

7 Volunteerism in FY2022 was higher due to Raffles China Healthcare staff volunteering in the community for COVID-19 testing activities and at the Beijing Winter Olympics.

8 Higher number of external parties trained in FY2022 due to inclusion of community training provided by Raffles China Healthcare.

Customers

We strive to provide quality healthcare services and effective solutions to our clients.

Senior Family Physician Dr Derek Li works closely with his patients to help them achieve their health goals.







Customer Service Excellence

Raffles Hospital's customer satisfaction scores which have remained consistently high in the past years is a testament to our commitment to service excellence and bringing value to our customers.

We place a strong emphasis on collecting feedback from our patients to continually improve the quality of care and services provided. Our hospitals in Singapore and China employ various methods to collect feedback, including in-person surveys, online feedback forms, and phone interviews. Patients are encouraged to provide feedback on their experiences, including their satisfaction with the care received, responsiveness of staff, cleanliness of facilities and ease of booking appointments.

Patient feedback is analysed and used to identify areas for improvement and develop action plans to address any issues raised. We are also constantly reviewing and looking into improving our communication and feedback channels with our patients.

We have various ongoing service improvement initiatives to equip our employees with the relevant knowledge and tools to better serve our patients and customers, achieving better client satisfaction and outcomes. Our Service Excellence Framework aims to Guide, Empower, Advance, and Recognise (**GEAR**) our staff in the development of their service skills. Through regularly updated training materials targeting these four pillars of service excellence, employees are nurtured to become outstanding service ambassadors.

Other service improvement initiatives to enhance patient experience and engagement include:

Service Recognition Programme: encourages a superior level of customer experience to further reinforce service excellence. This programme aims to recognise staff and in-house service providers who have shown exemplary commitment and dedication to our patients and customers in their line of work.

Service Roll Call: appreciation sessions where senior management acknowledge individuals and teams for good service given.



Service Engagement Round: addresses service issues, service standards and staff compliments through service roll call at the clinic level. The programme enhances service consistency to help our frontline staff deliver a positive experience in every interaction with our patients.

Service Excellence Campaign – “SG, May I Help You?”: advocates and unifies service mannerisms for all our frontline staff. It establishes a warm service persona from the first contact with our patients and aims to garner positive sentiments from our patients.

Service Excellence Leaders Engagement Workshops: we conduct regular online service excellence workshops to equip our frontline managers with the knowledge and skillset to meet patients' evolving expectations.



Centre of Service Excellence

In 2022, RMG launched a new Centre of Service Excellence (CSE) for employees looking to hone skills and acquire knowledge necessary for providing the best possible care to patients and transcending beyond service ambassador proficiency to become a service leader. The courses offered at CSE are developed based on the SkillsFuture Singapore (SSG) service competency framework.

Healthcare Collaborations & Initiatives

Raffles Hospital Singapore has been a participant of the Ministry of Health's (MOH) Emergency Care Collaboration (ECC) scheme since 2015 and our commitment was further renewed in 2022. Through this scheme, we provide emergency medical care to patients sent to the hospital by the Singapore Civil Defence Force ambulances. We are the only private hospital in Singapore taking part in the ECC scheme.



Raffles Hospital also accommodates Accident & Emergency transfers requiring admission from National University Hospital, Tan Tock Seng Hospital, Changi General Hospital, Khoo Teck Puat Hospital, Ng Teng Fong General Hospital, and Sengkang General Hospital.

By sharing patient loads, we help to ease inpatient caseloads in the public hospitals and contribute to the national effort to enhance access to healthcare.

In keeping with the objective of delivering quality healthcare to the masses and thereby improving outcomes, Raffles Hospital also supported the government's EatSafe SG initiative, aimed at ensuring safety for individuals with swallowing difficulties (dysphagia).

The objectives of EatSafe SG are to:

- Improve patient safety
- Improve communication within and between healthcare professionals, healthcare providers and patients by reducing misunderstandings and ambiguity when communicating diet or fluid related information
- Adopt standardised diet and fluid labels and descriptors when conducting and publishing research that is aligned to the International Dysphagia Diet Standardisation Initiative (IDDSI) framework

With the above objectives in mind, our speech therapist and inpatient nursing team implemented recommendations by the MOH's Singapore Dysphagia Diet Standardisation Committee for suitable patients.

Please refer to pages 23 to 25 under “Operations Review” for more information on our other healthcare collaborations and initiatives.

Delivering Enhanced Value

Clinical Research and Development

Raffles Hospital Singapore is involved in several clinical trials, which enable our local and overseas patients to access novel therapies and diagnostics. The hospital also supports academic and observational studies where our clinicians assess disease risk factors, observe the effect of diagnostic tests, treatments or interventions to develop better clinical guidelines and decision making.

24/7 Healthcare Access via Digital Platforms

Raffles Connect, our integrated healthcare application, which was launched in 2019, is continually enhanced to offer new healthcare services and improve patient experience.



As the COVID-19 pandemic transitions into the endemic phase, Raffles Connect continues to support the nation's response efforts by focusing on teleconsultations. We offer remote access for medical consultations to citizens and residents, enabling them to receive medical care while staying safe at home.

As the national population health focus in Singapore shifts towards prevention and early detection under the Healthier SG programme, we are working towards supporting this national initiative by bringing greater focus and enablement to various aspects of wellness through Raffles Connect and other channels.

Digitalising Healthcare Systems and Services

The Group invests in technology to provide safe and efficient medical care for our patients across all territories in which we operate. The following digital initiatives were implemented in 2020 and 2021 and further enhanced in 2022:

- For easy management of manpower requirements, we maximise efficiency through a flexible workforce e-roster system.
- National Electronic Health Record (**NEHR**) collaboration — RMG's information technology department team worked closely with Integrated Health Information Systems (**IHiS**) to establish a seamless system integration with NEHR and the SmartCMS programme, contributing information pertaining to clinical indicators, chronic disease management, and vaccination programmes that improves patient safety and enhances patient experience.
- Raffles Clinic Management System (**RCMS**) and Electronic Medical Record (**EMR**) — implemented across our clinics in Singapore, Hong Kong SAR, Vietnam and Cambodia, these systems integrate registration, billing, and medicine dispensary information securely so that it is accessible and provides an overview of all records in a single system within each country. This enables our doctors to view patient records and use the EMR system for their respective practice.
- Raffles Hospital Shanghai, Raffles Hospital Chongqing, and Raffles Hospital Beijing employ an integrated IT solution within each hospital that interfaces various systems including those used for maintaining electronic medical records and resource planning, and provides real time data and medical information for clinicians and staff, thereby improving patient safety, healthcare standards, and productivity.



- A WeChat Mini Program that provides booking of appointments, e-commerce, and advisories for our China hospitals was launched to improve customer engagement.

Government Schemes – Community Health Assistance Scheme, Pioneer Generation, and Merdeka Generation Subsidy Programmes

All Raffles Medical and Raffles Dental clinics in Singapore participate in the Community Health Assistance Scheme (**CHAS**), Pioneer Generation (**PG**), and Merdeka Generation (**MG**) subsidy programmes to support the Singapore government's efforts to serve the community. For patients with chronic conditions, CHAS complements the Chronic Disease Management Programme (**CDMP**) that allows patients to tap on their Medisave to defray part of the outpatient treatments for chronic conditions, besides enjoying CHAS subsidies for the treatments.

Access to Patient Education Materials and Health Advisories

The Group posts curated information on health-related subjects to patients and members of the public, through our corporate website, Raffles Connect, social media channels including Facebook, Instagram, WeChat and YouTube, electronic direct mailers and printed brochures and materials.

We appreciate opportunities to engage the public through interactive encounters such as the live streaming sessions which our China team have held through WeChat. These sessions allow patients to engage our medical experts from within and outside of China directly on their queries and concerns on various medical topics.

We will continue to refresh the channels of engagement from time to time to enhance our outreach and accessibility to benefit members of the community.

Delivering High-Quality & Holistic Care

Our group practice model puts patients' needs first and allows us to deliver seamless, team-based care across disciplines, which results in better quality of care, and efficiency in the delivery of clinical outcomes.

We monitor patient safety indicators closely to gain insights and understanding of issues. Aligned to MOH licensing and accreditation standards in Singapore as well as the requirements of the relevant provincial and city (or municipality) Health Bureau Licensing Division in China, our hospitals measure clinical performance on these key themes (amongst others):

- Unscheduled re-admission
- Hospital-acquired infections
- Falls
- Medication-related events
- Surgery-related events
- Clinical outcome by speciality

The Group's quality management departments and clinical governance divisions support safety, quality care, and good clinical outcomes for our patients through a combination of the following:

- Leadership commitment and direction
- Policies and procedures
- Delineation of responsibilities
- Relationships with both internal and external customers together with partners
- Synergy in planning, both operationally and clinically, to achieve better patient outcome
- Monitoring and improvement mechanisms

The committees overseeing quality assurance and promotion constantly evaluate and review RMG's quality plans and programmes, with the following key tenets and objectives in mind.

	Clinical Quality	Operational Quality	Financial Quality	Service Quality
Key Tenets	<ul style="list-style-type: none"> • Clinical Performance Indicator • Clinical Outcome • Clinical Audit • Clinical Resource Utilisation 	<ul style="list-style-type: none"> • Hospital • Accident and Emergency • GP Clinics • Specialist Centres 	<ul style="list-style-type: none"> • Manage Costs • Value for Money 	<ul style="list-style-type: none"> • Service Recognition • Service Standards with an IMPACT • Grooming Guide • Staff Engagement and Communication • Customer Experience Improvement Initiatives • Service Training • Service Performance Measurement • Customer Experience Metrics
Objectives	ASSURE Best Outcome	BUILD Seamless Service	CREATE Value	DELIVER Service Excellence with Personalised Care

Clinician-based committees known as Quality Assurance Committees are tasked with responsibilities as outlined by each committee's terms of reference. By closely referring to evidence-based best practice and guidelines, clinical performance is discussed at the respective Quality Assurance Committees for improvement, implementation and deployment, and quality plans and deliverables are tracked and reviewed.

Quality Promotion

Our hospitals subscribe to local and international clinical surveillance, and reporting to promote transparent public reporting, and uphold high levels of clinical quality.

Some of the initiatives and programmes implemented in 2022 include:

- Annual Infection Control cum Quality Day
 - Enhances awareness of quality system and structure
 - Promotes understanding of infection control
 - Encourages interactive learning
- Annual World Hand Hygiene Day
 - Promotes good hand hygiene standards and practice among staff and public
- Annual Staff Meeting
 - Aligns the staff's goals and performance with the Group's strategic direction

In addition, RHCI conducted courses covering various topics such as General Management and Quality Management, Workplace Safety, Service Quality and Administrative Skills for the various groups of internal stakeholders including:

- Clinicians (e.g specialists, family medicine practitioners and dentists)
- Allied Health Professionals
- Nursing (inpatient and outpatient)
- Life Support

Delivering Best Outcomes

Ensuring delivery of high quality medical services necessarily means prioritising patient safety and striving for best outcomes.

Raffles Hospital Singapore adheres to MOH licensing and accreditation regulation requirements and its standards, which is rigorous in patient safety and patient care. The Hospital is assessed every two years.

In China, our hospitals combine the regulatory policies and requirements of the national, provincial and city (or municipality) Health Bureaus to ensure that we provide safe, quality, and standardised care to our patients.

We adopt international best practices on patient safety priorities, which include:

- Accurate identification of patients
- Improving effective communication
- Improving the safety of high-alert medications
- Ensuring safe surgery
- Reducing the risk of healthcare-associated infections
- Reducing the risk of patient harm resulting from falls

Clinical Audits

Clinical audits are done as part of the Group's medical professional clinical governance.

In Singapore, in addition to mortality and morbidity review, the following committees look into the different areas of clinical quality programmes:

- Medical Audit Committee
- Surgical Audit Committee
- Pharmacy and Therapeutics Committee
- Infection Control Committee
- Operating Theatre Committee
- Blood Transfusion and Tissue Review Committee
- Patient Case Review Committee
- Critical Care Committee
- Trauma Committee
- Genetic Testing Committee

In China, committees set up are to comply with prevailing regulatory policies and under the regulatory supervision of the respective central and district Health Bureaus. The core Clinical Quality and Safety Committees in all three China hospitals include:

- Hospital Medical Quality Assurance Committee
- Medical Affairs and Credentialing Committee
- Nursing Quality Assurance Meeting

- Therapeutics and Infection Control Committee
- Code Blue and Emergency Care Committee
- Infection Control Committee
- Medical Quality and Audit Committee
- Surgical Quality and Audit Committee
- Operating Theater Committee
- Patient Case Review Committee
- Biohazard Waste Management Committee
- Biosafety Management Committee
- Medical Records Management Committee

Other Sub-Committees (non-core) include:

- Blood Transfusion and Tissue Review Committee
- Emergency Service Management Committee
- Radiation Safety Committee

The non-core committees are set up when the relevant clinical departments are established to meet operational requirements. All Heads of Committees will report to the respective Hospital Senior Management Committee under the leadership of the Hospital Medical Director who reports to the Regional China Division Quality Committee led by the Managing Director.

Clinical Resource Utilisation

Resource utilisation is embedded in the terms of reference of the relevant quality assurance and clinical governance committees to help the Group look into accessibility of services through the use of data. This allows our hospitals to optimise limited resources to ensure we meet our patients' needs.

Incident Reporting

The Group's leadership advocates sharing of feedback by our healthcare professionals across all spectrums in our hospitals. This includes reporting on an event, a process, or condition that causes harm or has the potential to cause harm or injury to our patients and customers.

In addition, there is proactive review of clinical incidences and feedback where a team of healthcare professionals relevant to that process comes together for general consensus following an in-depth deliberation. There are also processes in place for group-wide escalation and standardisation. This culture of maintaining open conversations and accountability ensures we have the opportunity to improve on current practices.

Employees

We are a holistic employer that focuses on developing the careers of our employees, as well as ensuring their physical and emotional well-being.

Employees at Raffles Medical Group work closely across disciplines to deliver quality patient care.

*From left to right:
Senior Staff Nurse Hafizah Binte Hassan, Senior Staff Nurse Fabian Chew, Nurse Clinician Maliza Binte Saparuan, and Senior Staff Nurse Thian Jan Kian.*





Talent Development & Retention

Hiring, Recruitment and Retention

As we transitioned to living with COVID-19 in 2022, and following the resumption of normal activities, we were faced with a global shortage of healthcare professionals. We also had to compete locally for healthcare professionals as well as face global cross-border competition from countries with more liberal open-door policy towards immigration of healthcare professionals.

Our consistent outreach efforts and engagements with local nursing students and nursing graduates ensured that there was a steady stream of young nurses joining the Group. To further mitigate the impact on service standards to our patients, we worked with ministries and governmental bodies such as the MOH, the Ministry of Manpower (MOM), and the Singapore Nursing Board to hire foreign trained nurses to support our operations.

To attract and retain our healthcare professionals, we recognise that we have to remain competitive and offer value added holistic employment opportunities. To this end, our robust and accredited training programmes, which are described in more detail later in this section, have helped us attract and retain our healthcare professionals.

In addition to training, we also provide opportunities for selected employees to further their continuous education for their personal development and offer career advancement to match their training and qualifications.

Training, Learning and Development

The Group strongly believes in the personal development of our staff and are committed to nurturing employees who embody our values and culture. Accordingly, RHCI, the education arm of RMG, was commissioned in 2013 with the objective of training local and overseas healthcare professionals and operation staff. Information on RHCI's activities in 2022 is set out at pages 26 and 27 of the "Operations Review" and page 46 under "Quality Promotion".

We will continue to invest in developing our employees through specific knowledge and skills they need in their jobs. Building a world-class team with high-level capabilities not only helps the business, it also supports us as a choice employer. Employees are also offered various training initiatives such as mandatory core training, department specific functional training, on-the-job training, cross-training in multiple functions, and mentoring. At RMG, it is vital for employees to keep themselves abreast of the latest technological and industry developments. The Group is constantly creating opportunities for employees to grow through continuous training and professional development.



Employees are also given the opportunity to upgrade their skills and qualifications through study sponsorships. We support our people in their continuous learning journey. In 2022, we sponsored five employees for their advanced diploma and tertiary level qualifications. We will continue to nurture and sponsor high potential employees to strengthen both their clinical and management skills for career development.

Recognising the need to invest in renewal of the workforce, we offer Raffles scholarships to promising talents interested in a career with the Group. In addition to bursaries to support students through higher education, we also offer internship opportunities in a range of relevant disciplines. More details are provided at page 61 under "Scholarships, Bursaries & Internships".

Awards and Accreditations

- **Nursing Continuing Professional Development Premier Award 2022**



The Nursing Continuing Professional Development (NCPD) Premier Award is presented to accredited providers who serve as role models and exemplars in the field of NCPD. Raffles Hospital is the first private hospital in Asia to receive this award.

The award is testament to Raffles Hospital's commitment towards NCPD that meets the learning needs of our nurses. As nursing is a profession operating in a complex and ever-changing landscape, we recognise the importance of ensuring that our nurses are kept abreast of the latest developments and up-to-speed on the best nursing practices, through having access to well-structured training programmes. Maintaining the highest calibre in our nurses would in turn contribute towards uplifting the recovery journey of our patients.

- **Accreditation with Distinction by American Nurses Credentialing Centre**

Raffles Hospital Singapore is the only hospital in Singapore that has been awarded Accreditation with Distinction, the highest recognition awarded by the American Nurses Credentialing Centre (ANCC), as a provider of nursing continuing professional development. For our consistent efforts, we have received re-accreditation that is valid until 2026.

An ANCC accreditation is awarded to organisations that have demonstrated quality and excellence in curriculum design and delivery of continuing nursing education. This accreditation is testament that our nurses receive and will continue to receive updated knowledge of the best nursing practices, and access the highest calibre of education to meet certifications or licensure requirements, which in turn adds value to the recovery journey of our patients.

- **Re-Accreditation as Baby Friendly Hospital by Association for Breastfeeding Advocacy (Singapore)**



Raffles Hospital received accreditation under the Baby Friendly Health Initiative (BFHI) in 2019 and became the first private hospital in Singapore to receive re-accreditation in November 2022. Please refer to page 23 under "Operations Review" for more information.

- **Renewal of Accreditation by Singapore Resuscitation and First Aid Council (SRFAC)**

In 2022, RHCI successfully renewed its accreditation as one of the recognised Basic Cardiac Life Support and Automated External Defibrillation (**BCLS AED**) Instructor Training Centre from the Singapore Resuscitation and First Aid Council. The accreditation underscores RHCI's position as a BCLS AED course provider, and adds to the recognition of credentials from our corporate clients.

Workplace Safety & Health

Safety and health are everyone's responsibility and we work together to create a safe workplace for our stakeholders. We strive to achieve safety and health excellence consistent with international best practices, pursuing the goal of zero workplace accidents.

Our Commitment

- Comply with all applicable legal requirements, standards, codes of practices, and other requirements
- Empower all employees to intervene and communicate any potential or unsafe situation
- Establish a system of incident and accident reporting and analysis
- Seek engagement of various stakeholders to effectively implement Safety and Health Policy objectives
- Establish relevant training programmes to maintain a high competency of safety and health knowledge, and safe work practices
- Continual improvement through on-going review of our Safety and Health Management System

Empowering Our People

At RMG, we empower our employees to take ownership for safety. They are encouraged to notify their superiors of any potential or unsafe work situations and to propose solutions. Through such pro-active behaviour, employees and management can work together to institute safeguards before accidents occur.

The following are controls and measures in place to monitor, track and review workplace health and safety:

- Risk Management Framework
- Safety and Health Policies and Procedures
- Workplace Safety Training
- Inspections

Safety and Health Performance

Appropriate inspections are conducted around the workplace, for instance, where addition and alteration work takes place (for renovation / construction), to ensure compliance in our workplace and to protect our staff, patients and visitors from potential accidents and injuries. We have zero work-related fatalities and dangerous occurrences. Incidents relating to work-related hazards occur infrequently and common hazards in RMG include:

- Sharps injury
- Struck by objects
- Slips, trips, and falls

The Group is represented in the national Workplace Safety and Health Council (Healthcare), which works closely with the MOM and other government agencies, the industry, unions, and professional associations to develop strategies to raise Workplace Safety and Health standards in Singapore.

We have received BizSAFE Level 3 certification by the Workplace Safety and Health Council since 2013 and continued to maintain and subscribe to BizSAFE Level 3 requirements in 2022. Besides striving for continuous improvement through on-going review of our Safety and Health Management System, the BizSAFE certification process also ensures that we have in place measures to manage potential terror threats through incorporating SGSecure elements.

In addition, the Fire Safety Award was presented to Raffles Hospital in 2022 by the National Fire and Emergency Preparedness Council for attaining commendable standards of fire safety. We promote a strong fire-safety culture and best practices that are enforced vigilantly in all our premises.

Annual Review of Risk Assessment

We conduct risk assessment review annually, which is more frequent than the national regulatory requirement of once in three years. This rigorous effort enforces and ensures that our employees take ownership to:

- Assess their respective work processes and activities
- Identify process change, new workplace hazard and/or patient safety concerns
- Revise and update the organisational risk register

We have also incorporated SGSecure components into our risk assessment to mitigate potential terror threats, in line with the national movement.

Strengthening the Raffles Culture

We are committed to conducting our operations with integrity and in compliance with applicable laws and regulations, while respecting the human rights of our employees, customers, suppliers, and other stakeholders.

Fair Employment Practices

As a responsible corporate citizen, RMG recognises that respect for human rights is a fundamental responsibility that underpins our sustainability and reputation.

To fulfill our commitment, the Group implements fair employment practices, which provides equal opportunities for our employees. We adopt a human resources policy that combines a role-based system that grades individual employees based on the extent of their roles, with a performance-based approach to evaluation, and compensation based on the outcomes of their job performance within their respective roles. We respect the right of employees to adhere to normal or agreed working hours in accordance with company policies established in compliance with the laws and regulations.

The Group is also committed to ensure that the welfare of workers and labour conditions within its supply chain meets or exceeds recognised standards.

Diversity

The Group supports the Tripartite Guidelines on the re-employment of older employees. We believe diversity in our workforce is critical in giving us the added advantage of strength and local knowledge because of the diverse markets and patient-groups that we serve.

We recognise the importance of embracing diversity not only among staff members but also at the apex of our governance structure. Please refer to page 78 under "Corporate Governance Report" for our Board diversity policy and objectives.

Conducive Working Environment

We work hand in hand with our employees to build a conducive workplace. Senior management values employees' feedback and takes the lead in creating an inclusive work environment based on mutual trust and respect. Various feedback channels are provided for them to contribute to the improvement of the workplace. RMG adopts an open approach in communications with employees to keep them aligned with the Group's actions and directions, in our journey to shape the future of healthcare.

Employees' views are actively sought after and acted upon, and autonomy of thought and action is encouraged. Employees are empowered to create a stimulating work environment for themselves and their colleagues. For instance, our nursing team authors the "Nursing Times", a quarterly e-newsletter, which aims to provide content that engages and inspires our nurses, facilitates the exchange of ideas, and keeps them abreast of the latest hospital practices and updates.

Quarterly social engagements are funded by the company to encourage the respective departments to hold social activities for its employees. Professional consultation and referrals under the Employee Assistance Programme (EAP) are also available to help employees gain insights on their emotional well-being and seek treatment if necessary.

Larger scale events such as the Annual Staff Meeting and Annual Management Seminar are organised to keep employees posted on the Group's results and performance as well as important developments that are in the pipeline. These sharing sessions help employees forge closer working relations and engagement across teams.

Employee Wellness and Benefits

At RMG, we aim to provide a work environment that is engaging, safe, and conducive for every employee.

Regular social engagement sessions within departments, and also larger scale get-togethers, when circumstances permit, keep employees engaged and help impart a sense of belonging to the Group. When travel restrictions were relaxed, cross-border staff engagement also resumed. With the progressive lifting of COVID-19 safe distancing restrictions, Annual Dinner and Dance, gatherings, and smaller-scale fairs for employees resumed.

With increased emphasis being placed on preventive healthcare and employee wellness, we aim to organise more health and wellness events to engage our employees, with activities targeted at encouraging employees to adopt a healthier lifestyle.

Every year, we provide free health screening and seasonal influenza vaccination for all employees, with an option to upgrade to a comprehensive health screening with their flexi-benefits. The annual health screenings provide employees with greater awareness of their health status.

To cater to diverse needs, the company offers benefits packages with different options and flexibility. Employee benefits include:

- Medical and dental consultation and/or treatment reimbursement
- Hospitalisation benefits
- Comprehensive health screening applicable to employees above 40 years old
- Additional insurance coverage (other than Work Injury Compensation insurance coverage)
- Transport reimbursement
- Training and development
- Reimbursement for professional fees with professional associations
- Long Service Award

Part-time employees enjoy pro-rated benefits in accordance with their working hours.

Employees are eligible for parental leave, maternity leave, paternity leave, and childcare leave in line with the relevant regulatory guidelines of each of the jurisdictions in which we operate.

Environment

Climate change affects everyone and it is critical for organisations to adopt increasingly environmentally friendly ways of operating. We recognise that the pursuit of energy and resource efficient business practices, including energy and water conservation and increased recycling activities, is not only good for the environment but enables us to respond to climate change regulations swiftly and manage our business more efficiently. We actively seek to reduce our environmental impact and work with our partners, government agencies, and suppliers to continuously advance our efforts in this area.





Energy & Resource Conservation

Food Waste Initiatives

As part of our ongoing efforts to reduce our environmental footprint, Raffles Hospital Singapore invested in a food waste digester in 2021 to reduce food waste disposal. The food waste digester converts food waste into grey water, which is then discharged into the public sewers for further recycling at the treatment plants.

In 2022, we digested approximately 48 tons of food waste in Raffles Hospital as compared to about 30 tons in 2021.

A food waste digester was also installed at the Raffles Holland V mall in November 2022. We have seen increasing usage of the digester since its deployment and are optimistic that it will enable us to achieve higher food waste reduction in subsequent years.

As per regulatory requirements in China, food waste is collected and processed centrally. A food waste truck operated by the environment council collects food waste from hospitals in China to the processing plants to be processed by the following means:

- Landfill
- Decomposition to become fertiliser or to generate energy
- Reprocessed into usable oil

Green Mark Certification

Raffles Hospital is Green Mark certified by the Building and Construction Authority (BCA). In our drive towards greater environmental sustainability, we have put in place further measures to reduce consumption and wastage, the most impactful being the systemic management of our air conditioning operations and installation of water efficient sanitary devices.

Better Energy Management

All our properties in Singapore continued to maintain the required efficiency standards as verified by the three-yearly energy audit by BCA, with our latest audit having been conducted in April 2022. We will continue to adopt resource efficient policies and measures to reduce our carbon footprint, such as installing a hybrid thermal DC inverter air conditioning system, which collects thermal energy from the surroundings and the outdoor air conditioning units, and uses this energy to maintain the pressure in the compressor, thereby reducing the need for additional electricity to run the refrigeration cycle.

Moving forward, we will look to invest in innovative solutions to further improve our energy and electrical consumption and efficiency as well as CO₂ emissions.

Recycling

Waste Minimisation and Recycling

In 2022, we sourced for suppliers from whom to procure packaging made from recyclable or sustainable materials, and added recycling bins at our facilities to encourage staff members and the public to reduce, reuse, and recycle.

Our waste consumption index decreased from the previous year despite our medical facilities serving more patients and employees returning to work in the office. Biohazard waste has also been further reduced.

Our recycling efforts continued to see positive results. We recycled 83 tons of paper, which was over 70 per cent higher than what we achieved in 2021. Metal recycling, at 0.8 tons of metal, increased by approximately 67 per cent from the previous year. We recycled 0.67 tons of plastic waste, which was approximately a ten-fold increase from 2021.

Water Conservation

Water Efficiency

Water consumption has decreased from 2021 despite the return of patients and employees returning to work in the office.

We have plans to install a new water treatment system for cooling equipment at our hospitals. This is expected to result in a reduction in the use of chemical in our cooling tower maintenance, while at the same time, achieving better cost efficiency with reduced water wastage.

We will continue to explore and adopt new technologies that will lower our impact on the environment, while enabling us to achieve greater energy efficiency and water conservation in our operations.

Green Products

We remain committed to working with our partners to use only green and eco-friendly products, where possible, in our medical facilities in Singapore. Besides environmentally friendly cleaning agents, disinfectant chemicals and toiletries, our cleaning staff use janitorial tools that help to conserve water and reduce the wastage of detergents / chemicals.

SG Clean Certification

Raffles Holland V mall's SG Clean Certification has been extended by Enterprise Singapore until June 2023. We continue to extend support to the National Environment Authority's campaign to uphold good sanitation and hygiene practices, and play our part through concerted efforts to raise cleanliness and hygiene in our facilities.



Marketplace

RMG is committed to being an active and responsible corporate citizen by investing time and resources to make a positive impact to the communities in which we operate.

Senior Staff Nurse Moe Moe Aye attending to a patient.





Supporting Government Initiatives

COVID-19 Projects

We continued to be a key partner to the government in the fight against COVID-19, as Singapore's leading operator of mass vaccination centres and extending our support to operating Community Treatment Facilities to care for COVID-19 patients.

Outside of Singapore, our staff and healthcare professionals in our three hospitals in China stepped up to the challenge during a difficult year for China operations and supported their local communities in various government-led COVID-19 initiatives throughout this period.

Tapping on our Raffles Connect application, we continue to provide primary care for simple acute conditions via video consultations and facilitate work and travel with remotely supervised self-administered Antigen Rapid Tests.

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, PG cardholders, CHAS cardholders, and all other eligible Singaporeans can access subsidised chronic disease blood test, colorectal cancer test and cervical cancer test with one post screening consultation at a subsidised fee at Raffles Medical's CHAS clinics.

Primary Care Network (PCN)

Raffles Medical has been a participant of the MOH's PCN Scheme since 2018. Under the scheme, the MOH will provide funding of operational and administrative support to Raffles Medical General Practitioners (GP) for managing patients with chronic disease conditions. RMG's PCN has nurse counsellors, care coordinators, and chronic disease registries to manage patients with more complex chronic conditions and care needs.

Giving Back to Society

The Group regularly organises and participates in corporate volunteerism activities that reinforce a culture of giving back.

COVID-19 Vaccination and Testing in China

In China, this spirit was exemplified when our hospitals deployed staff to conduct COVID-19 testing in the community in support of government efforts. In Beijing, we deployed medical teams to provide assistance during the Winter Olympics in the early part of 2022. Raffles Hospital Beijing also ramped up its vaccination services, particularly to expatriates and local clients, during the COVID-19 outbreaks in December 2022.

Zion Home for the Aged

Our long-standing tradition of volunteerism includes monthly medical visits to Zion Home for the Aged, a registered charity that provides sheltered care for aged females.

Since 2015, doctors and TCM physicians from the Group have visited the residents of Zion Home for the Aged to provide medical consultations and acupuncture services, which have contributed towards improving the residents' health and well-being. Despite activities having been put on hold in recent years, we are channeling efforts towards extending our support to the home for many more years to come.

Metta School – Social Competence Learning Programme

Since 2018, RMG airport staff has been collaborating with Changi Airport Group employee volunteers to run corporate social responsibility activities for Metta School. Metta School is a non-profit Social Service Agency that serves students with mild intellectual disability and autism spectrum disorders. In 2022, as part of Metta School's Social Competence Learning Programme, over 30 students from Metta School visited the Raffles Medical clinics at Changi Airport to learn how to seek treatment at a GP clinic. Through these visits, the students were taught the various aspects of independent living, from interacting with doctors and nurses, proper medication usage to handling monetary transaction.

Health Supplements

We provide complimentary supplements to members of the community through various events such as health talks and charity events. This effort raises awareness on the importance of health and wellness and provides an avenue for those in need of such support to receive the needed help.

Scholarships, Bursaries & Internships

RMG Scholarships

In 2022, we awarded five scholarships through the Raffles Management Associate Programme to both local and international students from NUS, NTU and SMU, continuing our mission to nurture the next generation of healthcare and other professionals in a range of disciplines.

RMG Bursaries

Since 2011, the RMG Bursary has provided financial assistance to our employees' children by defraying the cost of their school fees and textbooks. In 2022, the Bursary was awarded to 21 children.

Clinical Training and Internships

In collaboration with local universities, medical schools, polytechnics and vocational institutions, we provide clinical training for undergraduates and postgraduates as physicians, nurses, allied health and healthcare managers and other disciplines. 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 2022, Raffles Healthcare Institute collaborated with various post-secondary educational institutions to provide a total of 325 clinical attachments for undergraduate and postgraduate students. A total of 24 A-Level and International Baccalaureate graduates participated in our Frontline Service Experience Programme offering an immersive six-month internship experience.

As a leading private healthcare institution, we believe our attachment and internship programmes offer valuable hands-on experience in a dynamic environment, allowing participants to apply their academic knowledge, passion for healthcare and gain practical skills.

Community Investments

The Asian Medical Foundation (**AMF**) was established in 2003 by a group of doctors and nurses in RMG, with the aim to serve the medical and healthcare needs of the poor and the under-privileged. Our investments in these strategic corporate social responsibility programmes serve to contribute towards the well-being of the Singapore community.

AMF has undertaken several initiatives to support the elderly who have been severely impacted during the challenging times in recent years, through AMF's Silver Care Fund, established to help needy and vulnerable Singaporean seniors. Targeted to alleviate financial constraints and improve physical and mental well-being, these initiatives include:

All Day Breakfast – This is a weekly breakfast programme held on Saturdays, organised by Kampong Glam CC and sponsored by AMF Silver Care Fund. Volunteers distribute hot nutritious breakfast to elderly staying in single room or rental flats.

Engaging Seniors Through the Arts – Prior to the COVID-19 pandemic, the Singapore Esplanade regularly brought live music performances to the bedsides of beneficiaries staying in hospitals, nursing homes and welfare facilities as part of their "When Music Meets Life" initiative. The objective was to share the joy of the arts with vulnerable seniors through these performances. Due to the pandemic, this programme was adapted to take place online and performances were brought virtually to beneficiaries via Zoom. AMF sponsored three runs of this programme in 2022.

Caregiver Support Network – This programme, which is sponsored by AMF and managed by Marine Parade GRC, provides social-emotional support to caregivers of the elderly, equip caregivers with skills to better care for their loved ones, build a community of mutual support among caregivers, and provide ad-hoc caregiver financial support.

Home+ Monitoring Programme – Through collaboration with the Singapore Red Cross, AMF sponsored motion-detecting devices that alert Red Cross responders to unusual patterns in daily activities of elderly in their homes, enabling assistance to be despatched promptly in cases of emergency.

AMF Elder Vouchers – Since 2021, AMF has worked with the Agency for Integrated Care to distribute grocery voucher to seniors who have little to no family support and living in one or two-room Housing Development Board flats. The grocery vouchers enable the recipients to purchase necessities to support their daily living.

AMF Elder Health – In response to COVID-19 and to help the elderly with digitalisation, AMF sponsored SingHealth's Telehealth pilot project that aimed to provide accessible, safe and better care for seniors staying in the east of Singapore. The project has been ongoing since 2021 and supports the implementation of telehealth solutions in the community, so that seniors with chronic yet stable conditions can consult their doctors without making a trip to the polyclinic or hospital. Seniors with chronic medical conditions and require post-discharge care were trained to use digital platforms to manage their health conditions, such as monitoring their blood pressure and other medical conditions using the devices provided and video consultations.

Membership of Associations

The following is a non-exclusive and non-exhaustive list of associations of which we are members:

Japan

- All Japan Hospital Association
- Japan Medical Association
- Japanese Society of Travel and Health
- National Federation of Health Insurance Societies
- Osaka Medical Practitioner's Association

People's Republic of China

- Alpha Omega Alpha Honor Medical Society (Elected)
- American Federation of Medical Research
- American Society of Nephrology
- American Society of Pediatric Nephrology
- Canadian Association of Pediatric Nephrologist
- Canadian Chamber of Commerce (East)
- Canadian Pediatric Society
- Chambre de Commerce et d'Industrie Française en Chine (CCI FRANCE CHINE)
- Chongqing Association of Foreign Investment Enterprises
- European Chamber (Nanjing, Southwest, Shanghai)
- French Accueil (Shanghai, Beijing)
- French Chamber
- International Society of Hemodialysis
- International Society of Peritoneal Dialysis
- Japanese Association (Tianjin)
- Japanese Chamber (Beijing)
- Nanjing International Club (Nanjing)
- National Kidney Foundation
- Sacramento Pediatric Society
- SingCham (Beijing, Chongqing, Shanghai)
- Society of Pediatric Research (Elected)
- Pudong New Area Health Workers Association (Shanghai)

Singapore

- Allied Health Professions Council
- Duke-NUS Medical School
- General Insurance Association of Singapore
- Lee Kong Chian School of Medicine (NTU)
- Life Insurance Association Singapore (LIA Singapore)
- Institute of Singapore Chartered Accountants (ISCA)
- Management Development Institute of Singapore (MDIS)
- Singapore Business Federation (SBF)
- Singapore Dental Council (SDC)
- Singapore Institute of Management (SIM)
- Singapore Medical Association (SMA)
- Singapore Medical Council (SMC)
- Singapore National Employers Federation (SNEF)
- Singapore Nursing Association (SNA)
- Singapore Nursing Board (Insurance / overseas)
- Traditional Chinese Medicine Practitioner's Board (TCMPB)
- Workplace Safety and Health Council (Healthcare)
- Yong Loo Lin School of Medicine (NUS)

Vietnam

- The Japanese Chamber of Commerce and Industry in Vietnam (JCCI)
- The Japanese Chamber of Commerce and Industry in Ho Chi Minh City (JCCH)

Our Suppliers & Contractors

We build ethical and win-win partnerships with our suppliers and contractors. We advocate ethical business practices through establishing policies and practices that ensure a fair selection and procurement process. We maintain good relationships with our vendors through ongoing engagement during meetings and tender interviews, to ensure continuity of services and to keep them abreast of our latest developments.

Local vendors have always been our preferred option in procuring products and services due to proximity, shorter turnaround time, and delivery of reliable products and services. Our business activities with them have supported indirect job creations and sustained local businesses.

Supply Chain

We are committed to ensuring that the welfare of workers and labour conditions within our supply chain meet or exceed recognised standards. There are no significant changes to our organisation and supply chain.

Ethics and Ethical Trading

We are committed to managing our vendors ethically and effectively to ensure safe and sustainable practices, which create value for all our stakeholders. We ensure that our employees uphold professional standards, workplace standards and behaviors that are consistent with the Group's policy and practices. We are committed to working against corruption in all its forms, including extortion and bribery.

All new hires are required to attend onboarding programmes within the first three months of employment, during which employees are briefed on values, principles, ethics, standards, and code of conduct.

Procurement Practices

We work with suppliers, sub-contractors and other service providers to adopt responsible business policies and practices for mutual benefit, while not compromising the Group's policies and guidelines. In Singapore, we have a centralised procurement team handling purchases of our network of clinics located island wide. This has enabled us to achieve economies of scale and operational efficiencies. These efficiency gains are passed on to our patients and customers in the form of more affordable healthcare products and services.

We collaborate with suppliers and contractors to achieve our policy aspirations in the delivery of products and services. We encourage vendors to adopt responsible business ethics and practices for mutual benefits. For material projects, tenders are called and evaluated by the Tender Evaluation Committee to ensure fair competition.

In China, we have adopted strict multi-party quotation procedures while concurrently maintaining a trusted supplier database to enable economies of purchase and efficiencies. Through this, we can offer more affordable and reliable healthcare products and services to our patients and customers.

Corporate Governance

Customer Privacy

Patient confidentiality is an important aspect of healthcare and we strive to protect and maintain confidentiality for our patients. We have clear policies pertaining to the Personal Data Protection Act (**PDPA**). We obtain patient consent for collection and use, and disclosure and processing of personal data for exclusive healthcare related use. We work closely with third parties who support the healthcare delivery (including insurance companies and other healthcare companies) to ensure compliance with the Group's personal data protection policy. Patients can at any time choose to unsubscribe or opt out from SMS reminders. Staff are guided to call patients only for matters related to direct patient care. The Group's privacy statements can be found on the corporate website (www.rafflesmedicalgroup.com).

In line with the PDPA, RMG has appointed Data Protection Officers to ensure that adequate action is taken to protect customers' personal data. Policies are in place to address data protection issues.

The Information Technology department and the Medical Records Office manage secure databases to safeguard personal data and patient records. We adhere to security best practices adopted by the Healthcare and Financial Services industries. The Group has been audited against the Monetary Authority of Singapore Technology Risk Management Framework. We engage Managed Security Services Providers to advise the Group accordingly. Employees undergo orientation and e-training and are regularly updated on the latest cybersecurity threats and best practices.

In order to protect the data of our patients or corporate clients, we have various security technologies in place such as Web Application Firewalls (to detect DDOS, web application cyber-attacks), Next Generation Firewall (to prevent unauthorised intrusions), Advanced End Point Prevention (to prevent zero-day exploits), and Security Monitoring by a Managed Security Provider. This is in addition to the alignment of industry security best practices with our people (through security awareness programmes) and processes. In 2022, the Group successfully attained ISO 27001 certification for its information security management system.

Please also refer to page 102 under "Risk Management" for information on the Group's approach towards managing information technology risk.

Compliance

The Group is committed to comply with all the relevant statutory and regulatory requirements applicable to our operations.

Policies and processes have been set in place for compliance and adherence to national standards and regulations including those of licensing, infection control, workplace safety, and other statutory requirements. We are committed to exercise the utmost vigilance wherever our products and services are involved, whether they are distributed by one of our distribution channels or externally. This vigilance extends to third party products and services where, for example, the company is acting as the distributor.

All Raffles Health Insurance staff complete an e-learning programme from an accredited Institute of Banking and Finance training provider. The training modules include:

1. Ensuring Good Customer Outcomes
2. Anti-Money Laundering and Counter-Terrorist Financing
3. Business Continuity Management
4. Compliance Induction
5. Insurance Fraud
6. Sanctions
7. Operational Risk Management Essentials
8. Preventing Financial Crime
9. Conduct Risk in Insurance: Conflicts of Interest

Management makes regular periodic reports and updates to the MOH and the MOM in Singapore as well as other government agencies and regulatory bodies in the regions where we operate.

Policies and processes have been set in place for compliance and adherence to national standards and regulations including those for licensing, infection control, workplace safety, and other statutory requirements.

The Group has not identified any significant non-compliance with national standards and regulations.

Anti-Corruption

We recognise the need to manage our exposure to corruption risk through good corporate governance, business ethics, and strong internal controls in our business processes.

We conduct an annual enterprise risk assessment applicable to all business units in the group. The assessment allows us to identify and mitigate areas of high risk, including corruption. All identified business risks including residual risks, are reported to the Audit & Risk Committee and subsequently to the Board of Directors.

Staff undergo e-learning on anti-corruption and anti-bribery standard operating procedures training during the year. The various whistleblowing channels are also highlighted during the training.

We provide guidelines on suitable staff responses to gifts from customers or business associates. These guidelines serve to protect and uphold the reputation, professionalism and integrity of the Group and its staff. This is to avoid any corporate obligation to customers or business associates resulting from gifts or favours received.

All members of senior management, physicians as well as staff who are involved in procurement make annual declarations of any conflict of interest. For risk management purposes, certain group of staff except physicians and nurses are required to take block leave break of at least five consecutive working days at least once a year. The block leave should be scheduled at the beginning of the year.

We conduct annual vendor evaluation to ensure that contractors and suppliers comply with certain performance standards as required by the Group.

Whistleblowing

We have a whistleblowing policy and procedures that enable staff and other persons to raise in confidence, whether anonymously or otherwise, concerns on possible improprieties within the Group, without fear of reprisal in any form. Please refer to page 94 under "Corporate Governance Report" for information on our whistleblowing policy and procedures.

Please also refer to page 101 under "Risk Management" for information on the Group's approach towards managing compliance risk.

GRI Content Index

RMG has reported the information cited in this GRI content index for FY2022 with reference to the GRI Standards (GRI 1: Foundation 2021).

GRI Standards	Disclosure	Reference / Remarks
GRI 2: GENERAL DISCLOSURES 2021		
Organisation and its reporting process		
2-1	Organisational details	<ul style="list-style-type: none"> About Raffles Medical Group p.1 Operations Review p.22
2-2	Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> About Raffles Medical Group p.1
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> About This Report p.30
2-4	Restatements of information	<ul style="list-style-type: none"> About This Report p.30 Value Creation Scorecard p.38
2-5	External assurance	<ul style="list-style-type: none"> External assurance has not been sought for this report. We may consider seeking external assurance for future reports.
Activities and workers		
2-6	Activities, value chain, and other business relationships	<ul style="list-style-type: none"> About Raffles Medical Group p.1 Financial Highlights p.4 Financial Report p.103
2-7	Employees	<ul style="list-style-type: none"> About Raffles Medical Group p.1 Value Creation Scorecard p.38 Employees p.48
2-8	Workers who are not employees	<ul style="list-style-type: none"> Information unavailable. Further analysis required.
Governance		
2-9	Governance structure and composition of the highest governance body and its committee	<ul style="list-style-type: none"> Sustainability Governance p.30
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Sustainability Governance p.30
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> Board of Directors p.10 Sustainability Governance p.30 Corporate Information p.72
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Board Statement p.30 Sustainability Governance p.30
2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Sustainability Governance p.30 Corporate Governance Report p.73
2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Sustainability Governance p.30 Corporate Governance Report p.73

Sustainability Report

GRI Standards	Disclosure	Reference / Remarks
Governance		
2-15	Conflicts of interest	<ul style="list-style-type: none"> • Corporate Governance p.63 • Corporate Governance Report p.73 • Interested Persons Transactions p.99
2-16	Communication of critical concerns	<ul style="list-style-type: none"> • Sustainability Governance p.30 • Corporate Governance Report p.73
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance Report p.73
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance Report p.73
2-19	Remuneration policies	<ul style="list-style-type: none"> • Sustainability Governance p.30 • Corporate Governance Report p.73
2-20	Process to determine remuneration (and stakeholders' involvement in remuneration)	<ul style="list-style-type: none"> • Corporate Governance Report p.73
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> • Information unavailable. Further analysis required.
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> • Chairman's Message p.6 • Board Statement p.30
2-23	Policy commitments	<ul style="list-style-type: none"> • Board Statement p.30 • About This Report p.30
2-24	Embedding policy commitments	<ul style="list-style-type: none"> • Sustainability Governance p.30
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> • Sustainability Governance p.30
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Stakeholder Engagement p.32 • Whistleblowing p.64 • Corporate Governance Report p.73
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> • Board Statement p.30 • About This Report p.30
2-28	Membership associations	<ul style="list-style-type: none"> • Membership of Associations p.62
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder Engagement p.32
2-30	Collective bargaining agreements	<ul style="list-style-type: none"> • Workplace Safety & Health p.51 • Strengthening the Raffles Culture p.52
GRI 3: MATERIAL TOPICS 2021		
3-1	Process to determine material topics	<ul style="list-style-type: none"> • Pillars of Sustainability p.34 • Key Sustainability Topics p.35
3-2	List of material topics	<ul style="list-style-type: none"> • Key Sustainability Topics p.35
3-3	Management of material topics	<ul style="list-style-type: none"> • Key Sustainability Topics p.35 • Value Creation Scorecard p.38

GRI Standards	Disclosure	Reference / Remarks
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> • Financial Highlights p.4 • Value Creation Scorecard p.38 • Financial Report p.103
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • Environment p.54
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> • Value Creation Scorecard p.38
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • Our Suppliers and Contractors p.62 • Anti-Corruption p.64 • Risk Management p.100
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • Our Suppliers and Contractors p.62 • Anti-Corruption p.64 • Risk Management p.100
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	<ul style="list-style-type: none"> • Value Creation Scorecard p.38 • Waste Minimisation and Recycling p.56
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> • Value Creation Scorecard p.38
302-3	Energy intensity	<ul style="list-style-type: none"> • Value Creation Scorecard p.38
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> • Energy & Resource Conservation p.56
302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> • Better Energy Management p.56
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> • Key Sustainability Topics p.35 • Value Creation Scorecard p.38
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> • Water Conservation p.57
303-5	Water consumption	<ul style="list-style-type: none"> • Value Creation Scorecard p.38

Sustainability Report

GRI Standards	Disclosure	Reference / Remarks
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	• Value Creation Scorecard p.38
306-2	Management of significant waste-related impacts	• Energy & Resource Conservation p.56
306-3	Waste generated	• Value Creation Scorecard p.38
306-4	Waste diverted from disposal	• Energy & Resource Conservation p.56
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	• Value Creation Scorecard p.38
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Employee Wellness and Benefits p.53
401-3	Parental leave	• Employee Wellness and Benefits p.53
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	• Workplace Safety & Health p.51
403-2	Hazard identification, risk assessment, and incident investigation	• Key Sustainability Topics p.35 • Value Creation Scorecard p.38 • Workplace Safety & Health p.51
403-4	Worker participation, consultation, and communication on occupational health and safety	• Workplace Safety & Health p.51
403-5	Worker training on occupational health and safety	• Workplace Safety & Health p.51
403-6	Promotion of worker health	• Workplace Safety & Health p.51
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Workplace Safety & Health p.51
403-8	Workers covered by an occupational health and safety management system	• Workplace Safety & Health p.51
403-9	Work-related injuries	• Workplace Safety & Health p.51
403-10	Work-related ill health	• Workplace Safety & Health p.51

GRI Standards	Disclosure	Reference / Remarks
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	• Value Creation Scorecard p.38
404-2	Programs for upgrading employee skills and transition assistance programs	• Talent Development & Retention p.50
404-3	Percentage of employees receiving regular performance and career development reviews	• Talent Development & Retention p.50
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	• Value Creation Scorecard p.38
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	• Value Creation Scorecard p.38
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	• Procurement Practices p.63
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	• Value Creation Scorecard p.38

Professional Governance



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
 Ms Adene Lim
 Ms Kartini Sameejan
 Mr Jonathan Low
 Ms Yee Earn Hwa
 Ms Sharon Wee
 Ms Cecilia Kum
 Ms Premalatha (Secretary)

Pharmacy & Therapeutics Committee

Dr Melvyn Wong (Chairman)
 Dr Chong Yong Yeow (Co-Chairman)
 Dr Chng Shih Kiat (Advisor)
 Dr Kenneth Wu
 Dr Tan Joo Peng
 Dr Teo Sek Khee
 Dr Joshua Kua
 Dr Lee Yian Ping
 Dr Sheila Loh
 Dr Morrison 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 Chng Shih Kiat
 Dr Tan Hsiang Lung
 Dr Ng Wai Lin
 Dr Tan Mein Chuen
 Dr Chong Yong Yeow
 Dr Devin Tan
 Ms Lilian Yew
 Ms Kartini Sameejan
 Mr Fadhillah Bin Abu Bakar (Secretary)

Infection Control Committee

Dr Teo Sek Khee (Chairman)
 Dr Fong Sau Shung
 Dr Edgar Kieu
 Ms Kartini Sameejan
 Ms Ong Suat Kien
 Mr Patrick Kwok
 Ms Loke Mei Choo
 Ms Jaslyn Yeo
 Mr Zulkifli Bin Ismail
 Ms Than Sook Ling
 Ms Lee Lai Fun
 Ms Anastacia Pajarillaga
 Mr Andrew Lum
 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)
 Dr Eric Teh (Co-Chairman)
 Prof Abu Rauff (External Advisor)
 Prof Tay Boon Keng (External Advisor)
 A/Prof Mary Rauff (External Advisor)
 Dr Tay Eng Hseon (External Advisor)
 Dr Lee I Wuen
 Dr Sittampalam Krishnamoorthy
 Dr Kaushal Amit Sanghvi
 Ms Teo Poh Lin
 Ms Kartini Sameejan
 Dr Alfred Loh (Ex-Officio)
 Ms Gamboa Maika Cortez (Secretary)

Operating Theatre Committee

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



Family Medicine

Blood Transfusion & Tissue Review Committee

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

Patient Case Review Committee

Dr Ng Chin (Chairman)
 Dr Chong Yong Yeow (Co-Chairman)
 Dr Aaron Woo
 Ms Ong Suat Kien
 Mr Andrew Lum
 Mr Lim Hun Teck
 Ms Javier Zenia Pabualan
 Mr Cruz Kevin Christopher Magtira
 Ms Fa'eezah Bte Hamzah (Secretary)

Genetic Testing Committee

Dr Issac Liu (Chairman)
 Dr Chng Shih Kiat (Co-Chairman)
 Dr Michael Lee (Co-Chairman)
 Dr Terence Tan
 Dr Lee I Wuen
 Ms Beatrix Lee (Secretary)

Trauma Committee

Dr Fong Sau Shung (Chairman)
 Dr Anthony Foo (Co-Chairman)
 Dr Tan Hsiang Lung
 Dr Ganesan Naidu
 Dr David Choy
 Dr Roy Kan
 Dr Chee Shang Yao
 Dr Devin Tan
 Dr Loh Yee Jim
 Ms Kartini Sameejan
 Ms Ong Suat Kien
 Ms Teo Poh Lin
 Ms Joanna Lee
 Ms Than Sook Ling
 Ms Fernie Gurtina Lim
 Mr Fadhillah Bin Abu Bakar
 Mr Agatha Ambiga Fernandez (Secretary)

Critical Care Committee

Dr Chan Choong Chee (Chairman)
 Dr Nelson Chua (Co-Chairman)
 A/Prof Philip Wong
 Dr Christopher Leo
 Dr Tan Mein Chuen
 Dr Fong Sau Shung
 Dr Chee Shang Yao
 Ms Lilian Yew
 Ms Kartini Sameejan
 Ms Yasmine Poh
 Ms Cruz Helen Espina
 Mr Fadhillah Bin Abu Bakar
 Ms Than Sook Ling (Secretary)

Medical Board

Dr Wilson Wong (Chairman)
 Dr Chng Shih Kiat (Co-Chairman)
 Dr Melvyn Wong
 Dr Salleh Omar
 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 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 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 Secretaries

Mrs Kimmy Goh
Ms Jessica Soo

Share Registrar

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

Auditors

KPMG LLP
Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
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
Ms Jessica Soo

Auditors

KPMG LLP
Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
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 2022 (FY2022) 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 or 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 Secretaries update 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 institutions. 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, sustainability reporting and 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	AGM ⁽¹⁾	BOARD ⁽²⁾	ARC ⁽³⁾
NAME OF DIRECTOR	INDEPENDENT(I) / NON-INDEPENDENT (NI)	EXECUTIVE(E) / NON-EXECUTIVE (NE)	ASSESSMENT OF DIRECTORS' INDEPENDENCE STATUS	INDEPENDENCE STATUS UNDER THE CODE	AGM ⁽¹⁾	BOARD ⁽²⁾	ARC ⁽³⁾
Dr Loo Choon Yong	NI	E	No	◆ 1/1	◆ 4/4	-	-
Mr Eric Ang Teik Lim	I	NE	Yes	● 1/1	● 4/4	● 2/2	● 1/1
Mr Lew Yoong Keong Allen	I	NE	Yes	● 1/1	● 4/4	◆ 2/2	-
Mr Png Cheong Boon	I	NE	Yes	● 0/1	● 4/4	-	◆ 1/1
Mr Raymond Lim Siang Keat ⁽⁵⁾	I	NE	Yes	● 1/1	● 1/1	● 1/1	-
Mr Tan Wern Yuen	I	NE	Yes	● 1/1	● 4/4	● 2/2	-
Ms Chong Chuan Neo	I	NE	Yes	● 1/1	● 4/4	-	● 1/1
Professor Sung Jao Yiu	I	NE	Yes	● 1/1	● 4/4	-	● 1/1
Mr Tan Soo Nan	NI	E	No	● 1/1	● 4/4	-	-
Mr Olivier Lim Tse Ghow	NI	NE	No	● 1/1	● 4/4	-	-
Dr Sarah Lu Qinghui	NI	E	No	● 1/1	● 4/4	-	-

Notes:

- (1) AGM denotes Annual General Meeting.
- (2) Board denotes Board of Directors' Meeting.
- (3) ARC denotes Audit & Risk Committee Meeting.
- (4) NCC denotes Nomination & Compensation Committee Meeting.
- (5) Mr Raymond Lim Siang Keat retired from the Board on 25 April 2022.

Corporate Governance Report

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

Multiple Board Representations

Where a Director has multiple Board representations, the NCC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director of the Company.

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

The NCC is satisfied that each of the Directors is able to devote adequate time to carry out his or her duties as Director. The Board has considered, and, set as a guide that Directors should not be represented on more than six boards listed on any Exchange in the world (excluding nominee directorship of listed companies by virtue of the Director's employment). During FY2022, 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 Managing Director or Deputy Managing Director 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 Secretaries at all times. The Company Secretaries are responsible for ensuring that the established procedures and relevant statutes and regulations have been complied with. They also facilitate good information flow to and within the Board and its committees, and between Management and Non-Executive Directors. The Company Secretaries attend all the Board meetings held and their appointment and removal are subject to the Board's approval.

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

Corporate Governance Report

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, Mr Raymond Lim Siang Keat retired from the Board on 25 April 2022.

Board Size and Composition

As at the date of this Report, the Board comprises ten members, of whom seven are non-executive and six 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	24/04/2015	Non-Executive and Independent	25/04/2022	Lead Independent Director	Member of ARC and NCC
Mr Lew Yoong Keong Allen	28/10/2020	Non-Executive and Independent	26/04/2021	Director	Chairman of ARC
Mr Png Cheong Boon	15/10/2018	Non-Executive and Independent	25/04/2022	Director	Chairman of NCC
Mr Tan Wern Yuen	01/07/2021	Non-Executive and Independent	25/04/2022	Director	Member of ARC
Ms Chong Chuan Neo	15/10/2021	Non-Executive and Independent	25/04/2022	Director	Member of NCC
Professor Sung Jao Yiu	01/12/2021	Non-Executive and Independent	25/04/2022	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	20/02/2018	Executive and Non-Independent	26/04/2021	Director	Nil

Particulars of the interests of Directors, who held office at the end of the financial year, in shares, debentures, warrants, performance shares 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 2022, there is a strong independent element in the Board, with the NCC considering six out of the ten 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.

Corporate Governance Report

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

Board Size and Composition (cont'd)

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

The Board and the NCC regularly examine the size of the Board and Board Committees, with a view to determine an appropriate size for the Board and the respective 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.

Board Diversity Objectives

The Company had set a gender diversity objective to ensure that the proportion of women on the Board is equal to or higher than the average women's representation on boards of large-cap companies listed on Singapore Exchange Securities Trading Limited (SGX-ST). As at 31 December 2022, female directors represented 20.0% of total Board membership, which is an increase from 18.2% in FY2021 and close to the average of 20.8% among the top 100 listed companies in Singapore as at 30 June 2022 (Source: Council for Board Diversity).

In FY2022, the Company set skill diversity as a second objective. Such diversity translates into a wider range of perspectives, skills and experience that the Board members may leverage to identify possible risks, raise challenging questions and contribute to problem-solving. As a result, the Board is well-equipped to guide and advise Management, to contribute towards effective decision-making, for purposes of achieving the Group's strategic objectives. Currently, the Board 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. Notably, the new Directors appointed in FY2020 and FY2021 bring with them a wealth of global and regional experience in the fields of technology and digitilisation, retail and marketing, as well as medical research and academia, amongst others. The Board, collectively, possesses core competencies in healthcare, education, accounting, finance, strategic planning and risk management to meet the goals of the Company.

The Company will continuously set other measurable objectives to promote board diversity in other dimensions. 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. Each Director is appointed on the strength of his or her calibre and experience. The Company has no alternate Directors on its 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.

Corporate Governance Report

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

Non-Executive Directors

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

The Non-Executive Directors exercise no management functions in the Company or in any of its subsidiaries. Although all the Directors are equally responsible for the performance of the Group, the role of the Non-Executive Directors is particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined by taking into account the long-term interests and perspective of all shareholders and stakeholders of the Group. In addition, the Non-Executive Directors 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.

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 Deputy Managing Directors 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.

Corporate Governance Report

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

Lead Independent Director

Mr Eric Ang Teik Lim was appointed by the Board as the Lead Independent Director on 1 January 2022. 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.

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 84 and 85.

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.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Re-nomination and Re-appointment of Directors

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

All Directors, including the Executive Chairman, 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.

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 Board has set out its determination of the independence of each of the six Independent Directors, namely, Mr Eric Ang Teik Lim, Mr Lew Yoong Keong Allen, Mr Png Cheong Boon, 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 Wing Tai Holdings Limited (WTHL), Surbana Jurong Private Limited (SJPL) and NetLink NBN Management Pte Ltd (NetLink). 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, SJPL and NetLink. The Board has considered that these transactions 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 FY2022. Mr Ang is considered independent of management of, and business relationships with, the Company.

Mr Lew Yoong Keong Allen (Mr Lew) is Senior Advisor to Singapore Telecommunications Limited (SingTel). Mr Lew holds non-executive directorships with Advanced Info Services Public Company Limited (AIS) and Singtel related companies registered in Singapore and 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 Group's transactions with SingTel and its related companies 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 FY2022. The Board has 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.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Review of Directors' Independence (cont'd)

Mr Png Cheong Boon (Mr Png) is the Chief Executive Officer and a Member of the Board of Enterprise Singapore (ESG), a Member of the Board of the Economic Development Board (EDB), Singapore, and currently also serves on the board of EDBI Pte Ltd (EDBI). Mr Png is the Chairman of Enterprise Singapore Holdings Pte Ltd and Infrastructure Asia, the Deputy Chairman of Singapore Cooperation Enterprise and 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, except for ESG where he is its Chief Executive Officer.

The Group provides healthcare services and insurance services to EDB and EDBI and the Board has considered that these transactions 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 FY2022. Mr Png is considered independent of management of, and business relationships with, the Company.

Mr Tan Wern Yuen (Mr Tan) is the Chief Executive Officer (APAC) of PepsiCo Inc, a Director of Calbee Inc and a Member of the Board of EDB. He is also a director of Concentrate Manufacturing Singapore Pte Ltd (CMS) and does not hold any other Board memberships with listed companies in Singapore.

The Group provides healthcare and insurance services to EDB, PepsiCo Inc and CMS. The Board has considered that these transactions 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 FY2022. 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 and Independent Director of Lion Global Investors Limited (LGI), Oversea-Chinese Banking Corporation Limited (OCBC) and SIA Engineering Company Limited (SIAEC), and sits on a number of non-profit and commercial boards in the region. 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, LGI, OCBC and SIAEC and the Board has considered that these transactions 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 FY2022. 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 Board Member of National Healthcare Group Pte Ltd (NHGP). 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 NTU and NHGP and the Board has considered that these transactions 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 FY2022. Professor Sung is considered independent of management of, and business relationships with, the Company.

With regard to Mr Raymond Lim Siang Keat (Mr Lim) who retired from the Board on 25 April 2022, the NCC has considered and is of the view that, on and prior to his date of retirement, Mr Lim 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 his business judgement for the best interests of the Group as a whole. While his son was employed as a Physician by the Group, his remuneration was not determined by the NCC and followed the remuneration framework applicable to the Group's physicians. The Board is of the view that, notwithstanding his son's employment with the Company, Mr Lim's independence was not affected and he was considered independent of management of the Company.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Review of Directors' Independence (cont'd)

The Board also considered whether Mr Eric Ang Teik Lim, Mr Lew Yoong Keong Allen, Mr Ng Cheong Boon, 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 FY2022, 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 six 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 and 77 of the Annual Report. None of the Independent Directors have served on the Board for more than 9 years, which is the limit that SGX has recently introduced on the tenure of independent directors of listed companies.

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 Secretaries compile 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 FY2022 were collated by the Company Secretaries 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; and
 - (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 or 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 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.

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 FY2022, 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 FY2022, 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 107 to 112 of the Annual Report.

The summary of Directors' remuneration for FY2022 are set out below:

REMUNERATION BAND	NUMBER OF DIRECTORS	
	2022 ⁽¹⁾	2021 ⁽²⁾
\$500,000 and above	2	2
\$250,000 and below \$500,000	1	1
Below \$250,000	8	11
	11	14

Note:

- (1) Includes pro-rated Director's remuneration of Mr Raymond Lim Siang Keat who retired from the Board on 25 April 2022.
- (2) Includes pro-rated Director's remuneration of Dr Wee Beng Geok who retired from the Board on 30 April 2021 and pro-rated Director's remuneration of 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.

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 has not provided an upper limit to the remuneration band of "\$500,000 and above". In the wake of recent changes to the Listing Rules announced by the SGX, the Company will review its disclosures on remuneration and make appropriate adjustments in future reports according to SGX-prescribed timelines where necessary for compliance.

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 FY2022 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	3	97	—	—	100
Mr Tan Soo Nan Executive and Non-Independent	58	30	—	12	100
\$250,000 and below \$500,000					
Dr Sarah Lu Qinghui Executive and Non-Independent	—	92	—	8	100
Below \$250,000					
Mr Eric Ang Teik Lim Non-Executive and Independent	—	—	57	43	100
Mr Lew Yoong Keong Allen Non-Executive and Independent	—	—	59	41	100
Mr Png Cheong Boon Non-Executive and Independent	—	—	100	—	100
Mr Raymond Lim Siang Keat ⁽⁴⁾ Non-Executive and Independent	—	—	36	64	100
Mr Tan Wern Yuen Non-Executive and Independent	—	—	71	29	100
Ms Chong Chuan Neo Non-Executive and Independent	—	—	82	18	100
Professor Sung Jao Yiu Non-Executive and Independent	—	—	85	15	100
Mr Olivier Lim Tse Ghow Non-Executive and Non-Independent	—	—	47	53	100

Notes:

- (1) The base or fixed salary amount shown is inclusive of fees, allowances and statutory contributions to the Central Provident Fund.
- (2) The variable or bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.
- (3) Based on the fair values of share options and performance shares granted to Directors.
- (4) Mr Raymond Lim Siang Keat retired from the Board on 25 April 2022.

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

Key Management Personnel's Remuneration

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

The remuneration of the Executive Chairman and Executive Director has been disclosed under the table for Directors' compensation and is accordingly not included in the 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	61	34	5	100
\$500,000 and above	1	57	34	9	100
\$500,000 and above	1	70	24	6	100
\$250,000 and below \$500,000	1	67	27	6	100
\$250,000 and below \$500,000	1	64	31	5	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.

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)

Notes:

- (a) The remuneration of Dr Loo is reviewed by NCC and disclosed in the Directors' compensation table on page 88.
- (b) The remuneration of Dr Lu and Dr Foo 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 and Dr Foo in incremental bands of \$100,000.

Corporate Governance Report

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Directors recognise that they have the overall responsibility to ensure accurate financial reporting and adequate system of internal controls for the Group, including financial, operational, compliance, information technology controls and risk management policies and systems. This responsibility has been delegated to the ARC whose Terms of Reference also include the following functions:

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

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

Corporate Governance Report

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

The Group compiles a report on its risk profile which summarises the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the ARC and the Board annually. The report provides an overview of the Group's key risks, the appropriate risk tolerance limits set for the respective risks, the key personnel responsible for each key risk identified, and the corresponding mitigating measures in place. 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.

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 100 to 102.

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.

Corporate Governance Report

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

Nomination & Compensation Committee

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

Audit & Risk Committee

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

PRINCIPLE 10: AUDIT COMMITTEE

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

The ARC is chaired by Mr Lew Yoong Keong Allen, who was appointed as a member and subsequently as Chairman of the ARC on 19 February 2021 and 1 May 2021 respectively. On 1 January 2022, Mr Eric Ang Teik Lim (Lead Independent Director) and Mr Tan Wern Yuen were appointed as members of the ARC, which currently has three 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 FY2022, as well as in the prior 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;
- (ii) Review the performance of the external auditor(s), to facilitate the selection, appointment, re-appointment, and resignation of the same;
- (iii) Monitor and assess, annually, that the external auditors' independence or objectivity is not impaired;
- (iv) 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 FY2022 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 FY2022, 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 FY2022:

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.
Valuation of Property, Plant and Equipment	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.

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 FY2022 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 FY2022 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 188. 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 FY2022 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. The ARC also maintains a record of complaints raised through whistleblowing channels and reports such complaints to the Board 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 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 FY2022, 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 FY2022, 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.

For the Company's 33rd AGM, held entirely via Virtual Meeting as with its 31st and 32nd AGM, 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.

To adapt to the practical constraints of holding Virtual Meetings, shareholders were 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 reached the Company before the relevant cut-off time, Investors holding shares through Relevant Intermediaries, and who wished to vote, were encouraged to submit their voting instruction to their respective Relevant Intermediary as soon as possible.

On 15 December 2022, the Ministry of Law announced its intention to revoke the Orders issued under the COVID-19 Act with effect from 1 July 2023. In view of the relaxation of safe management measures and the gradual return to normalcy, the Company's 34th AGM, scheduled for 28 April 2023, will be conducted by way of a physical meeting, which will allow shareholders to engage the Board in person and vote at the AGM.

The notice of the AGM (Notice of AGM) is disseminated 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, procedures for submission of questions as well as the voting process 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 in recent years.

For FY2022, the Board has proposed a final core dividend of 3.8 Singapore cents per ordinary share, which is subject to the approval by the shareholders at the forthcoming AGM of the Company.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

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

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

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.

In FY2022, the Group maintained communications with the investment community through a combination of virtual and in-person meetings. The IR team and Senior Management engaged a total of 171 local and foreign institutional entities over 31 meetings. IR activities undertaken in FY2022 included:

Calendar of Events

MONTH	EVENT	ORGANISER
January	13 th Credit Suisse ASEAN Conference	Credit Suisse
February	FY2021 Post Results Briefing	DBS
March	Nomura ASEAN Virtual Conference SGX-DBSV Healthcare Conference	Nomura SGX & DBS
April	UBS Asia Healthcare Conference	UBS
June	Nomura Investment Forum Asia Maybank Invest ASEAN Conference CGS-CIMB Regional Shariah Investing Symposium Goldman Sachs Healthcare Corporate Day	Nomura Maybank CGS-CIMB Goldman Sachs
August	1H2022 Post Results Briefing	CGS-CIMB
September	3 rd Annual Jefferies Asia Forum 29 th Annual CITIC CLSA Flagship Investors' Forum	Jefferies CLSA

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 is found on pages 30 to 69. Details of how stakeholders can engage with the Company are set out on pages 32 to 33. 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 FY2022, save 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 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 FY2022, are set out below. As the Company does not have a shareholders' mandate under Rule 920, there is no ITP 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)
DoctorWorld Pte Ltd – For the provision of IT services to the Group and administrative fees for the usage of RafflesConnect App	\$1,076,561	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 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.

BOARD AND MANAGEMENT INVOLVEMENT

- Sets the approach on risk governance
- Reviews and approves risk appetite
- Provides oversight on internal controls and risk management

RISK ASSESSMENT & MANAGEMENT

Identification & Assessment

- Risk appetite & heat map
- Entity Risk Assessment

Response

- Avoid
- Mitigate
- Share
- Accept

Monitoring & Reporting

- Risk reporting
- Risk indicators

TRAINING & COMMUNICATION

- Instill a culture of risk awareness and accountability

INDEPENDENT ASSURANCE

- Internal Audit
- External Audit

Risk Management

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 Group has operations outside of Singapore. The Group recognises the need to continue to develop its organisational and management capabilities to address the challenges, opportunities and threats in the diverse markets in which we operate.

Operational Risk

Environment, Health & Safety (EHS)

Given the nature of the Group's businesses, the health and safety of its employees and patients are of paramount importance. As such, 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

The Group operates in a highly regulated environment. Accordingly, the Group's businesses and operations are dependent on relevant licensing and governmental approvals, which are subject to regular inspections, audits and renewal. The regulatory conditions governing the Group's operations could also be subject to change from time to time. To minimise the risk of non-compliance, the Group closely monitors developments in relevant 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.

Furthermore, upholding ethical standards is a cornerstone of our medical practice.

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. The Group has in place, policies to ensure that business gifts and entertainment are consistent with generally accepted corporate governance standards, business practices and ethical standards. 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.

Block Leave Policy

To enhance governance and as a further risk mitigation measure, the Group has a Block Leave Policy in place that is applicable to employees holding key functions. During Block Leave, covering officers will fully step in to cover the duties of employees on compliance leave as an additional check and balance against any breaches.

Risk Management

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. In FY2022, the Group successfully attained ISO 27001 certification for its information security management system. The Group regularly reviews its IT framework to ensure effective protection of its IT systems and databases. 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. The Group continues to invest in upgrading our IT systems, which may consequently incur significant capital expenditures, to keep abreast of technological advances.

Financial Risk

Given the Group's regional presence, 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 90 to 92.

Financial Report



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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 2022.

In our opinion:

- (a) the financial statements set out on pages 118 to 208 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 2022 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 Tan Wern Yuen
Ms Chong Chuan Neo
Professor Sung Jao Yiu
Mr Tan Soo Nan
Mr Olivier Lim Tse Ghow
Dr Sarah Lu Qinghui
Mr Raymond Lim Siang Keat (Retired on 25 April 2022)

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	196,245,434	202,500,534	780,649,870	782,149,870
Mr Eric Ang Teik Lim	15,000	15,000	–	–
Mr Lew Yoong Keong Allen	200,000	200,000	–	–
Mr Tan Soo Nan	4,536,000	4,541,000	–	–
Mr Olivier Lim Tse Ghow	451,016	451,016	–	–
Dr Sarah Lu Qinghui	51,316	53,816	61,255,366	62,755,366
Options to subscribe for ordinary shares				
Mr Eric Ang Teik Lim	250,000	250,000	\$0.81	05/10/2020
	200,000	200,000	\$1.40	01/09/2021
	–	260,000	\$1.37	01/09/2022
Mr Lew Yoong Keong Allen	200,000	200,000	\$1.40	01/09/2021
	–	200,000	\$1.37	01/09/2022
Mr Tan Wern Yuen	50,000	50,000	\$1.40	01/09/2021
	–	180,000	\$1.37	01/09/2022
Mr Tan Soo Nan	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	240,000	\$1.40	01/09/2021
	–	240,000	\$1.37	01/09/2022
	50,000	–	\$1.42	03/04/2017
Mr Olivier Lim Tse Ghow	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	200,000	\$1.40	01/09/2021
	–	200,000	\$1.37	01/09/2022

Directors' Statement

DIRECTORS' INTERESTS (CONT'D)

The Company	At beginning of the year	At end of the year	Option price per share	Date of grant
Options to subscribe for ordinary shares				
Dr Sarah Lu Qinghui	100,000	100,000	\$1.08	01/07/2019
	215,000	215,000	\$1.40	01/09/2021
	–	230,000	\$1.37	01/09/2022
Ms Chong Chuan Neo	–	150,000	\$1.37	01/09/2022
Professor Sung Jao Yiu	–	120,000	\$1.37	01/09/2022

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.

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, 2021 and 2022 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.

The Company	At beginning of the year	At end of the year	Date of grant
Share Awards			
Mr Tan Soo Nan	10,000	5,000	05/10/2020
Dr Sarah Lu Qinghui	5,000	2,500	05/10/2020
	3,500	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.

Directors' Statement

DIRECTORS' INTERESTS (CONT'D)

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 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 2023.

Except as disclosed in this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE BASED COMPENSATION PLANS

Employees' Share Option Scheme

Raffles Medical Group (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.
- (2) 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 and Independent Director
 Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
 Ms Chong Chuan Neo, Non-Executive and Independent Director
 Professor Sung Jao Yiu, Non-Executive and Independent Director

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

- (3) No additional options were granted pursuant to the RMG ESOS 2010 for the financial year ended 31 December 2022.
- (4) 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.

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

- (5) As at 31 December 2022, 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 2022*	Options granted*	Options exercised*	Options forfeited/ expired*	Options outstanding at 31 December 2022*	Number of option holders at 31 December 2022
02/04/2012	\$0.78	3,197,000	–	3,085,000	112,000	–	–
01/04/2013	\$1.09	6,044,000	–	1,568,000	69,000	4,407,000	120
01/04/2014	\$1.07	6,931,000	–	966,000	123,000	5,842,000	157
01/04/2015	\$1.31	12,401,000	–	15,000	–	12,386,000	233
01/04/2016	\$1.50	9,420,000	–	–	–	9,420,000	197
03/04/2017	\$1.42	4,867,000	–	–	540,000	4,327,000	222
03/09/2018	\$1.09	7,385,000	–	294,000	–	7,091,000	245
01/07/2019	\$1.04	9,138,000	–	190,000	–	8,948,000	290
01/07/2019	\$1.08	100,000	–	–	–	100,000	1
		59,483,000	–	6,118,000	844,000	52,521,000	

* 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 above figures are after adjustment for Share Split.

- (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 2022	Aggregate number of Shares comprised in Options granted since commencement of RMG ESOS 2010 to 31 December 2022	Aggregate number of Shares comprised in Options exercised since commencement of RMG ESOS 2010 to 31 December 2022	Aggregate number of Shares comprised in Options lapsed since commencement of RMG ESOS 2010 to 31 December 2022	Aggregate number of Shares comprised in Options outstanding as at 31 December 2022
Mr Tan Soo Nan	–	1,715,000	450,000	940,000	325,000
Mr Olivier Lim Tse Ghow	–	375,000	–	200,000	175,000
Dr Sarah Lu Qinghui	–	100,000	–	–	100,000
	–	2,190,000	450,000	1,140,000	600,000

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

(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.

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 and Independent Director
 Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
 Ms Chong Chuan Neo, Non-Executive and Independent Director
 Professor Sung Jao Yiu, Non-Executive and Independent Director

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.

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

- (5) On 1 September 2022, 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 and subsidiary	\$1.37	1,350,000
Executive Directors of the Company, subsidiaries and other participants	\$1.37	7,350,000
		<u>8,700,000</u>

- (6) As at 31 December 2022, 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 at 1 January 2022	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2022	Number of option holders at 31 December 2022
05/10/2020	\$0.81	8,807,000	–	428,000	–	8,379,000	117
01/09/2021	\$1.40	6,855,000	–	–	–	6,855,000	135
01/09/2022	\$1.37	–	8,700,000	–	–	8,700,000	128
		15,662,000	8,700,000	428,000	–	23,934,000	

- (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 2022	Aggregate number of Shares comprised in Options granted since commencement of the RMG ESOS 2020 to 31 December 2022	Aggregate number of Shares comprised in Options exercised since commencement of the RMG ESOS 2020 to 31 December 2022	Aggregate number of Shares comprised in Options lapsed since commencement of the RMG ESOS 2020 to 31 December 2022	Aggregate number of Shares comprised in Options outstanding as at 31 December 2022
Mr Eric Ang Teik Lim	260,000	710,000	–	–	710,000
Mr Lew Yoong Keong Allen	200,000	400,000	–	–	400,000
Mr Tan Wern Yuen	180,000	230,000	–	–	230,000
Mr Tan Soo Nan	240,000	830,000	–	–	830,000
Mr Olivier Lim Tse Ghow	200,000	650,000	–	–	650,000
Dr Sarah Lu Qinghui	180,000	380,000	–	–	380,000
Ms Chong Chuan Neo	150,000	150,000	–	–	150,000
Professor Sung Jao Yiu	120,000	120,000	–	–	120,000
	1,530,000	3,470,000	–	–	3,470,000

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

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

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

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

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 and Independent Director

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

Ms Chong Chuan Neo, Non-Executive and Independent Director

Professor Sung Jao Yiu, Non-Executive and Independent Director

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

- (3) As at 31 December 2022, 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 2022				Share Awards forfeited/expired	Share Awards outstanding at 31 December 2022	Number of Share Holders at 31 December 2022
	Share Awards granted	Share Awards released					
05/10/2020	1,588,000	–	574,700	386,700	626,600		319
01/09/2021	976,000	–	–	–	976,000		315
01/09/2022	–	1,050,000	–	37,400	1,012,600		280
	2,564,000	1,050,000	574,700	424,100	2,615,200		

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

(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 2022	Aggregate number of Shares comprised in Awards granted since commencement of the RMG PSP 2020 to 31 December 2022	Aggregate number of Shares comprised in Awards which have vested since commencement of the RMG PSP 2020 to 31 December 2022	Aggregate number of shares comprised in Awards which have not been released as at 31 December 2022
Mr Eric Ang Teik Lim	-	15,000	15,000	-
Mr Tan Soo Nan	5,000	10,000	5,000	5,000
Mr Olivier Lim Tse Ghow	-	10,000	10,000	-
	5,000	35,000	30,000	5,000

(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 and Independent Director
- Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
- Mr Tan Wern Yuen, Non-Executive and Independent Director

Directors' Statement

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

The ARC has held two 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 Yoong Keong Allen
Director

25 February 2023

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 2022, 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 118 to 208.

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 2022 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.

Valuation of goodwill

(Refer to note 5 to the financial statements)

Risk

The Group has goodwill with a carrying value of \$11,150,000 (2021: \$18,322,000) as at 31 December 2022. 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 assessed 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.

Independent Auditors' Report

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

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 \$273,400,000 (2021: \$274,000,000) as at 31 December 2022.

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.

Valuation of property, plant and equipment

(Refer to note 4 to the financial statements)

As at 31 December 2022, the carrying amount of property, plant and equipment amounted to \$739,072,000 (2021: \$797,362,000), which includes the Group's hospitals in China. The Group's policy is to carry property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses.

The Group has identified impairment indicators in the China hospitals. Accordingly, management has estimated the recoverable amounts of these hospitals based on independent external valuation. As a result of the assessment, an impairment loss of \$9,958,000 (2021: nil) was recognised for these hospitals.

The impairment assessment 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 recoverable amounts of these hospitals.

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 involved our internal valuation specialist to consider the valuation methodology used against those applied by the valuer for similar asset types and compared the external valuations against recently transacted prices of comparable assets. We also assess the reasonableness of the estimated construction costs and challenged the basis of those relevant adjustments incorporated by the valuer.

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

Independent Auditors' Report

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

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.

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.

Independent Auditors' Report

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

- 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.

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

25 February 2023

Statements of Financial Position

As at 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	4	739,072	797,362	7,406	3,788
Intangible assets and goodwill	5	20,274	31,830	556	875
Investment properties	6	273,400	274,000	–	–
Subsidiaries	26	–	–	857,298	724,603
Deferred tax assets	7	2,425	1,138	392	322
Trade and other receivables	8	2,274	1,857	4,657	5,024
		1,037,445	1,106,187	870,309	734,612
Current assets					
Inventories		13,098	13,374	2,163	3,024
Trade and other receivables	8	194,032	160,737	151,355	175,985
Cash and cash equivalents	9	253,127	264,988	121,084	137,708
		460,257	439,099	274,602	316,717
Total assets		1,497,702	1,545,286	1,144,911	1,051,329
Equity attributable to owners of the Company					
Share capital	10	432,379	426,346	432,379	426,346
Reserves	10	582,675	534,448	562,132	428,470
		1,015,054	960,794	994,511	854,816
Non-controlling interests	26	15,350	15,826	–	–
Total equity		1,030,404	976,620	994,511	854,816
Non-current liabilities					
Loans and borrowings	12	63,376	77,914	10,000	37,914
Trade and other payables	13	56,478	50,316	21,842	8,582
Lease liabilities	14	13,441	13,678	1,822	117
Deferred tax liabilities	7	8,303	10,147	–	–
		141,598	152,055	33,664	46,613
Current liabilities					
Loans and borrowings	12	9,667	96,297	9,667	18,546
Current tax liabilities		49,631	29,095	30,056	14,669
Trade and other payables	13	223,771	253,568	76,534	116,378
Lease liabilities	14	9,659	10,243	479	307
Other financial liabilities	15	2,744	2,761	–	–
Insurance contract provisions	16	30,228	24,647	–	–
		325,700	416,611	116,736	149,900
Total liabilities		467,298	568,666	150,400	196,513
Total equity and liabilities		1,497,702	1,545,286	1,144,911	1,051,329

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

Consolidated Statement of Profit or Loss

Year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Revenue	18	766,537	723,791
Other operating income	19	7,957	13,849
Inventories and consumables used		(61,112)	(82,013)
Purchased and contracted services		(65,444)	(61,257)
Staff costs		(341,746)	(386,973)
Depreciation of property, plant and equipment	4	(37,513)	(36,725)
Amortisation of intangible assets	5	(2,703)	(2,601)
Operating lease expenses		(1,791)	(1,744)
Impairment loss on trade receivables		(1,023)	(1,495)
Impairment loss on property, plant and equipment	4	(9,958)	-
Impairment loss on intangible assets and goodwill	5	(7,338)	(3,780)
Other operating expenses		(50,020)	(39,746)
Profit from operating activities		195,846	121,306
Finance income		2,740	634
Finance costs		(6,882)	(6,356)
Profit before tax		191,704	115,584
Tax expense	21	(48,002)	(31,868)
Profit for the year	20	143,702	83,716
Profit attributable to:			
Owners of the Company		143,516	84,171
Non-controlling interests		186	(455)
Profit for the year		143,702	83,716
Earnings per share			
Basic earnings per share (cents)	22	7.73	4.51
Diluted earnings per share (cents)	22	7.69	4.49

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

	2022 \$'000	2021 \$'000
Profit for the year	143,702	83,716
Other comprehensive income		
Item that is or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	(22,769)	11,078
Total comprehensive income for the year	120,933	94,794
Total comprehensive income attributable to:		
Owners of the Company	121,409	94,369
Non-controlling interests	(476)	425
Total comprehensive income for the year	120,933	94,794

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	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							84,171		(455)	83,716
Profit for the year										
Other comprehensive income										
Foreign currency translation differences - foreign operations		10,198		-	-	-	-			11,078
Total other comprehensive income for the year		10,198		-	-	-	-			11,078
Total comprehensive income for the year		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						(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 Changes in Equity (cont'd)

Year ended 31 December 2022

	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 2022	426,346	9,089	33,061	16,367	(4,818)	(3,230)	483,979	960,794	15,826	976,620
Total comprehensive income for the year							143,516	143,516	186	143,702
Profit for the year										
Other comprehensive income										
Foreign currency translation differences - foreign operations			(22,107)	-	-	-	-	(22,107)	(662)	(22,769)
Total other comprehensive income for the year			(22,107)	-	-	-	-	(22,107)	(662)	(22,769)
Total comprehensive income for the year			(22,107)	-	-	-	143,516	121,409	(476)	120,933
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	6,033	-	-	-	-	-	-	6,033	-	6,033
Own shares acquired	-	-	-	-	-	(24,344)	-	(24,344)	-	(24,344)
Own shares reissued pursuant to Raffles Medical Group Performance Share Plan	-	-	(463)	-	(217)	680	-	-	-	-
Value of employee services received for issue of share options and share awards	-	-	3,160	-	-	-	-	3,160	-	3,160
Final dividend paid of 2.80 cents per ordinary share - Cash	-	-	-	-	-	-	(52,015)	(52,015)	-	(52,015)
Total contributions by and distributions to owners	6,033	-	2,697	-	(217)	(23,664)	(52,015)	(67,166)	-	(67,166)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	-	-	-	17	-	-	17	-	17	17
Total changes in ownership interests in subsidiaries	-	-	-	17	-	-	17	-	17	17
Total transactions with owners	6,033	-	2,697	-	(200)	(23,664)	(52,015)	(67,149)	-	(67,149)
At 31 December 2022	432,379	(13,018)	35,758	16,367	(5,018)	(26,894)	575,480	1,015,054	15,350	1,030,404

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

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Profit for the year		143,702	83,716
Adjustments for:			
Amortisation of intangible assets		2,703	2,601
Changes in fair value of investment properties		600	(414)
Depreciation of property, plant and equipment		37,513	36,725
Equity-settled share-based payment transactions		3,160	2,469
Finance costs		6,882	6,356
Finance income		(2,740)	(634)
(Gain)/Loss on disposal of property, plant and equipment, net		(18)	59
Gain on lease modification and derecognition		(120)	(120)
Impairment loss on intangible assets and goodwill		7,338	3,780
Impairment loss on property, plant and equipment		9,958	–
Intangible asset written off		9	–
Property, plant and equipment written off		1,244	1,278
Tax expense		48,002	31,868
		258,233	167,684
<i>Changes in:</i>			
- Insurance contract provisions		5,581	169
- Inventories		276	1,213
- Trade and other payables		(7,010)	61,113
- Trade and other receivables		(31,709)	(48,325)
Cash generated from operations		225,371	181,854
Tax paid		(29,146)	(21,742)
Net cash from operating activities		196,225	160,112
Cash flows from investing activities			
Acquisition of intangible assets		(286)	(2,864)
Capitalised expenditure on investment properties		–	(65)
Interest received		2,306	625
Proceeds from disposal of property, plant and equipment		161	45
Purchase of property, plant and equipment		(25,013)	(49,940)
Net cash used in investing activities		(22,832)	(52,199)
Cash flows from financing activities			
Acquisition of own shares		(24,344)	(3,230)
Dividends paid to owners of the Company		(52,015)	(37,349)
Interest paid		(6,256)	(6,729)
Lease interest paid		(540)	(576)
Loan from subsidiary's non-controlling interest		–	7,467
Payment of lease liabilities		(12,165)	(11,542)
Proceeds from bank loans		85,609	39,547
Proceeds from issue of shares under share option scheme		6,033	5,595
Repayment of bank loans		(180,024)	(40,056)
Net cash used in financing activities		(183,702)	(46,873)
Net (decrease)/increase in cash and cash equivalents		(10,309)	61,040
Cash and cash equivalents at 1 January		263,908	202,057
Effect of exchange rate fluctuations on cash held		(1,545)	811
Cash and cash equivalents at 31 December	9	252,054	263,908

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

Notes To The Financial Statements

Year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 February 2023.

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 2022 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 2022

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with 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 2022

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (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 2022:

- *Amendment to SFRS(I) 16: COVID-19-Related Rent Concessions beyond 30 June 2021*
- *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*

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 2022

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.

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Written put option in business combination

When the Group writes a put option 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.

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

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

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

Foreign operations

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

Foreign currency differences are recognised in other comprehensive income. However, if the foreign operation is a non-wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

Classification and subsequent measurement

Non-derivative financial assets

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

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

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Financial assets: Business model assessment

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

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

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

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

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

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

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

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Financial assets at amortised cost

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

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

Financial liabilities are classified as measured at amortised cost.

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

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which 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.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Interest rate benchmark reform (cont'd)

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

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.

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

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

• Leasehold land	99 years, 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.

(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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets and goodwill (cont'd)

(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 2022

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.

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

(i) As a lessee (cont'd)

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'.

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

General approach

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

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

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

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

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

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

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

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

Presentation of allowance for ECLs in the statements of financial position

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

Write-off

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

Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs 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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

Share-based payment transactions

The grant date fair value of 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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue

Rendering of services

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

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

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.

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Finance income and finance costs (cont'd)

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

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

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

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

3.15 Tax

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

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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

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

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

Notes To The Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax (cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

3.16 Earnings per share

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

3.17 Segment reporting

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

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

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

Notes To The Financial Statements

Year ended 31 December 2022

4 PROPERTY, PLANT AND EQUIPMENT

Group	Cost	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
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	
At 1 January 2022	18,500	278,554	484,275	48,417	83,130	6,732	1,700	686	17,032	16,752	4,008	141	959,927	
Additions	-	-	178	12,671	4,184	642	100	532	1,782	365	250	1,981	22,685	
Derecognition of right-of-use assets	-	-	-	(14,824)	-	-	-	-	-	-	-	-	-	(14,824)
Disposals	-	-	-	-	(105)	-	(17)	(564)	(4)	-	-	-	-	(690)
Write-off	-	-	-	-	(13,532)	(2,417)	(858)	-	(1,747)	(3,736)	(1,724)	-	-	(24,014)
Transfer/Reclassification	-	-	-	-	-	-	-	-	-	-	33	(33)	-	-
Effect of movements in exchange rates	-	(4,371)	(24,128)	(1,867)	(2,590)	(100)	(18)	(8)	(453)	(1,052)	(3)	(23)	(34,613)	
At 31 December 2022	18,500	274,183	460,325	44,397	71,087	4,857	907	646	16,610	12,329	2,564	2,066	908,471	

Notes To The Financial Statements

Year ended 31 December 2022

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
Accumulated depreciation and impairment losses													
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
At 1 January 2022	—	28,330	40,538	25,222	40,275	3,350	1,341	396	13,423	7,613	2,077	—	162,565
Depreciation charge for the year	—	3,727	8,916	11,418	8,680	629	133	71	1,907	1,716	316	—	37,513
Derecognition of right-of-use assets	—	—	—	(13,577)	—	—	—	—	—	—	—	—	(13,577)
Disposals	—	—	—	—	(105)	—	(17)	(421)	(4)	—	—	—	(547)
Write-off	—	—	—	—	(13,071)	(2,012)	(841)	—	(1,590)	(3,695)	(1,561)	—	(22,770)
Impairment loss	—	153	9,805	—	—	—	—	—	—	—	—	—	9,958
Effect of movements in exchange rates	—	(80)	(837)	(1,060)	(935)	(25)	(15)	(4)	(333)	(454)	—	—	(3,743)
At 31 December 2022	—	32,130	58,422	22,003	34,844	1,942	601	42	13,403	5,180	832	—	169,399
Carrying amounts													
At 1 January 2021	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
At 31 December 2022	18,500	242,053	401,903	22,394	36,243	2,915	306	604	3,207	7,149	1,732	2,066	739,072
<i>Reclassification from investment properties</i>													
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 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Cost	Right-of-use assets (Properties)		Furniture and fittings		Office equipment		Motor vehicles		Computers		Renovations		Fixed asset work in progress		Total \$'000
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Derecognition of right-of-use assets																
Additions	2,435	4,126	2,060	1,576	700	5,552	1,940	13	18,402							
Disposal	-	282	33	62	-	689	127	664	1,857							
Write-off	(393)	-	-	-	-	-	-	-	(393)							
Transfer/Reclassification	-	-	(1,020)	(7)	-	(4)	-	-	(11)							
At 31 December 2021	2,042	3,785	1,084	1,012	586	5,449	1,743	52	15,753							
At 1 January 2022	2,042	3,785	1,084	1,012	586	5,449	1,743	52	15,753							
Additions	2,534	238	7	83	532	1,248	72	1,597	6,311							
Derecognition of right-of-use assets	(2,042)	-	-	-	-	-	-	-	(2,042)							
Disposal	-	(66)	-	-	(442)	(16)	-	-	(524)							
Write-off	-	(646)	(366)	(757)	-	(918)	(421)	-	(3,108)							
At 31 December 2022	2,534	3,311	725	338	676	5,763	1,394	1,649	16,390							
Accumulated depreciation																
Additions	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	-	-	(627)	(986)	(1)	(1)	(1)	-	(2)							
Write-off	-	-	2,749	747	(552)	(114)	(930)	(276)	(3,485)							
At 31 December 2021	1,632	2,749	747	849	362	4,217	1,409	-	11,965							
At 1 January 2022	1,632	2,749	747	849	362	4,217	1,409	11,965								
Depreciation charge for the year	624	354	87	70	63	692	200	-	2,090							
Derecognition of right-of-use assets	(1,894)	-	-	-	-	-	-	-	(1,894)							
Disposal	-	(15)	-	-	(306)	(6)	-	-	(327)							
Write-off	-	(598)	(321)	(737)	-	(783)	(411)	-	(2,850)							
At 31 December 2022	362	2,490	513	182	119	4,120	1,198	-	8,984							
Carrying amounts																
At 1 January 2021	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							
At 31 December 2022	2,172	821	212	156	557	1,643	196	1,649	7,406							

Notes To The Financial Statements

Year ended 31 December 2022

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	
			2022 \$'000	2021 \$'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	607	634
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	174	182
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	844	880
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	1,100	1,142
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	690	716
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	556	576
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	4,705	4,789
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	170,638	174,858
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	143,181	146,040
A building, located at 25 Tannery Lane, Singapore 347786, held for use as support office and storage centre	3,295.5	Freehold	19,562	19,726
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	16,489	16,799
A hospital building, located at No. 2, Huashan Middle Road, Yubei District, Chongqing, China	105,690.6	40 years commencing from 30/11/2017	126,969**	146,197**
A hospital building, located at No. 200 Yuanzhao Road, Pudong District, Shanghai, China	72,233.3	50 years commencing from 31/10/2015	176,941***	199,922***
			662,456	712,461

* Includes commercial space of 826.2 sq m (2021: 826.2 sq m) classified as investment properties.

^ Includes commercial space of 5,322.0 sq m (2021: 5,322.0 sq m) classified as investment properties.

Includes commercial space of 4,981.1 sq m (2021: 4,981.1 sq m) classified as investment properties.

** Includes cost of \$29,662,000 (2021: \$34,042,000) which the underlying assets had not been put into use.

*** Includes cost of \$115,030,000 (2021: \$125,144,000) which the underlying assets had not been put into use.

Notes To The Financial Statements

Year ended 31 December 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Major fixed asset work in progress

In 2021, staff costs of \$354,000 and borrowing costs of \$1,011,000 were capitalised. In the same financial 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	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. For the fair value under the market approach, the valuation model analyses estimated amount for which an asset 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. For the fair value under cost approach, it is based on the cost to reproduce or replace under new condition with current market prices for similar assets, with allowance for accrued depreciation arising from the conditions, utility, age, wear and tear, or obsolescence present (physical functional or economics). The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the value in use.

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

Impairment loss

During the year, the Group carried out a review of the recoverable amount of Raffles Hospital Shanghai and Raffles Hospital Chongqing, having regard to weaker operating performance of the hospitals which has been affected by the outbreak of COVID-19 in China. Raffles Hospital Shanghai and Raffles Hospital Chongqing are assessed as separate CGUs. The recoverable amounts of these two CGUs were estimated using the fair value less costs to sell approach, based on independent valuations undertaken by a professional valuer at the reporting date.

The review led to the recognition of an impairment loss of \$5,257,000 and \$4,701,000 respectively on Raffles Hospital Shanghai and Raffles Hospital Chongqing. The amounts have been recognised in profit or loss and presented as 'impairment loss on property, plant and equipment'. The fair value measurement is categorised as Level 3 on the fair value hierarchy.

Notes To The Financial Statements

Year ended 31 December 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment loss (cont'd)

The following table shows the key unobservable inputs used in the valuation model:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Shanghai Qihua Hospital		
Land: market approach	Market price of S\$3,029 per sq m (2021: nil)	A significant increase in market prices would result in a significantly higher fair value measurement and vice versa
Building: cost approach (depreciated replacement cost approach)	Adjusted market construction costs of S\$1,994 per sq m (2021: nil)	A significant increase in average replacement costs would result in a significantly higher fair value measurement and vice versa
Raffles Hospital Chongqing		
Land: market approach	Market price of S\$566 per sq m (2021: nil)	A significant increase in market prices would result in a significantly higher fair value measurement and vice versa
Building: cost approach (depreciated replacement cost approach)	Adjusted market construction costs of S\$1,054 per sq m (2021: nil)	A significant increase in average replacement costs would result in a significantly higher fair value measurement and vice versa

5 INTANGIBLE ASSETS AND GOODWILL

Group	Goodwill	Customer relationship	Membership rights	Software		Total				
				\$'000	\$'000					
Cost										
At 1 January 2021										
At 1 January 2021	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				
Additions	–	–	–	–	241	241				
Write-off	–	–	–	–	(116)	(116)				
Transfer	–	–	–	(164)	164	–				
Effects of movement in exchange rate	(1,938)	(375)	–	–	(372)	(2,685)				
At 31 December 2022	24,501	4,297	164	–	16,774	45,736				

Notes To The Financial Statements

Year ended 31 December 2022

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

	Goodwill \$'000	Customer relationship \$'000	Membership rights \$'000	Software under development \$'000	Software \$'000	Total \$'000
Group						
Accumulated amortisation and impairment losses						
At 1 January 2021	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
Amortisation	–	365	–	–	2,338	2,703
Write-off	–	–	–	–	(107)	(107)
Impairment loss	5,868	1,410	60	–	–	7,338
Effects of movement in exchange rate	(634)	(194)	–	–	(110)	(938)
At 31 December 2022	13,351	3,843	136	–	8,132	25,462
Carrying amounts						
At 1 January 2021	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
At 31 December 2022	11,150	454	28	–	8,642	20,274
		Membership rights \$'000	Software \$'000		Total \$'000	
Company						
Cost						
At 1 January 2021		93	1,483		1,576	
Additions		–	125		125	
At 31 December 2021		93	1,608		1,701	
Additions		–	14		14	
Write-off		–	(11)		(11)	
At 31 December 2022		93	1,611		1,704	
Accumulated amortisation and impairment losses						
At 1 January 2021		25	548		573	
Amortisation		–	253		253	
At 31 December 2021		25	801		826	
Amortisation		–	275		275	
Write-off		–	(2)		(2)	
Impairment loss		49	–		49	
At 31 December 2022		74	1,074		1,148	
Carrying amounts						
At 1 January 2021		68	935		1,003	
At 31 December 2021		68	807		875	
At 31 December 2022		19	537		556	

Notes To The Financial Statements

Year ended 31 December 2022

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

	Group	
	2022	2021
	\$'000	\$'000
China clinics	8,211	15,364
Cambodia clinic	2,939	2,958
	11,150	18,322

The recoverable amount of CGUs were based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs.

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

	Group	
	2022	2021
	%	%
Discount rate	15.2 – 15.6	12.1 – 18.1
Terminal growth rate	2.0 – 3.0	2.0 – 3.0
Revenue growth rate for next five years	3.0 – 20.7	3.0 – 25.9

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.

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Year ended 31 December 2022

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment testing for CGUs containing goodwill (cont'd)

	Decrease in budgeted first year revenue growth rate	
	2022	2021
	%	%
China clinics	–	–
Cambodia clinic	6.22	1.69

China clinics

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. Since 2021, the operations of the China clinics were affected by the continual COVID-19 coronavirus pandemic and the related restrictive 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 \$5,868,000 (2021: \$3,780,000) and an impairment loss of \$5,868,000 (2021: \$3,780,000) was recognised. The impairment loss was fully allocated to goodwill and included in 'impairment loss on intangible assets and goodwill'.

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 in China due to COVID-19 coronavirus pandemic during the year resulted in inherent uncertainty in the impairment assessment. The value-in-use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budgets approved by the directors covering a five-year period and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The cash flows are projected based on the Group's historical experience, market expectations and recent historical operating result. These cash flows are then discounted using the applicable discount rates based on their pre-tax weighted average cost of capital. The forecasted cash flows assumed in the value in use calculation is, however, subject to estimation uncertainties that may have a significant risk of resulting in material adjustments in any future periods affected. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

6 INVESTMENT PROPERTIES

	Note	Group	
		2022	2021
		\$'000	\$'000
At 1 January		274,000	294,600
Reclassification to property, plant and equipment	4	–	(21,014)
Changes in fair value		(600)	414
At 31 December		273,400	274,000

Notes To The Financial Statements

Year ended 31 December 2022

6 INVESTMENT PROPERTIES (CONT'D)

- (a) Investment properties relate to the shop units within Raffles Hospital Building and Raffles Specialist Centre, units of commercial space within Samsung Hub and Raffles Holland V that are leased to external parties. Each of the leases contains an initial non-cancellable period of 1 to 5 years. This is subject to the terms and conditions of the lease agreements entered into and subsequent renewals are negotiated with the respective lessee. These properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.
- (b) In 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 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 (2021: 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 (2021: 5,322.0)
Units within Samsung Hub, located at 3 Church Street Singapore 049483	999 years commencing from 25/01/1827	491.0 (2021: 491.0)
Units within Raffles Holland V, located at 118 Holland Avenue, Singapore 278997	99 years commencing from 18/01/1985	4,981.1 (2021: 4,981.1)

Measurement of fair value

(i) Determination of fair value and source of estimation uncertainty

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including capitalisation method and discounted cash flow method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates.

The capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property. Capital adjustments are then made to derive the capital value of the property. The discounted cash flow method involves the estimation and projection of net cash flows over a period and discounting the stream of net cash flow (including estimated terminal net cash flow) at an estimated required rate of return to arrive at the net present value.

In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

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.

Notes To The Financial Statements

Year ended 31 December 2022

6 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(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, 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 \$273,400,000 (2021: \$274,000,000), 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).

(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	
		2022 \$'000	2021 \$'000
At 1 January		274,000	294,600
Reclassification to property, plant and equipment	4	–	(21,014)
(Loss)/gain included in other operating expense/income			
- Changes in fair value		(600)	414
At 31 December		273,400	274,000

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 3.50% to 5.50% (2021: 3.50% to 5.50%) • Discount rates 7.00% (2021: 7.00%) • Terminal yield rates 4.25% (2021: 4.25%) 	The estimated fair value varies inversely against the capitalisation rates and discount rates.

Notes To The Financial Statements

Year ended 31 December 2022

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 2021	Recognised in profit or loss (note 21)	At 31 December 2021	Recognised in profit or loss (note 21)	At 31 December 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Deferred tax (assets)/liabilities					
Property, plant and equipment	3,103	1,219	(1)	4,321	(252)
Software	1,152	(174)	–	978	(92)
Unutilised tax losses	(950)	264	(33)	(719)	696
Intangible assets	664	(93)	30	601	(90)
Other items	2,707	1,090	31	3,828	(3,317)
	6,676	2,306	27	9,009	(3,055)
					(76)
					5,878
	At 1 January 2021	Recognised in profit or loss	At 31 December 2021	Recognised in profit or loss	At 31 December 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
Deferred tax liabilities/(assets)					
Property, plant and equipment	431	45	476	254	730
Software	159	(10)	149	(54)	95
Other items	(331)	(616)	(947)	(270)	(1,217)
	259	(581)	(322)	(70)	(392)

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 2022

7 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Property, plant and equipment	–	–	4,069	4,321
Software	–	–	886	978
Unutilised tax losses	–	(719)	–	–
Intangible assets	–	–	466	601
Other items	(5,983)	(996)	6,440	4,824
Deferred tax (assets)/liabilities	(5,983)	(1,715)	11,861	10,724
Set off of tax	3,558	577	(3,558)	(577)
Net deferred tax (assets)/liabilities	(2,425)	(1,138)	8,303	10,147

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

Group	2022	2021
	\$'000	\$'000
Tax losses	191,914	137,017

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 2022

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	183,788	144,821	132,806	84,679
Allowance for doubtful trade receivables	(3,721)	(4,314)	(1,261)	(1,382)
Net receivables	180,067	140,507	131,545	83,297
Other receivables	7,810	13,375	250	82
Deposits	3,799	4,063	117	117
Staff loans	352	1,342	29	227
Amounts due from subsidiaries:				
- trade	–	–	13,076	46,731
- non-trade (see note below)	–	–	9,552	49,094
	192,028	159,287	154,569	179,548
Prepayments	4,278	3,307	1,443	1,461
	196,306	162,594	156,012	181,009
Non-current	2,274	1,857	4,657	5,024
Current	194,032	160,737	151,355	175,985
	196,306	162,594	156,012	181,009

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fixed deposits	169,968	165,836	95,357	101,000
Cash at bank and in hand *	83,159	99,152	25,727	36,708
Cash and cash equivalents in the statements of financial position	253,127	264,988	121,084	137,708
Bank balances deposited in an escrow account	(1,073)	(1,080)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	252,054	263,908	121,084	137,708

* 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 3.49% (2021: 0.39%) and 3.19% (2021: 0.33%) respectively. Interest rates re-price at intervals of one month to three months (2021: one week to three months).

Notes To The Financial Statements

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10 CAPITAL AND RESERVES

Share capital

	2022		2021	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Company				
Fully paid ordinary shares, with no par value:				
At 1 January	1,870,726	426,346	1,864,726	420,966
Issue of shares under share option scheme	6,546	6,033	5,902	5,301
Issue of shares under performance share plan	–	–	98	79
At 31 December	1,877,272	432,379	1,870,726	426,346

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 6,546,000 (2021: 5,902,000) new fully-paid ordinary shares were issued and Nil (2021: 400,000) treasury shares were utilised during the year for cash by the Company as follows:

Date of Grant	Exercise price*	No. of Shares	
		2022	2021
01/04/2011	0.73	–	2,064,000
02/04/2012	0.78	3,085,000	1,670,000
01/04/2013	1.09	1,568,000	699,000
01/04/2014	1.07	966,000	770,000
01/04/2015	1.31	15,000	210,000
01/04/2016	1.50	–	15,000
03/04/2017	1.42	–	11,000
03/09/2018	1.09	294,000	353,000
01/07/2019	1.04	190,000	385,000
05/10/2020	0.81	428,000	125,000
		6,546,000	6,302,000

* 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.

Notes To The Financial Statements

Year ended 31 December 2022

10 CAPITAL AND RESERVES (CONT'D)

Reserves

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

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Translation reserve	(13,018)	9,089	–	–
Equity compensation reserve	35,758	33,061	35,758	33,061
Revaluation reserve	16,367	16,367	–	–
Reserve for own shares	(26,894)	(3,230)	(26,894)	(3,230)
Other reserve	(5,018)	(4,818)	(323)	(106)
Accumulated profits	575,480	483,979	553,591	398,745
	582,675	534,448	562,132	428,470

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 20,863,100 (2021: 2,436,900) of its own shares during the year. The treasury shares held by the Company of 22,725,300 as at 31 December 2022 (31 December 2021: 2,436,900) represent 1.23% (2021: 0.13%) of the total number of issued shares (excluding treasury shares). The Company also utilised 574,700 treasury shares pursuant to the RMG PSP 2020 during the financial year.

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

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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

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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 2022 \$	No. of options 2022 '000	Weighted average exercise price 2021 \$	No. of options 2021 '000
Outstanding at 1 January	1.173	75,145	1.131	76,405
Granted during the year	1.370	8,700	1.400	6,900
Forfeited/expired during the year	1.257	(844)	1.248	(1,858)
Exercised during the year	0.922	(6,546)	0.888	(6,302)
Outstanding at 31 December	1.216	76,455	1.173	75,145
Exercisable at 31 December	1.223	54,130	1.211	52,488

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11 SHARE BASED PAYMENT (CONT'D)

Raffles Medical Group (2020) Share Option Scheme (cont'd)

Options under RMG ESOS 2010 and RMG ESOS 2020 exercised in 2022 resulted in 6,546,000 (2021: 6,302,000) ordinary shares being issued at weighted average exercise price of \$0.922 (2021: \$0.888) each.

In 2022, 844,000 (2021: 1,858,000) options under RMG ESOS 2010 and RMG ESOS 2020 were forfeited at weighted average exercise price of \$1.257 (2021: \$1.248) each.

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$1.25 (2021: \$1.22) 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	
			2022 '000	2021 '000
02/04/2012	01/04/2022	0.78	–	3,197
01/04/2013	31/03/2023	1.09	4,407	6,044
01/04/2014	31/03/2024	1.07	5,842	6,931
01/04/2015	31/03/2025	1.31	12,386	12,401
01/04/2016	31/03/2026	1.50	9,420	9,420
03/04/2017	02/04/2022	1.42	–	500
03/04/2017	02/04/2027	1.42	4,327	4,367
03/09/2018	02/09/2023	1.09	725	725
03/09/2018	02/09/2028	1.09	6,366	6,660
01/07/2019	30/06/2024	1.04	825	825
01/07/2019	30/06/2029	1.04	8,123	8,313
01/07/2019	30/06/2024	1.08	100	100
05/10/2020	04/10/2025	0.81	1,525	1,900
05/10/2020	04/10/2030	0.81	6,854	6,907
01/09/2021	31/08/2026	1.40	1,610	1,610
01/09/2021	31/08/2031	1.40	5,245	5,245
01/09/2022	31/08/2027	1.37	1,350	–
01/09/2022	31/08/2032	1.37	7,350	–
			76,455	75,145

* After adjustment for Share Split.

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

Notes To The Financial Statements

Year ended 31 December 2022

11 SHARE BASED PAYMENT (CONT'D)

Raffles Medical Group (2020) Share Option Scheme (cont'd)

Date of grant of options	Group	
	01/09/2022	01/09/2021
<i>Fair value of share options and assumptions</i>		
Fair value at measurement date	\$0.289 - \$0.376	\$0.264 - \$0.330
Share price	\$1.43	\$1.43
Exercise price	\$1.37	\$1.40
Expected volatility	25.85%	28.05%
Expected option life	3.8 – 8.5 years	3.7 – 8.1 years
Expected dividend yield	2.07%	2.50%
Risk-free interest rate	2.22%	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.

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.

Notes To The Financial Statements

Year ended 31 December 2022

11 SHARE BASED PAYMENT (CONT'D)

Raffles Medical Group (2020) Performance Share Plan (cont'd)

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

Date of grant of awards	Share Awards outstanding
05/10/2020	626,600
01/09/2021	976,000
01/09/2022	1,012,600
	<hr/>
	2,615,200

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	
	01/09/2022	01/09/2021
Fair value at date of grant	\$1.43	\$1.43

12 LOANS AND BORROWINGS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current liabilities				
Unsecured bank loans	63,376	77,914	10,000	37,914
Current liabilities				
Unsecured bank loans	9,667	96,297	9,667	18,546
Total loans and borrowings	73,043	174,211	19,667	56,460

Information about the Group and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 17.

Notes To The Financial Statements

Year ended 31 December 2022

12 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	2022		2021	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group							
Unsecured bank loan	S\$	0.85% + SORA	2026	10,000	10,000	-	-
Unsecured bank loan	CNY	LPR – 0.36%	2026	53,376	53,376	-	-
Unsecured bank loan	HK\$	4.87%	2023	8,187	8,187	-	-
Unsecured bank loan	JPY	0.30%	2023	1,480	1,480	-	-
Unsecured bank loan	S\$	0.65% + SWAP/SOR	2022-2023	-	-	87,914	87,914
Unsecured bank loan	CNY	LPR + 1.00%	2022	-	-	77,751	77,751
Unsecured bank loan	HK\$	0.71	2022	-	-	6,851	6,851
Unsecured bank loan	JPY	0.40	2022	-	-	1,695	1,695
Total interest-bearing liabilities				73,043	73,043	174,211	174,211
Company							
Unsecured bank loan	S\$	0.85% + SORA	2026	10,000	10,000	-	-
Unsecured bank loan	HK\$	4.87%	2023	8,187	8,187	-	-
Unsecured bank loan	JPY	0.30%	2023	1,480	1,480	-	-
Unsecured bank loan	S\$	0.65% + SWAP/SOR	2022-2023	-	-	47,914	47,914
Unsecured bank loan	HK\$	0.71	2022	-	-	6,851	6,851
Unsecured bank loan	JPY	0.40	2022	-	-	1,695	1,695
Total interest-bearing liabilities				19,667	19,667	56,460	56,460

Notes To The Financial Statements

Year ended 31 December 2022

12 LOANS AND BORROWINGS (CONT'D)

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

	Liabilities			
	Loans and borrowings	Loan from subsidiary's non-controlling interest	Lease liabilities	Total
	\$'000	\$'000	\$'000	\$'000
Group				
Balance as at 1 January 2022	174,211	36,149	23,921	234,281
Changes from financing cash flows				
Proceeds from bank loans	85,609	–	–	85,609
Repayment of bank loans	(180,024)	–	–	(180,024)
Payment of lease liabilities	–	–	(12,165)	(12,165)
Interest paid	(4,617)	(1,639)	–	(6,256)
Lease interest paid	–	–	(540)	(540)
Total changes from financing cash flows	(99,032)	(1,639)	(12,705)	(113,376)
The effect of changes in foreign exchange rates	(6,839)	(3,113)	40	(9,912)
Other changes				
New leases	–	–	12,671	12,671
Lease derecognition	–	–	(1,367)	(1,367)
Interest expense	4,703	1,639	540	6,882
Total other changes	4,703	1,639	11,844	18,186
Balance as at 31 December 2022	73,043	33,036	23,100	129,179
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 2022

13 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables	52,886	67,739	8,721	18,842
Accrued operating expenses	145,386	158,634	51,704	47,129
Amounts due to subsidiaries:				
- trade	–	–	2,246	2,736
- non-trade	–	–	25,586	49,117
Loans from subsidiary's non-controlling interest	33,036	36,149	–	–
Deferred income	1,575	2,038	422	406
Other long term employee benefits – bonus plan	6,872	3,038	3,441	1,866
Deposits received	5,774	7,192	55	191
Other payables	34,720	29,094	6,201	4,673
	280,249	303,884	98,376	124,960
Non-current	56,478	50,316	21,842	8,582
Current	223,771	253,568	76,534	116,378
	280,249	303,884	98,376	124,960

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 \$1,900,000 (2021: \$2,178,000) which is unsecured, bears interest at 3% (2021: 3%) per annum and is repayable on demand, and loan of \$31,136,000 (2021: \$33,971,000) is unsecured, bears interest at 4.75% (2021: 4.75%) per annum and is repayable within three years at the discretion of the Group.

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 2022

14 LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Non-current				
one to two years	7,279	7,556	497	51
two to three years	2,723	4,350	515	53
three to four years	1,353	921	535	13
four to five years	1,048	252	275	–
more than five years	1,038	599	–	–
	13,441	13,678	1,822	117
Current				
less than one year	9,659	10,243	479	307
	23,100	23,921	2,301	424

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

	2022	2021
	\$'000	\$'000
Interest on lease liabilities	540	576
Expenses relating to short-term leases	1,245	1,476
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	207	191

Notes To The Financial Statements

Year ended 31 December 2022

14 LEASE LIABILITIES (CONT'D)

Amounts recognised in consolidated statement of cash flows

	2022 \$'000	2021 \$'000
Total cash outflow for leases	(12,705)	(12,118)

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 to 5 years, with fixed annual rents. Subsequent renewals are negotiated with the lessee and historically the average renewal period ranges from 1 to 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 2022 was \$7,108,000 (2021: \$7,576,000).

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

	Group	
	2022	2021
	\$'000	\$'000
Operating leases under SFRS(I) 16		
Less than one year	5,470	4,618
One to two years	4,408	1,439
Two to three years	2,866	613
Three to four years	1,259	536
Four to five years	126	506
Total	14,129	7,712

Notes To The Financial Statements

Year ended 31 December 2022

15 OTHER FINANCIAL LIABILITIES

	Group	
	2022	2021
	\$'000	\$'000
Present value of the exercise price of written put options	2,744	2,761

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					
	2022			2021		
	Gross \$'000	Reinsurers' share \$'000	Net \$'000	Gross \$'000	Reinsurers' share \$'000	Net \$'000
At 1 January	56,824	(32,177)	24,647	49,843	(25,365)	24,478
Provision made	83,695	(36,045)	47,650	78,079	(38,931)	39,148
Provision used	(75,916)	33,847	(42,069)	(71,098)	32,119	(38,979)
At 31 December	64,603	(34,375)	30,228	56,824	(32,177)	24,477

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 2022

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.

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 2022, 13.2% (2021: 18.1%) 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.

Notes To The Financial Statements

Year ended 31 December 2022

17 FINANCIAL INSTRUMENTS (CONT'D)

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.

	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
Group				
31 December 2022				
No credit terms	–	11,929	–	No
Not past due	0.32	144,402	464	No
Past due 0 – 30 days	1.84	11,303	208	No
Past due 31 – 180 days	6.65	12,152	808	No
Past due 181 – 365 days	22.68	1,755	398	Yes
More than one year	82.02	2,247	1,843	Yes
		<u>183,788</u>	<u>3,721</u>	
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>	

Notes To The Financial Statements

Year ended 31 December 2022

17 FINANCIAL INSTRUMENTS (CONT'D)

Expected credit loss assessment for trade and other receivables (lifetime ECL) (cont'd)

Trade receivables (cont'd)

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	\$'000	\$'000	
Company				
31 December 2022				
Not past due	0.05	123,764	60	No
Past due 0 – 30 days	2.03	3,204	65	No
Past due 31 – 180 days	10.39	4,582	476	No
Past due 181 – 365 days	38.89	612	238	Yes
More than one year	65.53	644	422	Yes
		<u>132,806</u>	<u>1,261</u>	
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
		<u>84,679</u>	<u>1,382</u>	

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 2022

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 Lifetime ECL \$'000	Company Lifetime ECL \$'000
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	<u>4,314</u>	<u>1,382</u>
At 1 January 2022	4,314	1,382
Impairment loss recognised	1,023	500
Impairment loss utilised	(1,568)	(621)
Exchange differences	(48)	–
At 31 December 2022	<u>3,721</u>	<u>1,261</u>

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 2022

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 and a S\$1,000,000,000 Multicurrency Medium Term Notes Programme 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 2022					
Non-derivative financial liabilities					
Unsecured bank loans	73,043	(80,955)	(12,086)	(68,869)	–
Other financial liabilities	2,744	(2,744)	(2,744)	–	–
Trade and other payables*	271,802	(273,338)	(219,703)	(53,635)	–
Lease liabilities	23,100	(24,307)	(10,195)	(13,059)	(1,053)
	370,689	(381,344)	(244,728)	(135,563)	(1,053)
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)

Notes To The Financial Statements

Year ended 31 December 2022

17 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Carrying amount	Contractual cash flows	Within 1 year	Between 1 and 5 years
	\$'000	\$'000	\$'000	\$'000
Company				
31 December 2022				
Non-derivative financial liabilities				
Unsecured bank loans	19,667	(20,579)	(9,989)	(10,590)
Trade and other payables*	94,513	(94,513)	(74,101)	(20,412)
Lease liabilities	2,301	(2,492)	(554)	(1,938)
	116,481	(117,584)	(84,644)	(32,940)
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)

* 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\$), Chinese Yuan (CNY) and British Pound Sterling (GBP).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level.

Notes To The Financial Statements

Year ended 31 December 2022

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:

Notes To The Financial Statements

Year ended 31 December 2022

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.

	2022 \$'000	2021 \$'000
Group		
EUR	(58)	(55)
HK\$	(881)	(730)
US\$	(1,451)	(1,016)
JPY	48	62
S\$	132	90
CNY	83	61
GBP	(33)	(28)
Company		
HK\$	(819)	(685)

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Fixed rate instruments				
Financial assets	169,968	165,836	95,357	101,000
Financial liabilities	(32,767)	(32,467)	(11,968)	(8,970)
Loan due to subsidiary's non-controlling interest	(33,036)	(36,149)	–	–
	104,165	97,220	83,389	92,030
Variable rate instruments				
Financial liabilities	(63,376)	(165,665)	(10,000)	(47,914)

Notes To The Financial Statements

Year ended 31 December 2022

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 2022				
Variable rate instruments	(634)	634	(100)	100
31 December 2021				
Variable rate instruments	(1,657)	1,657	(479)	479

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 had exposures to SOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. 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 identified the Singapore Overnight Rate Average (SORA) to replace SOR and SIBOR by the end of June 2023 and December 2024 respectively. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark rate (i.e. SORA). As at 31 December 2022, the Group do not have any SOR exposure.

Notes To The Financial Statements

Year ended 31 December 2022

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 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).

Notes To The Financial Statements

For the financial year ended 31 December 2022

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	31 December 2022	Carrying amount			Fair value			
		Note	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets not measured at fair value								
Trade and other receivables [#]	8	192,028			192,028			
Cash and cash equivalents	9	253,127			253,127			
		445,155			445,155			
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(73,043)		(73,043)	–		(73,043)
Trade and other payables*	13	–	(271,802)		(271,802)	–		–
Other financial liabilities	15	–	(2,744)		(2,744)	–		(2,744)
		–	(347,589)		(347,589)	–		(2,744)

Excludes prepayments

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

Year ended 31 December 2022

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Group	31 December 2021	Carrying amount			Fair value			
		Note	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	
Financial assets not measured at fair value								
Trade and other receivables [#]								
8	159,287	—	159,287	—	159,287	—	(174,211)	
9	264,988	—	264,988	—	264,988	—	(174,211)	
	424,275	—	424,275	—	424,275	—	(174,211)	
Financial liabilities not measured at fair value								
Loans and borrowings								
12	—	(174,211)	(174,211)	—	—	—	(174,211)	
Trade and other payables*								
13	—	(298,808)	(298,808)	—	—	—	(298,808)	
15	—	(2,761)	(2,761)	—	—	—	(2,761)	
	—	(475,780)	(475,780)	—	—	—	(475,780)	

Excludes prepayments

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

For the financial year ended 31 December 2022

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Carrying amount						Fair value							
	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000		Level 2 \$'000		Total \$'000					
					Level 1 \$'000	Level 3 \$'000	Level 2 \$'000	Level 3 \$'000						
Company														
31 December 2022														
Financial assets not measured at fair value														
Trade and other receivables [#]	8	154,569	—	154,569	—	—	—	—	—					
Cash and cash equivalents	9	121,084	—	121,084	—	—	—	—	—					
Amounts due from subsidiaries	26	809,836	—	809,836	—	—	—	—	809,836					
		1,085,489	—	1,085,489										
Financial liabilities not measured at fair value														
Loans and borrowings	12	—	(19,667)	(19,667)	—	—	(19,667)	—	(19,667)					
Trade and other payables*	13	—	(94,513)	(94,513)	—	—	(94,513)	—	(94,513)					
		—	(114,180)	(114,180)			(114,180)		(114,180)					

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)

Company	31 December 2021	Carrying amount			Fair value		
		Note	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000
					Total \$'000	Level 1 \$'000	Level 2 \$'000
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		
			995,987		995,987		
Financial liabilities not measured at fair value							
Loans and borrowings	12		–	(56,460)	(56,460)	–	(56,460)
Trade and other payables*	13		–	(122,688)	(122,688)	–	(122,688)
			–	(179,148)	(179,148)	–	(179,148)

Excludes prepayments

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

Year ended 31 December 2022

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 2021	2,705
Changes in exercise price of written put options	56
At 31 December 2021	2,761
Changes in exercise price of written put options	(17)
At 31 December 2022	2,744

Notes To The Financial Statements

Year ended 31 December 2022

18 REVENUE

	Group	
	2022	2021
	\$'000	\$'000
Revenue from contracts with customers	759,429	716,215
Rental income	7,108	7,576
	766,537	723,791

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

Notes To The Financial Statements

Year ended 31 December 2022

18 REVENUE (CONT'D)

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.

19 OTHER OPERATING INCOME

The following items have been included in other operating income:

	Group	
	2022	2021
	\$'000	\$'000
Government grants income	84	6,470
Employment related supports	6,440	5,522

Government grants income relates mainly to COVID-19 relief measures and support which comprise mainly of Early Contribution Incentive, Jobs Support Scheme grants. 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 and other employment related subsidies.

Notes To The Financial Statements

Year ended 31 December 2022

20 PROFIT FOR THE YEAR

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

	Group	
	2022 \$'000	2021 \$'000
Recovery of bad debts	(864)	(732)
Changes in fair value in investment properties	600	(414)
Contributions to defined contribution plans	23,486	31,321
(Gain)/loss on disposal of property, plant and equipment, net	(18)	59
Write-off for stock obsolescence	381	351
Write-off for non-trade receivables	–	680
Interest expense:		
- bank loans	4,703	4,924
- subsidiary's non-controlling interest	1,639	856
- lease liabilities	540	576
Interest income	(2,740)	(634)
Audit fees paid/payable to:		
- auditors of the Company	272	217
- other auditors	185	168
Non-audit fees paid/payable to:		
- auditors of the Company	107	65
- other auditors	266	1
Property, plant and equipment written-off	1,244	1,278
Foreign exchange loss/(gain)	1,349	(542)
Value of employee services received for issue of share options and share awards, included in staff costs	3,160	2,469
Impairment loss on intangible assets and goodwill	7,338	3,780
Impairment loss on property, plant and equipment	9,958	–
Grant expense	–	130

Notes To The Financial Statements

Year ended 31 December 2022

21 TAX EXPENSE

		Group	
	Note	2022	2021
		\$'000	\$'000
Tax recognised in profit or loss			
Current tax expense			
Current year		49,419	28,538
Adjustment for prior years		187	(351)
		49,606	28,187
Withholding tax			
Current year		1,451	1,375
Deferred tax expense			
Movements in temporary differences		(2,065)	2,086
Adjustment for prior years		(990)	220
	7	(3,055)	2,306
Tax expense		48,002	31,868
Reconciliation of effective tax rate			
Profit before tax		191,704	115,584
Tax using the Singapore tax rate of 17% (2021: 17%)		32,590	19,649
Effect of tax rates in foreign jurisdiction		(4,735)	(3,726)
Non-deductible expenses		6,140	3,519
Tax exempt income		(1,899)	(1,715)
Tax incentives		–	(18)
Withholding tax		1,451	1,375
Tax effect of unrecognised tax losses		16,805	13,704
Utilisation of tax losses		(179)	(790)
Over provision in respect of prior years		(803)	(131)
Foreign tax credit		(927)	(725)
Others		(441)	726
		48,002	31,868

Notes To The Financial Statements

Year ended 31 December 2022

22 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 December 2022 was based on the profit attributable to ordinary shareholders of \$143,516,000 (2021: \$84,171,000), and a weighted-average number of ordinary shares outstanding of 1,857,199,000 (2021: 1,867,547,000), calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2022	2021
	\$'000	\$'000
Profit attributable to ordinary shareholders	143,516	84,171

Weighted-average number of ordinary shares

	Group	
	2022	2021
	No. of shares	No. of shares
Issued ordinary shares at beginning of the year	1,870,726	1,864,727
Effect of own shares held	(18,115)	(513)
Effect of share options exercised	4,588	3,333
Weighted average number of ordinary shares during the year	1,857,199	1,867,547

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2022 was based on profit attributable to ordinary shareholders of \$143,516,000 (2021: \$84,171,000), and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,866,347,000 (2021: 1,876,460,000), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	Group	
	2022	2021
	\$'000	\$'000
Profit attributable to ordinary shareholders	143,516	84,171

Notes To The Financial Statements

Year ended 31 December 2022

22 EARNINGS PER SHARE (CONT'D)

Weighted-average number of ordinary shares

	Group	
	2022	2021
	No. of shares	No. of shares
	'000	'000
Weighted average number of ordinary share (basic)	1,857,199	1,867,547
Potential ordinary shares issuable under share options/share awards	9,148	8,913
Weighted average number of ordinary shares (diluted) during the year	1,866,347	1,876,460

At 31 December 2022, 41,688,000 (2021: 33,543,000) 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 hospitals 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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Year ended 31 December 2022

23 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Healthcare services			Hospital services			Investment holdings			Total	
	2022		2021	2022		2021	2022		2021	2021	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses											
Revenue	498,343	458,749	316,277	346,101	45,886	39,691	860,506	844,541			
Inter-segment revenue	7,613	15,196	47,628	72,608	38,728	32,946	93,969	120,750			
Finance costs	(934)	(797)	(39)	(11)	(5,909)	(5,548)	(6,882)	(6,356)			
Depreciation and amortisation	(16,631)	(16,889)	(11,160)	(11,367)	(18)	(162)	(27,979)	(28,418)			
Reportable segment profit before tax	166,664	78,478	21,413	23,955	10,479	23,534	198,556	125,967			
Other material non-cash items:											
- Impairment loss on intangible assets and goodwill	(7,327)	(3,780)	(11)	-	-	-	-	-	(7,338)	(3,780)	
- Impairment loss on property, plant and equipment	-	-	-	-	(9,958)	-	-	-	(9,958)	-	
- Impairment (losses)/gain on trade receivable	(413)	(917)	(610)	(741)	-	-	-	-	163	(1,023)	(1,495)
Reportable segment assets	1,242,554	1,175,191	232,149	287,000	962,977	1,022,846	2,437,680	2,485,037			
Capital expenditure	17,453	7,445	5,087	25,048	386	31,207	22,926	63,700			
Reportable segment liabilities	255,630	318,406	184,313	222,183	757,132	797,131	1,197,075	1,337,720			

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23 OPERATING SEGMENTS (CONT'D)

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

	2022 \$'000	2021 \$'000	
Revenues			
Total revenue for reportable segments	860,506	844,541	
Elimination of inter-segment revenue	(93,969)	(120,750)	
Consolidated revenue	766,537	723,791	
Profit before tax			
Total profit before tax for reportable segments	198,556	125,967	
Elimination of inter-segment profits / Consolidation adjustment	5,385	525	
Adjustment for depreciation of property, plant and equipment	(12,237)	(10,908)	
Consolidated profit before tax	191,704	115,584	
Assets			
Total assets for reportable segments	2,437,680	2,485,037	
Elimination of inter-segment assets	(942,403)	(940,889)	
Unallocated amounts-current tax and deferred tax assets	2,425	1,138	
Consolidated total assets	1,497,702	1,545,286	
Liabilities			
Total liabilities for reportable segments	1,197,075	1,337,720	
Elimination of inter-segment liabilities	(787,711)	(808,296)	
Unallocated amounts-current tax and deferred tax liabilities	57,934	39,242	
Consolidated total liabilities	467,298	568,666	
Other material items			
	Reportable segment totals \$'000	Adjustments \$'000	Consolidated totals \$'000
31 December 2022			
Depreciation and amortisation	27,979	12,237	40,216
31 December 2021			
Depreciation and amortisation	28,418	10,908	39,326

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Year ended 31 December 2022

23 OPERATING SEGMENTS (CONT'D)

Other material items (cont'd)

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 \$12,237,000 (2021: \$10,908,000) relates to the depreciation of these properties for the year ended 31 December 2022.

Geographical information

The Group operations are primarily in Singapore, Greater China, Vietnam, Cambodia and Japan.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Group	
	2022	2021
	\$'000	\$'000
Revenue		
Singapore	699,752	660,448
Greater China	50,247	49,292
Rest of Asia	16,538	14,051
Consolidated revenue	766,537	723,791
Non-current assets		
Singapore	679,065	686,590
Greater China	347,497	409,338
Rest of Asia	6,184	7,264
Consolidated non-current assets*	1,032,746	1,103,192

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

Major customer

Revenue from one major customer amounted to \$161.7 million (2021: \$158.5 million), arising from sales by all segments.

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Year ended 31 December 2022

24 COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2022, commitments contracted but not provided for by the Group in the financial statements amounted to \$24,160,000 (2021: \$42,227,000). This mainly relates to capital expenditure for Raffles Hospital Shanghai Project and Raffles Hospital Chongqing Project.

25 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel compensation

In addition to their salaries, the Group 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. 2,595,000 (2021: 2,600,000) share options were received by the key management personnel of the Company during the year. The share options that were granted during the year were on the same terms and conditions as those offered to other employees of the Company as described in note 11. At the reporting date, 9,185,000 (2021: 9,160,000) of the share options and 17,500 (2021: 36,000) of share awards granted to the directors of the Company were outstanding.

Key management personnel compensation comprised:

	Group	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	25,606	16,300
Other long-term employee benefits	351	436
Directors' fees	614	678
Share-based benefits	701	624
	27,272	18,038

26 SUBSIDIARIES

	Company	
	2022	2021
	\$'000	\$'000
Investments in subsidiaries	47,462	45,872
Amounts due from subsidiaries	809,836	678,731
	857,298	724,603

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 2022

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	
			2022 %	2021 %
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
² 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	- ¹⁴	- ¹⁴

Notes To The Financial Statements

Year ended 31 December 2022

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2022 %	2021 %
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
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
² Raffles International Hospital Hainan Co. Ltd.	Provision of medical services	China	100 ¹³	–

Notes To The Financial Statements

Year ended 31 December 2022

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2022 %	2021 %
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
² Dalian Jin Pu New District Anshen Clinic	Operation of medical clinics and provision of medical services	China	— ¹⁴	— ¹⁴
⁶ Nanjing Lai Ning Clinic and its subsidiary:	Operation of medical clinics and provision of medical services	China	— ¹⁴	— ¹⁴
⁶ Tianjin Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	— ¹⁴	— ¹⁴
¹¹ Shenzhen Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	— ¹¹	— ¹¹
⁵ Shanghai Ruihe Clinic Co. Ltd and its subsidiary:	Operation of medical clinics and provision of medical services	China	— ¹⁴	— ¹⁴
¹² Shenzhen ShenAn Clinic	Operation of medical clinics and provision of medical services	China	— ^{8,14}	— ^{8,14}
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

Notes To The Financial Statements

Year ended 31 December 2022

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2022 %	2021 %
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

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Year ended 31 December 2022

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2022 %	2021 %
¹ Raffles Medical China Pte Ltd and its subsidiaries:	Investment holding and provision of medical services and hospital operation	Singapore	100	100
¹ PeopleSolve Pte. Ltd. (fka Shenzhen Investments Pte Ltd)	Provision of employment agency and other health services	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

Notes To The Financial Statements

Year ended 31 December 2022

26 SUBSIDIARIES (CONT'D)

- 1 Audited by KPMG LLP, Singapore
- 2 Not required to be audited
- 3 Shares of this subsidiary are partially held in trust by a director 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 The subsidiary was struck off on 9 February 2021
- 12 Audited by WongGa Partners Certified Public Accountants (SZ) General Partners
- 13 The subsidiary was incorporated on 8 June 2022
- 14 The Group does not hold any ownership interests in these entities. However, based on the terms of agreements under which these entities were established, the Group receives substantially all of the returns related to their operations and net assets and has the current ability to direct these entities' activities that most significantly affect these returns. Because the owners' interests in these entities are presented as liabilities of the Group, there are no non-controlling interests for these entities.

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

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	
		2022	2021
Raffles Japanese Clinic Pte Ltd (RJC)	Singapore	20%	20%
International SOS (MC Holdings) Pte Ltd (MCH)	Singapore	20%	20%
Shanghai Qihua Hospital Co. Ltd (SQH)	China	30%	30%

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

	RJC \$'000	MCH \$'000	SQH \$'000	Other individually immaterial subsidiaries	Intra-group elimination	Total \$'000
				\$'000	\$'000	
2022						
Revenue	14,466	35,223	12,098			
Profit/(Loss)	218	(7,788)	3,825			
Other comprehensive income (OCI)	–	1,404	(3,848)			
Total comprehensive income	218	(6,384)	(23)			
Attributable to NCI:						
- Profit/(Loss)	44	(1,558)	1,148	552	–	186
- OCI	–	281	(1,154)	211	–	(662)
Total comprehensive income	44	(1,277)	(6)	763	–	(476)

Notes To The Financial Statements

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26 SUBSIDIARIES (CONT'D)

	RJC	MCH	SQH	Other individually immaterial subsidiaries	Intra-group elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Non-current assets	579	15,821	176,835			
Current assets	18,296	15,073	33,122			
Non-current liabilities	(61)	(3,905)	(135,286)			
Current liabilities	(4,356)	(46,990)	(17,622)			
Net assets/(liabilities)	14,458	(20,001)	57,049			
Net assets attributable to NCI	2,892	(4,000)	17,115	(931)	274	15,350
Cash flows from/(used in) operating activities	83	7,996	(9,717)			
Cash flows from/(used in) investing activities	264	(4,240)	(13,345)			
Cash flows (used in)/ from financing activities	(3)	–	24,185			
Net increase in cash and cash equivalents	344	3,756	1,123			
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 2022

27 DIVIDENDS

After the respective reporting dates, the directors proposed a one-tier tax exempt final dividend of 3.80 cents (2021: 2.80 cents) per share, amounting approximately to \$70,473,000 (2021: \$52,312,000), 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.

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

(i) Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to accumulated profits or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group accounts for deferred tax on leases applying the ‘integrally linked’ approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability is recognised on a net basis. Under the amendments, the Group will recognise a separate deferred tax asset and a deferred tax liability. As at 31 December 2022, the taxable temporary difference in relation to the right-of-use asset is \$14,271,000 (note 4) and the deductible temporary difference in relation to the lease liability is \$14,636,000 (note 14), resulting in a net deferred tax asset of \$62,000 (note 7). Under the amendments, the Group will recognise a separate deferred tax liability of \$2,431,000 and a deferred tax asset of \$2,493,000. There will be no impact on accumulated profits on adoption of the amendments.

(ii) Amendments to SFRS(I)1-1: *Classification of Liabilities as Current or Non-Current*

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to SFRS(I)1-1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of initial application. The Group is closely monitoring the developments.

(iii) SFRS(I) 17 *Insurance Contracts*

SFRS(I) 17 Insurance Contracts replaces SFRS(I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. The standard will bring significant changes to the accounting for insurance and reinsurance contracts and are expected to have a material impact on the Group’s financial statements in the period of initial application.

Notes To The Financial Statements

Year ended 31 December 2022

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED (CONT'D)

(iii) SFRS(I) 17 Insurance Contracts (cont'd)

Estimated impact of adoption of SFRS(I) 17

The Group is in the process of estimating the impact of adopting SFRS(I) 17 on its financial statements for the year ending 31 December 2023. The transition work has not been finalised and the eventual impact of adopting SFRS(I) 17 on 1 January 2023 may vary because:

- the Group is continuing to refine the new accounting processes and internal controls required for applying SFRS(I) 17;
- the Group has not finalised the testing and assessment of controls over its systems and changes to its governance framework; and
- the new accounting policies, assumptions, judgements and estimation techniques employed are subject to change until the Group finalises its first financial statements that include the date of initial application.

i. *Identifying contracts in the scope of SFRS(I) 17*

SFRS(I) 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts.

An insurance contract is a contract under which the insurance company accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

When identifying contracts in the scope of SFRS(I) 17, the Group will have to assess whether certain sets or series of contracts need to be treated as a single contract and whether goods and service components must be separated and accounted for under another standard. The Group does not expect significant changes arising from the application of these requirements.

If a contract contains distinct non-insurance elements, the Group will not include the non-insurance components for purposes of measurement under SFRS(I) 17. However, the Group does not issue any reinsurance contracts or insurance contracts with distinct non-insurance elements.

ii. *Level of aggregation*

Under SFRS(I) 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts that are subject to similar risks and managed together. Contracts in different product lines are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

The level of aggregation requirements of SFRS(I) 17 limits the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contract Service Margin ("CSM"), against losses on groups of onerous contracts, which are recognised immediately. Compared with the level at which the liability adequacy test is performed under SFRS(I) 4 (i.e. portfolio of contracts level), the level of aggregation under SFRS(I) 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised earlier.

Notes To The Financial Statements

Year ended 31 December 2022

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED (CONT'D)

(iii) SFRS(I) 17 Insurance Contracts (*cont'd*)

Estimated impact of adoption of SFRS(I) 17 (*cont'd*)

iii. Contract boundaries

Under SFRS(I) 17, the measurement of a group of contracts includes all of the future cashflow within the boundary of each contract in the group. Cashflows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel and policyholder to pay the premium or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- the Group has the practical ability to assess the risks of policyholder and as a result, can set a price or level of benefit that fully reflect those risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

In assessing the practical ability to reprice, risks such as insurance risks and financial risks transferred from the policyholder to the Group are considered.

Contracts are recognised at the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group become onerous.

iv. Measurement models

SFRS(I) 17 introduces a General Measurement Model (“GMM”) that is based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM. The Premium Allocation Approach (“PAA”) is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet certain eligibility criteria.

The contracts issued by the Group are primarily short-term in nature, whereby contract boundary is typically not more than one year, thus, the PAA measurement model would be widely applied across the group of contracts. For contracts where contract boundary exceeds one year, the Group will perform an assessment to determine if the application of the PAA method would produce a measurement of the liability for remaining coverage for the group of contracts that would not differ materially from the one that would be produced applying the GMM.

On initial recognition, the Group adopts the PAA approach on all contracts except for contracts that do not meet the PAA eligibility test, which will be measured using the GMM approach. The liability for remaining coverage comprises the premiums received at initial recognition less insurance acquisition cashflows.

The liability for remaining coverage will not be adjusted for the time value of money if, at contract inception, the time between the providing each part of the coverage and the related premium due date is no more than a year.

For contracts which are onerous during any coverage period an additional liability must be set up and loss is immediately recognised in the profit or loss. The additional liability is calculated as the difference between the carrying amount of the liability for remaining coverage under the PAA and the fulfilment cash flows that relate to the remaining coverage of the group under the GMM.

Notes To The Financial Statements

Year ended 31 December 2022

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED (CONT'D)

(iii) SFRS(I) 17 *Insurance Contracts (cont'd)*

Estimated impact of adoption of SFRS(I) 17 (cont'd)

iv. *Measurement models (cont'd)*

The loss component includes estimated future claims payment and future direct attributable expense arising from the written premiums.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided and adjusted for amortisation of acquisition cashflows. Subsequent changes to the fulfillment cash flows of an onerous group is allocated on a systematic basis between the loss component and the liability for remaining coverage, excluding the loss component. The total amount allocated to the loss component will equal to zero by the end of the coverage period of the group of contracts.

The Group will recognise the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted unless they are expected to be paid in one year or less from the date of claims are incurred.

The Group will apply the same accounting policies to measure reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts such as non-performance risk.

v. *Measurement – Significant judgements and estimates*

Estimates of future cash flows

In estimating the future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

When estimating future cash flows, the Group will consider current expectations of future events that might affect future cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be considered until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other expense that are incurred in fulfilling contracts.

Discount rates

Under SFRS(I) 17 the estimated future cash flows are to be adjusted to reflect the time value of money and the related financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows. The discount rates applied to the estimates of the future cash flows shall:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and
- exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Notes To The Financial Statements

Year ended 31 December 2022

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED (CONT'D)

(iii) SFRS(I) 17 Insurance Contracts (cont'd)

Estimated impact of adoption of SFRS(I) 17 (cont'd)

v. Measurement – Significant judgements and estimates (cont'd)

Risk adjustments for non-financial risk

Risk adjustments for non-financial will be determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. They will be determined separately for different portfolios based on an analysis of the risk profiles of the groups. They will be determined by a confidence level technique. Direct contract and reinsurance contract held will be assessed separately. The Group will establish a provision for adverse risk at 75% confidence level to determine the risk adjustments.

Although the Group mainly writes Accident & Health business (“A&H”), there are different coverages and target segments within the A&H business, for example Group vs Individual business and inpatient vs outpatient coverage.

A diversified portfolio would generally have a lower premium liability of business due to correlations between the risks from different lines of business. The Group will use the diversification benefits as a proxy to represent the credit taken from this diversification effect.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs.

vi. Presentation and disclosure

SFRS(I) 17 will significantly change how insurance contracts, reinsurance contracts are presented and disclosed in the Group's financial statements.

Under SFRS(I) 17, portfolios of insurance contracts are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balance such as insurance receivables and payables will no longer be presented separately. Any assets or liability recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under SFRS(I) 17, amounts recognised in the statement of comprehensive income are disaggregated into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 will provide added transparency about the sources of profits and quality of earnings.

Notes To The Financial Statements

Year ended 31 December 2022

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED (CONT'D)

(iii) SFRS(I) 17 *Insurance Contracts (cont'd)*

Estimated impact of adoption of SFRS(I) 17 (cont'd)

vii. *Transition*

Changes in accounting policies resulting from the adoption of SFRS(I) 17 will be applied using a full retrospective approach to the extent practicable, except as described below. Under the full retrospective approach, at 1 January 2022 the Group will:

- identify, recognise and measure each group of insurance contracts, reinsurance contracts as if SFRS(I) 17 always been applied; and
- derecognise previously reported balances that would not have existed if SFRS(I) 17 had always been applied.

If it is impracticable to apply a full retrospective approach to a group of contracts or to an asset from insurance acquisition cash flows, the Group will choose between the modified retrospective approach and the fair value approach. If the Group cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it will apply the fair value approach.

(iv) *Others*

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *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*

Shareholdings Statistics

As at 21 March 2023

SHARE CAPITAL AND VOTING RIGHTS

Number of issued and fully paid shares	: 1,881,272,925
Number and percentage of treasury shares held	: 22,725,300 (1.208% 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 21 March 2023, approximately 37.7% 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	1,138	7.77	49,072	0.00
100 – 1,000	1,822	12.43	975,882	0.05
1,001 - 10,000	7,271	49.61	36,343,630	1.93
10,001 - 1,000,000	4,383	29.90	189,849,529	10.09
1,000,001 and above	43	0.29	1,654,054,812	87.93
	14,657	100.00	1,881,272,925	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	Number of Shares	%*
1	Raffles Medical Holdings Pte Ltd	692,280,209	37.25
2	Loo Choon Yong	200,815,323	10.81
3	Citibank Nominees Singapore Pte Ltd	154,515,888	8.31
4	DBS Nominees Pte Ltd	131,910,548	7.10
5	DBSN Services Pte Ltd	100,181,155	5.39
6	Raffles Nominees (Pte) Limited	97,235,425	5.23
7	S & D Holdings Pte Ltd	62,755,366	3.38
8	HSBC (Singapore) Nominees Pte Ltd	41,780,557	2.25
9	UOB Nominees (2006) Pte Ltd	27,114,295	1.46
10	Tan Tiang Lee	15,721,192	0.85
11	Asian Medical Foundation Ltd	14,443,321	0.78
12	United Overseas Bank Nominees Pte Ltd	11,291,965	0.61
13	Yii Hee Seng	9,700,513	0.52
14	OCBC Nominees Singapore Pte Ltd	7,868,582	0.42
15	Maybank Securities Pte.Ltd	7,339,960	0.39
16	Phillip Securities Pte Ltd	5,604,803	0.30
17	Tan Soo Nan @Tan Soo Nam	4,541,000	0.24
18	OCBC Securities Private Ltd	4,212,799	0.23
19	Wee Beng Geok	3,564,000	0.19
20	IFast Financial Pte Ltd	3,546,749	0.19
		1,596,423,650	85.90

* The percentage is calculated based on the number of issued ordinary shares of the Company as at 21 March 2023, excluding 22,725,300 shares held as treasury shares as at that date.

Shareholdings Statistics

As at 21 March 2023

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⁾	200,815,323	10.81	783,835,081	42.17	984,650,404	52.98
Raffles Medical Holdings Pte Ltd	719,394,504	38.71	–	–	719,394,504	38.71
Global Alpha Capital Management Ltd. ⁽³⁾	–	–	168,768,350	9.08	168,768,350	9.08

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 Lai 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, that holds shares of the Company on behalf of a number of pooled funds and client accounts, for which Global Alpha Capital Management Ltd. has discretionary control of voting rights.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting (**AGM**) of Raffles Medical Group Ltd (the **Company**) will be held at **Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 28 April 2023 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 2022 together with the Auditors' Report thereon. **[Resolution 1]**
2. To declare a one-tier tax exempt final dividend of 3.8 Singapore cents per share for the year ended 31 December 2022 (2021: 2.8 Singapore cents per share). **[Resolution 2]**
3. To approve Directors' Fees of S\$505,500 for the year ended 31 December 2022 (2021: S\$564,650). **[Resolution 3]**
4. To re-elect Dr Loo Choon Yong, 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 4]**
5. To re-elect Mr Tan Soo Nan, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 5]**
6. To re-elect Mr Olivier Lim Tse Ghow, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer himself for re-election. **[Resolution 6]**
7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors of the Company (**Directors**) to fix their remuneration. **[Resolution 7]**

AS SPECIAL BUSINESS

8. **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

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

- (b) (even though the authority conferred by this Resolution may have ceased to be in force) issue shares and convertible securities pursuant to 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 pursuant to 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 pursuant to 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, which are issued and outstanding or subsisting at the time this Resolution is passed;
 - (ii) new shares arising from exercising of share options or vesting of share awards, which are issued and 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 continues 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 8]

9. 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 9]

Notice of Annual General Meeting

10. 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 an 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

10. 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 10]

11. 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 11]

12. 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 2023 AGM |
| (b) Number of Shares comprised in the proposed Option | : 200,000 Shares (representing approximately 0.01063% 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 12]

BY ORDER OF THE BOARD

Kimmy Goh / Jessica Soo
Company Secretaries
5 April 2023

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 2022, 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\$505,500 to non-executive Directors as Directors' Fees for the year ended 31 December 2022.

In relation to Ordinary Resolution 4 above, Dr Loo Choon Yong will, upon re-election as Director of the Company, remain as Executive Chairman and Non-Independent Director of the Company. Dr Loo is the father of Dr Sarah Lu Qinghui, an Executive and Non-Independent Director of the Company.

In relation to Ordinary Resolution 5 above, Mr Tan Soo Nan will, upon re-election as Director of the Company, remain as an Executive and Non-Independent Director of the Company. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors of the Company.

In relation to Ordinary Resolution 6 above, Mr Olivier Lim Tse Ghow will, upon re-election as Director of the Company, remain as a Non-Executive and Non-Independent Director of the Company. There are no relationships (including immediate family relationships) between Mr Lim and the other Directors of the Company.

Ordinary Resolution 8 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 9 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 10 can be found in the letter to Shareholders dated 5 April 2023 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 10 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 11 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 12 are set out in the letter to Shareholders dated 5 April 2023 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 12 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.

Notes:

General

1. The 34th Annual General Meeting (**AGM**) will be held in a wholly physical format. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice of AGM, Proxy Form and Annual Report 2022 will NOT be sent to members of the Company. Instead, these documents will be made available on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.rafflesmedicalgroup.com/investor-relations/upcoming-events/annual-general-meeting>.
2. Members may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) submitting questions to the Chairman of the AGM in advance of, or at the AGM; and/or
 - (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

Central Provident Fund (**CPF**) Investment Scheme investors and/or Supplementary Retirement Scheme (**SRS**) investors who wish to attend the AGM in person should approach their respective CPF agent banks or SRS operators to make arrangements by 5.00 p.m. on 18 April 2023, being seven (7) working days prior to the date of the AGM.

Please bring along your NRIC/Passport so as to enable the Company to verify your identity. We encourage members to wear masks when attending the AGM and to appoint a proxy(ies) to attend on their behalf if they are unwell prior to the AGM.

Notice of Annual General Meeting

Appointment of Proxy and Voting

3. (a) A member, who is not a relevant intermediary, is entitled to appoint not more than two (2) proxies to attend, speak and vote on his behalf at the AGM. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy in the form of proxy.
 - (b) A member, who is a relevant intermediary, is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints two (2) or more proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- Relevant intermediary has the meaning ascribed to it in Section 181 of the Companies Act 1967 which means:
- (i) a banking corporation licensed under the Banking Act 1970, or its wholly-owned subsidiary, whose business includes the provision of nominee services, and who holds shares in that capacity;
 - (ii) a capital markets services licence holder who provides custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
 - (iii) the CPF Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors, if CPF holds those shares in the capacity of an intermediary.
4. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar of the Company at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, or received via email sent to gpb@mncsingapore.com, not less than 72 hours before the time fixed for holding the AGM.

A member may appoint the Chairman of the AGM as his proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If there is no direction as to voting or abstentions from voting in respect of a resolution on the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. Investors holding shares through a relevant intermediary should not make use of the Proxy Form. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m. on 18 April 2023, being seven (7) working days prior to the date of the AGM. Other such investors should approach their respective relevant intermediary to specify their voting instructions as soon as possible.
6. A corporation which is a member may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

Submission of Questions

7. Members, as well as CPF and SRS investors, may submit questions relating to the business of the AGM up until 3.30 p.m. on 14 April 2023 in the following manner:
 - (a) via post, to be deposited at the office of the share registrar of the Company at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or
 - (b) via email sent to investorrelations@rafflesmedical.com.

When sending your questions via post or email, 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 The Central Depository, CPF, or SRS).

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. Shareholders and/or their duly appointed proxy(ies) will also be able to ask questions relating to the business of the AGM, at the AGM. The Company will also publish the minutes of the AGM on SGXNet and the Company's website.

Personal Data Privacy

8. Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, the member of the Company (i) 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 proxies and representatives appointed 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), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representatives for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, we set out below the additional information on Dr Loo Choon Yong, Mr Tan Soo Nan and Mr Olivier Lim Tse Ghow, all of whom are seeking re-election as Directors at the 34th 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 2022.

	DR LOO CHOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
Date of Appointment	16/05/1989	28/07/2000	01/10/2014
Date of last re-appointment (if applicable)	26/06/2020	26/04/2021	26/04/2021
Age	74	74	58
Country of Principal Residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr Loo as Executive Chairman 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.	The re-election of Mr Tan as an Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Lim as a Non-Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Dr Loo has abstained from the deliberation of the Board pertaining to his re-election.	Mr Tan has abstained from the deliberation of the Board pertaining to his re-election.	Mr Lim has abstained from the deliberation of the Board pertaining to his re-election.	
Whether appointment is executive, and if so, the area of responsibility	<ul style="list-style-type: none"> • Executive and Non-Independent Director 	<ul style="list-style-type: none"> • Executive and Non-Independent Director 	<ul style="list-style-type: none"> • Non-Executive and Non-Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> • Executive Chairman 	<ul style="list-style-type: none"> • Executive and Non-Independent Director 	<ul style="list-style-type: none"> • Non-Executive and Non-Independent Director
Professional qualifications	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Bachelor of Business Administration (Honours), University of Singapore • Associate of The Chartered Institute of Bankers • Program for Management Development, Harvard Business School 	<ul style="list-style-type: none"> • Bachelor of Engineering (Civil) (First Class Honours), Imperial College, London

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

	DR LOO CHOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
Working experience and occupation(s) during the past 10 years	<p>May 1989 to present: Executive Chairman and Non-Independent Director of RMG</p> <p>January 2013 to March 2019: Chairman of JTC Corporation</p>	<p>January 2015 to present: Executive and Non-Independent Director of RMG</p> <p>July 2000 to January 2015: Non-Executive and Non-Executive Independent Director of RMG</p> <p>October 2004 to present: Executive Director of Raffles Health Insurance Pte Ltd</p>	<p>CapitaLand Limited from 2003 to 2014, including the following roles:</p> <p>January 2013 to September 2014: Group Deputy Chief Executive Officer</p> <p>February 2012 to January 2013: Chief Investment Officer</p> <p>August 2011 to February 2012: Senior Vice President, Strategic Corporate Development</p>
Shareholding interest in RMG and its subsidiaries	Yes	Yes	Yes
Shareholding Details	<p>Direct interest: 200,815,323 ordinary shares in RMG</p> <p>Deemed interest: 783,835,081 ordinary shares in RMG</p>	<p>Direct interest: 4,541,000 ordinary shares in RMG</p> <p>1,155,000 share options (vested and unvested) granted pursuant to the RMG ESOS 2010 and RMG ESOS 2020</p> <p>5,000 performance shares awarded pursuant to the RMG PSP 2020</p>	<p>Direct interest: 451,016 ordinary shares in RMG</p> <p>825,000 share options (vested and unvested) granted pursuant to the RMG ESOS 2010 and RMG ESOS 2020</p>
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	Dr Loo Choon Yong is the father of Dr Sarah Lu Qinghui, an Executive and Non-Independent Director of RMG	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

	DR LOO CHOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to RMG	Yes	Yes	Yes
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS			
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. JTC Corporation (Chairman) 2. The Free Zones Authority of the State of Qatar (Director) 	<ol style="list-style-type: none"> 1. Society for the Physically Disabled (Director) 	<ol style="list-style-type: none"> 1. Banyan Tree Holdings Limited (Independent Director) 2. DBS Foundation Ltd (Independent Director) 3. Fraser Property Australia Pty Ltd (Chairman) 4. globalORE Pte Ltd (Chairman) 5. JTC Corporation (Board Member) 6. KWL Intelligence Pte Ltd (Director) 7. NorthLight School (Director) 8. PropertyGuru Pte Ltd (Chairman) 9. Singapore Management University (Member of Board of Trustee)
Present	<ol style="list-style-type: none"> 1. Asian Medical Foundation Ltd (Chairman) 2. Doctor World Pte Ltd (Chairman) 3. Ministry of Foreign Affairs (Non-Resident Ambassador to the Republic of Poland) 4. Raffles Health Insurance Pte Ltd (Chairman) 	<ol style="list-style-type: none"> 1. Engro Corporation Limited (Non-Executive and Independent Director) 2. SATS Ltd (Non-Executive and Independent Director) 3. ICE Clear Singapore Pte Ltd (Director) 4. ICE Futures Singapore Pte Ltd (Director) 5. ICE Singapore Holdings Pte Ltd (Director) 6. Ministry of Transport (Member of the Public Transport Council) 7. Raffles Health Insurance Pte Ltd (Executive Director) 8. Temasek Foundation Limited (Director) 9. TF IPC Ltd (Director) 10. Woh Hup Trust (Director) 	<ol style="list-style-type: none"> 1. DBS Group Holdings Ltd (Lead Independent Director) 2. DBS Bank Ltd (Independent Director) 3. PropertyGuru Group Limited (Non-Executive Chairman and Independent Director) 4. Starhub Ltd (Non-Executive Chairman) 5. Certis CISCO Security Pte Ltd (Chairman) 6. Singapore Tourism Board (Deputy Chairman)

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

	DR LOO CHOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
(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
(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
(c) Whether there is any unsatisfied judgement against him?	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

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

	DR LOO CHOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
(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
(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
(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
(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

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

	DR LOO CHOOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
(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
(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
(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
(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
(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

Additional Information on Directors Seeking Re-Election

As at 21 March 2023

	DR LOO CHOON YONG	MR TAN SOO NAN	MR OLIVIER LIM TSE GHOW
(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

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Raffles Medical Group

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), 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 Tuesday, 18 April 2023, 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 5 April 2023.
- (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/Co Reg No.)

of _____ (Address)

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

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

and/or (delete as appropriate)

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as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the 34th Annual General Meeting (**AGM**) of the Company to be held at **Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593** on **Friday, 28 April 2023 at 3.30 p.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting on his/her/their discretion. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote for or against the resolutions to be passed at the AGM as indicated below, for me/us on my/our behalf at the AGM and at any adjournment of the AGM. If no specific direction as to voting in respect of a resolution is given when the Chairman of the AGM is appointed as my/our proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

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 2022 and Auditors' Report thereon			
2.	Approval of a one-tier tax exempt final dividend of 3.8 Singapore cents per share for the year ended 31 December 2022			
3.	Approval of Directors' Fees of S\$505,500 for the year ended 31 December 2022			
4.	Re-election of Dr Loo Choon Yong, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
5.	Re-election of Mr Tan Soo Nan, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
6.	Re-election of Mr Olivier Lim Tse Ghow, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
7.	Re-appointment of KPMG LLP as Auditors and fixing their remuneration			
SPECIAL BUSINESS – ORDINARY RESOLUTIONS				
8.	Authority to Allot and Issue Shares			
9.	Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes			
10.	The Proposed Renewal of Share Buy Back Mandate			
11.	Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme			
12.	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", "Against" or "Abstain" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all your votes "For", "Against" or "Abstain" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____, 2023



Signature of Member(s) or Common Seal

Total Number of Shares Held
(Please see Note 1)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold this Flap for sealing. Glue firmly

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. 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 CPF/SRS investors. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should contact their respective CPF agent banks or SRS operators by **Tuesday, 18 April 2023, 5.00 p.m. Singapore time** to submit his/her votes.
3. 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 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; or
 - (b) 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 either case, must be received by the Company no later than **Tuesday, 25 April 2023, 3.30 p.m. Singapore time**, being 72 hours before the time appointed for the holding of the AGM.
4. A proxy need not be a member of the Company. 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.
5. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

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

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Raffles Medical Group

Company Registration
No. 198901967K

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